Heavy Minerals Limited

And Controlled Entities

ABN: 26 647 831 883

HALF YEAR REPORT

For the Period Ended 31 December 2024

CONTENTS

DIRECTORS

Adam Schofield	Executive Director & Chairman [Non-Independent]
Greg Jones	Non-Executive Director [Non-Independent]
Aaron Williams	Non-Executive Director [Independent]

SECRETARY
Stephen Brockhurst

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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 2024.

DIRECTORS

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

Name	Title
Adam Schofield	Executive Director & Chairman [Non-Independent]
Greg Jones	Non-Executive Director [Non-Independent]
Aaron Williams	Non-Executive Director [Independent]

COMPANY SECRETARY

Name	Title
Stephen Brockhurst	Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is exploration and development of industrial mineral projects.

REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2024 was $495,701 (2023: $657,508 loss).

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

	31 December 2024 $	30 June 2024 $	31 December 2023 $
Other income	22,532	40,175	18,334
EBITDA	(447,784)	(1,050,886)	(612,430)
EBIT	(493,665)	(1,136,501)	(652,313)
Loss after income tax	(495,701)	(1,146,912)	(657,508)

DIVIDENDS

No dividends were paid or declared during the period ended 31 December 2024 (2023: Nil).

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

	31 December 2024 $	30 June 2024 $	31 December 2023 $
Share price at financial year end	0.115	0.068	0.095

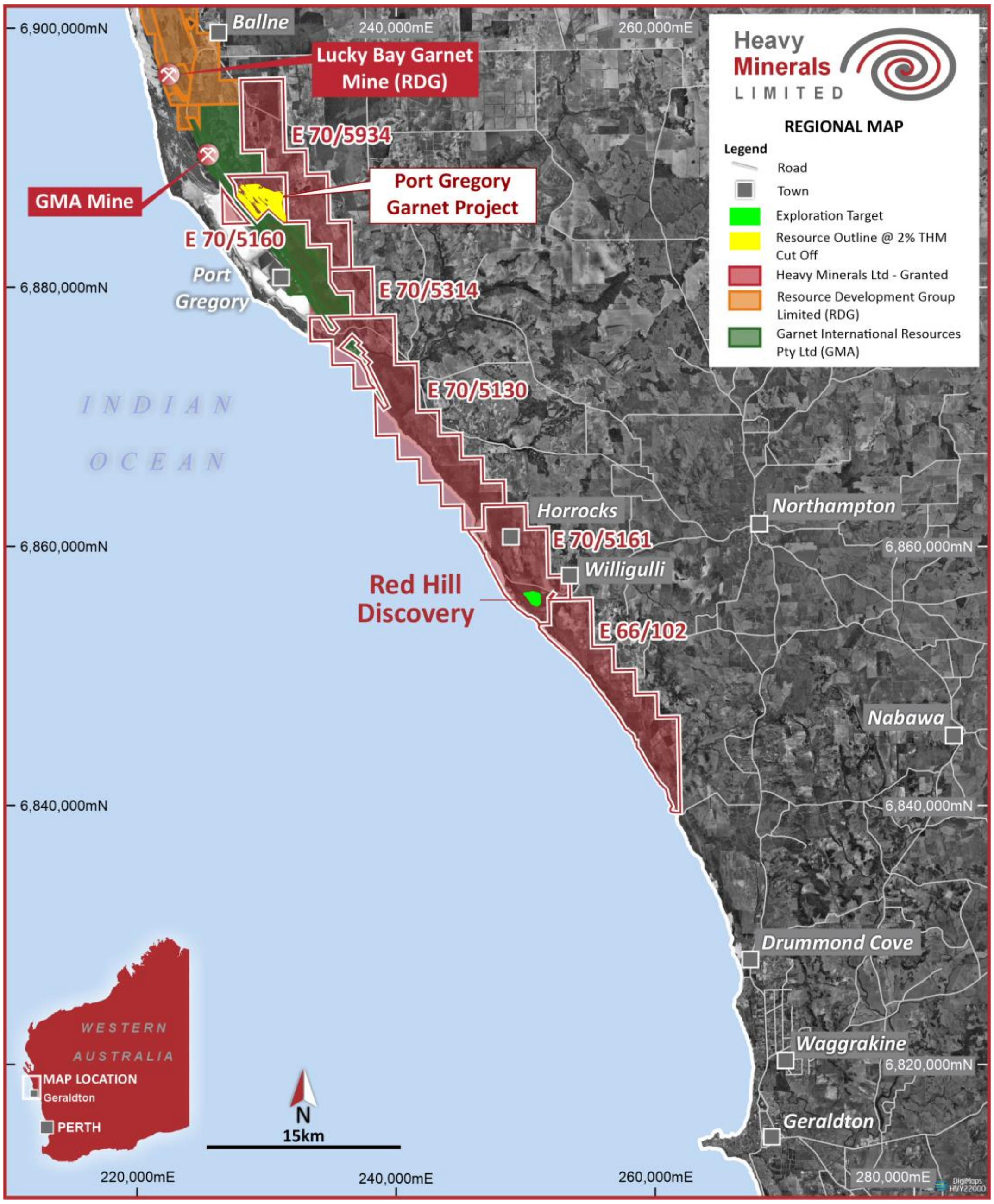

Figure 1: Project Locations - Port Gregory and Red Hill

COMPANY FOCUS AND MISSION

Heavy Minerals Limited (ASX:HVY) is an Australian industrial mineral exploration company committed to increasing shareholder wealth through the exploration and development of mineral resource projects in Western Australia and Mozambique. HVY may also look to acquire other projects, with a focus on Industrial Minerals that are value adding and complement HVY's existing projects and strategic focus.

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[1].

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[2]. 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[3].

Resource Links

[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

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 2024 the Company undertook the following exploration and evaluation activities on its projects:

- **Port Gregory Pre-Feasibility Study (PFS) Awarded:**
  - IHC Mining continued to progress the PFS for the Port Gregory Garnet Project (PGGP).
  - There were some delays to the completion of the PFS however this has created opportunities to explore lower capex plant solutions.
  - 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.
  - The study work has progressed well in recent months with completion expect Q2 2025.

- **Port Gregory Project Permitting Commenced:**
  - MBS Environmental have completed a Permitting and Environmental Strategy for the Port Gregory project.
  - The Permitting and Environmenatal strategy has reviewed baseline studies undertaken during the Scoping Study, identified baseline gaps that will be addressed during the feasibility study (FS) as well as providing a pathway for the future regulatory and environmental work required to permit the project.

- **Preparation of Mining Lease Application:**
  - The Port Gregory Mining lease application has been prepared and is being subject to final review prior to submission..
  - Lodgement of the Mining Lease Application is planned for Q1 2025.

- **Land access negotiations for new exploration opportunities:**
  - Negotiations for land access to a number of new exploration targets the Company has identified have contined with limited progress. Larger landholdings have been secured by energy developer with exclusive land access agreements. It is taking some time to work with freehold landowners to navigate the complexity of pre-existing agreements.
  - The Company will finalise a program of works once access negotiations are completed. It is anticipated this work will be commence in Q2 2024.

- **Tranche 1 Royalty Funding raises a total of $2.13m.**
  - The Company advises that Tranche 1 Royalty Funding has raised a total of $2.13M. Campbell Operations (or its nominee) has been a cornerstone investor subscribing for $1.250M of the Tranche 1 Pre-Paid Royalty Raise ("Royalty") and the Company has raised an additional $0.880M from professional and sophisticated investors (Subscribers) raising a total of $2.13M (before costs). As at 31 December 2024 the Company was awaiting the last payment for Tranche 1 of $375K due from Campbell Operations and payable in February 2025.
  - The Company has thus far sold a 1.07% Royalty on potential future Gross Production Revenue at its Port Gregory Project. The company has the right to re-acquire 60% of this Royalty from subscribers in staged buybacks if agreed. In addition to the Royalty, Subscribers have been issued one attaching option ("Options") for each dollar invested in the Royalty.
  - The Company will commence raising from its Tranche 2 Royalty in March 2025 to raise $2m with an additional 1% Royalty being offered on potential future Gross Production Revenue at its Port Gregory Project. The company has the right to re-acquire 60% of this 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.

  - Company to utilise Tranche 2 funds to commence the feasibility study (definitive or bankable) at the Port Gregory Project prior to a Financial Invesment Decision (FID) being made. Funds will also be used for general working capital.
  - The Company also has an established At the Market Facility (ATM) that will provide additional funding optionsfor the company at set share price trigger points.

PROJECTS

Port Gregory Project [Western Australia]

The Port Gregory project (Figure 1) has been subject to significant work in 2H2024. In particular with the following three key workstreams::

1. Advancement of the Pre-Feasibility study (PFS) and associated sub-workstreams

2. Completion of the project permitting and environmental strategy
3. Mining lease application finalisation

The PFS was awarded to IHC Mining after consideration of other suitably competent consultants and work commenced in October 2023. IHC Mining completed the Scoping Study and Preliminary Economic Assessment, and to ensure continuity and competence the Company electedto award 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 are being undertaken by additional consultants and managed directly by HVY, and closely co-ordinated with IHC Mining.

As a result of initial funding constraints delays to the commencement of key workstreams were experienced and the completion of the Port Gregory PFS is now expected in early Q2 2025.The delays have provide a significant opportunities to review the project execution plans and identify new capital equipment options with the capability to reduce project capital requirements.

As previously reported, the Company has 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%.

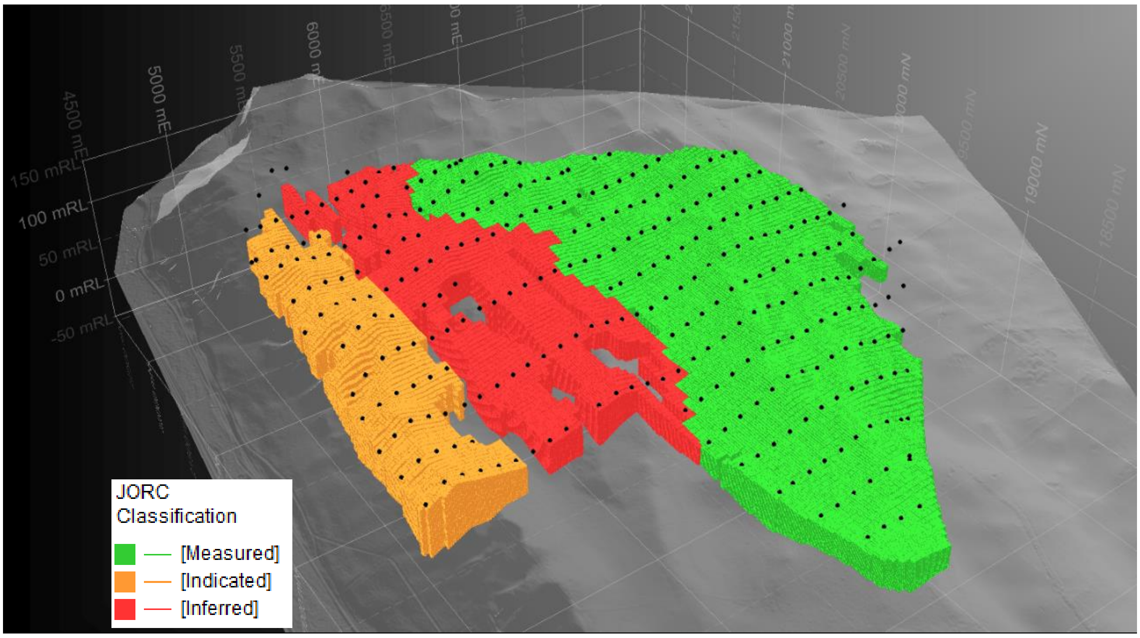

Figure 2: Port Gregory Block Model showing JORC Mineral Resource classification

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 (1)								THM Assemblage (2)				
Classification	Material (Mt)	In Situ THM (Mt)	In Situ Garnet (Mt)	BD (gcm^{-3})	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
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.

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 have developed a Permitting and Environmental Strategy for the Port Gregory project. The PFS project definition in conjunction with the permitting and Environmental strategy will be sufficient to engage with regulators over the course of the feasibility study.

The Company has prepared the application documentation for the mining lease at Port Gregory. The lease application is undergoing final review prior to submission.

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. 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 exeptional 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

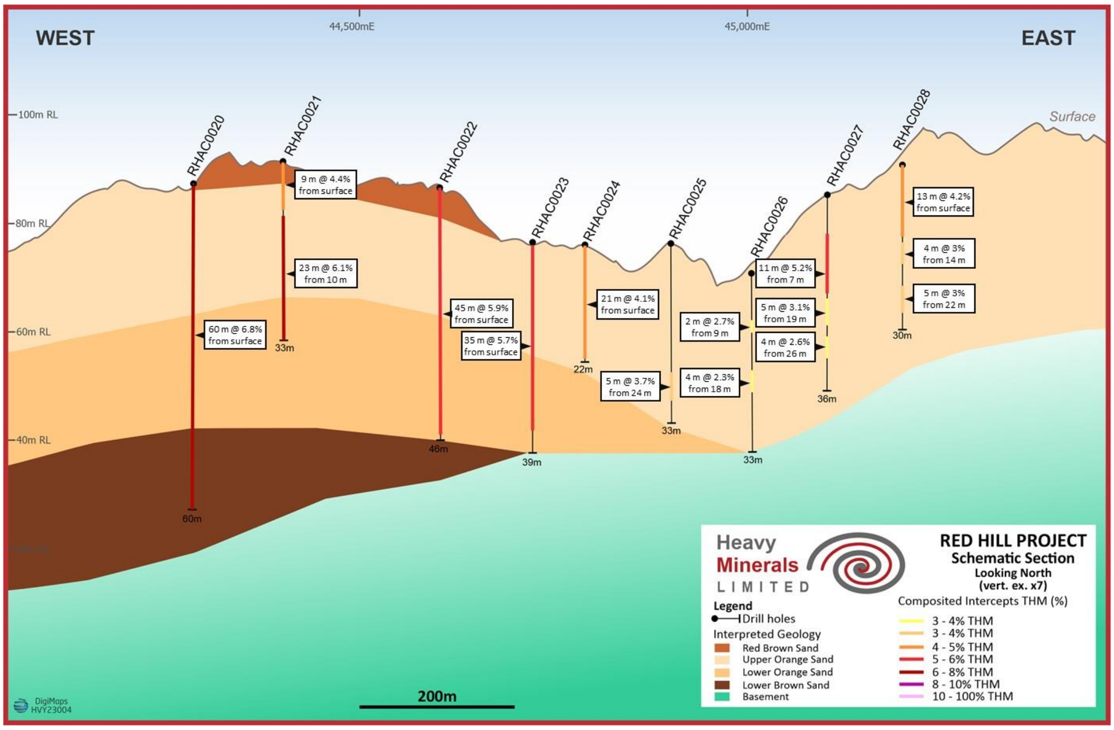

Figure 4: Drill section for Red Hill Maiden exploration campaign (MGA, looking due north, 7x vert. ex.)

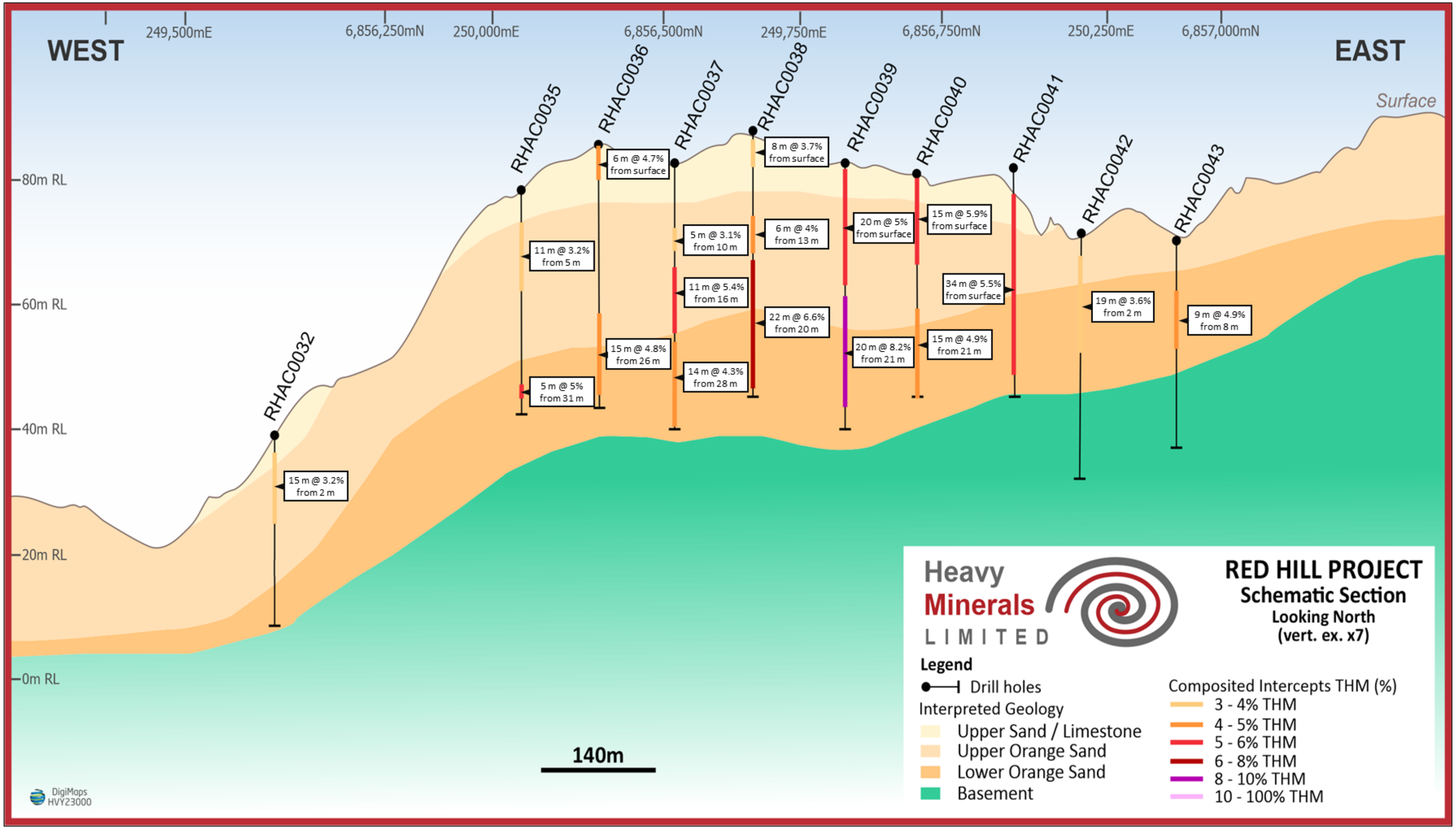

Figure 5: Drill section for Red Hill Maiden exploration campaign (MGA, looking due north, 7x vert. ex.)

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.

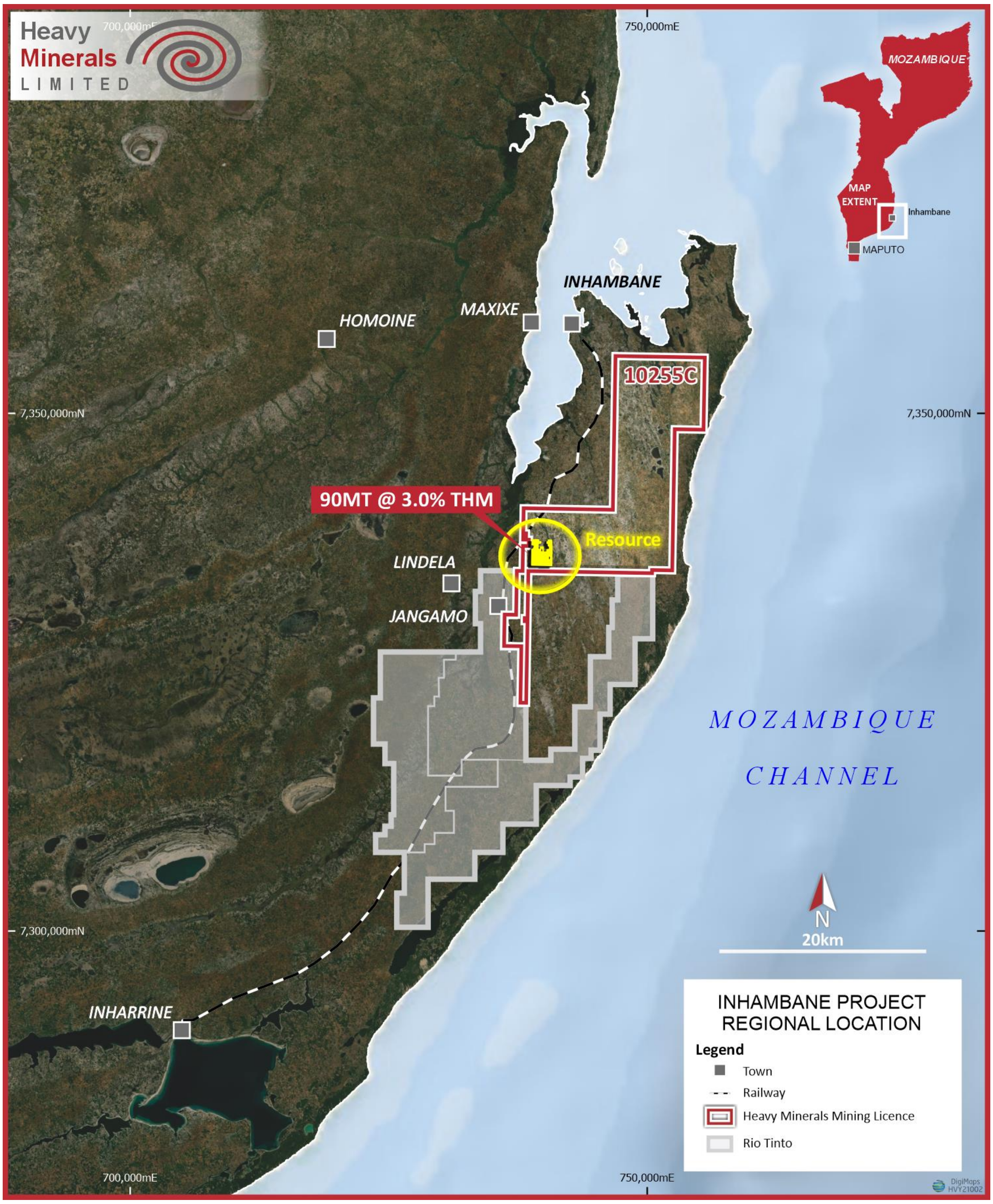

Figure 5: MLA relative to Rio Tinto / Savannah

Table 21: Inhambane Mineral Resource Summary

MINERAL RESOURCE SUMMARY FOR INHAMBANE PROJECT AS AT DECEMBER 2021

Summary of Mineral Resources[1]						HM Assemblage[2]					
Mineral Resource Category	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
Grand Total[3]	**90**	**2.7**	**3.0**	**5**	**0**	**29**	**31**	**2**	**4**	**5**	**29**

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

Port Gregory and Red Hill

The information in this announcement that relates to Exploration Targets. 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.

Inhambane

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 and subsequently revised in Heavy Minerals Limited's ASX release dated 6th December 2021. The JORC Mineral Resource report that supports this original Mineral Resource estimate is hosted on the company website at the following link:
https://www.heavyminerals.com/technical-reports/

The Company has released updated information that confirms an increase in the Mineral Resource estimate that was reported in the prospectus by way of changing the reporting THM cut-off grade and the expansion of tenure that increases the extent of the Inhambane Mineral Resource to the south.

The information in this announcement that relates to 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 first reported in a release to the ASX on 30 May 2022.

Environmental Regulation

The Company's projects are not subject to direct physical risk arising from climate factors. Although the Port Gregory Project and the Inhambane Project are both still at an early stage, Global warming may make both sites 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 8 August 2024 the Company announced that it had completed its Tranche 1 pre-paid royalty funding raising a total of $2.13M (before costs) this was based on the execution of a pre-paid royalty agreement with Campbell Transport raising $1.25m (in three instalments, being $500,000 in August 2024, $375,000 in November 2024 and the remaining instalmentto be received before the end of February 2025). The Company announced the 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. The Company issued 3,300,000 shares in conjunction with the ATM.
- On 19 August 2024 the Company issued a total of 750,000 unlisted options exercisable at $0.25 each expiring on various dates in conjunction with the remainder of the Tranche 1 pre-paid royalty funding. The Company also cancelled 100,000 unlisted options exercisable at $0.25 each expiring 20 October 2025.
- On 14 September 2024 10,000,000 unlisted options exercisable at $0.25 each expired.
- On 30 September 2024 the Company issued:
  - 777,605 shares to it's CEO, Andrew Taplin; and
  - 10,000 unlisted options exercisable at $0.25 each expiring on 9 August 2026 in conjunction with the pre-paid royalty funding.
- On 29 November 2024 the Company issued:
  - 50,000 unlisted options exercisable at $0.25 each expiring on 28 July 2026 in conjunction with the pre-paid royalty funding to Non-Executive Director, Aaron Williams; and
  - 375,000 unlisted options exercisable at $0.25 each expiring on 7 August 2026 in conjunction with the pre-paid royalty funding.

- On 18 December 2024, Andrew Taplin resigned as CEO of the Company and Adam Schofield became Executive Director & Chairman. The following securities were cancelled:
  - 500,000 unlisted options exercisable at $0.2171 each expiring 3 April 2026
  - 500,000 unlisted options exercisable at $0.2894 each expiring 3 April 2026
  - 500,000 unlisted options exercisable at $0.3618 each expiring 3 April 2026
  - 500,000 Class B unquoted performance rights expiring 3 April 2026
  - 500,000 Class C unquoted performance rights expiring 3 April 2026

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
650,000	$0.25	25 October 2025	Unlisted
100,000	$0.25	7 December 2025	Unlisted
150,000	$0.25	22 March 2026	Unlisted
100,000	$0.25	19 April 2026	Unlisted
25,000	$0.25	13 July 2026	Unlisted
25,000	$0.25	18 July 2026	Unlisted
50,000	$0.25	28 July 2026	Unlisted
20,000	$0.25	30 July 2026	Unlisted
1,250,000	$0.25	7 August 2026	Unlisted
10,000	$0.25	9 August 2026	Unlisted
300,000	$0.1399	6 December 2026	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
10,000	$0.25	4 February 2027	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	12 December 2025	Unlisted
500,000	C	12 December 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 17 February 2025 the following unlisted options were issued:
  - 375,000 unlisted options exercisable at $0.25 each expiring 7 August 2026
  - 10,000 unlisted options exercisable at $0.25 each expiring 4 February 2027
- On 6 March 2025 the following unlisted options were issued:
  - 20,000 unlisted options exercisable at $0.25 each expiring 30 July 2026
- On 12 March 2025 the following securities were issued:
  - 500,000 fully paid ordinary shares
  - 500,000 Class B unlisted performance rights expiring 12 December 2025
  - 500,000 Class C unlisted performance rights expiring 12 December 2026

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 31 December 2024 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
14 March 2025

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 2024, 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 14th day of March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Consolidated Entity 31 December 2024 $	Consolidated Entity 31 December 2023 $
Income	3	**22,532**	18,334
Accounting fees		**(29,098)**	(33,552)
Compliance fees		**(62,198)**	(62,087)
Consultancy fees		**-**	(49,855)
Depreciation: plant & equipment		**(10,707)**	(10,572)
Depreciation: right of use asset		**(35,173)**	(29,311)
Directors' & employees remuneration		**(141,187)**	(128,102)
Insurance expense		**(20,692)**	(22,817)
Interest expense		**(3,568)**	(5,195)
IT expenses		**(775)**	(418)
Legal fees		**(13,177)**	(35,887)
Marketing		**(103,386)**	(144,199)
Occupancy expenses		**(15,761)**	(16,008)
Other expenses		**(64,148)**	(55,148)
Share based payment expense	9	**10,815**	(48,250)
Travel expenses		**(29,178)**	(34,441)
Loss before tax		**(495,701)**	(657,508)
Income tax benefit/(expense)		**-**	-
Net loss for the period from operations		**(495,701)**	(657,508)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(3,059)**	(1,960)
Total comprehensive loss for the period		**(498,760)**	(659,468)
Attributable to owners of the Consolidated Entity		**(498,760)**	(659,468)
Attributable to non-controlling interest		**-**	-
		(498,760)	(659,468)
Basic and diluted loss per share (cents)		**(0.75)c**	(1.15)c

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Consolidated Entity 31 December 2024 $	Consolidated Entity 30 June 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**45,089**	47,484
Trade and other receivables		**55,935**	19,350
Other assets	5	**266,697**	333,941
Total Current Assets		**367,721**	400,775
Non-Current Assets			
Plant and equipment		**54,336**	65,043
Right of use asset		**48,622**	83,795
Exploration and evaluation assets	6	**4,498,728**	3,852,475
Total Non-Current Assets		**4,601,686**	4,001,313
Total Assets		**4,969,407**	4,402,088
LIABILITIES			
Current Liabilities			
Trade and other payables		**429,963**	311,279
Borrowings	7	**561,563**	84,697
Provisions		**39,375**	24,812
Total Current Liabilities		**1,030,901**	420,788
Non-Current Liabilities			
Borrowings	7	**1,262,900**	768,698
Total Non-Current Liabilities		**1,262,900**	768,698
Total Liabilities		**2,293,801**	1,189,486
Net Assets		**2,675,606**	3,212,602
EQUITY			
Contributed equity	8	**9,172,210**	9,149,631
Reserves	9	**1,290,036**	1,353,910
Accumulated losses		**(7,743,145)**	(7,247,444)
Attributable to owners of the Consolidated Entity		**2,719,101**	3,256,097
Attributable to non-controlling interest		**(43,495)**	(43,495)
Total Equity		**2,675,606**	3,212,602

The accompanying notes form part of these financial statements.

Heavy Minerals LIMITED

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 $
Balance at 1 July 2024	**9,149,631**	**35,315**	**1,318,595**	**(7,247,444)**	**3,256,097**	**(43,495)**	**3,212,602**
Equity issues	50,000	-	-	-	50,000	-	50,000
Cost of equity issues	(27,421)	-	-	-	(27,421)	-	(27,421)
Share based payments (net)	-	-	159,985	-	159,985	-	159,985
Foreign exchange on translation of operations	-	(3,059)	-	-	(3,059)	-	(3,059)
Adjustment	-	-	(220,800)	-	(220,800)	-	(220,800)
Loss for the period	-	-	-	(495,701)	(495,701)	-	(495,701)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	(3,059)	-	(495,701)	(495,701)	-	(495,701)
Balance at 31 December 2024	**9,172,210**	**32,256**	**1,257,780**	**(7,743,145)**	**2,719,101**	**(43,495)**	**2,675,606**
Balance at 1 July 2023	**8,321,436**	**39,414**	**1,246,895**	**(6,100,532)**	**3,507,213**	**(43,495)**	**3,463,718**
Equity issues	425,000	-	-	-	425,000	-	425,000
Cost of equity issues	(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)
Balance at 31 December 2023	**8,733,295**	**37,454**	**1,312,146**	**(6,758,040)**	**3,324,855**	**(43,495)**	**3,281,360**

The accompanying notes form part of these financial statements.

	Note	Consolidated Entity 31 December 2024 $	Consolidated Entity 31 December 2023 $
Cash flows from operating activities			
Payments to suppliers and employees		**(507,074)**	(347,856)
Interest received		**2,064**	299
Interest paid		**(3,568)**	(5,195)
Net cash used in operating activities		**(508,578)**	(352,752)
Cash flows from investing activities			
Payment for plant and equipment		**-**	(6,000)
Payment for exploration and evaluation		**(437,109)**	(415,414)
Net cash used in investing activities		**(437,109)**	(421,414)
Cash flows from financing activities			
Payment for costs of equity issues		**(27,421)**	(14,441)
Loans to other entities		**-**	-
Proceeds from borrowings	7	**1,005,000**	650,000
Repayment of borrowings		**(33,932)**	(22,382)
Net cash (used in) / provided by from financing activities		**943,647**	614,177
Net increase / (decrease) in cash held		**(2,040)**	(160,989)
Cash and cash equivalents at beginning of the period		**47,484**	319,904
Foreign exchange effect on cash and cash equivalents		**(355)**	-
Cash and cash equivalents at period end	4	**45,089**	158,915

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 2024. 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 "HVY". The financial statements were authorised for issue on 14 March 2025 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 $495,701 for the period ended 31 December 2024 (2023: $657,508) and net cash outflows from operating activities of $508,578 (2023: $352,752). The working capital deficiency of the Consolidated Entity at 31 December 2024 was ($663,180) (30 June 2024: $20,013 working capital deficit). 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:

- the Company successfully raising funding via the remaining funds from the Tranche 1 Royalty and the planned future Tranche 2 Royalty. To date Royalty funding has raised $2,130,000 of which $385,000 was collected in February 2025. If the Company elects to buyback 60% of the Royalties sold these will need to occur no later than 24 months from the agreement date with 90 days allowed for settlement. If the Company elects to not initiate the buybacks, the holders can force a buyback; there is also the potential for the associated royalty options to be converted, which could allow up to an additional $535,000 in funds being received;
- the Company intends to utilise the same royalty raising method to secure an additional nominal $2m to complete the feasibility study (bankable or definitive). With the PFS completed the Company expects to have significant interest in its Tranche 2 Royalty from existing Royalty Funds and additionally Campbell Operations Pty Ltd has expressed interest in subscribing for Tranche 2. The prepaid syndicated royalty deed entitles the Company to buyback 60% of the royalty within the second anniversary however, subscribers can force a buyback (60%) by the Company.

2. *Accounting policies (continued)*

The Company will take measures to fund a buyback(s) where subscribers wish to do so if a buyback is not initiated by the Company. The prepaid royalty subscriptions will be reflected as a balance sheet current liability after their second anniversary;

- the ability to raise equity funding under the Company's ASX allowed existing capacities;
- the At-the-Market (ATM) Subscription Agreement which provides the Company with up to $2,000,000 of standby equity capital over the coming 5 years to 31 July 2029. The ATM Subscription Agreement is provided by 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, the Company has placed 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);
- the ability to reduce planned expenditure; and
- the reduction of discretionary exploration expenditure for the Inhambane project.

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 reportShould 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.

2. *Accounting policies (continued)*

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 2024 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 2024 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. 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.

2. *Accounting policies (continued)*

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.

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 2024. 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.

2. *Accounting policies (continued)*

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 2024 $	Consolidated Entity 31 December 2023 $
3. *Other income*		
Interest income	**1,532**	834
Sub-lease income	**21,000**	17,500
	22,532	18,334

	Consolidated Entity 31 December 2024 $	Consolidated Entity 30 June 2024 $
4. *Cash and cash equivalents*		
Cash at bank	**21,178**	23,573
Cash on hand	**1,199**	1,199
Term deposits	**22,712**	22,712
	45,089	47,484
5. *Other assets*		
Other assets	**12,702**	9,402
Prepaid expenses	**253,995**	324,539
	266,697	333,941
6. *Exploration and evaluation assets*		
Balance at beginning of period	**3,852,475**	3,048,400
Exploration and evaluation expenditure incurred during the period	**646,253**	804,075
Balance at end of period	**4,498,728**	3,852,475

	Consolidated Entity 31 December 2024 $	Consolidated Entity 30 June 2024 $
7. *Borrowings*		
Current		
Proceeds from royalty funding[1]	**500,000**	-
Lease liability	**51,563**	74,697
Other borrowings	**10,000**	10,000
	561,563	84,697
Non-Current		
Proceeds from royalty funding[1]	**1,255,000**	750,000
Lease liability	**7,900**	18,698
	1,262,900	768,698

	Consolidated Entity 31 December 2024		Consolidated Entity 30 June 2024	
	No.	$	No.	$
8. *Contributed equity*				
Balance at beginning of period	**62,966,087**	**9,149,631**	53,873,665	8,321,436
Share issue: 14-Jul-23	**-**	**-**	3,750,000	425,000
Share issue: 22-Mar-24	**-**	**-**	4,213,429	345,500
Share issue: 22-Mar-24	**-**	**-**	1,128,993	92,576
Share issue: 08-Aug-24 (refer to note 12b))	**3,300,000**	**-**	-	-
Share issue: 30-Sep-24	**777,605**	**50,000**	-	-
Capital raising costs	**-**	**(27,421)**	-	(34,881)
Balance at end of period	**67,043,692**	**9,172,210**	62,966,087	9,149,631

[1] 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 with an additional 90 day settlement period and until then the Royalty Funds Received are not considered current liabilities.

	Consolidated Entity 31 December 2024 $	Consolidated Entity 30 June 2024 $
9. *Reserves*		
Foreign currency translation reserve		
Balance at beginning of period	**35,315**	39,414
Foreign exchange on translation of operations	**(3,059)**	(4,099)
Balance at end of period	**32,256**	35,315
Share based payments reserve		
Balance at beginning of period	**1,318,595**	1,246,895
Options granted[4]	**89,960**	184,200
Options cancelled[2]	**(139,000)**	-
Options revalued	**63,225**	-
Performance rights cancelled[3]	**(75,000)**	(112,500)
Balance at end of period	**1,257,780**	1,318,595
Reconciliation of share based payments reserve to share based payments expense:		
Options granted[4]	**89,960**	184,200
Options granted classified as contributed equity	**-**	(17,000)
Options granted classified as share based payment	**-**	(6,450)
Options cancelled[2]	**(139,000)**	-
Options revalued	**63,225**	-
Performance rights cancelled[3]	**(75,000)**	(112,500)
Shares issued classified as contributed equity	**50,000**	-
	(10,815)	48,250

[2] Cancellation of CEO options in FY25.
[3] Cancellation of former Director performance rights in FY24. Cancellation of CEO performance rights in FY25.

9. *Reserves (continued)*

[4]Variables used to calculate the option valuations are as follows:

Inputs	Director Tranche A Options [FY23/24]	Director Tranche B Options [FY23/24]	Director Tranche C Options [FY23/24]	Director Tranche D Options [FY23/24]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]
Number of options	750,000	750,000	1,500,000	1,500,000	100,000	100,000	25,000	25,000	500,000	10,000	50,000	375,000
Exercise price	$0.20	$0.25	$0.30	$0.1399	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25
Expiry date	07-Dec-26	07-Dec-26	07-Dec-26	07-Dec-26	07-Dec-25	19-Apr-26	13-Jul-26	18-Jul-26	07-Aug-26	09-Aug-26	28-Jul-26	07-Aug-26
Grant date	07-Dec-23	07-Dec-23	07-Dec-23	07-Dec-23	19-Aug-24	19-Aug-24	19-Aug-24	19-Aug-24	19-Aug-24	30-Sep-24	29-Nov-24	29-Nov-24
Share price at grant date	$0.096	$0.096	$0.096	$0.096	$0.12	$0.12	$0.12	$0.12	$0.12	$0.09	$0.12	$0.12
Risk free interest rate	3.92%	3.92%	3.92%	3.92%	3.59%	3.59%	3.59%	3.59%	3.59%	3.51%	3.99%	3.99%
Volatility	120%	120%	120%	120%	151%	151%	151%	151%	151%	272%	272%	272%
Option value	$0.061	$0.057	$0.054	$0.067	$0.057	$0.066	$0.071	$0.072	$0.073	$0.081	$0.107	$0.107
Probability	60%	50%	75%	60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Value in current period accounts	$27,450	$21,375	$60,750	$60,300	$4,300	$6,600	$1,775	$1,800	$36,000	$810	$5,350	$40,125
Vesting condition	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vested at balance date	No	No	No	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

9. *Reserves (continued)*

[4]Variables used to calculate the performance right valuations are as follows:

Prior periods:

Inputs	Director & Consultant Class B Performance Rights [FY20/21]	CEO Employee Class A Performance Rights [FY22/23]
Number of performance rights	1,440,408	500,000
Expiry date	14-Sep-26	03-Apr-26
Grant date	07-May-21	03-Apr-23
Share price at grant date	$0.20	$0.15
Performance right value	$0.10	$0.135
Value in prior period accounts	$144,041	$67,500
Vesting condition	Delineation of a 250MT Inferred Mineral Resource at 3.0% THM (with a minimum cut-off grade of 2%) at the Inhambane Project	Upon the announcement of a positive and completed pre-feasibility study for the Port Gregory Project.
Vested at balance date	No	No

	Consolidated Entity 31 December 2024 No.	Consolidated Entity 30 June 2024 No.
9. *Reserves (continued)*		
Unlisted options		
Balance at beginning of period	**17,200,000**	15,282,226
Options granted[4]	**1,085,000**	5,700,000
Options expired	**(10,000,000)**	(3,782,226)
Options cancelled[2]	**(1,500,000)**	-
Balance at end of period	**6,785,000**	17,200,000
Unlisted performance rights		
Balance at beginning of period	**2,940,408**	2,940,408
Performance rights granted[4]	**-**	-
Performance rights cancelled[3]	**(1,000,000)**	-
Balance at end of period	**1,940,408**	2,940,408

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
31 December 2024				
Segment income	22,532	-	-	**22,532**
Segment loss	(472,280)	(14,887)	(8,534)	**(495,701)**
Segment assets	4,662,948	1,340	305,119	**4,969,407**
Segment liabilities	(2,288,317)	(1,419)	(4,065)	**(2,293,801)**
30 June 2024				
Segment assets	4,119,642	-	282,446	**4,402,088**
Segment liabilities	(1,169,364)	(1,510)	(18,612)	**(1,189,486)**
31 December 2023				
Segment income	18,334	-	-	**18,334**
Segment loss	(631,327)	(17,446)	(8,735)	**(657,508)**

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 17 February 2025 the following unlisted options were issued:
  - 375,000 unlisted options exercisable at $0.25 each expiring 7 August 2026
  - 10,000 unlisted options exercisable at $0.25 each expiring 4 February 2027
- On 6 March 2025 the following unlisted options were issued:
  - 20,000 unlisted options exercisable at $0.25 each expiring 30 July 2026
- On 12 March 2025 the following securities were issued:
  - 500,000 fully paid ordinary shares
  - 500,000 Class B unlisted performance rights expiring 12 December 2025
  - 500,000 Class C unlisted performance rights expiring 12 December 2026

12. *Commitments and contingencies*

a. Commitments relating to operating and exploration expenditures

	Consolidated Entity 31 December 2024 $	Consolidated Entity 30 June 2024 $
Not longer than 1 year	**399,198**	486,088
More than 1 year but not longer than 5 years	**852,282**	860,260
More than 5 years	**-**	-
	1,251,480	1,346,348

There are no other material commitments as at 31 December 2024.

b. Contingent assets

As at 31 December 2024 are:
The At-the-Market (ATM) Subscription Agreement which provides the Company with up to $2,000,000 of standby equity capital over the coming 5 years to 31 July 2029. The ATM Subscription Agreement is provided by 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).

12. *Commitments and contingencies (continued)*

As security for the ATM, the Company has placed 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).

c. Contingent liabilities

Contingent liabilities as at 31 December 2024 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.

13. *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 $27,000 (31 December 2023: $30,000). The amount payable to GNJ Consulting Pty Ltd at 31 December 2024 was $11,000 (including GST) (31 December 2023: $5,500).
- 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 $261,425 (31 December 2023: $150,530). The amount payable to IHC Robbins Pty Ltd at 31 December 2024 was $116,568 (including GST) (31 December 2023: $23,958.01).
- During the period, Heavy Minerals Ltd (a company incorporated in England & Wales, related by way of a mutual director, Adam Schofield) was loaned $Nil (31 December 2023: $Nil) to cover corporate costs of which $3,352 was outstanding at the end of the period (31 December 2023: $3,352).
- During the year, Adam Schofield loaned $Nil (30 June 2024: $10,000) to the Company, of which $10,000 (30 June 2024: $10,000) was outstanding at the end of the period.
- During the prior year, the Company entered into a non-binding Memorandum of Understanding with Abrasive Blasting Service and Supplies Pty Ltd, a company of which Aaron Williams is the CEO, as announced on 7 March 2024. The non-binding Memorandum of Understanding for the future sales of a minimum of 15,000 tonnes per annum of Garnet to be produced at its Port Gregory Project for an initial 3-year period with Abrasive Blasting Service and Supplies Pty Ltd.

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 2024 and of the performance for the period ended 31 December 2024;

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

14 March 2025

Criterion Audit Pty Ltd

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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 consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 2024 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 $495,701 for the period ended 31 December 2024 and net cash outflows from operating activities of $508,578. The working capital deficiency of the Consolidated Entity at 31 December 2024 was $663,180. 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 CA
Director

DATED at PERTH this 14th day of March 2025