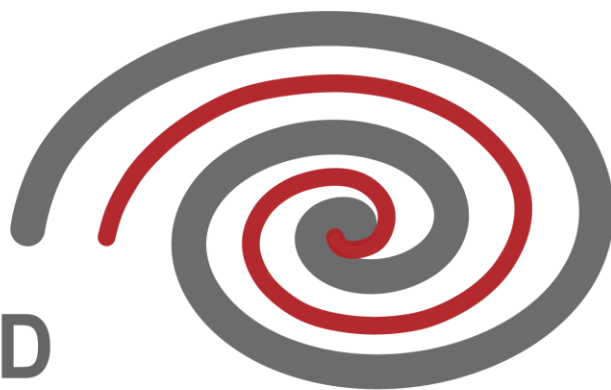


**Heavy  
Minerals**  
LIMITED



**And Controlled Entities**

**ABN: 26 647 831 883**

**HALF YEAR REPORT**

**For the Period Ended 31 December 2023**

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**DIRECTORS**

Adam Schofield	Non-Executive Chairman [Non-Independent]
Greg Jones	Non-Executive Director [Non-Independent]
Aaron Williams	Non-Executive Director [Independent] (appointed 29 August 2023)

**CHIEF EXECUTIVE OFFICER**

Andrew Taplin

**SECRETARY**

Stephen Brockhurst

**REGISTERED OFFICE**

Level 8, London House  
216 St Georges Terrace  
Perth WA 6000  
Telephone: +61 8 9481 0389  
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**WEBSITE & EMAIL**

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Level 5  
191 St Georges Terrace  
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Telephone: +61 8 9324 2099

**AUDITORS**

Criterion Audit Pty Ltd  
Suite 2  
642 Newcastle Street  
Leederville WA 6902

**STOCK EXCHANGE LISTING**

Australian Securities Exchange  
ASX Code: HVY

Your Directors submit the financial report of the Consolidated Entity for the period ended 31 December 2023.

## DIRECTORS

The names of Directors who held office during or since the end of the period:

Name	Title
Adam Schofield	Non-Executive Chairman [Non-Independent]
Greg Jones	Non-Executive Director [Non-Independent]
Wayne Richards	Non-Executive Director (resigned 29 August 2023) [Independent]
Aaron Williams	Non-Executive Director (appointed 29 August 2023) [Independent]

## COMPANY SECRETARY

Name	Title
Stephen Brockhurst	Company Secretary

## PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is exploration for industrial garnet in Australia and exploration for mineral sands in Mozambique.

## REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2023 was \$770,008 (2022: \$500,844 loss).

The earnings of the Consolidated Entity for the past 3 periods are summarised below:

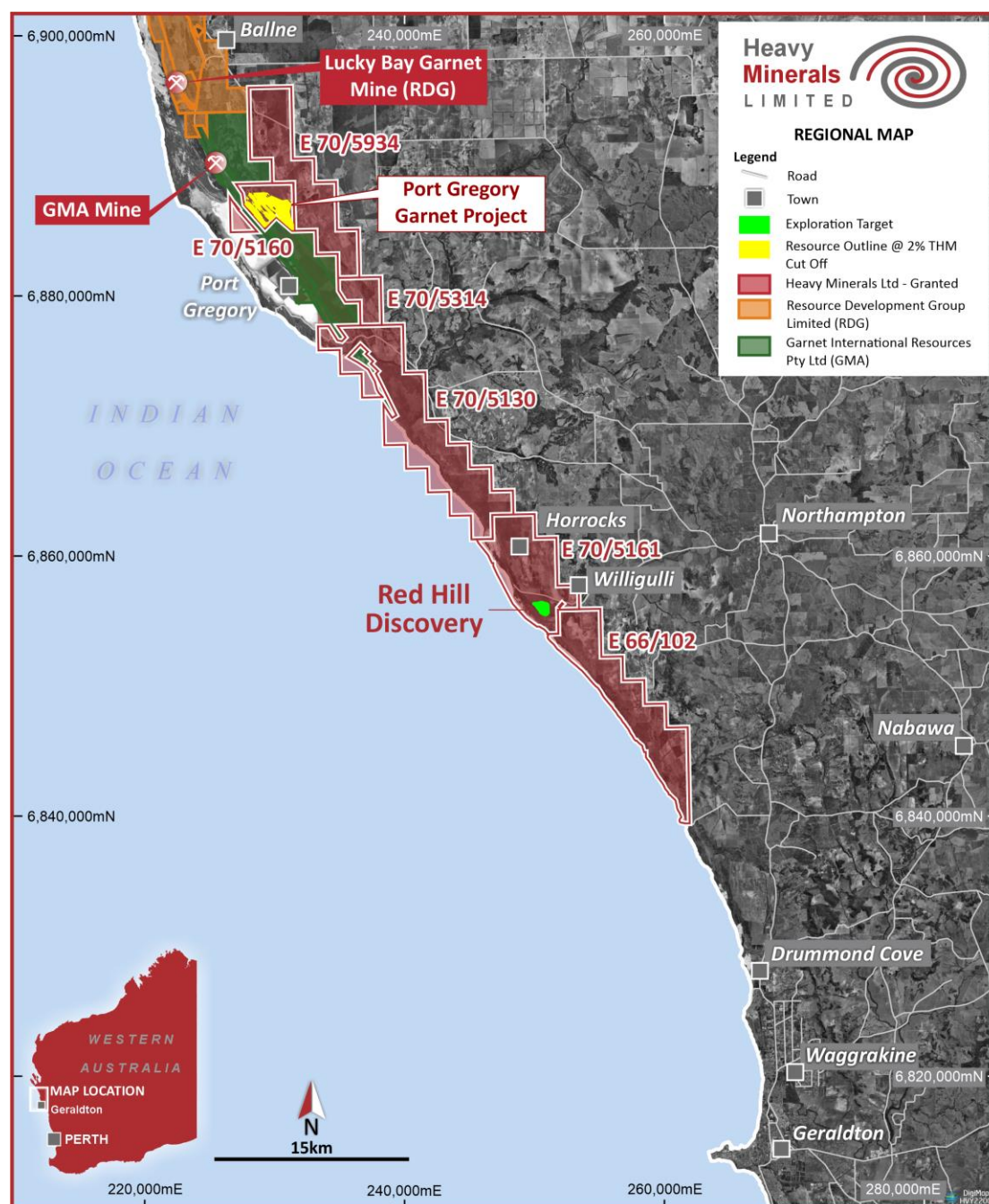
	31 December 2023 \$	30 June 2023 \$	31 December 2022 \$
Other income	18,334	27,399	14,688
EBITDA	(612,430)	(1,151,520)	(490,503)
EBIT	(652,313)	(1,171,628)	(500,745)
Loss after income tax	(657,508)	(1,171,727)	(500,844)

## DIVIDENDS

No dividends were paid or declared during the period ended 31 December 2023 (2022: Nil).

The factors that are considered to affect total shareholders return are summarised below:

	31 December 2023 \$	30 June 2023 \$	31 December 2022 \$
Share price at financial year end	0.095	0.097	0.15



## COMPANY FOCUS AND MISSION

Heavy Minerals Limited (ASX:HVV) is an Australian listed industrial mineral exploration company. Our 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) 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<sup>1</sup>.

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<sup>2</sup>. 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<sup>3</sup>.

The Company is committed to increasing shareholder wealth through the exploration and development of its mineral resource projects in Western Australia and Mozambique. HVY may consider the acquisition of other projects in the Industrial Minerals space that are value accretive and are complimentary to our existing projects and focus.

During the half year ending 31 December 2023 the Company undertook the following exploration and evaluation activities on its projects:

✕ **Port Gregory Pre-Feasibility Study (PFS) Awarded:**

- IHC Mining was awarded the PFS for the Port Gregory Garnet Project (PGGP).
- The PFS commenced in the first week of October. Completion has been delayed due to funding and the PFS is expected to be completed in Q4 2024.
- The PFS will explore multiple development options to maximize the Net Present Value (NPV) of the project. It will consider multiple production profiles and define bagging and concentrate production options.
- The PFS will meet the standards of the JORC Code 2012 Edition, VALMIN Code 2015 Edition, and AusIMM guidelines.
- The study follows the successful completion of the Port Gregory Scoping Study (PGSS) and Preliminary Economic Assessment (PEA) announced in September 2022.

✕ **Port Gregory JORC Mineral Resource Upgraded by estimated 23%:**

- The upgraded resource comprises a total JORC (2012) Mineral Resource of 166 million tonnes @ 4.0% THM.
- Mineral Resource contains 5.9Mt of contained garnet (1Mt increase)
- Majority of the Mineral Resource (71% of contained garnet) is in the Measured JORC category
- 5.4Mt of the THM is within the Measured and Indicated JORC category
- 95% Valuable Heavy Mineral (VHM) in the THM fraction which is well above industry averages with 89% garnet and minor ilmenite and rutile credits
- Upside potential to the Mineral Resource exists with mineralisation open to the north and the south of and within the Company's tenure.

✕ **Port Gregory Project Permitting Commenced:**

- Permitting activities for the Port Gregory project have been initiated.
- MBS Environmental has been engaged to oversee project permitting.
- The initial phase, which has been completed, is to evaluate project permitting requirements with the aim of developing a permitting strategy and tactical plan by Q2 2024.

- ✕ **Preparation of Mining lease application:**
- Preparation of detailed documentation for Port Gregory Mining lease application.
  - Lodgement planned for Q3 2024.
- ✕ **Land access negotiations for new exploration opportunities:**
- Negotiations for land access to a number of new exploration targets the company has identified were commenced during the quarter with freehold landowners.
  - The company will finalise a program of works once access negotiations are completed. It is anticipated this work will be commence in Q2 2024.
- ✕ **Royalty Funding Agreement raises initial \$650k.**
- Binding royalty funding subscription agreements have raised \$650,000 (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.
- ✕ **Appointment Aaron Williams as Non-Executive Director**
- Aaron is a renowned international expert in the garnet industry.
  - His extensive garnet marketing and operational experience to aid the Company as it works towards developing its Port Gregory mining operations.

## PROJECTS

### Port Gregory Project [Western Australia]

The Port Gregory project (Figure 1) has been subject to significant work in 2H2023. In particular four key workstream has commenced:

1. Commencement of the Pre-Feasibility study (PFS) and associated sub-workstreams
2. Mineral Resource upgrade
3. Commencement of project permitting and approvals
4. Mining lease application

The PFS was awarded to IHC Mining after consideration of other suitably competent consultants and commenced in October 2023. IHC Mining completed the Scoping Study and Preliminary Economic Assessment, and continuity of the already completed work as well as competence were the major considerations in the award of the PFS to IHC Mining. The all encompassing Port Gregory PFS also requires the completion of several additional technical workstreams such as a power study, hydrological assessment and an Ore Reserve estimate that will be undertaken by consultants and managed directly by HVY, and closely co-ordinated with IHC Mining.

As a result of delays associated with the commencement of key workstreams the completion of the Port Gregory PFS will likely be delayed until Q4 2024.



The Company updated the Mineral Resource estimate for the Port Gregory Garnet Project to 166 Mt @ 4.0% THM at a 2.0% THM cut-off grade. The 89% garnet fraction of the THM is in line with previous results resulting in 5.9 Mt of contained garnet. Significant resource upside potential still exists with mineralisation open to the south within HVY tenure (Figure 2). The updated Mineral Resource estimate increases the tonnage of material above the cut-off grade by 23% and results in an increase in contained garnet of 20%.

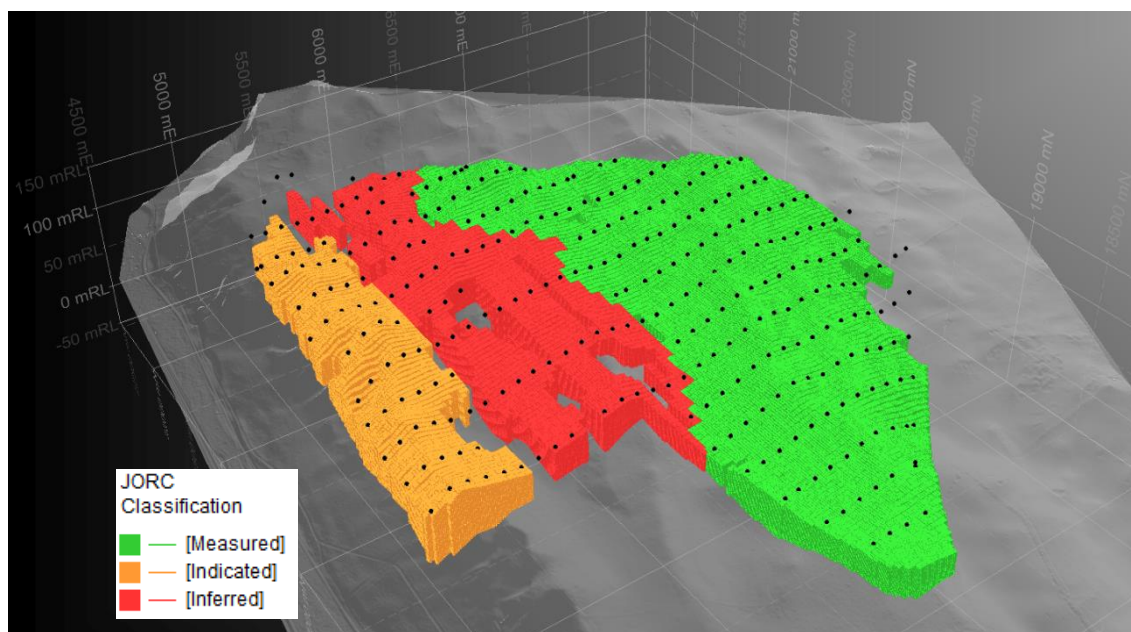


Figure 2: Port Gregory Block Model showing JORC Mineral Resource classification

At a cut-off grade of 2.0% THM the Port Gregory deposit comprises a total Mineral Resource of 166 Mt @ 4.0% THM, 10% SLIMES and 9% OS (oversize) containing 6.6 Mt of THM with an assemblage of 89% garnet, 4% ilmenite, 2% rutile/anatase and 1% zircon. The JORC categories are specifically stated as:

- a Measured Mineral Resource of 126 Mt@ 3.8% THM, 10% SLIMES and 9% OS containing 4.7 Mt of THM with an assemblage of 88% garnet, 4% ilmenite, 2% rutile/anatase and 0.6% zircon;
- an Indicated Mineral Resource of 20 Mt @ 6.5% THM, 8% SLIMES and 9% OS containing 1.3 Mt of THM with an assemblage of 92% garnet, 4% ilmenite, 1% rutile/anatase and 1% zircon; and
- an Inferred Mineral Resource of 20 Mt @ 2.9% THM, 11% SLIMES and 13% OS containing 0.6 Mt of THM with an assemblage of 89% garnet, 4% ilmenite, 2% rutile/anatase and 1% zircon.

The Mineral Resource estimate for Port Gregory has been reported in accordance with the JORC Code (2012 edition). Table 1 summarises 2023 Mineral Resource Estimate.



Table 1: Port Gregory - 2023 Mineral Resource Estimate

Summary of Mineral Resource estimate <sup>(1)</sup> Classification	THM Assemblage <sup>(2)</sup>											
	Material (Mt)	In Situ THM (Mt)	In Situ Garnet (Mt)	BD (gcm <sup>-3</sup> )	THM (%)	SL (%)	OS (%)	Garnet (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Other (%)
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
<b>Grand Total</b>	<b>166</b>	<b>6.6</b>	<b>5.9</b>	<b>1.7</b>	<b>4.0</b>	<b>10</b>	<b>9</b>	<b>89</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>5</b>

**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.

Consultants MBS Environmental (MBSE) have been retained to undertake the initial phase of project permittings. MBSE have evaluated the project permitting requirements of the Port Gregory with the aim of assessing baseline study work already undertaken and identifying any gaps. Following this initial phase of work MBSE and HVY will then developing a permitting strategy and tactical plan for the Port Gregory project that will advance in conjunction with the PFS and BFS.

The company has commenced preparing the application documentation for the mining lease at Port Gregory. It is anticipated that the preparatory work will be completed ready for submission by Q3 2024.

### Red Hill Project [Western Australia]

The Red Hill project has a defined Exploration Target 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<sup>2</sup>. This Exploration Target has been defined using cut-off grades of 3% THM and 1% THM. 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 Red Hill project had an initial 48 hole, 1815 metre Air Core drill program completed in January 2023 with exceptional results being received. The best intersect was in hole RHAC0020 delivering 0 - 60 meters @ 6.8% THM.

Garnet percentages in Heavy mineral fractions range from 65% - 80% which are very similar to the fractions observed at the Company's Port Gregory Project - located 33 km north of the Red Hill Project (Figure 1).

Ilmenite fraction of THM is reporting at between 5% and 15%.

The drilling program consisted of Air Core drilling to limestone basement or where THM mineralisation closed out, on a regular spaced grid of 100 m south-west/north-east by 400 m south-east/north-west (Figure 3). All holes are vertical and targeted the dunal sand package that sits on top of the Tamala Limestone or its lateral sandy equivalent. A diagrammatic cross-section is shown in Figure 4.



Figure 3: Drill collars referenced showing location of Figure 4 drilling section

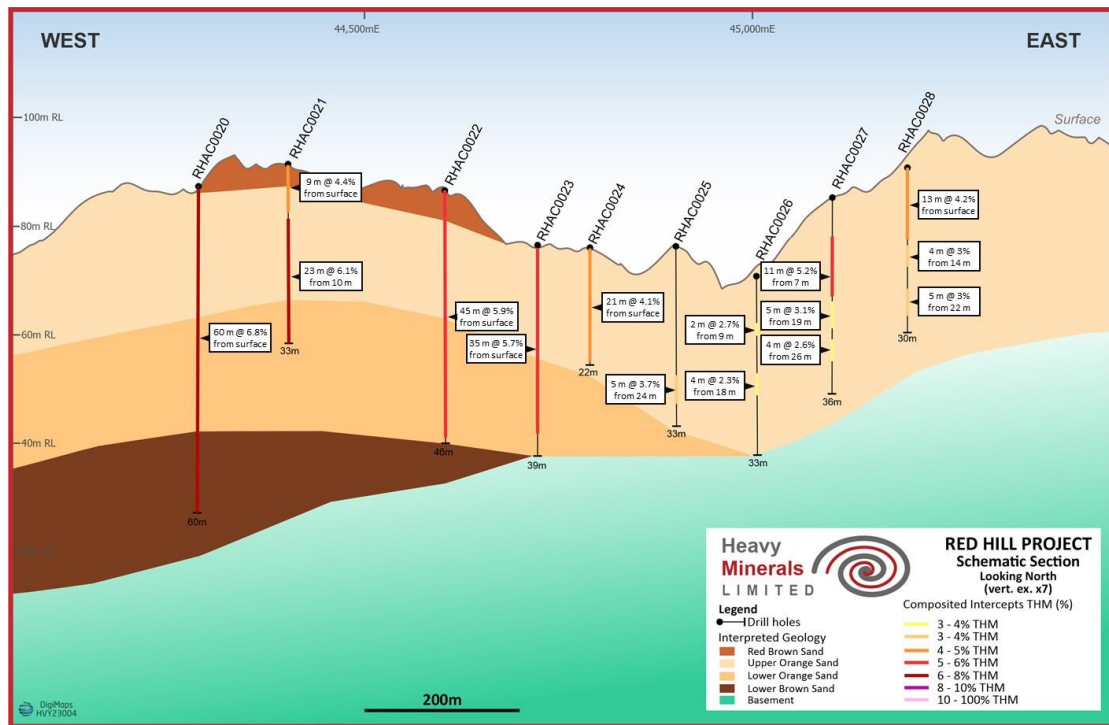


Figure 4: Drill section for Red Hill Maiden exploration campaign (MGA, looking due north, 7x vert. ex.)

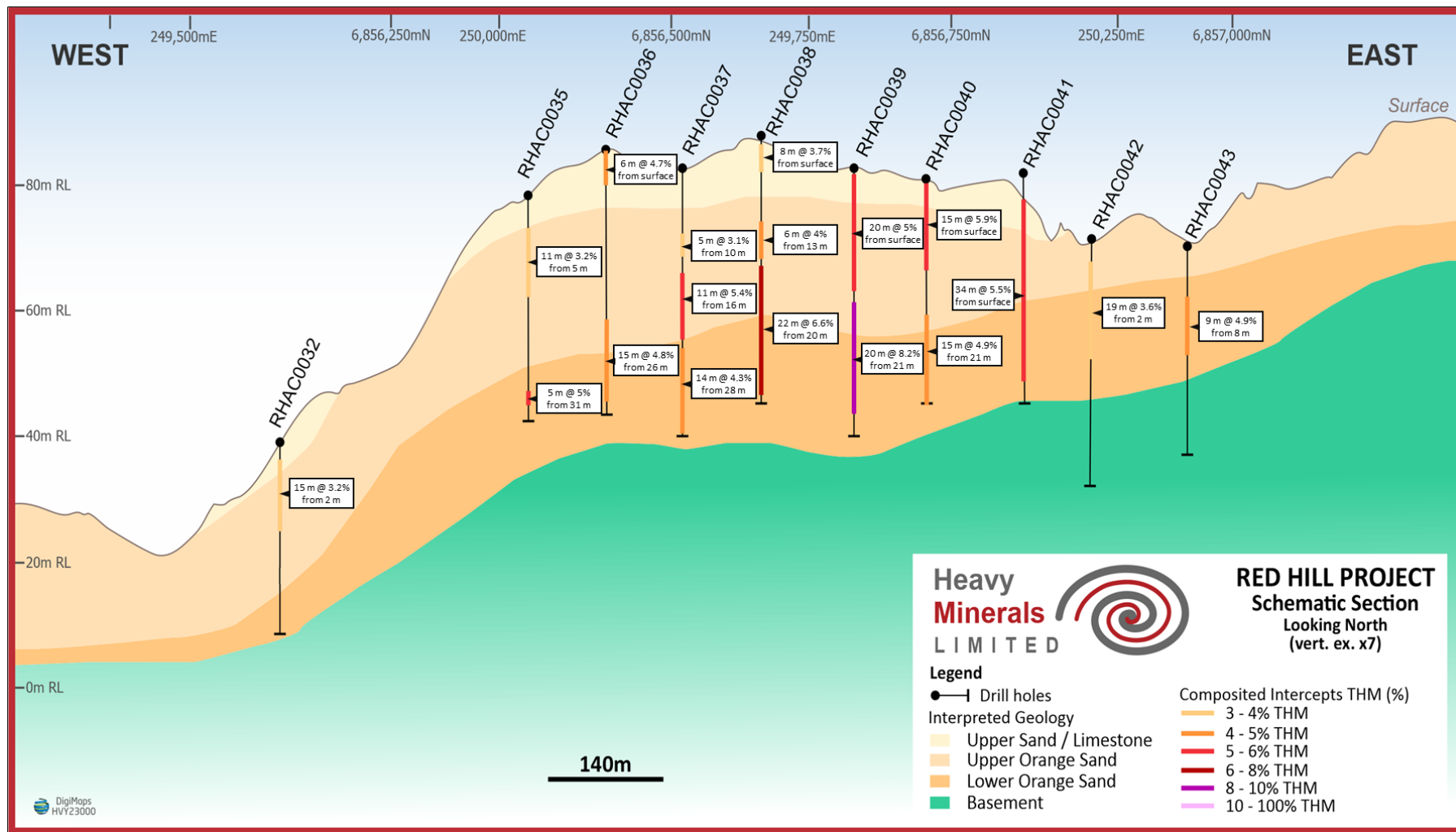


Figure 5: Drill section for Red Hill Maiden exploration campaign (MGA, looking due north, 7x vert. ex.)



### Inhambane Project [Mozambique]

The Inhambane Heavy Mineral Sands Project in Mozambique (Figure 5) consists of a mining concession application (which was lodged on 11 March 2020). The Inhambane Project has a JORC Compliant Inferred Mineral Resource of 90 million tonnes @ 3.0% Total Heavy Mineral. The Company has a 70% direct interest in the Inhambane Project (via its wholly owned subsidiary, Mozmin Resources (Mauritius) Limited) with the remaining 30% owned by Galilei LTDA (which will be free carried until a decision to mine is made by the Company). While the exploration licence preceding the mining concession application has expired, the grant of the Mining Concession supersedes this and is currently pending.

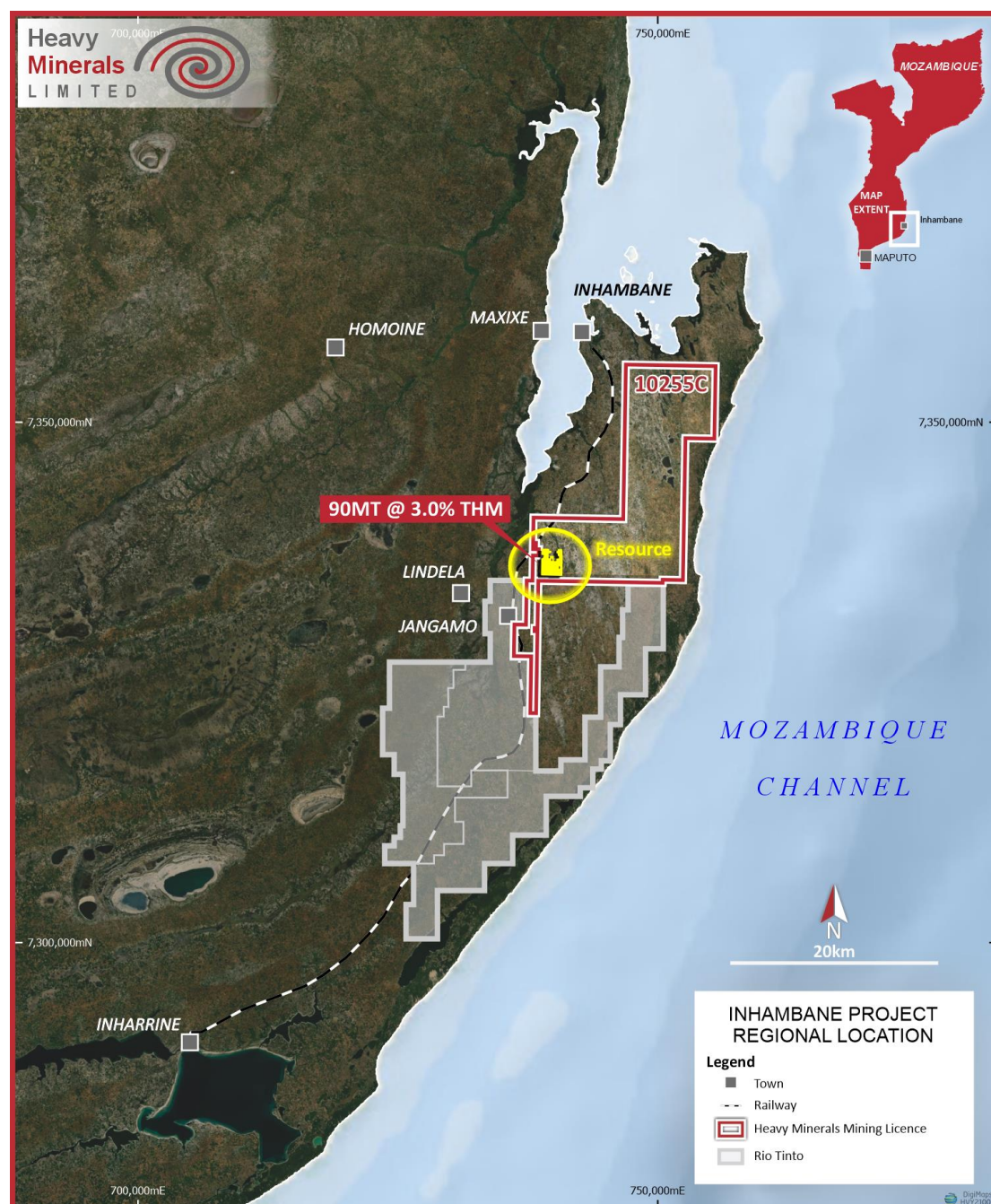


Figure 5: MLA relative to Rio Tinto / Savannah

Table 21: Inhambane Mineral Resource Summary  
MINERAL RESOURCE SUMMARY FOR INHAMBANE PROJECT AS AT DECEMBER 2021

Mineral Resource Category	Summary of Mineral Resources <sup>(1)</sup>					HM Assemblage <sup>(2)</sup>					
	Material (Mt)	In Situ THM (Mt)	THM (%)	SL (%)	OS (%)	Altered Ilmenite (%)	Primary Ilmenite (%)	Rutile (%)	Leucoxene (HiTi) (%)	Zircon (%)	Others (%)
Inferred	90	2.7	3.0	5	0	29	31	2	4	5	29
<b>Grand Total<sup>(3)</sup></b>	<b>90</b>	<b>2.7</b>	<b>3.0</b>	<b>5</b>	<b>0</b>	<b>29</b>	<b>31</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>29</b>

**Notes:**

- (1) Mineral resources reported at a cut-off-grade of 1.7% HM.  
(2) Mineral assemblage is reported as a percentage of in situ HM content.  
(3) HVY has a 70% interest in the Inhambane heavy mineral sands project

## Competent Persons Statements

The information in this announcement that relates to Minerals Resource estimates is based on and fairly represents information and supporting documentation prepared by Mr. Greg Jones who is a Non-Executive Director of Heavy Minerals Limited and an employee of IHC Robbins Pty Ltd. Mr. Jones is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) 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 Mineral Resource estimates referred to in this announcement were first reported in accordance with ASX Listing Rule 5.7 in the Company's prospectus dated 27 July 2021 and released on the ASX market announcements platform on 10 September 2021. The JORC Mineral Resource report that supports this original Mineral Resource estimate is hosted on the Company website at the following links:

**References:**

<sup>1</sup> <https://investorhub.heavyminerals.com/announcements/4380335>

<sup>2</sup> <https://investorhub.heavyminerals.com/announcements/4355794>

<sup>3</sup> <https://investorhub.heavyminerals.com/announcements/4062823>

## Environmental Regulation

The Company's projects are not subject to direct physical risk arising from climate factors. Global warming may make the Company's projects more inaccessible over time. The Projects are not subject to any direct physical risk from climate factors such as flooding or excessive drought. The Consolidated Entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.



**CORPORATE**

- ✕ On 14 July 2023 the Company issued 3,750,000 shares in lieu of fees for marketing services.
- ✕ On 29 August 2023 Wayne Richards resigned as Non-Executive Director and Aaron Williams was appointed as Non-Executive Director.
- ✕ On 14 September 2023 3,782,226 \$0.25 unlisted options expired unexercised.
- ✕ On 28 September 2023 1,125,000 unlisted performance rights expiring 14 September 2026 were cancelled.
- ✕ On 29 September 2023 the Company announced that it had received binding royalty funding subscription agreements to raise \$500,000 before costs.
- ✕ On 20 October 2023 750,000 \$0.25 unlisted options expiring 20 October 2025 were granted.
- ✕ On 7 December 2023:
  - 750,000 Tranche A \$0.20 unlisted options expiring 7 December 2026 were granted
  - 750,000 Tranche B \$0.25 unlisted options expiring 7 December 2026 were granted
  - 1,500,000 Tranche C \$0.30 unlisted options expiring 7 December 2026 were granted
  - 1,500,000 Tranche D \$0.1399 unlisted options expiring 7 December 2026 were granted
  - 300,000 \$0.1399 unlisted options expiring 6 December 2026 were granted

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There are no significant changes in the state of affairs of the Company.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

There are no likely developments of which the Directors are aware of which could be expected to significantly affect the results of the Company's operations in subsequent financial periods not otherwise disclosed in the 'Principal activities' and 'Review of operations' or the 'Significant events after the balance sheet date' sections of the Directors' report.

**SHARE OPTIONS**

As at the date of this report:

No. Options	Exercise Price	Expiry Date	Listed / Unlisted
10,000,000	\$0.25	14 September 2024	Unlisted
500,000	\$0.2171	3 April 2026	Unlisted
500,000	\$0.2894	3 April 2026	Unlisted
500,000	\$0.3618	3 April 2026	Unlisted
750,000	\$0.25	20 October 2025	Unlisted
750,000	\$0.20	7 December 2026	Unlisted
750,000	\$0.25	7 December 2026	Unlisted
1,500,000	\$0.30	7 December 2026	Unlisted
1,500,000	\$0.1399	7 December 2026	Unlisted
300,000	\$0.1399	6 December 2026	Unlisted

**PERFORMANCE RIGHTS**

As at the date of this report:

No. Performance Rights	Class	Expiry Date	Listed / Unlisted
1,440,408	B	14 September 2026	Unlisted
500,000	A	3 April 2026	Unlisted
500,000	B	3 April 2026	Unlisted
500,000	C	3 April 2026	Unlisted

**SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS**

No shares as a result of the exercise of the options were issued as at the date of this report.

**EVENTS SUBSEQUENT TO REPORTING DATE**

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

- ✕ On 14 February 2024 the Company announced a share purchase plan to raise up to \$750,000 before costs;
- ✕ On 7 March 2024 the Company announced a non-binding offtake memorandum of understanding with Abrasive Blasting Service & Supplies.

**AUDITOR'S DECLARATION OF INDEPENDENCE**

The auditor's independence declaration for the period ended 31 December 2023 has been received and is included within the financial statements.

**AUDITOR**

Criterion Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3) of the Corporation Act 2001.

Signed in accordance on behalf of the Directors.



Adam Schofield  
Non-Executive Chairman

15 March 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the review of the financial statements of Heavy Minerals Limited and its Controlled Entities for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



**CHRIS WATTS CA**  
**Director**

**CRITERION AUDIT PTY LTD**

DATED at PERTH this 15<sup>th</sup> day of March 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
<b>Revenue</b>	3	<b>18,334</b>	14,688
Accounting fees		(33,552)	(38,216)
Compliance fees		(62,087)	(60,062)
Consultancy fees		(49,855)	(1,124)
Depreciation		(39,883)	(10,242)
Directors' remuneration		(128,102)	(202,272)
Exploration expenditure expensed		-	(12,430)
Insurance expense		(22,817)	(18,889)
Interest expense		(5,195)	(99)
IT expenses		(418)	(5,240)
Legal fees		(35,887)	(77,198)
Marketing		(144,199)	(40,175)
Occupancy expenses		(16,008)	(5,960)
Other expenses		(55,148)	(22,351)
Share based payment expense		(48,250)	-
Travel expenses		(34,441)	(21,274)
<b>Loss before tax</b>		<b>(657,508)</b>	(500,844)
Income tax benefit/(expense)		-	-
<b>Net loss for the period from operations</b>		<b>(657,508)</b>	(500,844)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,960)	3,869
<b>Total comprehensive loss for the period</b>		<b>(659,468)</b>	(496,975)
Attributable to owners of the Consolidated Entity		(659,468)	(496,975)
Attributable to non-controlling interest		-	-
		<b>(659,468)</b>	(496,975)
Basic and diluted loss per share (cents)		<b>(1.15)c</b>	(0.93)c

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	158,915	319,904
Trade and other receivables		37,116	35,989
Other assets	5	403,990	56,005
<b>Total Current Assets</b>		<b>600,021</b>	<b>411,898</b>
<b>Non-Current Assets</b>			
Plant and equipment		78,874	79,446
Right of use asset		118,969	-
Exploration and evaluation assets	6	3,514,511	3,048,400
<b>Total Non-Current Assets</b>		<b>3,708,354</b>	<b>3,127,846</b>
<b>Total Assets</b>		<b>4,308,375</b>	<b>3,539,744</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		237,524	70,445
Lease liability		72,881	-
Provisions		13,594	5,581
<b>Total Current Liabilities</b>		<b>323,999</b>	<b>76,026</b>
<b>Non-Current Liabilities</b>			
Borrowings	7	650,000	-
Lease liability		53,016	-
<b>Total Non-Current Liabilities</b>		<b>703,016</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,027,015</b>	<b>76,026</b>
<b>Net Assets</b>		<b>3,281,360</b>	<b>3,463,718</b>
<b>EQUITY</b>			
Contributed equity	8	8,733,295	8,321,436
Reserves	9	1,349,600	1,286,309
Accumulated losses		(6,758,040)	(6,100,532)
Attributable to owners of the Consolidated Entity		3,324,855	3,507,213
Attributable to non-controlling interest		(43,495)	(43,495)
<b>Total Equity</b>		<b>3,281,360</b>	<b>3,463,718</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

Consolidated Entity	Contributed Equity	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Attributable to Owners of the Consolidated Entity	Attributable to Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>8,321,436</b>	<b>39,414</b>	<b>1,246,895</b>	<b>(6,100,532)</b>	<b>3,507,213</b>	<b>(43,495)</b>	<b>3,463,718</b>
Equity issues	425,000	-	-	-	425,000	-	425,000
Capital raising costs	(13,141)	-	-	-	(13,141)	-	(13,141)
Share based payments (net)	-	-	65,251	-	65,251	-	65,251
Foreign exchange on translation of operations	-	(1,960)	-	-	(1,960)	-	(1,960)
Loss for the period	-	-	-	(657,508)	(657,508)	-	(657,508)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	(1,960)	-	(770,008)	(659,468)	-	(659,468)
<b>Balance at 31 December 2023</b>	<b>8,733,295</b>	<b>37,454</b>	<b>1,312,146</b>	<b>(6,758,040)</b>	<b>3,324,855</b>	<b>(43,495)</b>	<b>3,281,360</b>
<b>Balance at 1 July 2022</b>	<b>8,322,811</b>	<b>29,692</b>	<b>965,395</b>	<b>(4,928,805)</b>	<b>4,389,093</b>	<b>(43,495)</b>	<b>4,345,598</b>
Equity issues	-	-	-	-	-	-	-
Capital raising costs	(1,375)	-	-	-	(1,375)	-	(1,375)
Share based payments	-	-	-	-	-	-	-
Foreign exchange on translation of operations	-	3,869	-	-	3,869	-	3,869
Loss for the period	-	-	-	(500,844)	(500,844)	-	(500,844)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	3,869	-	(500,844)	(496,975)	-	(496,975)
<b>Balance at 31 December 2022</b>	<b>8,321,436</b>	<b>33,561</b>	<b>965,395</b>	<b>(5,429,649)</b>	<b>3,890,743</b>	<b>(43,495)</b>	<b>3,847,248</b>

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(347,856)	(519,666)
Interest received		299	14,338
Interest paid		(5,195)	(99)
Net cash used in operating activities		(352,752)	(505,427)
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		(6,000)	(33,230)
Payment for exploration and evaluation		(415,414)	(489,900)
Net cash used in investing activities		(421,414)	(523,130)
<b>Cash flows from financing activities</b>			
Proceeds from equity issues		-	-
Payment for costs of equity issues		(14,441)	(1,375)
Loans to other entities		-	(1,150)
Proceeds from borrowings	7	650,000	-
Repayment of borrowings		(22,382)	(2,221)
Net cash (used in) / provided by from financing activities		614,177	(4,746)
Net increase / (decrease) in cash held		(160,989)	(1,033,303)
Cash and cash equivalents at beginning of the period		319,904	2,411,626
Foreign exchange effect on cash and cash equivalents		-	-
Cash and cash equivalents at period end	4	158,915	1,378,323

The accompanying notes form part of these financial statements.

## 1. *Corporate information*

This half year report covers Heavy Minerals Limited (the “Consolidated Entity”), a company incorporated in Australia for the 6 month period ended 31 December 2023. The presentation currency of the Company is Australian Dollars (“\$”). A description of the Consolidated Entity’s operations is included in the review and results of operations in the Directors’ Report. The Directors’ Report is not part of the financial statements. The Consolidated Entity is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code “HVV”. The financial statements were authorised for issue on 15 March 2024 by the Directors of the Consolidated Entity. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

## 2. *Accounting policies*

### a. Statement of compliance

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board.

### b. Going concern

The half year report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$657,508 for the period ended 31 December 2023 (2022: \$500,844) and net cash outflows from operating activities of \$352,752 (2022: \$505,427). The working capital deficiency of the Consolidated Entity at 31 December 2023 was (\$120,766) (30 June 2023: \$283,219 working capital surplus). The Consolidated Entity has exploration commitments due within the next 12 months. The Directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. The ability of the Consolidated Entity to continue to pay its debts as and when they fall due is principally dependent upon the following assumptions:

- ✕ successfully raising additional share capital including the Share Purchase Plan which was extended to 15 March 2024 to raise up to \$750,000;
- ✕ successfully raising debt funding via the royalty agreements which to date has raised \$650,000;
- ✕ financial support from the Directors, in the form of temporarily suspending partially or in full their directors fees for 6 months until the Company has sufficient funds for its working capital purposes;
- ✕ financial support from the CEO, in the form of temporarily suspending a portion of his salary until the Company has sufficient funds for its working capital purposes;
- ✕ financial support from two key creditors/suppliers, in the form of temporarily suspending partially or in full their fees for 6 months until the Company has sufficient funds for its working capital purposes; and
- ✕ containing expenditure in line with available funding whilst maintaining its exploration commitments.

## 2. Accounting policies (continued)

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Consolidated Entity's history of raising capital and debt funding to date, the Directors are confident of the Consolidated Entity's ability to raise additional funds as and when they are required. However, in the event that the future capital raisings and debt funding are not successful or are delayed, or the other assumptions not met, there exists a material uncertainty that casts significant doubt about the ability of the Consolidated Entity to continue as a going concern and therefore the Consolidated Entity may be unable to realize its assets and discharge its liabilities in the ordinary course of business and the amounts stated in the financial report. Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

### c. Basis of preparation

The general purpose financial statements of the Consolidated Entity have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost base. It is recommended that the half year financial report be considered together with the 30 June 2023 annual report and any public announcements made by the Consolidated Entity up to the issue date of this report, which the Consolidated Entity has made in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001*. The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

### d. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Heavy Minerals Limited (Company or parent entity) as at 31 December 2022 and the results of all subsidiaries for the period then ended. Heavy Minerals Limited and its subsidiaries together are referred to in these financial statements as the Consolidated Entity. Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated.

## 2. *Accounting policies (continued)*

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent. Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance. Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### e. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

### f. Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

### g. Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

**2. Accounting policies (continued)**

*i. Exploration and evaluation expenditure*

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

*ii. Share based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

h. Accounting Standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 30 June 2023. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

i. Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Company's accounting policies, however further analysis will be performed when the relevant standards are effective.

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
<b>3. Revenue</b>		
Interest revenue	834	14,688
Other revenue	17,500	-
	<b>18,334</b>	<b>14,688</b>
	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
<b>4. Cash and cash equivalents</b>		
Cash at bank	135,004	318,705
Cash on hand	1,199	1,199
Term deposits	22,712	-
	<b>158,915</b>	<b>319,904</b>
<b>5. Other assets</b>		
Other assets	7,202	3,352
Prepaid expenses	396,788	52,653
	<b>403,990</b>	<b>56,005</b>
<b>6. Exploration and evaluation assets</b>		
Balance at beginning of period	3,048,400	1,911,483
Exploration and evaluation expenditure incurred during the period	466,111	1,152,679
Exploration and evaluation expenditure written off	-	(15,762)
Balance at end of period	<b>3,514,511</b>	<b>3,048,400</b>



	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
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**7. Borrowings**

Royalty funding <sup>1</sup>	650,000	-
	<b>650,000</b>	<b>-</b>

	Consolidated Entity 31 December 2023		Consolidated Entity 30 June 2023	
	No.	\$	No.	\$
<b>8. Contributed equity</b>				
Balance at beginning of period	53,873,665	8,321,436	53,873,665	8,322,811
Share issue: 14-Jul-23	3,750,000	425,000	-	-
Capital raising costs	-	(13,141)	-	(1,375)
Balance at end of period	<b>57,623,665</b>	<b>8,733,295</b>	<b>53,873,665</b>	<b>8,321,436</b>

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
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**9. Reserves**

Foreign currency translation reserve

Balance at beginning of period	39,414	26,692
Foreign exchange on translation of operations	(1,960)	9,722
Balance at end of period	<b>37,454</b>	<b>39,414</b>

Share based payments reserve

Balance at beginning of period	1,246,895	965,395
Options granted <sup>4</sup>	177,751	139,000
Performance rights granted <sup>4</sup>	-	142,500
Performance rights cancelled <sup>2</sup>	(112,500)	-
Balance at end of period	<b>1,312,146</b>	<b>1,246,895</b>

<sup>1</sup> The Company has raised funds via a Syndicated Royalty with multiple participants contributing funds at different times. In 24 months from receipt of funds, the Company has the right to initiate a partial buyback of the royalties at a 125% return to the Royalty holder on the initial funds committed. If the Company elects to not initiate the buyback the Royalty Holder may enforce this buyback. The first Potential buyback may occur in September 2025 and until then the Royalty Funds Received are not considered current liabilities.

<sup>2</sup> Cancellation of former Director performance rights.

9. *Reserves (continued)*

<sup>4</sup>Variables used to calculate the option valuations are as follows:

Current period

Inputs	Broker Options [FY23/24]	Royalty Funding Options [FY23/24]	Director Tranche A Options [FY23/24]	Director Tranche B Options [FY23/24]	Director Tranche C Options [FY23/24]	Director Tranche D Options [FY23/24]	Contractor Options [FY23/24]
Number of options	250,000	500,000	750,000	750,000	1,500,000	1,500,000	300,000
Exercise price	\$0.25	\$0.25	\$0.20	\$0.25	\$0.30	\$0.1399	\$0.1399
Expiry date	20-Oct-25	20-Oct-25	07-Dec-26	07-Dec-26	07-Dec-26	07-Dec-26	06-Dec-26
Grant date	20-Oct-23	20-Oct-23	07-Dec-23	07-Dec-23	07-Dec-23	07-Dec-23	07-Dec-23
Share price at grant date	\$0.105	\$0.105	\$0.096	\$0.096	\$0.096	\$0.096	\$0.096
Risk free interest rate	4.29%	4.29%	3.92%	3.92%	3.92%	3.92%	3.92%
Volatility	154%	154%	120%	120%	120%	120%	120%
Option value	\$0.068	\$0.068	\$0.061	\$0.057	\$0.054	\$0.067	\$0.067
Value in current period accounts	\$17,000	\$34,000	\$22,875	\$21,375	\$12,150	\$50,250	\$20,100
Vesting condition	N/A	N/A	Upon the Company announcing a positive Preliminary Feasibility Study evidencing a ratio of net present value (NPV-8%) to capital of greater than 2.5 at the Port Gregory Project.	Upon the Company announcing a positive Bankable Feasibility Study evidencing a ratio of net present value (NPV-8%) to capital of greater than 2.5 at the Port Gregory Project.	The Company raising a minimum \$3,000,000 via the grant of a Royalties at the Company's Port Gregory Project prior to a final investment decision at the Port Gregory Project.	Upon the Company announcing a JORC Code 2012 compliant Mineral Resource at the Company's Red Hill Garnet Project of at least an inferred classification of >3mt contained garnet at a minimum grade of not less than 4% total heavy mineral.	N/A
Vested at balance date	N/A	N/A	No	No	No	No	N/A

9. *Reserves (continued)*

<sup>4</sup>Variables used to calculate the option valuations are as follows:

Prior periods:

Inputs	Director & Consultant Options [FY20/21]	Shareholder Options [FY20/21]	Broker & Vendor Options [FY21/22]	CEO Employee Class A Options [FY22/23]	CEO Employee Class B Options [FY22/23]	CEO Employee Class C Options [FY22/23]
Number of options	5,000,000	3,782,226	5,000,000	500,000	500,000	500,000
Exercise price	\$0.25	\$0.25	\$0.25	\$0.2171	\$0.2894	\$0.3618
Expiry date	14-Sep-24	14-Sep-23	14-Sep-24	03-Apr-26	03-Apr-26	03-Apr-26
Grant date	07-May-21	01-Jun-21	06-Sep-21	03-Apr-23	03-Apr-23	03-Apr-23
Share price at grant date	\$0.20	\$0.20	\$0.20	\$0.15	\$0.15	\$0.15
Risk free interest rate	0.11%	0.09%	0.11%	2.98%	2.98%	2.98%
Volatility	50%	50%	50%	121%	121%	121%
Option value	\$0.055	\$0.042 <sup>3</sup>	\$0.055	\$0.099	\$0.092	\$0.087
Value in current period accounts	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Vesting condition	N/A	N/A	N/A	N/A	N/A	N/A
Vested at balance date	N/A	N/A	N/A	N/A	N/A	N/A

<sup>3</sup> The valuation of \$158,853 has been included within capital raising costs.

9. *Reserves (continued)*

<sup>4</sup>Variables used to calculate the performance right valuations are as follows:

Prior periods:

Inputs	CEO Employee Class A Performance Rights [FY22/23]	CEO Employee Class B Performance Rights [FY22/23]	CEO Employee Class C Performance Rights [FY22/23]
Number of performance rights	500,000	500,000	500,000
Expiry date	03-Apr-26	03-Apr-26	03-Apr-26
Grant date	03-Apr-23	03-Apr-23	03-Apr-23
Share price at grant date	\$0.15	\$0.15	\$0.15
Performance right value	\$0.135	\$0.105	\$0.045
Value in prior period accounts	\$67,500	\$52,500	\$22,500
Vesting condition	Upon the announcement of a positive and completed pre-feasibility study for the Port Gregory Project.	Upon the announcement of a positive and completed definitive feasibility study for the Port Gregory Project.	The Company achieving a market capitalisation of at least A\$30,000,000 over a period of not less than 5 consecutive trading days on which trades in the Company's shares actually occur.
Vested at balance date	No	No	No

	Consolidated Entity 31 December 2023 No.	Consolidated Entity 30 June 2023 No.
<b>9. Reserves (continued)</b>		
<u>Unlisted options</u>		
Balance at beginning of period	15,282,226	13,782,226
Options granted <sup>4</sup>	5,550,000	1,500,000
Options expired	(3,782,226)	-
Balance at end of period	17,050,000	15,282,226
<u>Unlisted performance rights</u>		
Balance at beginning of period	4,065,408	2,565,408
Performance rights granted <sup>4</sup>	-	1,500,000
Performance rights cancelled <sup>2</sup>	(1,125,000)	-
Balance at end of period	2,940,408	4,065,408

**10. Operating segments**

The Consolidated Entity has determined operating segments based on the information provided to the Board of Directors. The Consolidated Entity operates predominantly in one business segment being the exploration for minerals with entities based in three geographic segments, being Australia, Mauritius and Mozambique.

	Australia Exploration & Corporate	Mauritius Exploration & Corporate	Mozambique Exploration & Corporate	Total
<b>31 December 2023</b>				
Segment revenue	18,334	-	-	18,334
Segment loss	(631,327)	(17,446)	(8,735)	(657,508)
Segment assets	4,051,417	1,425	255,533	4,308,375
Segment liabilities	(1,025,722)	(1,293)	-	(1,027,015)
<b>30 June 2023</b>				
Segment assets	3,292,701	8,188	238,855	3,539,744
Segment liabilities	(74,733)	(1,293)	-	(76,026)
<b>31 December 2022</b>				
Segment revenue	14,688	-	-	14,688
Segment loss	(472,306)	(22,563)	(5,975)	(500,844)

**11. Events after the end of the reporting period**

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

- ✕ On 14 February 2024 the Company announced a share purchase plan to raise up to \$750,000 before costs;
- ✕ On 7 March 2024 the Company announced a non-binding offtake memorandum of understanding with Abrasive Blasting Service & Supplies.

Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
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**12. Commitments and contingencies**

- a. Commitments relating to operating and exploration expenditures

Not longer than 1 year	354,587	240,343
More than 1 year but not longer than 5 years	172,303	190,070
More than 5 years	-	-
	<b>526,890</b>	<b>430,413</b>

There are no other material commitments as at 31 December 2023.

- b. Contingent assets

There are no contingent assets as at 31 December 2023.

- c. Contingent liabilities

Contingent liabilities as at 31 December 2023 consist of the following contingent liability in Mozambique:

Transfers of interest that have occurred under the +258 Agreement (being Mozmin Mauritius' acquisition of 70% of the equity in +258 Limitada set out in Section 7.1(b)) and the Share Swap (being the Company's acquisition of 100% of the share capital of MRPL) have not received Government Approval. The Company has retrospectively commenced the process to obtain these approvals and is not aware of any reason why these approvals would not be granted, however, until such time as the approvals are received, the Company has allocated minimal funds to the Inhambane Project. There is no guarantee that the Government Approvals will be received and further, there is a likelihood that the approvals will require the payment of stamp duty. The Company understands that stamp duty rates vary between 0.1% to 10% of the face value of relevant documents. The Company anticipates that the stamp duty will be approximately USD 750.



12. ***Related party transactions***

✕ Transactions with related parties

During the reporting period, there were the following related party transactions:

- During the period GNJ Consulting Pty Ltd (a company of which Greg Jones is a director) provided exploration services to the Consolidated Entity to the value of \$30,000 (31 December 2022: \$33,000). The amount payable to GNJ Consulting Pty Ltd at 31 December 2023 was \$5,500 (including GST) (31 December 2022: \$Nil).
- During the period, IHC Robbins Pty Ltd (a company of which Greg Jones is an employee) provided exploration services to the Consolidated Entity to the value of \$150,530 (31 December 2022: \$76,527). The amount payable to IHC Robbins Pty Ltd at 31 December 2023 was \$23,958.01 (including GST) (31 December 2022: \$Nil).
- During the year, Heavy Minerals Ltd (a company incorporated in England & Wales, related by way of a mutual director, Adam Schofield) was loaned \$Nil (30 June 2023: \$1,150) to cover corporate costs of which \$3,352 was outstanding at the end of the period (30 June 2023: \$3,352).

The Directors of the Consolidated Entity declare that:

The financial statements and notes are in accordance with the *Corporations Act 2001* and:

- ✕ comply with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
- ✕ give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of the performance for the period ended 31 December 2023;

In the Directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Adam Schofield  
Non-Executive Chairman

15 March 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

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LEEDERVILLE WA 6007

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## **Independent Auditor's Review Report**

### **To the Members of Heavy Minerals Limited**

#### **Conclusion**

We have reviewed the half-year financial report of Heavy Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Heavy Minerals Limited does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the half year report, which indicates that the Consolidated Entity incurred a loss from ordinary activities of \$657,508 for the period ended 31 December 2023 and net cash outflows from operating activities of \$352,752. The working capital deficiency of the Consolidated Entity at 31 December 2023 was \$120,766. As stated in Note 2 (b), these events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity 's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Criterion Audit

CRITERION AUDIT PTY LTD

Chris Watts

CHRIS WATTS CA  
Director

DATED at PERTH this 15<sup>th</sup> day of March 2024