Strategic Review of Cowalinya Rare Earth Project

Highlights

- **Rare Earths expert engaged to conduct strategic review of Cowalinya rare earth project with focus on Heavy Rare Earth Oxides (HREO)**
- **Cowalinya hosts a JORC resource of 159Mt @ 870ppm Total Rare Earth Oxides (TREO)[1] with considerable higher grade TREO zones that warrant reinterpretation and follow-up mineralogy characterisation**
- **Multiple historical high-grade intercepts, including 6 metres @ 5,848 ppm TREO from 24 metres[2], are being evaluated against regional structure and magnetics in order to understand the distribution of rare earth oxide (REOs) and focus metallurgical testing to unlock Project value**
- **Cowalinya has a substantial mineralised footprint measuring 13 km by 4 km, with additional along strike and regional prospective opportunities being included in the strategic review**
- **Strategic assessment, results, and recommendations expected over coming weeks**

Heavy Rare Earths Limited ("HRE" or "the Company") is pleased to announce it has commenced a strategic review of its Cowalinya rare earths project in Western Australia with a focus on HREO.

HREO are the scarce subset of REO that are increasingly difficult to source and are critical to global energy transition (EVs), modern telecommunications (semiconductors), aerospace and defense applications. Terbium (Tb) and Dysprosium (Dy) are the most valuable. In April 2025, China imposed new export controls on Tb and Dy (and others), increasing international awareness of potential supply from Western regions.

The Company believes that Cowalinya has the potential to generate significant value given its scale, quality, and location relative to key infrastructure, and intends to leverage its extensive data set to maximise value for shareholders. To this end, a specialist Rare Earths geologist has been engaged by HRE to conduct a strategic review of Cowalinya. Managing Director, Jason Barnett, commented:

> *"As a recently refreshed board, we are keen to take a fresh look at all our projects including Cowalinya. The market has evolved since the project was acquired and drilled. We are particularly interested in the heavy rare earths, or "heavies", due to their critical role in defence, the global energy transition, and the urgent need to secure supply chains outside of China.*

[1] Refer to ASX Announcement dated 3 October 2023.
[2] Refer to ASX Announcement dated 31 January 2023.

The upside for our shareholders and the company is that we already have a significant geological database for Cowalinya. This comprises over 550 drillholes, with assay, density, weathering, and geology data all ready to be interrogated and reinterpreted. In addition, we have sample material in storage available for subsequent metallurgical testwork.

We look forward to reviewing this asset with a fresh perspective and unlocking value for shareholders."

Cowalinya Background

The Cowalinya rare earth project is located in south-central Western Australia (Figure 1). Tenure is situated in an area of non-farming, unallocated crown land 110km NNE of the port of Esperance, and well located logistically, 70km from the Coolgardie-Esperance Highway and 350km south of the recently constructed Kalgoorlie Rare Earth Processing Facility.

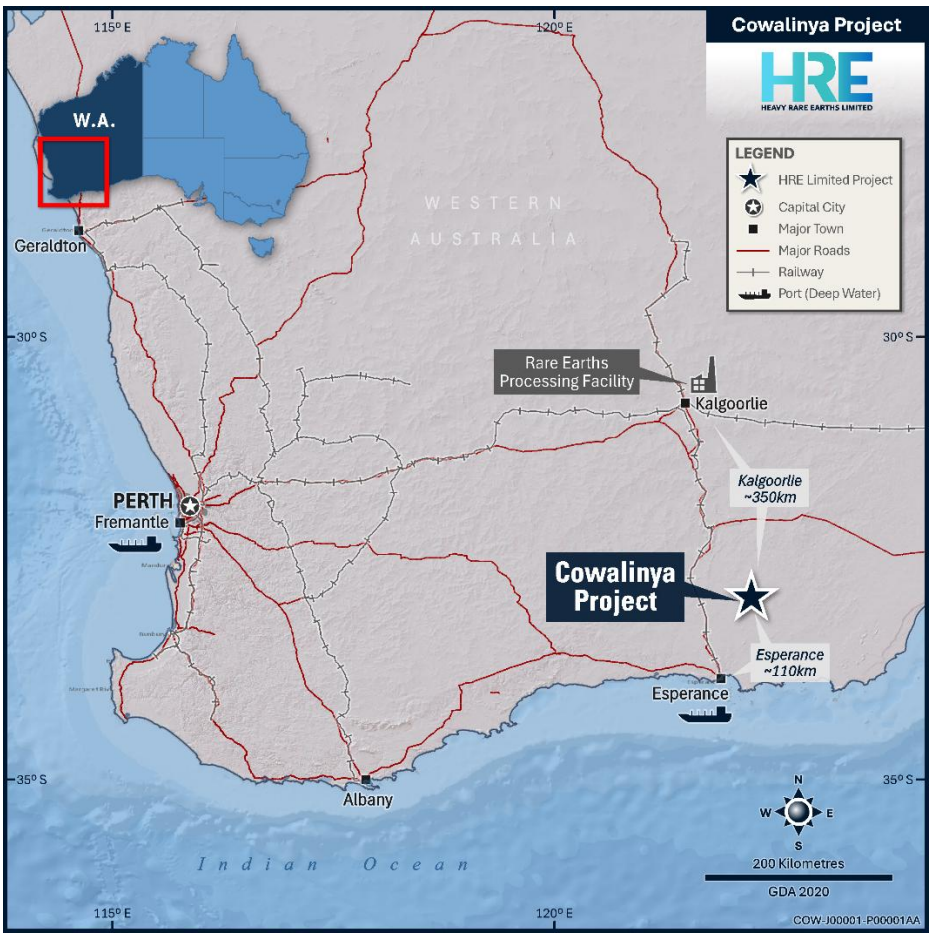

Figure 1: the Location of HRE's Cowalinya REE Project is close to Esperance port and the Kalgoorlie Rare Earth Processing Facility.

The project hosts a JORC inferred resource of 159 million tonne @ 870 ppm TREO (refer ASX release 3 October 2023) with an impressive 28% of TREO made up of the magnetic rare earths (MREOs Pr + Nd + Tb + Dy).

Table 1: 2023 Mineral Resource Estimate for Cowalinya Rare Earth Project showing individual REOs and potentially deleterious elements.

Cowalinya Rare Earth Oxide (REO) Mineral Resources
REOs in weathered saprolitic regolith. Cut-off on (TREO - CeO2) value. Block compute distance <450 m.

Layer (domain)	JORC Resource class	Cut-off[0] $TREO^1$-CeO_2 (ppm)	Total REO TREO[1] Total (ppm)	Individual "Light" REOs					Individual "Heavy" REOs										Potentially deleterious[5]		Assoc. REO
				La_2O_3 (ppm)	CeO_2 (ppm)	Pr_6O_{11} (ppm)	Nd_2O_3 (ppm)	Sm_2O_3 (ppm)	Eu_2O_3 (ppm)	Gd_2O_3 (ppm)	Tb_4O_7 (ppm)	Dy_2O_3 (ppm)	Ho_2O_3 (ppm)	Er_2O_3 (ppm)	Tm_2O_3 (ppm)	Yb_2O_3 (ppm)	Lu_2O_3 (ppm)	Y_2O_3 (ppm)	Th (ppm)	U (ppm)	Sc_2O_2 (ppm)
SUM (2)	Inferred	400.0	1,060.4	211.0	374.6	59.8	242.9	41.8	9.3	25.3	3.1	12.9	2.2	5.3	0.8	4.5	0.7	66.3	14.5	4.4	21
SMM (3)	Inferred	400.0	860.9	158.9	236.9	45.2	172.6	33.8	7.1	28.5	4.0	21.6	4.2	11.1	1.6	9.8	1.4	124.3	18.9	5.9	30
SLM (4)	Inferred	400.0	863.9	136.6	231.7	41.8	165.6	34.0	7.5	31.0	4.5	24.6	4.9	13.4	1.9	11.7	1.7	153.1	13.8	5.4	33
All	**Inferred**	**400.0**	**870.3**	**145.8**	**238.5**	**43.4**	**170.5**	**34.2**	**7.5**	**30.1**	**4.3**	**23.3**	**4.6**	**12.4**	**1.8**	**10.9**	**1.6**	**141.6**	**15.3**	**5.5**	**32**
	Proportion of TREO:			**16.7%**	**27.4%**	**5.0%**	**19.6%**	**3.9%**	**0.9%**	**3.5%**	**0.5%**	**2.7%**	**0.5%**	**1.4%**	**0.2%**	**1.2%**	**0.2%**	**16.3%**			

[0] *Total REO minus Cerium oxide = TREO[1] - CeO_2. Combination commonly used grade cut-off in clay-hosted REE deposits.*
[1] *Total REO (TREO) = REOs + Yttrium oxide = ($(La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Lu_2O_3) + Y_2O_3$)*
[5] *Th and U are typically associated with rare earth deposits and may be deleterious in processing due to their radioactivity.*

An indication of higher-grade domains can be supported by some notable drill-hole intercepts from HRE's 2022 drill program including:

- 14 metres @ 3,217 ppm TREO (32.5% MREO) from 16 metres (AC225)
  - including **6 metres @ 5,848 ppm TREO** from 24 metres
- 10 metres @ 2,087 ppm TREO (25.1% MREO) from 17 metres (AC221)
  - including **4 metres @ 4,266 ppm TREO** from 17 metres
- 8 metres @ 1,175 ppm TREO (24.4% MREO) from 31 metres (AC520)
  - including **2 metres @ 3,449 ppm TREO** from 31 metres
- 12 metres @ 1,690 ppm TREO (22.7% MREO) from 16 metres (AC487)
  - including **2 metres @ 5,192 ppm TREO** from 20 metres

Of strategic interest to the refreshed HRE board, are areas of higher grade that are enriched in the heavy rare earth oxides (HREO Eu + Gd + Tb + Dy + Ho + Er + Tm + Yb + Lu + Y).

Further significant intersections and information on the resource can be found by clicking on the links to past announcements below:

- HIGHEST GRADE RARE EARTHS TO DATE AT COWALINYA PROJECT 31st January 2023
- LATEST ASSAYS CONFIRM WIDESPREAD RARE EARTH MINERALISATION OVER AN EXPANDED WESTERN ZONE AT COWALINYA 29th March 2023
- OUTSTANDING HIGH-GRADE RARE EARTH INTERSECTIONS CONTINUE AT COWALINYA 12th April 2023
- NEW HIGH-GRADE ASSAYS AT COWALINYA SHOW POTENTIAL TO ADD 14 KILOMETRES OF MINERALISED STRIKE 1st May 2023
- FIVE-FOLD INCREASE IN MINERAL RESOURCES TO 159 Mt @ 870 ppm TOTAL RARE EARTH OXIDES AT COWALINYA PROJECT IN WESTERN AUSTRALIA 3rd October 2023

We look forward to updating the market on HRE's strategic review of the Cowalinya project in the coming weeks.

— ENDS —

This announcement has been approved by the Board of HRE

For more information, please contact:

Jason Barnett
Managing Director
info@hreltd.com.au

Alex Cowie
NWR Communications
alexc@nwrcommunications.com.au

About Heavy Rare Earths Limited

Heavy Rare Earths Limited (ASX:HRE) is an Australian uranium and critical minerals exploration and development company.

Forward Looking Statement

This announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond HRE's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding HRE's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause HRE's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). Readers are cautioned not to place undue reliance on forward-looking statements. Although HRE believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.