



ROYALTY FUNDING COMPLETED

Heavy Minerals Ltd (ASX: HVV) ("Heavy" or "the Company") is pleased to announce that it has completed its Tranche 1 Pre-Paid Royalty Funding ("Royalty") raising a total of \$2.1M (before costs). The Company has executed a Royalty agreement with Campbell Transport raising \$1.25M adding to the previously raised \$850K from professional and sophisticated investors (Subscribers). The Company is also awaiting funds from an additional \$170K of pending subscriptions. The Company has sold a combined 1.05% Royalty on potential future Gross Production Revenue at its Port Gregory Project. The Company has the right to re-acquire 60% of the Royalty from subscribers in staged buybacks if agreed. In addition to the Royalty, Subscribers will be issued one attaching option ("Options") for each dollar invested in the Royalty.

The Tranche 1 Options are unlisted and are exercisable into fully paid ordinary shares at an exercise price of \$0.25. All options expire 24 months from the date of their issue.

Allotment of the Tranche 1 Options is anticipated to occur on or about 16 August 2024 under the Company's existing placement capacity:

✕ 770,000 Tranche 1 Options to be issued under the Company's ASX Listing Rule 7.1 capacity.

Funds raised under the Tranche 1 Royalty will be applied towards completing the Port Gregory Pre-Feasibility Study and working capital. Director Aaron Williams has subscribed for \$50K of funds under the Royalty and the corresponding 50,000 Tranche 1 Options are subject to shareholder approval.

The Company will look to secure its Tranche 2 Royalty funding in early 2025 for the purpose of completing the Bankable-Feasibility Study at the Port Gregory Project. Campbell Transport has expressed strong interest in participating in Tranche 2 on a pro-rata basis.

Funds committed by Campbell Transport will be received in three unconditional instalments that align with the requirements of the PFS. The first instalment of \$500K will be received within 7 days and the remaining two equal instalments will be received before the end of February 2025.

The Company is also pleased to announce it has entered into an At-the-Market Subscription Agreement (ATM) with Acuity Capital. The ATM provides the Company with up to \$2,000,000 of standby equity capital over the coming 5 years to 31 July 2029.

Importantly, the Company has full discretion as to whether it utilises the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on the Company to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on the Company's ability to raise capital via other methods. If the Company does decide to utilise the ATM, the Company sets the issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of the Company's choosing (again at its sole discretion). As security for the ATM,

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the Company has agreed to place 3,300,000 fully paid ordinary HVY.ASX shares from its LR7.1 capacity at nil cash consideration to Acuity Capital. Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval).

Chairman, Adam Schofield said:

“We are extremely pleased to have completed the First Syndicated Non-Dilutive Pre-Paid Royalty to be done in Australia. The participation of Campbell Transport and other Subscribers in this funding is a testament to the highly rewarding nature of Royalties and the potential of the Port Gregory garnet project. The Company will look to sign a MOU with Campbell Transport in the near term with a view to their provision of logistics support for the Port Gregory Operations from mine gate to ship loading at the Port of Geraldton. We look forward to developing a close working relationship with Campbell Transport and we greatly appreciate their support and belief in the Company, the Board and our flagship Port Gregory project.

This Royalty Funding clears the path for the Company to complete the Port Gregory project PFS and positions the Company for the commencement of the Bankable Feasibility Study (BFS). The non-dilutive nature of the Royalty adds significant value to the Company and Shareholders and aids in our objective of developing Western Australia's next world class industrial garnet mine at Port Gregory. The Company may raise future funds via additional Royalty sales, the ATM facility and other approaches.”

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

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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 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 ilmenite¹.

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 garnet². 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 Mineral³.

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

