

Quarterly Activities Report – March 2025

Heavy Minerals Limited (ASX: HVY) (“Heavy Minerals” or the “Company”) is pleased to present the March 2025 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 further progressed during the quarter and is nearing completion with an expected release date of late May / early June.
- ✕ The PFS report writing is at an advanced stage and the Company is awaiting final inputs from AMC (Australian Mining Consultants) in respect to the PGGP Ore Reserve Estimate and mine scheduling.

▪ Product Marketing

- ✕ During the quarter the Company prepared to attend the AMPP (Association for Materials Protection & Performance) conference in April in Nashville TN in America, which is expected to host 6,000 materials protection experts, industry leaders, and technical visionaries from 70 countries. AMPP is the largest global community for corrosion and coatings expertise. The Company exhibited at the Conference and met with multiple North American Garnet distributors discussing future distribution opportunities.

▪ Preparation of the Mining Lease Application:

- ✕ The Company is awaiting final documentation from IHC mining to reflect the Port Gregory PFS site design prior to lodging the Mining Lease Application.

▪ Potential Industrial Minerals Opportunity:

- ✕ During the quarter the Company executed a non-binding agreement to explore the potential of developing an additional industrial minerals opportunity. The Company collected samples for analysis in April and subject to test results will assess the opportunity and the viability of executing a binding agreement.

▪ Financing:

- ✕ Tranche 1 Royalty Raising funding of \$385,000 was received during the Quarter. The Company also executed a number of new Tranche 2 Royalty funding agreements and anticipates completing its Feasibility Study Tranche 2 Royalty funding in Q2 2025. The Company also raised \$100K utilising its ATM (At the Market) Facility.

Commentary from Executive Chairman, Mr. Adam Schofield:

“We are pleased to present this Quarterly Report which summarises the continued progress the Company is making towards the completion of the Port Gregory PFS. The Company is looking forward to releasing the PFS results in late May / early June. The Company is focused on securing project funding and distribution agreements for the Port Gregory Project and has had positive discussions in respect to both. We are also excited about the execution of a non-binding agreement to explore an additional industrial minerals opportunity and believe it could add significant value to the Company in the near term. Subject to test work we anticipate potentially executing a binding agreement in Q2 2025.”



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 Port Gregory Scoping Study (PGSS) and Preliminary Economic Assessment (PEA) announced in December 2022. The learnings from this project and other mineral sand projects IHC Mining have undertaken will be applied to HVY's Port Gregory 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 PGSS and PEA, deepening the understanding of the project's economic, technical, and environmental aspects whilst also improving project value and reducing development risk.

Potential Port Gregory modular processing plant and site layout is shown in Figure 1.

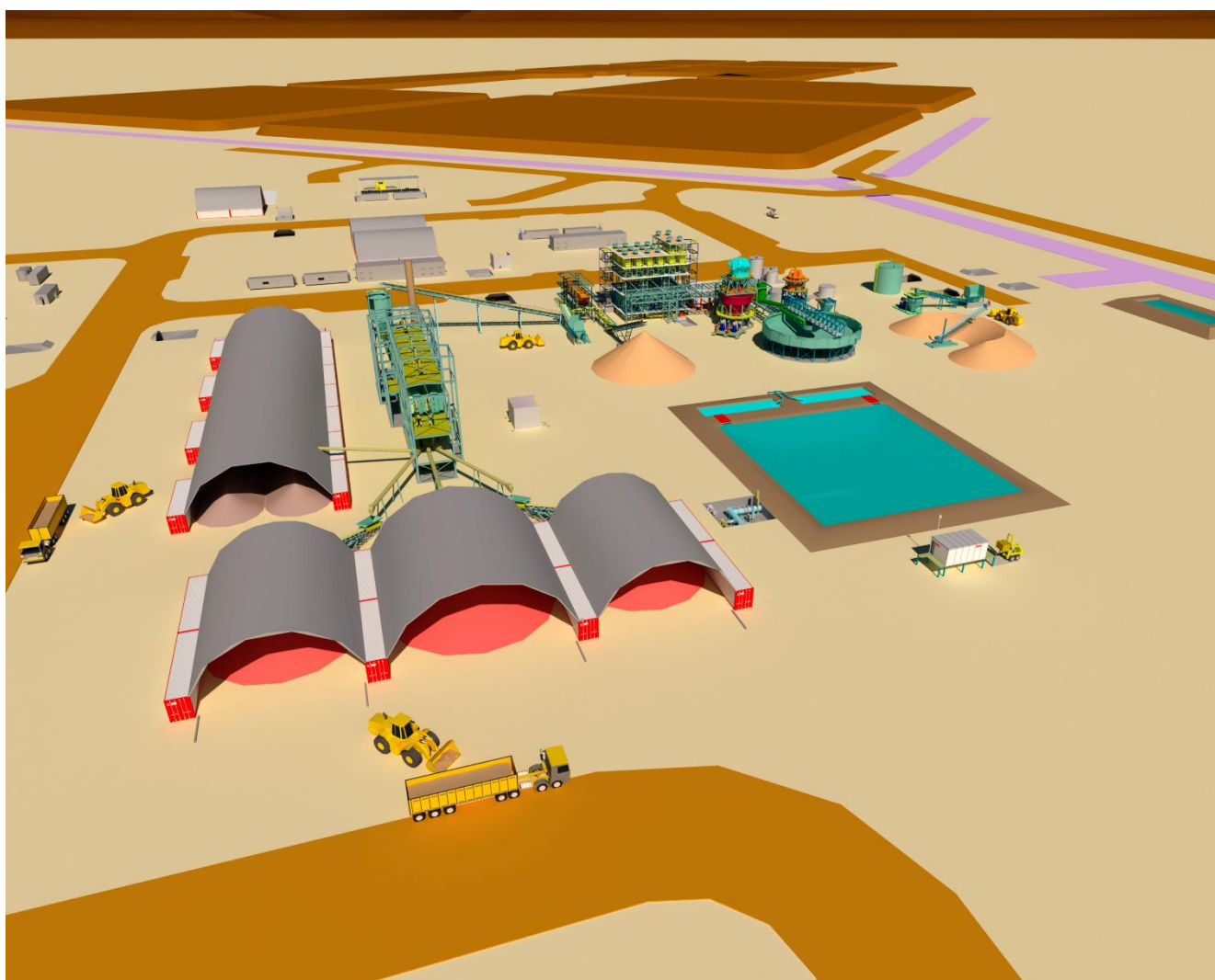


Figure 1 – PGGP Minerals sands modular plant and site layout (IHC Mining)

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 received several technical proposals from other minerals processing vendors. The proposals have provided the opportunity to compare alternate process plant capital costs. All vendors are credible mineral sands suppliers. The proposals have been evaluated and provide visibility of a range of capital costs and new capex benchmarks for the PGGP. IHC Mining are nearing completion of the PG PFS and are awaiting inputs from AMC which includes the Ore Reserve estimate, and mine scheduling which are critical elements of the PFS.

Preparation of Mining Lease Application:

Documentation for the Port Gregory Mining Lease Application is awaiting final site layout drawings reflecting the PFS. The Company will make the Mining Lease submission in Q2 2025. The Company anticipates a face-to-face engagement with DMIRS regarding the submission in May 2025.

Product Marketing & Investor Relations

During the quarter the Company prepared to attend the AMPP (Association for Materials Protection & Performance) conference in Nashville TN in April. AMPP is the largest global community for corrosion and coatings expertise. The Company exhibited at the Conference with Adam Schofield and Aaron Williams attending. The Company met with multiple North American Garnet distributors discussing future distribution opportunities.

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 worked 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.

The baseline assessment is complete and will be further advances as the study phases progress.



Figure 2: World Economic Forum Governance Metrics

Potential Industrial Minerals Opportunity

During the quarter the Company executed a non-binding agreement to explore the potential of developing an additional industrial minerals opportunity. The Company collected samples for analysis in early April and subject to test results will assess the opportunity and the viability of executing a binding agreement. The Company believes the opportunity will be complimentary to its existing portfolio of projects and is keen to receive test results and conduct product trials in Q2 2025.

Funding and Financial Commentary

The Company closed the quarter with \$39,000 in cash, details are provided in the Appendix 5B report. Payments totalling \$60,000 were made to Directors during the quarter for salaries and fees and superannuation. Payments totalling \$338,000 were made for exploration and evaluation on the Company's projects. The Company has initiated its Tranche 2 Royalty for which there is significant interest from previous Tranche 1 Royalty participants and mainstream Royalty Funds.

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 2024	Interest Held @ 31 Mar 2025
Port Gregory Red Hill	E66/102	Mozmin Resources Pty Ltd	Granted	4186	30-Oct-28	100%	100%
	E70/5130	Mozmin Resources Pty Ltd	Granted	4830	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-29	100%	100%
	E70/5314	Mozmin Resources Pty Ltd	Granted	885.21	01-Dec-25	100%	100%
	E70/5934	Mozmin Resources Pty Ltd	Granted	4542.29	13-Dec-26	100%	100%
Inhambane	10255C	+258 Limitada	Pending	21,388.35	N/A	70%	70%

About Heavy Minerals Limited

Heavy Minerals Limited (ASX: HVY) is an Australian 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) Measured, Indicated and Inferred 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 ilmenite¹.

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 garnet². 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 Mineral³.

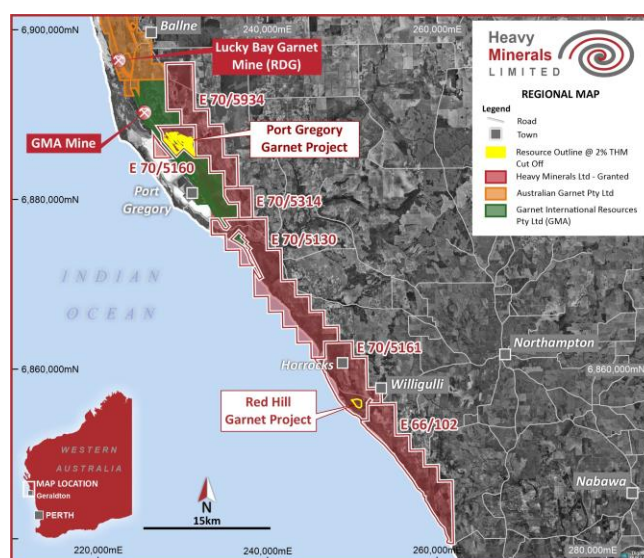
The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the JORC estimates continue to apply and have not materially changed.

To learn more please visit: www.heavyminerals.com

¹ https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02685080-6A1157738?access_token=83ff96335c2d45a094df02a206a39ff4

² https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02661758-6A1148442?access_token=83ff96335c2d45a094df02a206a39ff4

³ https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02462745-6A1067130?access_token=83ff96335c2d45a094df02a206a39ff4



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 2025

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	(54)	(176)
	(e) administration and corporate costs	(73)	(457)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	(4)	(8)
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	(131)	(639)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(338)	(775)
	(e) investments	-	-
	(f) other non-current assets	-	-

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	(338)	(775)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(28)	(62)
3.7	Transaction costs related to loans and borrowings	-	(28)
3.8	Dividends paid	-	-
3.9	Other (royalty funding)	385	1,390
3.10	Net cash from / (used in) financing activities	463	1,406

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45	47
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(131)	(639)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(338)	(775)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	463	1,406

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	39	39

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	39	45
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)	39	45

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	40
6.2 Aggregate amount of payments to related parties and their associates included in item 2	20
<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 and fees and superannuation.

7. Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (At-The-Market Facility)	362	100
7.4 Total financing facilities	362	100
7.5 Unused financing facilities available at quarter end	362	
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.		
The Company has an unused At The Market Facility (ATM) that attracts no charges or interest whilst not being utilised. Use of the facility is at the Company’s discretion.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	131
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	338
8.3 Total relevant outgoings (item 8.1 + item 8.2)	469
8.4 Cash and cash equivalents at quarter end (item 4.6)	39
8.5 Unused finance facilities available at quarter end (item 7.5)	362
8.6 Total available funding (item 8.4 + item 8.5)	401
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.9
<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?	
Answer: The Company anticipates a reduction in the expenditure for the next quarter based on the nearing completion of its Port Gregory PFS study.	
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?	
Answer: The Company has initiated its Tranche 2 Royalty fundraising and plans to raise ~\$2M during the next quarter. This follows its successful Tranche 1 campaign (with a total of \$2.13m having been raised). The Company also has its full 7.1 and 7.1a capacity available plus an at the market facility (ATM) available if required.	

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: Yes, based on the explanation in 8.8.2

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 2025

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.