

PRE-PAID ROYALTY MANDATE

Heavy Minerals Limited (ACN 647 831 833) (“HVY”, “Heavy Minerals” or the “Company”) is pleased to announce it has entered into a mandate with Foster Stockbroking Pty Ltd (FSB), under which FSB will act as lead arranger for a proposed capital raising with Heavy Minerals (Mandate).

Under the terms of the Mandate, FSB will procure investors to participate in a pre-payment of a royalty interest in the Port Gregory Project (Pre-paid Royalty). The funds raised from the Pre-paid Royalty will be used to fund the development of the Company’s pre-feasibility study (PFS) over the coming quarters and for general working capital.

The Company will likewise consider the issuance of a second tranche of the Pre-Paid Royalty following the release of the Company’s PFS, which is anticipated to be released in early calendar year 2024.

Under the Mandate, FSB will receive a fee of 5.0% of the funds raised under the Pre-paid Royalty, as well as being issued 1,000,000 unquoted options with an exercise price of \$0.25, expiring two years from the date of issue (Options). The Options will be issued under the Company’s available placement capacity under Listing Rule 7.1.

At present, the quantum of funds to be raised under the Pre-paid Royalty has not yet been determined, and the final quantum of the Pre-paid Royalty raising will be announced over the coming weeks once the Company has received firm commitments from investors.

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 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. Port Gregory comprises a total JORC (2012) Measured, Indicated and Inferred Mineral Resource of 166 million tonnes @ 4.0% 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 a 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

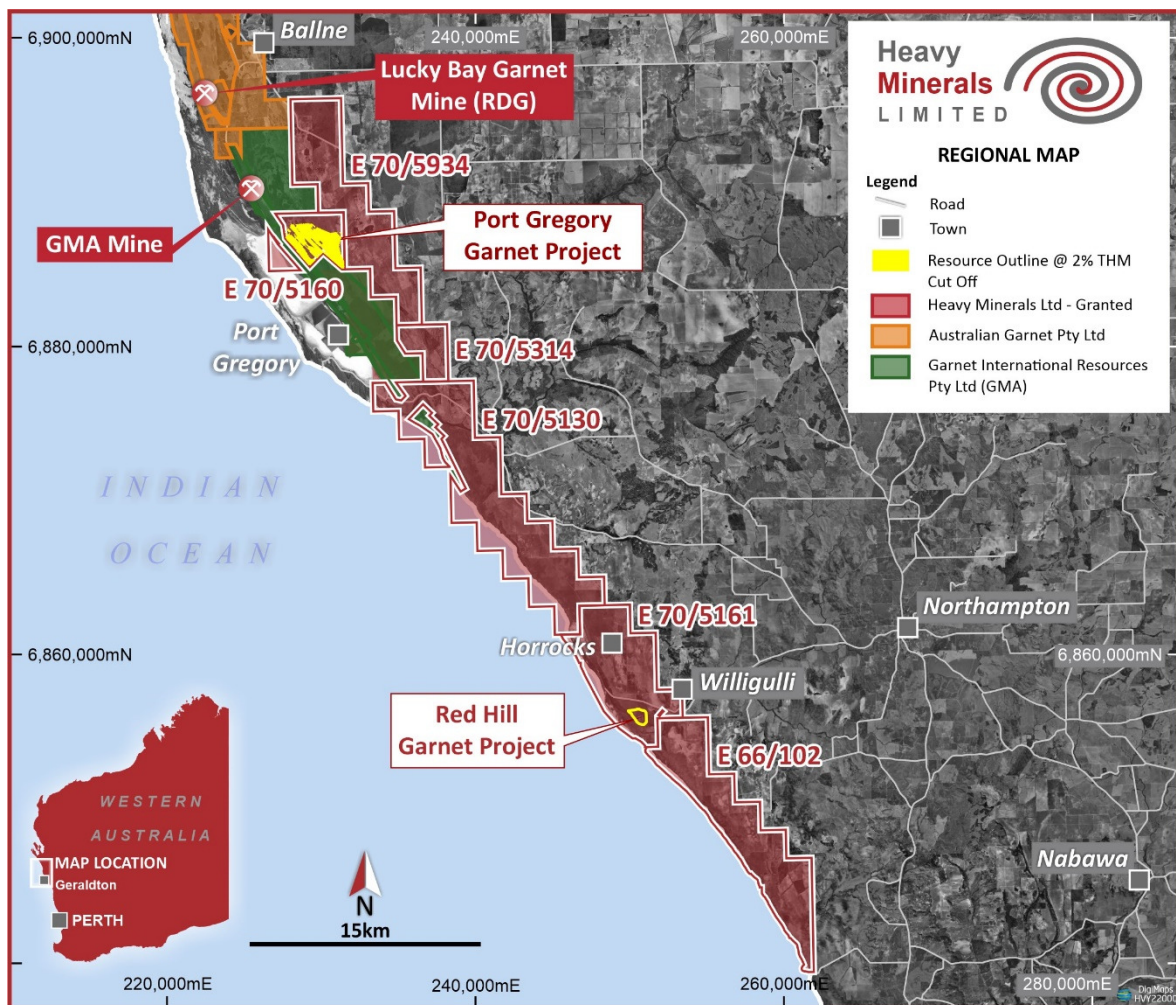


Figure 4: Project Locations - Port Gregory and Red Hill