



Quarterly Activities Report – March 2024

Heavy Minerals Limited (ASX: HVY) (“**Heavy Minerals**” or the “**Company**”) is pleased to present the March 2024 Quarterly Activities Report, the highlights for the period are as follows:

Key Highlights:

- **Port Gregory Pre-Feasibility Study (PFS) Progresses:**
 - ✘ PFS study work for the Port Gregory Garnet Project (PGGP) was progressed during the quarter and completion is now expected in the second half of 2024.
 - ✘ The Company has temporarily paused the IHC study work. Whilst the pause was initially due to the Company awaiting Royalty Funding, the Company has used the opportunity to assess a potentially significant reduction in the PGGP capital estimate. This potential reduction is due to an alternate minerals processing plant proposal that has been received from a reputable mineral sands’ equipment supplier.
 - ✘ The study follows the successful completion of the Port Gregory Scoping Study (PGSS) and Preliminary Economic Assessment (PEA) announced in September 2022.
 - ✘ The PFS will explore multiple development options to maximize the Net Present Value (NPV) of the project and define the marketing and logistic options whilst meeting the standards of the JORC Code 2012 Edition, VALMIN Code 2015 Edition, and AusIMM guidelines.
 - ✘ Work was undertaken to advance the PGGP hydrogeological program by assessing water quality in the target aquifer during the quarter with favourable results. In addition, the scope of work and tendering of the hydrogeological drilling and test pumping was successfully completed.
- **Forward Product Sales**
 - ✘ The Company signed a non-binding MoU for the sale of 15% of PGGP future production with Melbourne (Australia) based garnet distributor ABSS.
- **Port Gregory Project Permitting Commenced:**
 - ✘ Permitting activities for the PGGP have advanced with consultants MBS Environmental and in collaboration with our hydrogeological consultants Rockwater. The initial phase of work to baseline the project permitting requirements has been completed and report writing is well advanced.
- **Preparation of the Mining Lease Application:**
 - ✘ Preparation of detailed documentation for the PGGP Mining Lease Application is now complete and is undergoing final internal and external review prior to lodgement.
- **Land access negotiations for new exploration opportunities:**
 - ✘ Negotiations for land access to a number of new exploration targets the Company has identified have advanced in preparation for mineral sampling.
- **Extension of Term Granted:**
 - ✘ The Company received 5-year extensions of term for Exploration Licences E 70/5160, E 70/5130 & E 66/102.



▪ **Investor Relations**

- ✘ The Company participated at the Mining Indaba Conference and engaged with investors at the conference and occupied a booth.
- ✘ The Company presented an update at the Association of Materials Performance and Protection (AMPP) Annual Conference in New Orleans, which is widely considered the world's peak corrosion industry conference and attracted over 6000 delegates from around the world.

▪ **Inhambane Project**

- ✘ The Company met with the Inhambane Project partners in Maputo the capital of Mozambique and spend time onsite.

Commentary from Non-Executive Chairman, Mr. Adam Schofield:

“We are pleased to present this Quarterly Report which summarises the steady progress the Company has made towards making the PGGP a commercial reality, as well as advancing work on other projects and tenements in the portfolio.

A number of standout achievements realised this quarter include the Company securing a non-binding MoU with Victorian based garnet distributor ABSS for 15% of the Company's annual Garnet production for a period of 5 years; the Company initiating a Share Purchase Plan (SPP) which raised \$430K and the Company successfully extending the term on 3 of its exploration licences by 5 years.

The SPP uptake by a large number of Shareholders in a difficult equities market is testament to the strong shareholder support for the Company and its Projects.

The progress with the Port Gregory Garnet Project (PGGP) PFS workstreams and the ongoing progress towards permitting of the project leaves the board confident that the PGGP is on track to commercial realisation.”

Port Gregory Pre-Feasibility Study (PFS)

IHC Mining are an industry leading Mineral Sands Engineering Consultancy with over 100 years of global experience in the mining sector including mineral extraction from fine sand ores.

The IHC Study Team selected for the project is being led by many of the engineers that worked directly on the PGSS and PEA announced in September 2022. The learnings from this project and other mineral sand projects IHC Mining have undertaken will be applied to HVY's PFS providing HVY with a best-in-class outcome.

The PFS is a critical step following the PGSS and PEA, aimed at further defining the project's potential and paving the way for future development. The PFS aims to build on the findings of the previous Port Gregory Scoping Study (PGSS) and Preliminary Economic Assessment (PEA), deepening the understanding of the project's economic, technical, and environmental aspects whilst also improving project value and reducing development risk.

An example of an IHC Mining modular processing plant concept used for similar projects is shown in Figure 1.

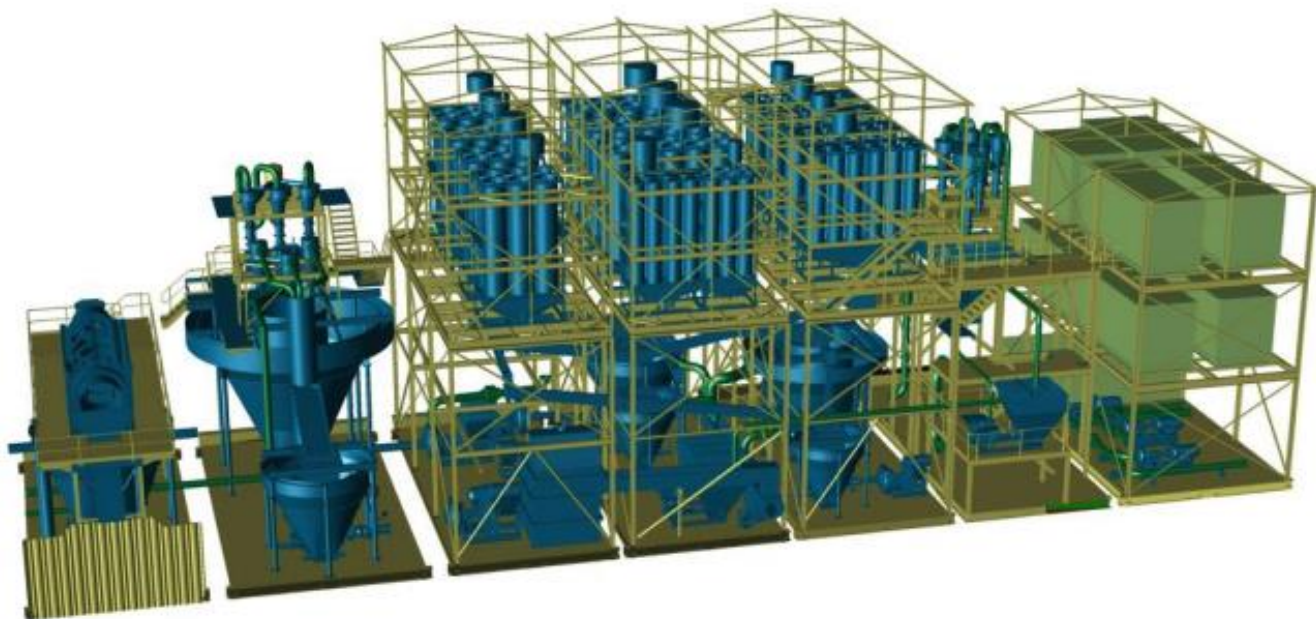


Figure 1 - Minerals sands modular plant concept (IHC Mining)

The PFS will adhere to the highest industry standards, including the JORC Code 2012 Edition, VALMIN Code 2015 Edition, and AusIMM Engineering Reporting Study Guidelines. This ensures that the study's findings are credible, reliable, and align with industry best practices. The battery limits of the IHC Mining PFS are from mine production through to delivery of finished product to Port.

The Company has previously communicated the deliverables of the IHC Mining PFS and can report that IHC Mining are progressing completion against those deliverables. HVY has recently received a technical proposal from a minerals processing equipment manufacturer that may provide opportunity for a comparable mineral sands processing plant at a significantly reduced capital cost. The Company is currently evaluating this proposal. The IHC Mining PFS has been temporarily paused whilst this evaluation takes place such that the opportunity can be integrated into the PFS scope accordingly, and whilst additional Royalty Funding is being secured for the Project.

In January a site visit was undertaken to take water samples from existing water bores sourcing water from the target aquifer. The purpose was to test for water quality and the results were favourable. A hydrogeological drill program has been designed, costed and tendered. This work will allow for further water quality testing as well as pumping tests and is planned for H2 2024.

Port Gregory Project Permitting:

The initiation of permitting activities is a key milestone towards achieving a Final Investment Decision for the Port Gregory project. MBS Environmental were retained in 2023 to launch this work. Their expertise in mineral sands and their proven track record in similar projects will guide these efforts. The focus will be on a robust permitting strategy and plan, ensuring compliance and smooth progression of the project.

MBS Environmental completed a baseline assessment of the PGGP permitting requirements during the quarter and this work is largely complete. The regulatory baseline assessment report is being completed at the time of writing and the Company can advise that the review did not identify any critical issues.

In addition to the work MBS Environmental will undertake, HVY will also undertake agency engagement. This work has been progressing and the Company expects to meet with DMIRS in Q2 2024 to discuss the PGGP permitting process.

Preparation of Mining lease application:

Preparation of detailed documentation for the Port Gregory Mining Lease Application was completed during the Quarter. A meeting has been scheduled with DMIRS prior to submission and unless advised otherwise by DMIRS the Company plans to submit the Mining Lease Application during the next quarter.

Land access negotiations for new exploration opportunities:

Negotiations for land access to a number of new exploration targets the Company has identified were continued during the quarter. There was some success and positive signs with the landowner engagements and the Company anticipates commencing a low impact exploration program in 2024 to validate potential targets identified during the quarter.

Extension of Term Granted:

The Company received 5-year extensions of term for Exploration Licences E 70/5160, E 70/5130 & E 66/102.

This ensures continuity of the Company's Port Gregory Tenure whilst allowing the Company to conduct additional exploration as it looks to increase its potential Garnet resources in the future.

Investor Relations

The Company participated in the Mining Indaba Conference in Cape Town, South Africa. The Company had a booth showcasing both its Mozambican and Australia projects.

Aaron Williams presented an update at the Association of Materials Performance and Protection (AMPP) Annual Conference in New Orleans, which is widely considered the world's peak corrosion industry conference and attracted over 6000 delegates from around the world. This was a perfect opportunity to give potential North American Garnet distributors and users an introduction to the Company and its Port Gregory Project.

ESG

Heavy Minerals Limited (HVY) remains steadfast in its dedication to ESG principles and sustainability, recognising them as essential drivers for long-term value. The Company has been working with Socialsuite and has selected the United Nations' Sustainable Development Goals (SDGs) as appropriate standards to align with. In 2023 work commenced to complete a baseline assessment against the Stakeholder Capitalism Metrics (SCM) framework established by the World Economic Forum (WEF). The baseline assessment is well advanced, and the Company is progressing towards establishing an ESG disclosure report against the 21 WEF metrics in due course.



Figure 2: World Economic Forum Governance Metrics

Financial Commentary

The Company closed the quarter with \$0.442M in cash, details are provided in the Appendix 5B report. Payments totalling \$25K were made to Directors during the quarter for salaries, fees and superannuation.

Funding

SPP

During the Quarter the Company initiated a Capital Raising via a Share Purchase Plan (SPP) with the stated aim of raising \$750K to be used to continue the Port Gregory PFS whilst awaiting additional Royalty Funding.

The Company raised a total of \$430K via the SPP which included a small portion of Oversubscriptions

Royalty

The Company did not receive additional Royalty Funding during the quarter via its non-dilutive gross revenue royalty raising. To date the Company has successfully raised a total of \$750,000 (before costs, awaiting \$100,000 of funds) to date. The Company continues to raise via the Royalty and has strong interest and anticipates signing a number of new subscribers in the coming quarters.

The funds being raised from the Royalty Funding are being used to fund the Company's pre-feasibility study (PFS) at its Port Gregory Project and for general working capital.

This announcement has been authorised by the Board of Directors of the Company.

Ends

For further information, please contact:

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Competent Persons Statement

The information in this announcement that relates to Exploration Results, Exploration Targets and Mineral Resource estimates has been prepared, compiled and reviewed by Mr. Greg Jones (FAusIMM) who is a Non-Executive Director of the Company and a full time employee of IHC Mining.

Mr. Jones is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Mr. Jones has reviewed this report and consents to the inclusion in the report of the matters in the form and context with which it appears.

Cautionary Statement

Estimates by experienced, competent geoscientists are considered to be reliable and reproducible semi-quantitative estimates of the abundance of minerals present in a sample. Visual estimates of heavy mineral and mineral assemblage abundance should, however, never be considered a proxy or substitute for laboratory analyses where mineral concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding potential impurities or deleterious physical properties relevant to valuations of industrial minerals.

Schedule of Tenements

Project	Tenement Number	Registered Holder	Status	Area (Ha)	Expiry Date	Interest Held @ 31 Dec 2023	Interest Held @ 31 Mar 2024
Port Gregory Red Hill	E66/102	Mozmin Resources Pty Ltd	Granted	4,928.39	30-Oct-28	100%	100%
	E70/5130	Mozmin Resources Pty Ltd	Granted	7,125.91	18-Nov-28	100%	100%
	E70/5160	Mozmin Resources Pty Ltd	Granted	1,403.23	07-Jan-29	100%	100%
	E70/5161*	Mozmin Resources Pty Ltd	Granted	3,810.91	08-May-24	100%	100%
	E70/5314	Mozmin Resources Pty Ltd	Granted	885.21	01-Jan-25	100%	100%
	E70/5934	Mozmin Resources Pty Ltd	Granted	4,552.00	13-Dec-26	100%	100%
Inhambane	10255C	+258 Limitada	Pending	21,388.35	N/A	70%	70%

* 5-year Exploration Licence renewal application submitted to DEMIRS

About Heavy Minerals Limited

Heavy Minerals Limited (ASX: HVY) is an Australian ASX listed industrial mineral exploration company.

The Company’s projects are prospective for industrial minerals including but not limited to Garnet, Zircon, Rutile and Ilmenite. The Company’s initial focus is the Port Gregory and Red Hill Garnet Projects in Western Australia with the Port Gregory project having a JORC (2012) Mineral Resource of 166 million tonnes @ 4.0% Total Heavy Minerals. This comprises a Measured Mineral Resource of 126 Mt @ 3.8% THM; an Indicated Mineral Resource of 20 Mt @ 6.5% THM; and an Inferred Mineral Resource of 20 Mt @ 2.9% THM. This includes 5.9 million tonnes of contained Garnet and 260 thousand tonnes of ilmenite⁴.

An Exploration Target has been defined for Red Hill using cut-off grades for reporting of 3% THM and 1% THM and ranging from 90 to 150 Mt of material @ 5.4% to 4.1% THM. The Exploration Target also contains between 5 and 6 Mt of THM and 3.8 and 4.5 Mt of garnet⁵. The potential quality and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration activity to determine a Mineral Resource estimate and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Company’s other project is the Inhambane Heavy Mineral Project in Mozambique which contains an ilmenite dominated JORC (2012) Inferred Mineral Resource of 90 million tonnes @ 3.0% Total Heavy Mineral⁶.

To learn more please visit: www.heavyminerals.com

⁴ https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02685080-6A1157738?access_token=83ff96335c2d45a094df02a206a39ff4

⁵ https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02661758-6A1148442?access_token=83ff96335c2d45a094df02a206a39ff4

⁶ https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02462745-6A1067130?access_token=83ff96335c2d45a094df02a206a39ff4

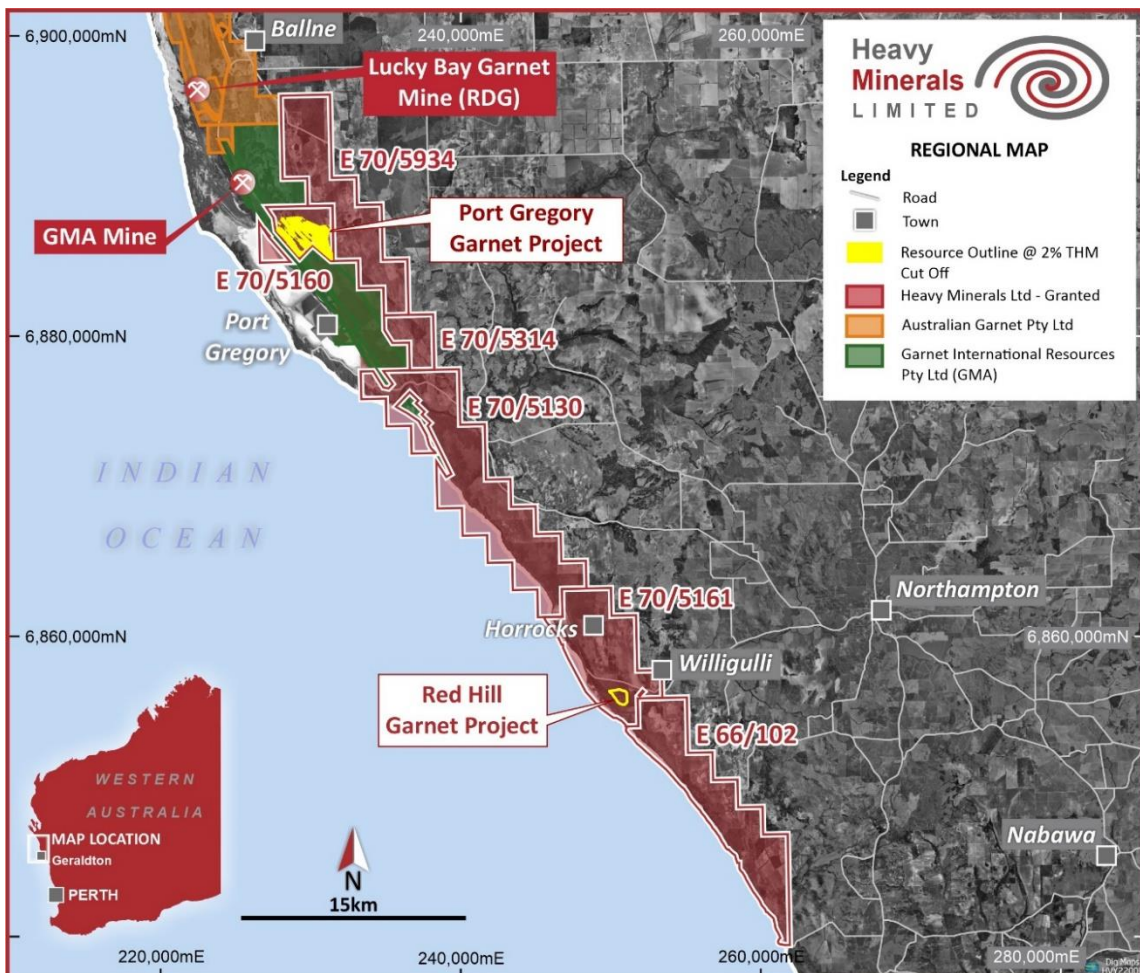


Figure 2: Project Locations - Port Gregory and Red Hill

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Heavy Minerals Limited

ABN

26 647 831 883

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(29)	(109)
(e) administration and corporate costs	(7)	(276)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(38)	(392)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(7)
(d) exploration & evaluation	(92)	(509)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(93)	(516)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	438	438
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(18)
3.5	Proceeds from borrowings	10	10
3.6	Repayment of borrowings	(16)	(36)
3.7	Transaction costs related to loans and borrowings	-	(14)
3.8	Dividends paid	-	-
3.9	Other (royalty funding)	-	650
3.10	Net cash from / (used in) financing activities	414	1,030
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	159	320
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(38)	(392)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(516)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	414	1,030

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	442	442

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	442	159
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	442	159

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	20
6.2	Aggregate amount of payments to related parties and their associates included in item 2	5
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Includes Directors' salaries, fees and superannuation.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(38)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(92)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(130)
8.4 Cash and cash equivalents at quarter end (item 4.6)	442
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	442
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By the Board of Heavy Minerals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.