

ROYALTY FUNDING AGREEMENTS TO RAISE \$500,000

Key Highlights

- Binding royalty funding subscription agreements to raise \$500,000 (before costs).
- 0.25% royalty to be granted over future production at Port Gregory to subscribers in consideration for funds received.
- Company to utilise funds to advance the pre-feasibility study at the Port Gregory Project and general working capital.

Royalty Funding

Heavy Minerals Ltd (ASX: HVV) (**Heavy Minerals** or the **Company**) is pleased to announce that it has entered into subscription agreements with unrelated subscribers (**Subscribers**) in consideration for the grant of a gross royalty interest in the Port Gregory Project to the Subscribers (**Royalty**) (**Subscription Agreements**).

Pursuant to the Subscription Agreements, the Company will raise a total of \$500,000 (before costs), selling an aggregate 0.25% Royalty to Subscribers (**Royalty Funding**).

The funds raised from the Royalty Funding will be used to fund the development of the Company's pre-feasibility study (**PFS**) at its Port Gregory Project over the coming quarters and for general working capital.

In addition to the grant of the Royalty, Subscribers will be issued one attaching unquoted option for every dollar paid to the Company under the Subscription Agreements, with an exercise price of \$0.25 and expiring 2 years from the date of their issue (**Subscriber Options**).

The issue of the Subscriber Options is anticipated to occur on or around 20 October 2023, with 500,000 Subscriber Options to be issued under the Company's Listing Rule 7.1 capacity.

Royalty

In accordance with the terms of the Royalty, the Company retains the right to buy-back 60% of the Royalty held by the Subscribers within 24 months at a 125% premium to the amount paid by Subscribers. The grant of the Royalty remains subject to the execution of the binding Royalty agreements and completion under the Subscription Agreements, which is expected to occur over the coming days.

Foster Stockbroking mandate

Foster Stockbroking Pty Ltd (**FSB**) acted as lead arranger for the Royalty Funding on the terms set out in Company's announcement of 2 August 2023.



Chairman, Adam Schofield said:

“We are extremely pleased with the participation of Subscribers in the non-dilutive Royalty Funding and believe it adds significant value to the Company and Shareholders and aids in our goal of developing Western Australia's next world class industrial garnet mine at Port Gregory.”

The Company will look to raise future funding via its Royalty Funding as funds are required and has significant interest from Subscribers.”

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 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 includes 5.9 million tonnes of contained Garnet and 260 thousand tonnes of ilmenite¹, as announced on 10 July 2023.

Table 1: Port Gregory - 2023 Mineral Resource estimate

Summary of Mineral Resource estimate ⁽¹⁾								THM Assemblage ⁽²⁾				
Classification	In Situ		In Situ					Garnet (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Other (%)
	Material (Mt)	THM (Mt)	Garnet (Mt)	BD (gcm ⁻³)	THM (%)	SL (%)	OS (%)					
Measured	126	4.7	4.1	1.73	3.8	10	9	88	4	1	2	6
Indicated	20	1.3	1.2	1.76	6.5	8	9	92	4	1	1	3
Inferred	20	0.6	0.5	1.72	2.9	11	13	89	4	1	2	5
Grand Total	166	6.6	5.9	1.7	4.0	10	9	89	4	1	2	5

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.

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. 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 (see announcement of 4 May 2023).

The Company's other project is the Inhambane Heavy Mineral Project in Mozambique (see announcement of 6 December 2021) which contains an ilmenite dominated JORC (2012) Inferred Mineral Resource of 90 million tonnes @ 3.0% Total Heavy Mineral².

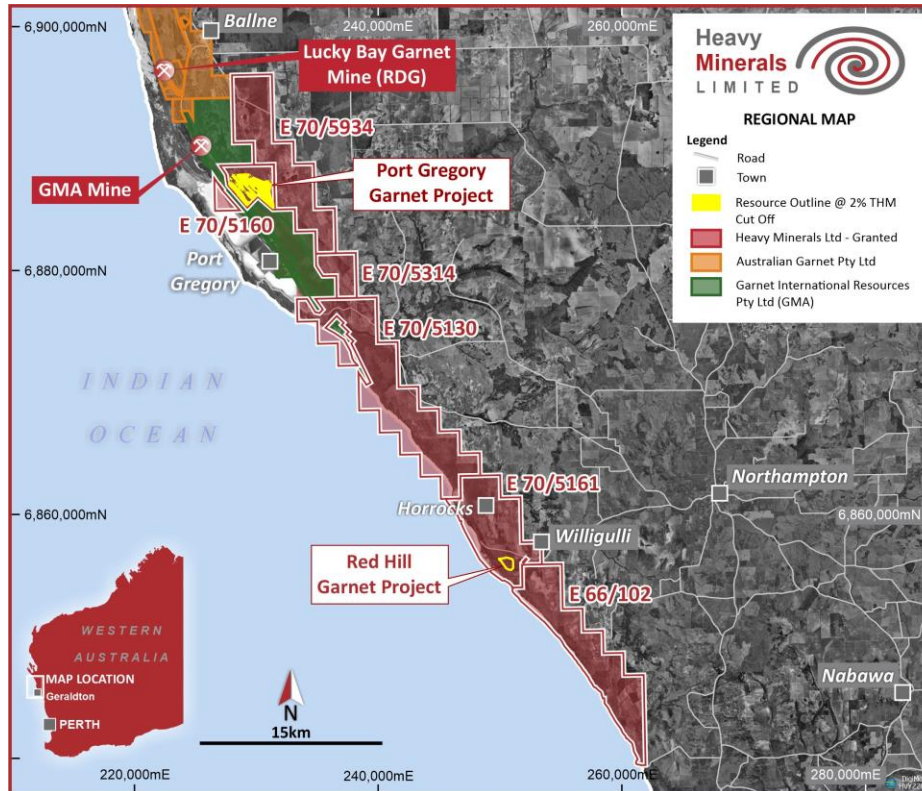
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The Company confirms that it is not aware of any information or data that materially affects the information in the announcements, and that the material assumptions and technical parameters underpinning the Mineral Resource estimate have not materially changed and continue to apply.

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/2924-02462745-6A1067130?access_token=83ff96335c2d45a094df02a206a39ff4



Project Locations - Port Gregory and Red Hill

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

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