

Quarterly Activities Report – December 2025

Heavy Minerals Limited (ASX: HVY) (“Heavy Minerals” or the “Company”) is pleased to present the December 2025 Quarterly Activities Report, the highlights for the period are as follows:

Key Highlights:

- **Kanmantoo Hard Rock Waterjet Garnet Project:**
 - ✂ During the quarter the Company negotiated final legal terms for a Binding Agreement with Hillgrove Resources for the extraction of a Hard Rock Almandine Waterjet Garnet from their existing tailings stream. Execution was announced post the quarter on 27 January 2026.
 - ✂ The Company received firm pricing and plant designs from IHC Mining for a 50,000 tonne per Annum wet and Dry Garnet producing plant.
 - ✂ The Company has been progressing discussions with multiple funders for the provision of potentially \$25-\$35m of Capital. The Company intends this to be a combination of Debt, pre-sales and Royalties.
- **Port Gregory Pre-Feasibility Study (PFS):**
 - ✂ PFS study work for the Port Gregory Garnet Project (PGGP) is at final review stage with its release due in Q3, 2026.
- **Financing:**
 - ✂ During the quarter the Company received \$165K in funding from Tranche 1 Royalty Options that were converted. The Company has an additional \$100K of Royalty funds still outstanding. The Company will look to raise additional funding from its Royalty and ATM Facility in the next Quarter. Post the Quarter the Company raised \$175K via its ATM.

Commentary from Executive Chairman, Mr. Adam Schofield:

“The Company is happy to present this Quarterly Report which can now include details of the Company’s Binding Tailings Processing Agreement with Hillgrove Resources. Although the execution of the agreement occurred post the Quarter the Company has expended considerable time, effort and funds to progress negotiations with Hillgrove to the point of Agreement Execution. The agreement details the working relationship between Heavy and Hillgrove during the period that Heavy extracts Hard Rock Almandine Waterjet Garnet from the Kanmantoo live tailings stream and eventually the Tailings Storage Facility. We can also clarify that the Port Gregory PFS release is imminent. We anticipate Shareholders will be pleased with the exceptional transaction the Company has negotiated with Hillgrove as it sets a clear pathway for near term production and creates an early entry point for the Company into the Garnet Market ahead of the Port Gregory Project being developed. We appreciate shareholders trust and patience and believe our efforts will equate to outstanding shareholder value.”



Kanmantoo Hard Rock Waterjet Garnet Project

During the quarter the Company negotiated final legal terms for a Binding Agreement with Hillgrove Resources for the extraction of a Hard Rock Almandine Waterjet Garnet from their existing tailings stream at the Kanmantoo Copper Gold Mine in South Australia. Execution was announced on 27 January 2026.

The final terms being negotiated included the permitting structure Heavy and Hillgrove would use during initial production of Garnet at Kanmantoo and what permitting would be required to increase production at a future date. Multiple meetings were held with the Department of Energy and Mines in South Australia who provided relevant guidance.

The Company received firm pricing and plant designs from IHC Mining for a 50,000 tonne per annum Wet and Dry Garnet producing plant which the Company may acquire if a Financial Investment Decision is made.

The Company has been progressing discussions with multiple funders for the provision of potentially \$25-\$35m of Capital. The Company intends this to be a combination of Debt, pre-sales and Royalties.

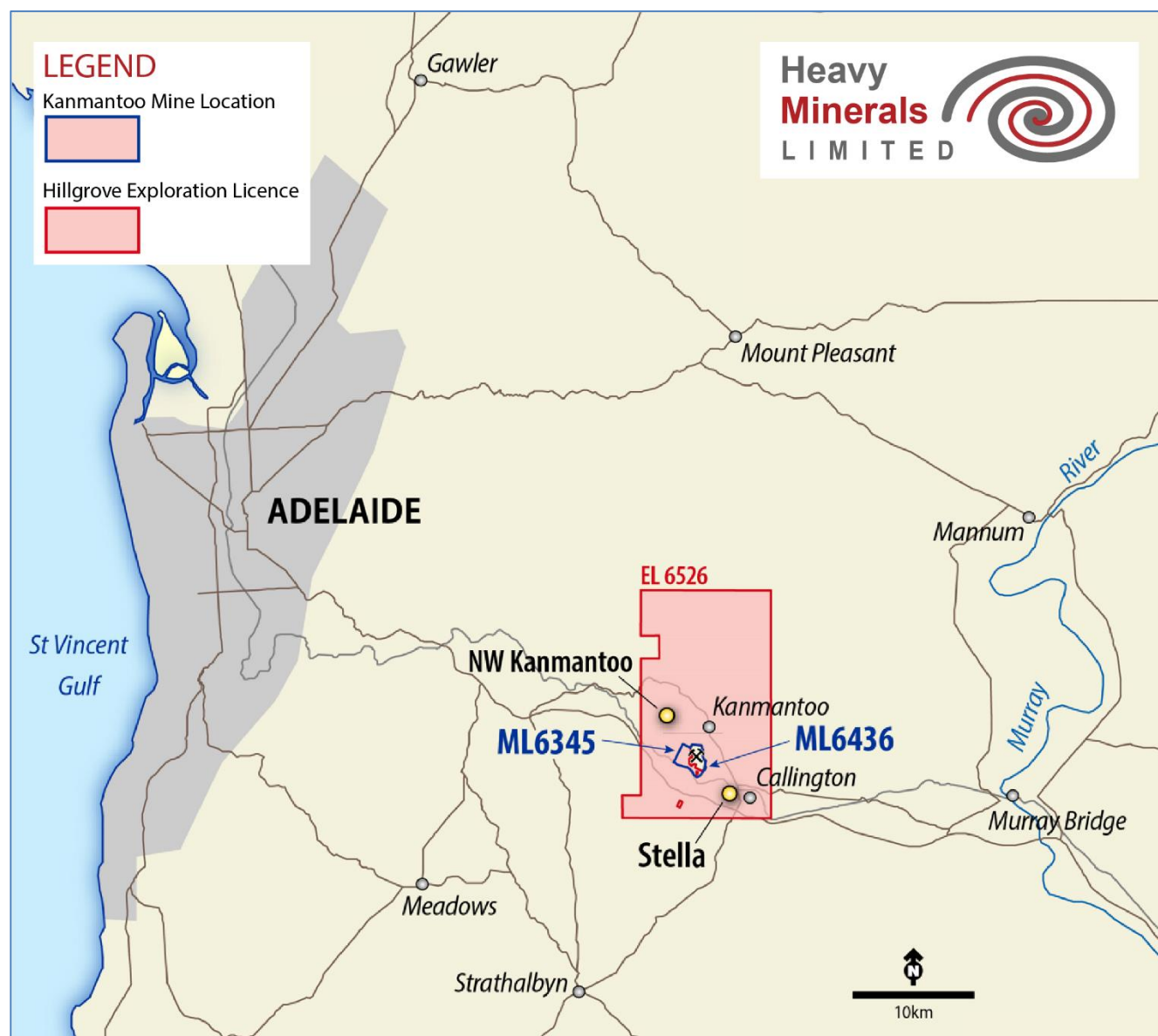


Figure 1 – South Australian Location of Hillgrove Mining Area (blue outline) within which Heavy’s Hard Rock Garnet Project will operate.



Figure 2 – Kanmantoo Copper Gold Mine Processing Plant



Figure 3 – Location of area (red outline) allocated to Heavy for its wet and dry processing plant.

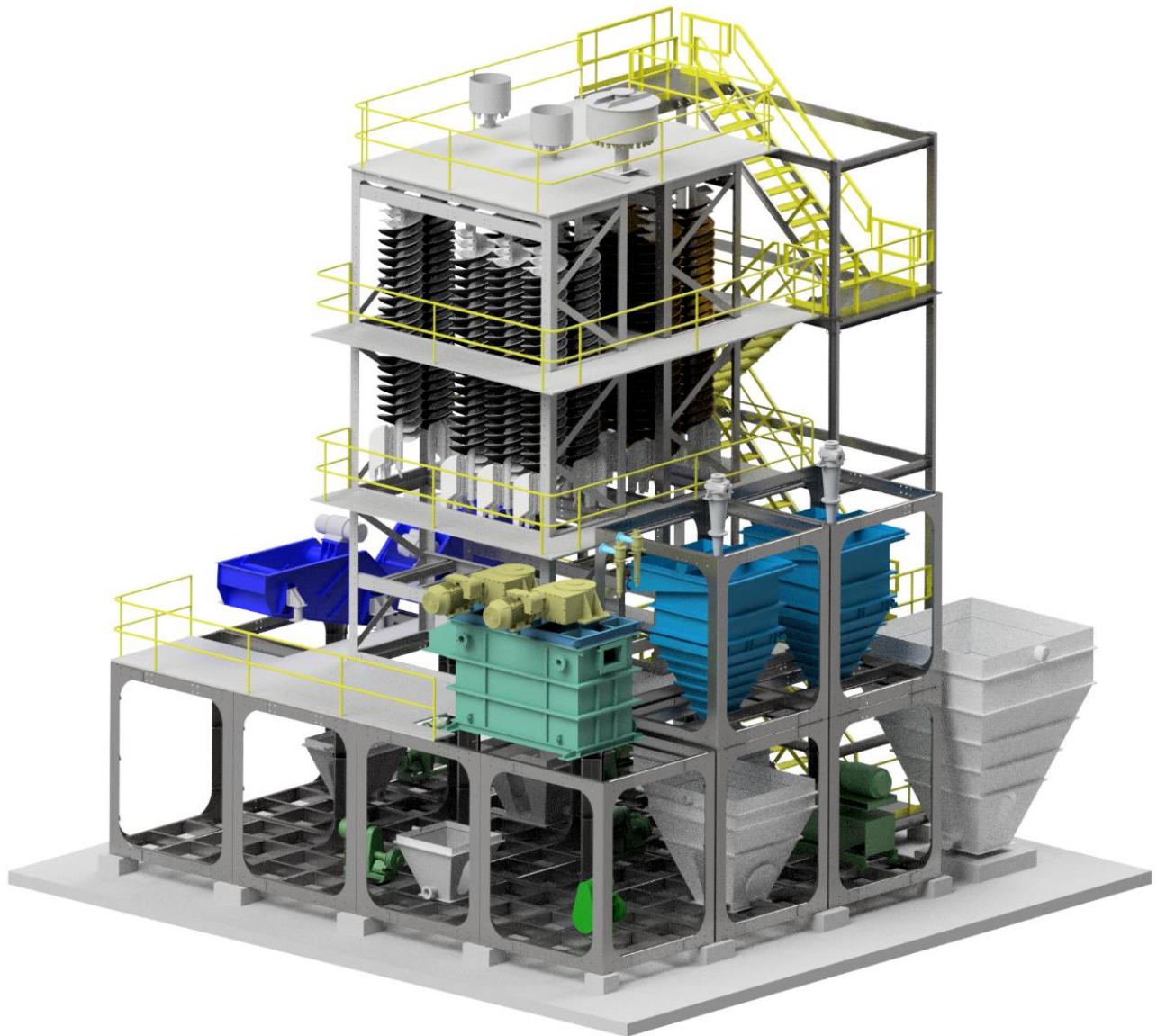


Figure 4 – IHC Modular Wet Plant Design (50kt Garnet product per annum)



Figure 5 – Location of IHC 50,000 tonne per annum conceptual Wet Plant in front of the Kanmantoo Copper Gold Processing Plant.



Figure 6 – Location of IHC 50,000 tonne per annum conceptual Dry Plant located in the Kanmantoo Copper Concentrate storage warehouse.

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.

The potential Port Gregory Garnet Project modular processing plant and site layout is shown below.

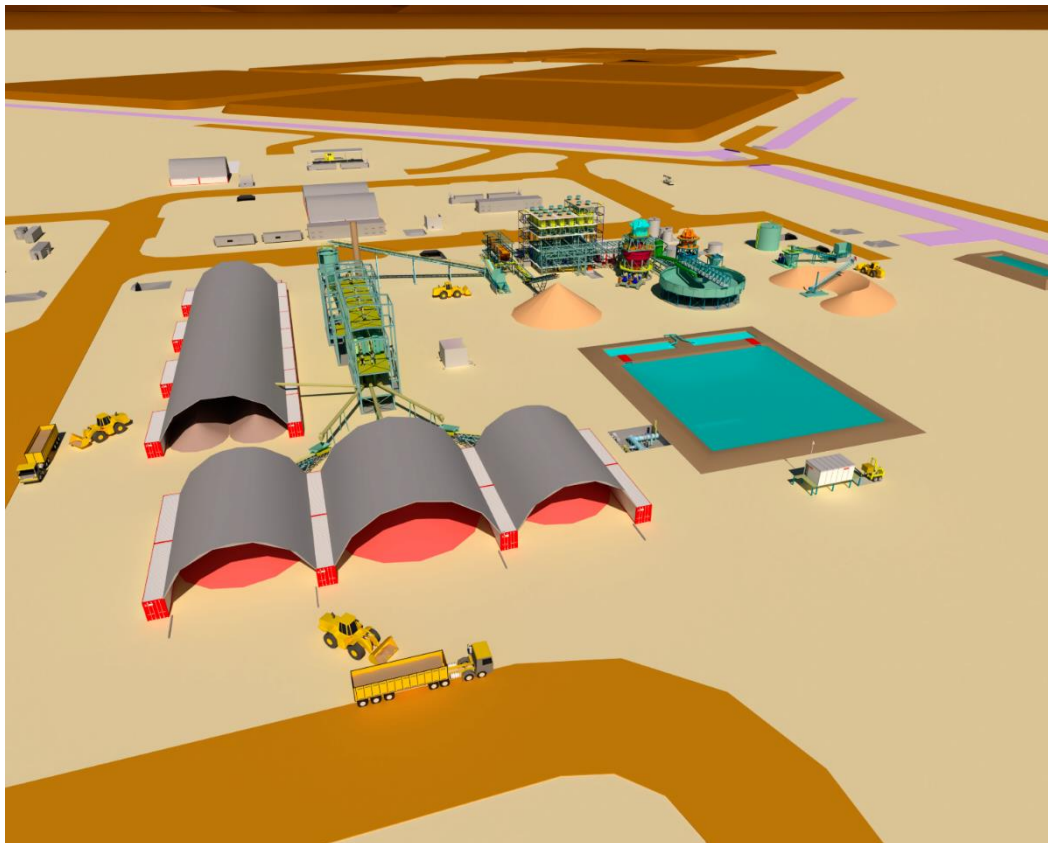


Figure 7 – PGGP Minerals sands modular plant and site layout looking north (IHC Mining)

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 is nearing completion against those deliverables with Final Report writing underway by both IHC and AMC and Competent Person statements being sought.

Funding and Financial Commentary

The Company closed the quarter with \$38,000 in cash, details are provided in the Appendix 5B report. Payments totalling \$29,000 were made to Directors during the quarter for salaries and fees and superannuation. Payments totalling \$114,000 were made for exploration and evaluation on the Company's projects. During the quarter the Company received \$165,000 in funding from Tranche 1 Royalty Options that were converted. The Company has an additional \$100,000 of Royalty funds still outstanding. The Company will look to raise additional funds from its Royalty and At the Market (ATM) Facility in the next Quarter. Post the Quarter the Company received \$175,000 raised via its ATM.

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

Ends

For further information, please contact:

Heavy Minerals Limited

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Non-Executive Chairman
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E: info@heavyminerals.com

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 Mineral Technologies.

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 @ 30 Sep 2025	Interest Held @ 31 Dec 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	Dropped	885.21	01-Dec-25	100%	0%
	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 ilmenite ¹.

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 garnet ². 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 Mineral ³.

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

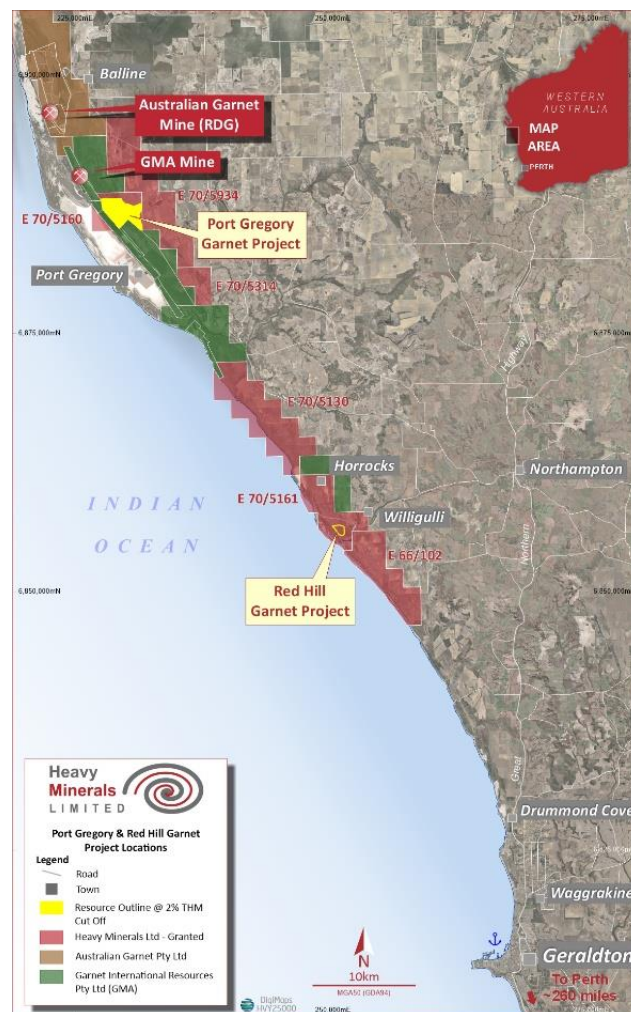


Figure 8 - Western Australia Project Locations - Port Gregory and Red Hill

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 December 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(44)	(110)
	(e) administration and corporate costs	(63)	(253)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
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	(107)	(362)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(9)
	(d) exploration & evaluation	(114)	(417)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(122)	(426)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	400
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	165	240
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(3)
3.5	Proceeds from borrowings		-
3.6	Repayment of borrowings	(6)	(24)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (royalty funding)	-	180
3.10	Net cash from / (used in) financing activities	156	793

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	111	33
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(107)	(362)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(122)	(426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	156	793

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	38	38

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	38	111
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)	38	111

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	24
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 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)	97	-
7.4 Total financing facilities	97	-
7.5 Unused financing facilities available at quarter end	97	
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)	(107)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(114)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(221)
8.4 Cash and cash equivalents at quarter end (item 4.6)	38
8.5 Unused finance facilities available at quarter end (item 7.5)	97
8.6 Total available funding (item 8.4 + item 8.5)	135
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.6
<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 completion of its Port Gregory PFS study in the next Quarter.	
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 been raising via it's At the Market Facility and Tranche 2 Royalty with plans to raise ~\$2M in the coming quarters. 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. Post the Quarter the Company received \$175K via its ATM Facility.	

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 January 2026

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.