Heavy Minerals LIMITED

ASX Announcement Date: 15 Aug 2022

FAVOURABLE METALLURGY RESULTS RECEIVED FOR PORT GREGORY

- Metallurgy results have been received with test work confirming that the Port Gregory mineral sands can be processed readily using typical mineral sands processing methodologies and equipment
- The following key products were produced:
  - High grade garnet concentrate product containing 98.3% garnet
  - Potential primary ilmenite product containing 53.8% TiO_2 which was readily upgraded from magnetic concentrate
- A coarse and fine garnet stream can be produced which has the potential to generate a blasting grade product and a water jet cutting grade product being:
  - Coarse garnet product D50 and D80 of 418 µm and 490 µm containing 99% garnet
  - Fine garnet product D50 and D80 of 220 µm and 277 µm containing 98% garnet
- Head feed Garnet recovery is 87.0%. Further work is planned to increase the recovery rate

Heavy Minerals Limited (ACN 647 831 833) ("**HVY**", "**Heavy Minerals**" or the "**Company"**) is pleased to announce that the metallurgy results for the Port Gregory Garnet Project have been received from IHC Mining. The results highlight that the potential products produced could be marketed as 30/60 mesh and 80 mesh blasting grade products and 80 mesh and 120 mesh water jet cutting products. The ilmenite stream has the potential to also add revenue to the project as a valuable by-product

IHC Mining were quoted as saying:

"Metallurgical scoping test work completed confirms the Port Gregory material processes readily using typical physical separation methodologies and standard equipment.

The produced combined garnet product is high grade and is determined to contain 98.3% garnet.

The magnetic concentrate was readily upgraded to a potential ilmenite product containing 53.8% TiO2 and low levels of contaminants."

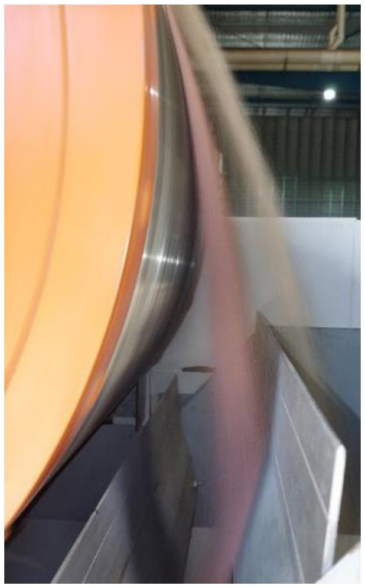

Figure 1: Fine garnet RED roll

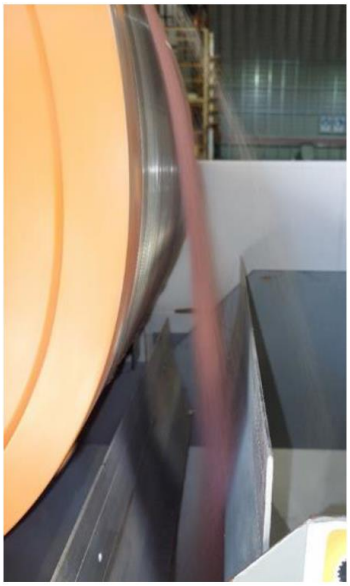

Figure 2: Coarse garnet RED roll

Executive Director & CEO, Mr. Nic Matich said:

"HVY's Port Gregory garnet project is our flagship asset and these results highlight why HVY has rapidly progressed the project. A large resource with readily marketable products, bodes well for the upcoming scoping study which is due for imminent release. The Board is extremely excited about the prospects for Port Gregory and the potential to bring it into production."

Upcoming News:

- **3rd Quarter 2022**: Scoping Study delivery
- **3rd Quarter 2022**: Metallurgy results (Inhambane)
- **3rd / 4th Quarter 2022**: Red Hill drilling and 2nd phase Port Gregory drilling
- **3rd / 4th Quarter 2022:** Inhambane wide spaced Auger drill program (still being planned)

Metallurgical Testing Overview:

IHC Mining recently completed scoping study level metallurgical and process development test work on a bulk sample from HVY's Port Gregory garnet project.

Scoping study level metallurgical test work was completed, resulting in:

- Evaluation of material processability
- Development of a conceptual metallurgical process
- Testwork metallurgical balances including mass yields, grades, and recoveries
- Generation of potential products
- Identification of any potential metallurgical risks and opportunities
- Recommendations for progressing the project to the next phase of feasibility

Follow-up QEMSCAN analysis to determine garnet mineral liberation characteristics to assist with recovery optimisation is planned. Following the outcomes of the Scoping Study and Preliminary Economic Analysis (PEA), HVY will determine further bulk sampling testwork required to develop samples for potential "offtakers".

Final Product Images

Images of the products produced from Port Gregory raw material samples are presented in Figure 3 and Figure 4

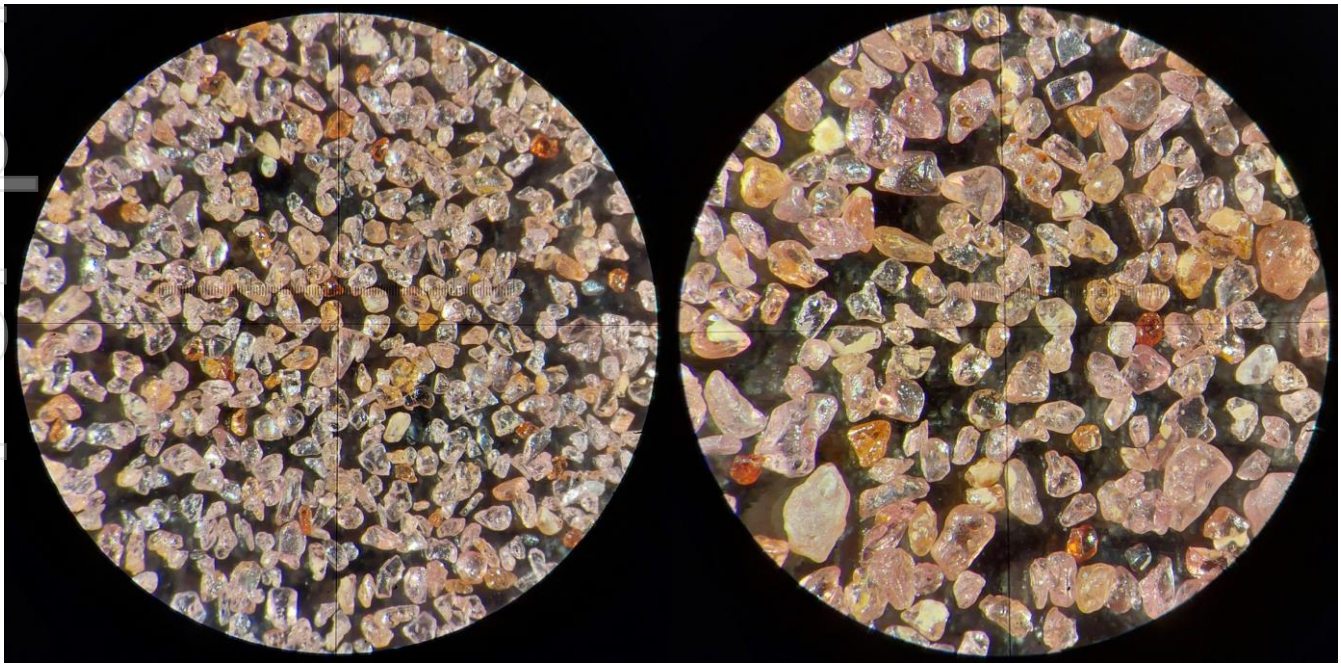

Figure 3: Fine garnet product (8.5mm field of view)

Figure 4: Coarse garnet product (8.5mm field of view)

Port Gregory Garnet Project (Western Australia)

The Port Gregory Garnet Project consists of six tenements totalling 227.28 km^2 located approximately 50 km North of Geraldton. The Port Gregory Garnet Project is the initial focus of the Company and is prospective for industrial minerals, in particular garnet. The Project has a JORC Mineral Resource estimate of 135 Mt @ 4.0% (THM) or 4.9 Mt Contained garnet.

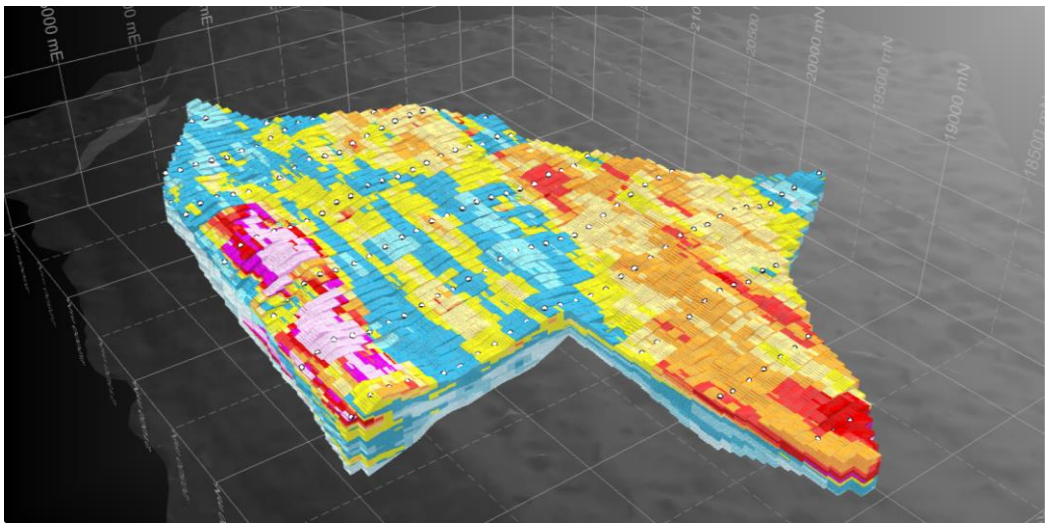

Figure 5: Port Gregory Block Model showing THM grade

The Port Gregory Mineral Resource estimate is reported at a cut-off grade of 2.0% THM and is presented below in Table 1. This table conforms to guidelines set out in the JORC Code (2012).

At a cut-off grade of 2.0% THM the Port Gregory deposit comprises a total Mineral Resource of 135 Mt @ 4.0% THM, 10% SLIMES and 10% OS (Over Size) containing 5.4 Mt of THM with an assemblage of 90% garnet, 4% ilmenite, 1% rutile and 0.6% zircon. The JORC categories are specifically stated as:

- an Indicated Mineral Resource of 88 Mt @ 3.8% THM, 10% SLIMES and 9% OS containing 3.3 Mt of THM with an assemblage of 89% garnet, 4% ilmenite, 2% rutile and 0.6% zircon; and
- an Inferred Mineral Resource of 47 Mt @ 4.5% THM, 10% SLIMES and 11% OS containing 2.1 Mt of THM with an assemblage of 91% garnet, 4% ilmenite, 1% rutile and 0.5% zircon.

Table 1 Port Gregory – Mineral Resource Estimate

Summary of Mineral Resource estimate (1)							THM Assemblage (2)					
Classification	In Situ Material (Mt)	In Situ THM (Mt)	In Situ Garnet (Mt)	THM (%)	SL (%)	OS (%)	Garnet (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Anatase (%)	Other (%)
Indicated	88	3.3	3.0	3.8	10	9	89	4	0.6	2	0.4	4
Inferred	47	2.1	1.9	4.5	10	11	91	4	0.5	1	0.2	3
Grand Total	**135**	**5.4**	**4.9**	**4.0**	**10**	**10**	**90**	**4**	**0.6**	**1**	**0.3**	**4**

Notes:

(1) Mineral Resource reported at a cut-off-grade of 2.0% THM.

(2) Mineral assemblage is reported as a percentage of in situ THM content.

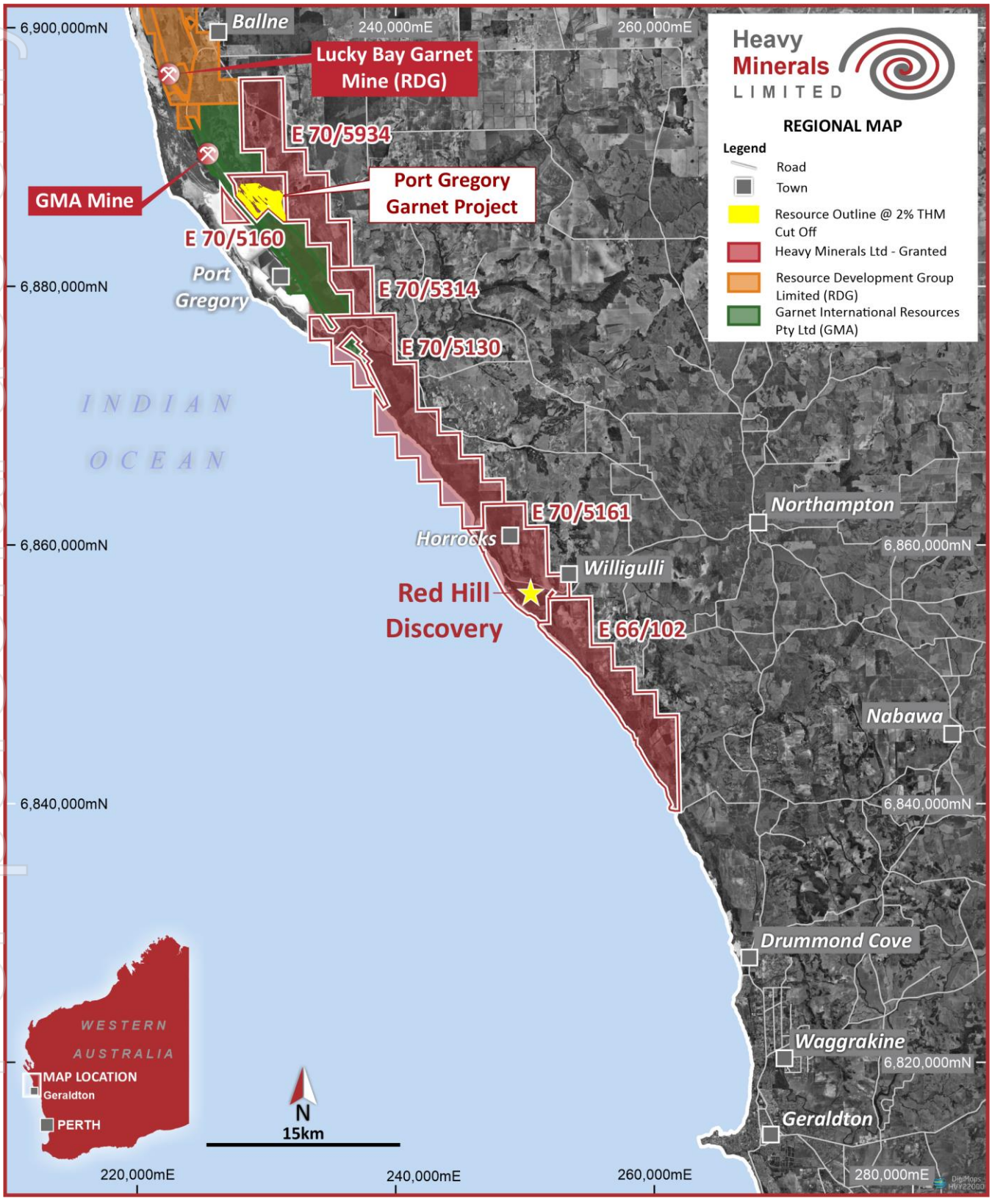

Figure 6: Regional map showing HVY tenure and projects

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

Ends

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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 Garnet Project which has a JORC Mineral Resource estimate of 135 Mt @ 4.0% (THM) or 4.9 Mt Contained Garnet. The Company's other project is the Inhambane Heavy Mineral Sands Project in Mozambique which has an ilmenite dominated JORC Inferred Mineral Resource of 90 Mt @ 3.0% THM

To learn more please visit: www.heavyminerals.com

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resource estimates is based on and fairly represents information and supporting documentation prepared by Mr. Greg Jones (FAusIMM) who is a Non-Executive Director for Heavy Minerals Limited. 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.

The information in this announcement that relates to Metallurgical Test Results was based on information compiled by Mr Julian Graham, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Graham is manager of the Metallurgical Services division within IHC Mining. IHC Mining was engaged by Heavy Minerals Limited to conduct the Metallurgical testwork prior to beginning the scoping study phase of the Port Gregory project. All metallurgical factors including product grades, mass yields and process flowsheet design reported herein have been reviewed and accepted by Mr Graham. Mr Graham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'.