HEAVY RARE EARTHS LIMITED
ABN 35 648 991 039

Notice of General Meeting

Explanatory Statement and Proxy Form

An Independent Expert's Report has been prepared by BDO in respect of the Transaction and for the purposes of ASX Listing Rule 10.5.10.

The finding of BDO are that the Transaction is not fair but reasonable to Shareholders whose votes in favour of the Transaction are not to be disregarded under ASX Listing Rule 14.11.

The Independent Expert's Report is contained in Annexure B to the Explanatory Statement. Shareholders are strongly encouraged to read the Notice and the Explanatory Statement (and all Annexures to the Explanatory Statement including the Independent Expert's Report) in full prior to determining how to vote on Resolution 1. If you are in doubt as to the course you should follow, consult your financial or other professional advisor.

ASX takes no responsibility for the content of this Notice.

Date of Meeting:
Monday, 27 October 2025

Time of Meeting:
2:00PM (AEDT)

Location:
As a virtual meeting

HEAVY RARE EARTHS LIMITED

ABN 35 648 991 039

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Meeting of Shareholders will be held as a virtual meeting on Monday 27 October 2025 at 2:00pm (AEDT).

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form.

As permitted by section 110D of the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link: https://www2.asx.com.au/markets/trade-our-cash-market/announcements.hre.

Shareholders attending the Meeting virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the Meeting.

The virtual meeting can be attended using the following details:

When: Monday 27 October 2025 at 2:00pm (AEDT)
Topic: Heavy Rare Earths Limited - General Meeting
Register in advance for the virtual meeting:
https://us06web.zoom.us/webinar/register/WN_tScXUbh6Qq-9nGPUBYIrlg

After registering, you will receive a confirmation email containing information about joining the meeting. As noted previously, the Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online. The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally.

The Company is happy to accept and answer questions submitted prior to the meeting by email to justin@hreltd.com.au. The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the Meeting should monitor the Company's website and its ASX announcements for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: HRE) and on its website at www.hreltd.com.au.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

Resolution 1: Approval of Earn-in and Joint Venture

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of ASX Listing Rules 10.1 and for all other purposes, shareholders approve the Company entering into and proceeding with the earn-in and joint venture arrangement with Havilah Resources Limited, on the terms and as described in the Explanatory Statement which accompanied and formed part of this Notice."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of the person disposing of the substantial asset to, or acquiring the substantial asset from, the entity and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, the Company need not disregard a vote cast in favour of Resolution 1 by:

- *a person as a proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of the beneficiary provided the following conditions are met:*
    - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and*
    - *the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Independent Expert's Report

An Independent Expert's Report on the Transaction has been prepared by BDO for the purposes of ASX Listing Rule 10.5.10. The Independent Expert's Report is enclosed with this Notice as Annexure B to the Explanatory Statement.

BDO has concluded that the Transaction is **not fair but reasonable** to Shareholders whose votes in favour of the Transaction are not to be disregarded under ASX Listing Rule 14.11.

Further details are set out in the Explanatory Statement (including the Annexures to the Explanatory Statement) which Shareholders should read in full prior to determining how to vote on Resolution 1. If you are in any doubt as to the course you should follow, consult your financial or other professional advisor.

A copy of the Independent Expert's Report is available on the website of the Company:

https://hreltd.com.au/investors/asx-announcements/

The Company will send a hard copy of the Independent Expert's Report to a shareholder on request of that shareholder, at no cost to that shareholder.

Other Business

To consider any other business that may be brought before the Meeting in accordance with the Constitution of the Company and the Corporations Act.

By order of the Board

Justin Mouchacca
Company Secretary

Dated: 26 September 2025

The accompanying Proxy Instructions and Explanatory Statement form part of this Notice.

Notes

1. **Entire Notice:** The details of the Resolution contained in the Explanatory Statement accompanying this Notice should be read together with, and form part of, this Notice.

2. **Record Date:** The Company has determined that for the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on 25 October 2025. Only those persons will be entitled to vote at the Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

3. **Proxies**

   All voting will be conducted by poll.

   The Directors instruct all Shareholders who would like to appoint a proxy to lodge a proxy form prior to 2:00pm (AEDT) on 25 October 2025 (**Proxy Cut-Off Time**). Please refer to the accompanying proxy form for further details on how to appoint a proxy.

   Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

4. **Corporate Representative**

   Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. **How the Chairman will vote undirected proxies**

   The Chairman of the Meeting intends to vote all undirected proxies on, and in favour of, the proposed Resolution.

6. **Enquiries**

   Shareholders are invited to contact the Company Secretary, Justin Mouchacca, on (03) 8360 3321 if they have any queries in respect of the matters set out in these documents.

GENERAL MEETING

EXPLANATORY STATEMENT

This Explanatory statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting of Shareholders to be held as a virtual meeting on Monday, 27 October 2025 at 2:00pm (AEDT). Shareholders are strongly encouraged to lodge their directed proxy form in accordance with the instructions set out therein to vote before the Meeting. This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. Capitalised terms in the Notice and in this Explanatory Statement have the meaning defined in the Glossary to this Explanatory Statement.

Resolution 1: Approval of Earn-in and Joint Venture

Resolution 1 seeks shareholder approval, for the purposes of ASX Listing Rule 10.1 and for all other purposes, for the Company to enter into and proceed with the earn-in and joint venture arrangement between the Company and Havilah pursuant to which the Company proposes acquiring an 80% interest in the Other Mineral Rights of Havilah and entering into a joint venture with Havilah with respect to those Other Mineral Rights (being the Transaction).

Details of the terms of the Transaction are set out in this Explanatory Statement (including its Annexures). Shareholders are strongly encouraged to read the Notice and this Explanatory Statement (including its Annexures) in full prior to determining how to vote on Resolution 1. If you are in any doubt as to the course you should follow, consult your financial or other professional advisor.

Independent Expert's Report

An Independent Expert's Report has been prepared by BDO in respect of Resolution 1. The Independent Expert's Report is enclosed with this Explanatory Statement as Annexure B.

BDO has concluded that the Transaction is **not fair but reasonable** to Shareholders whose votes in favour of the Transaction are not to be disregarded under ASX Listing Rule 14.11.

Background to Havilah

Havilah Resources Limited (ASX:HAV) is an ASX listed public company. On 21 October 2024, the Company announced that I had entered into a binding Term Sheet with Havilah for the Company to acquire an 80% interest in the uranium rights of Havilah across three separate projects, including the Prospect Hill project. The Company issued Havilah 38,000,000 Shares as part consideration for the acquisition of the 80% interest in the uranium rights of Havilah. As at the date of the Notice, Havilah continues to hold the 38,000,000 Shares.

The Company proposes proceeding with the Transaction to expand the mineral interests of the Company with respect to the Prospect Hill project. If the Transaction proceeds and the Company completes the Earn-In Requirements (defined below), the Company will hold an 80% interest in all mineral interests (being the uranium interests and the Other Mineral Interests) on the Prospect Hill project.

Prior Announcement of the Transaction

On 4 August 2025, the Company released an announcement with respect to the Transaction that set out, amongst other matters, details of the mineral rights proposed to be acquired by the Company including detailed geological information. The announcement of 4 August 2025 is reproduced in full as Annexure C to this Explanatory Statement. Further details with respect to the Prospect Hill project are set out in that announcement.

The original report was "HRE to acquire all Mineral Rights at Prospect Hill", which was issued with the consent of the competent person, Mr Joseph Ogierman. The report was released to ASX on 4 August 2025 and can be found on the website of the Company (hreltd.com.au/investors/asx-announcements/). The Company is not aware of any new information or data that materially effects the information included in the relevant market announcement and, in the case of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

Transaction summary

The Company has executed a binding 'other minerals' Term Sheet (**Term Sheet**) with Havilah pursuant to which the Company has the right to earn-in an 80% interest in Other Mineral Rights of Havilah. Following the Company earning the 80% interest in Other Mineral Rights of Havilah, the Company and Havilah shall be in a joint venture.

Further details of the Transaction are set out below and in this Explanatory Statement.

Conditions Precedent

The Transaction is subject to and conditional upon the following conditions precedent:

- Completion of technical and/or legal due diligence on the Prospect Hill project by the Company to its sole satisfaction. Only the Company may waive this condition precedent, at its sole discretion; and

- Havilah obtaining all necessary third-party consents, approvals, waivers and undertakings required in respect of grant to and exercise by the Company and the joint venture of the other mineral rights under and in accordance with the Term Sheet and the access and mineral rights agreement, on terms to be agreed by each of the Company and Havilah acting reasonably. The Company and Havilah may by mutual written agreement waive this condition precedent; and

- Each of the Company and Havilah obtaining all other shareholder, regulatory and third party approvals, consents or waivers which are required to give effect to the Term Sheet and to grant the other mineral rights. The Company is seeking Shareholder approval for the Company to satisfy this condition precedent. The Company and Havilah may by mutual written agreement waive this condition precedent.

The conditions precedent are to be satisfied or waived on or before 31 October 2025 (or such later date as agreed between the Company and Havilah in writing). If the conditions precedent are not satisfied or waived by the relevant date then the Term Sheet will terminate.

Earn-In

No consideration is payable by the Company to Havilah for the acquisition of the 80% interest in all Other Mineral Rights from Havilah. The Company will however need to achieve the Earn-In Requirements to acquire that interest from Havilah. Details with respect to the Earn-In Requirements are set out in detail below.

The earn-in period commences on the date that the last of the conditions precedent is satisfied or waived (such date being the **Earn-In Commencement Date**).

Under the Term Sheet, to acquire the 80% interest in Other Mineral Rights of Havilah the Company must:

- Incur expenditure on the exploration and development of non-uranium minerals at the Prospect Hill project of not less than $350,000 in the first year and not less than $1,500,000 within three years of the Earn-In Commencement Date; and

- As part of that expenditure obligation, drill a minimum of 2,500 meters during the 18 months from the Earn-In Commencement Date and a minimum of 1,250 meters during the second 18 months (being months 19 to 36 from the Earn-In Commencement Date) in the three years from the Earn-In Commencement Date,

The above being the **Earn-In Requirements**. Upon and subject to the Company satisfying the Earn-In Requirements, the Company will acquire an 80% interest in the Other Mineral Rights of Havilah.

The relevant timeframes within which the Company may complete the Earn-In Requirements may be extended as set out in the Term Sheet and described in Annexure A.

Joint Venture

Following completion of the Earn-In Requirements and the acquisition by the Company of the 80% interest in the Other Mineral Rights of Havilah, the Company and Havilah will form a joint venture with Havilah to be free-carried until the completion of a Feasibility Study on an Advanced Prospect. Following completion of a Feasibility Study, each of the Company and Havilah will have the right to contribute their respective pro-rata interest in the joint venture as a share of all future joint venture expenditure.

Dilution and royalty

Following completion of Feasibility Study, each of the Company and Havilah will have the right to contribute their respective pro-rata interest in the joint venture as a share of all future joint venture expenditure. The Term Sheet contains relevant dilution provisions typical for an arrangement of this nature.

If the joint venture interest of either the Company or Havilah dilutes to below a 10% joint venture interest, that party will be deemed to have withdrawn from the joint venture and will receive a 1.5% net smelter royalty on production in respect of mineral rights (excluding uranium) at the Prospect Hill project.

Reimbursement payment

Subject to completion of the Earn-In Requirements, the Company will reimburse Havilah an aggregate of $1,800,000 as reimbursement of historical exploration expenditure of Havilah on the Prospect Hill project, payable from cashflows from mining and processing operations at the project in respect of mineral rights (excluding uranium) or earlier at the election of the Company. Further details are set out in Annexure A.

Summary of material terms

A summary of the material terms of the Term Sheet, including further details in respect of those items described above, is contained in Annexure A. The summary in Annexure A is a summary only and is not intended to be exhaustive of all provisions of the Term Sheet.

ASX Listing Rule 10.1

Listing Rule 10.1 provides that unless shareholder approval is obtained, a listed company must not acquire or agree to acquire a substantial asset from, or dispose or agree to dispose of a substantial asset to:

10.1.1 a related party of the Company;

10.1.2 a subsidiary of the Company;

10.1.3 a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the Company;

10.1.4 an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or

10.1.5 a person whose relationship to the entity or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by Shareholders.

Havilah currently holds 38,000,000 Shares, which represents 18.27% of all issued Shares. Accordingly, Havilah is an entity to whom ASX Listing Rule 10.1.3 applies (being a substantial (10%+) holder in the Company).

The Transaction falls within Listing Rule 10.1.3 and involves the acquisition of a substantial asset. It therefore requires the approval of the Shareholders under Listing Rule 10.1.3.

Resolution 1 seeks the required shareholder approval to the Transaction under and for the purposes of Listing Rule 10.1.

If Resolution 1 is passed, the Company will be able to proceed with the Transaction and acquire an 80% interest in Other Mineral Rights of Havilah on the terms and as described in this Explanatory Statement.

If Resolution 1 is not passed, the Company will not be able to proceed with the Transaction and will not acquire an interest in the Other Mineral Rights of Havilah on the terms and as described in this Explanatory Statement.

The following information is provided in accordance with ASX Listing Rule 10.5:

- The Company is acquiring a substantial asset from Havalah Resources Limited.
- Havilah holds 38,000,000 Shares, which represents 18.27% of all issued Shares. Accordingly Havilah is a person to whom ASX Listing Rule 10.1.3 applies.

- The asset being acquired is an 80% interest in Other Mineral Rights of Havilah. Further details of the assets are set out in the announcement of the Company made to ASX on 4 August 2025 which is reproduced without change as Annexure C to this Explanatory Statement.

- No consideration is payable by the Company to Havilah for the acquisition of the 80% interest in all Other Mineral Rights from Havilah. The Company will however need to achieve the Earn-In Requirements to acquire that interest from Havilah.

  Following achievement of the Earn-In Requirements and the acquisition by the Company of the 80% interest in all Other Mineral Rights of Havilah, Havilah will be free-carried until the completion of a Feasibility Study on any Advanced Project, following which the Company and Havilah can either contribute 20% of the joint venture expenditure or be diluted to less than 10% and receive a 1.5% net smelter royalty on production.

  Also subject to achievement of the Earn-In Requirements, the Company will reimburse Havilah an aggregate of $1,800,000 as reimbursement of historical exploration expenditure of Havilah on the Prospect Hill project. Payment of the reimbursement amount will either be deferred until cashflows from future non-uranium mining or processing operations at the Prospect Hill project are available or the Company electing to make the reimbursement payment earlier than the availability of such cashflow.

- The Company proposes sourcing funds to complete the Earn-In Requirements in the ordinary course of its business, including through strategic equity capital raisings as the need arises. As at the date of the Notice, the Company has approximately $1.7 million of cash, which is expected to be used to meet the Earn-In Requirements applicable in the first 18 months ($350,000 expenditure and 2,500 meters drilling). The net smelter royalty and reimbursement payment are proposed to be funds from cashflows from future non-uranium mining or processing operation at the Prospect Hill project, consistent with applicable payment terms.

- The timetable of key dates for the Transaction is set out below:

Event	**Timeframe**
Announcement of the Transaction	4 August 2025
Date of the Meeting	27 October 2025
Last day to satisfy all conditions precedent of the Transaction	31 October 2025 (or such later date as agreed)
Achievement of not less than $350,000 of expenditure on exploration and development of non-uranium minerals at the Prospect Hill project	On or before 12 months from satisfaction of all conditions
Drilling of not less than 2,500 meters	On or before 18 months from satisfaction of all conditions
Achievement of not less than $1,800,000 of expenditure on exploration and development of non-uranium minerals at the Prospect Hill project	On or before 36 months from satisfaction of all conditions
Drilling of not less than 1,250 meters (after initial 18 months, not less than 3,750 meters drilled in total)	On or before 36 months from satisfaction of all conditions
Commencement of joint venture	Satisfaction of the Earn-In Requirements
End of free-carry interest	Completion of Feasibility Study
1.5% net smelter royalty on production	Havilah joint venture interest being diluted below 10%
Reimbursement payment ($1,800,000)	From cashflows from non-uranium mining or processing operations at Prospect Hill project (or earlier at the election of the Company

- A summary of the material terms of the Agreement is set out in Annexure A.

- A voting exclusion statement as described in the Notice applies to Resolution 1.

- A report on the Transaction from an independent expert (being the BDO Independent Expert's Report) is contained as Annexure B. BDO has concluded that the Transaction is **not fair but reasonable** to Shareholders whose votes in favour of the Transaction are not to be disregarded under ASX Listing Rule 14.11.

Director recommendation

The Board unanimously recommend that shareholders vote in favour of Resolution 1. The Directors strongly recommend shareholders read the Notice and this Memorandum and its Annexures (including the Independent Expert's Report) in full prior to determining how to vote in relation to Resolution 1 of the Notice.

Note: references in the Notice and the Memorandum to "$" are to Australian currency.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**$**" means Australian Dollars;

"**Advanced Prospect**" has the meaning given in the Term Sheet, being a prospect within Prospect Hill project where Mineral Resource or Ore Reserve (other than uranium) as defined in the JORC Code has been estimated. There may be multiple Advanced Prospects within the Prospect Hill project from time to time.

"**ASX**" means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

"**ASX Listing Rules**" means the Listing Rules of the ASX;

"**BDO**" means BDO Corporate Finance Australia Pty Ltd;

"**Board**" means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

"**Chairman**" means the person appointed to chair the Meeting of the Company convened by the Notice and **Chair** shall have a corresponding meaning;

"**Company**" means Heavy Rare Earths Limited ABN 35 648 991 039;

"**Constitution**" means the constitution of the Company as at the date of the Meeting;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a Director of the Company;

"**Earn-In Commencement Date**" has the meaning described in the Explanatory Statement;

"**Earn-In Requirements**" has the meaning described in the Explanatory Statement;

"**Explanatory Statement**" means the explanatory statement which forms part of the Notice;

"**Feasibility Study**" has the meaning given in the JORC Code, and which is:

(a) of a standard suitable to be submitted to a bank, financial institution or other reputable financier as the basis for lending of funds to proceed with development and mining of Other Minerals; and

(b) capable of supporting a decision to mine by the joint venture committee;

"**Havilah**" means Havilah Resources Limited ABN 39 077 435 520;

"**JORC Code**" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as adopted by the Australian Joint Ore Reserves Committee (JORC).

"**Meeting**" has the meaning given in the introductory paragraph of the Notice;

"**Notice**" means this Notice of Meeting including the Explanatory Statement;

"**Other Mineral Rights**" means rights to non-uranium minerals within the Prospect Hill project area;

"**Proxy Form**" means the proxy form attached to the Notice;

"**Resolution**" means a resolution referred to in the Notice;

"**Section**" means a section of the Explanatory Statement;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means shareholder of the Company;

"**Transaction**" means the earn-in and joint venture arrangement between the Company and Havilah that the Company proposes entering into and proceeding with pursuant to which the Company proposes acquiring an 80% interest in the Other Mineral Rights of Havilah and entering into a joint venture with Havilah with respect to those Other Mineral Rights

Annexure A – Summary of material terms of the Term Sheet

The material terms of the Term Sheet are summarised below. The summary contained in this Annexure A is a summary only and is not intended to be exhaustive of all provisions of the Term Sheet.

Nomination

The Company or Havilah may at any time nominate in writing a wholly-owned subsidiary (**HoldCo**) to hold its joint venture interest and rights and to assume its obligations, free of any rights of pre-emption under the Term Sheet. Following a nomination, if requested, the parties will enter into a deed of assignment and assumption with Holdco. If requested by the non-nominating party, an unconditional and irrevocable guarantee will be given by the nominating Party of the due and punctual performance by Holdco of all of its obligations under the Term Sheet. The nominating party will pay its own legal and other costs and expenses in connection with the transfer of that interest.

Conditions Precedent

The Transaction is subject to and conditional upon the following conditions precedent:

- Completion of technical and/or legal due diligence on the Prospect Hill project by the Company to its sole satisfaction. Only the Company may waive this condition precedent, at its sole discretion; and

- Havilah obtaining all necessary third-party consents, approvals, waivers and undertakings required in respect of grant to and exercise by the Company and the joint venture of the other mineral rights under and in accordance with the Term Sheet and the access and mineral rights agreement, on terms to be agreed by each of the Company and Havilah acting reasonably. The Company and Havilah may by mutual written agreement waive this condition precedent; and

- Each of the Company and Havilah obtaining all other shareholder, regulatory and third party approvals, consents or waivers which are required to give effect to the Term Sheet and to grant the other mineral rights. The Company is seeking Shareholder approval for the Company to satisfy this condition precedent. The Company and Havilah may by mutual written agreement waive this condition precedent.

The conditions precedent are to be satisfied or waived on or before 31 October 2025 (or such later date as agreed between the Company and Havilah in writing). If the conditions precedent are not satisfied or waived by the relevant date then the Term Sheet will terminate.

Earn-in

No consideration is payable by the Company to Havilah for the acquisition of the 80% interest in all Other Mineral Rights from Havilah. The Company will however need to achieve the Earn-In Requirements to acquire that interest from Havilah. Details with respect to the Earn-In Requirements are set out in detail below.

The earn-in period commences on the date that the last of the conditions precedent is satisfied or waived (such date being the **Earn-In Commencement Date**).

Under the Term Sheet, to acquire the 80% interest in Other Mineral Rights of Havilah the Company must:

- Incur expenditure on the exploration and development of non-uranium minerals at the Prospect Hill project of not less than $350,000 in the first year after the Earn-In Commencement Date and not less than an aggregate of $1,500,000 within three years of the Earn-In Commencement Date; and

- As part of that expenditure obligation, drill a minimum of 2,500 meters during the 18 months from the Earn-In Commencement Date and a minimum of 1,250 meters during the second 18 months (being months 19 to 36 from the Earn-In Commencement Date) in the three years from the Earn-In Commencement Date,

The above being the **Earn-In Requirements**. Upon and subject to the Company satisfying the Earn-In Requirements, the Company will acquire an 80% interest in the Other Mineral Rights from Havilah on the Prospect Hill project.

Subject to the Company incurring expenditure of at least $350,000 in the first year after the Earn-In Commencement Date, the Company has the right to withdraw from the earn-in on one months' written notice to Havilah.

Extension of earn-in period

The relevant timeframes within which the Company may complete the Earn-In Requirements will be extended by a period reasonably agreed between the Parties equal to any period during which the Company is prevented from carrying out its work programs on the project during the earn-in period, as a result of:

- Force Majeure;
- Conflict between the activities and HRE and:
    - Havilah and the Company as the holders of the uranium rights;
    - Native title / heritage issue; and/or
    - Other parties pursuant to the permitted encumbrances,

  As contemplated in the access and mineral rights agreement; or
- The process of grant of a mineral tenement covering all or part of the area within EL 5891 or inability to obtain such tenement,

But except to the extent the delay is due to the Company's fault or breach of the Term Sheet and Mineral Rights Agreement and subject to the following criteria:

- That delay or failure arises from a cause beyond the Company's reasonable control;
- The Company has taken all proper precautions, due care and reasonable alternative measures with the object and intent of avoiding delay or failure and of carrying out its obligations under the Term Sheet;
- As soon as possible after the beginning of an occurrence which affects its ability to observe or perform its obligations under the Term Sheet, the Company gives notice to Havilah of the specific nature of the occurrence and, as far as possible, estimating its duration and the probable extent to which it will be unable to observe or perform those obligations; and
- The Company shall use all reasonable endeavours to promptly overcome the adverse consequences and effects of the cause in question.

Joint Venture

On and from the satisfaction of the Earn-In Requirements and acquisition by the Company of the 80% interest in all Other Mineral Rights of Havilah, the Company and Havilah will enter into a joint venture arrangement pursuant to which the Company will hold an 80% interest and Havilah will hold a 20% interest.

The Company will sole fund joint venture activities (and Havilah will be free-carried) until the Company completes a Feasibility Study on an Advanced Prospect (including delivering that Feasibility Study to Havilah and releasing the Feasibility Study to ASX).

The Company will be the manager of the joint venture for so long as it holds a majority joint venture interest, unless the Company is removed as manager of the joint venture in accordance with the Term Sheet.

Dilution and royalty

Following completion of Feasibility Study, each of the Company and Havilah will have the right to contribute their respective pro-rata interest in the joint venture as a share of all future joint venture expenditure. The Term Sheet contains relevant dilution provisions typical for an arrangement of this nature.

If the joint venture interest of either the Company or Havilah dilutes to below a 10% joint venture interest, that party will be deemed to have withdrawn from the joint venture and will receive a 1.5% net smelter royalty on production in respect of mineral rights (excluding uranium) at the Prospect Hill project.

Reimbursement payment

Subject to completion of the Earn-In Requirements, the Company will reimburse Havilah an aggregate of $1,800,000 as reimbursement of historical exploration expenditure of Havilah on the Prospect Hill project.

Payment of the reimbursement amount shall be made on the following basis:

- 25% of revenue applicable to the Company's project interest from any mining or processing operations at the Prospect Hill project in respect of mineral rights (excluding uranium). Such reimbursements will be paid quarterly following the commencement of revenue-generating operations in respect of mineral rights (excluding uranium), until the reimbursement amount is paid in full; or

- At the Company's election, in advance of any such revenue payments, by one or more cash payments from the Company.

Termination

The Term Sheet may be terminated:

- Subject to the Company incurring expenditure of at least $350,000 in the first year after the Earn-In Commencement Date, by the Company withdrawing from the earn-in on one months' written notice to Havilah;

- By Havilah if, during the period within which the Company may complete the Earn-In Requirements, the Company:

    - Does not satisfy the Earn-In Requirements in accordance with the Term Sheet;

    - Does not incur expenditure of not less than $350,000 in the first year after the Earn-In Commencement Date; or

    - Is in material breach of its obligations in connection with certain provisions of the Term Sheet relating to the activities to be conducted on and from the Earn-In Commencement Date;

- If the Earn-In Commencement Date does not occur by 31 October 2025 (or such later date as agreed between the Company and Havilah);

- If the joint venture has not been established by the end of the period within which the Company may complete the Earn-In Requirements.

The Term Sheet may also be terminated and replaced by any formal documentation prepared and executed by the Company and Havilah.

Other terms

The Term Sheet otherwise contains terms, including warranties, assignment and change of control provisions, that are typical for an agreement of this nature.

Annexure B – Independent Expert's Report

IDEAS | PEOPLE | TRUST

Heavy Rare Earths Limited

Independent Expert's Report

Opinion: Not fair but reasonable

19 September 2025

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Level 9 Mia Yellagonga Tower 2
5 Spring Street
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Australia

FINANCIAL SERVICES GUIDE

Dated: 19 September 2025

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us $30,000 (excluding GST and out-of-pocket expenses) for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: http://www.afca.org.au

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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19 September 2025

The Directors
Heavy Rare Earths Limited
Level 21
459 Collins Street
MELBOURNE VIC 3000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 21 October 2024, Heavy Rare Earths Limited ('HRE' or the 'Company') announced that it had entered into a binding agreement with Havilah Resources Limited ('Havilah') relating to a portion of Havilah's uranium exploration assets ('Uranium Rights') at the Prospect Hill project ('Prospect Hill' or the 'Project') under which HRE has the right to earn an initial 80% interest in the Uranium Rights ('Existing Agreement'). As part of the Existing Agreement, Havilah acquired shares in HRE which resulted in Havilah becoming a substantial shareholder in HRE.

On 4 August 2025, HRE announced that it had entered into a new binding term sheet with Havilah which outlines the terms and conditions for a proposed earn-in and joint venture ('JV') agreement ('Earn-in and JV Agreement') in relation to Prospect Hill. Pursuant to the Earn-in and JV Agreement, HRE can earn an 80% initial interest in the non-uranium minerals ('Non-Uranium Rights') at Prospect Hill ('Proposed Transaction').

Under the Proposed Transaction, HRE will pay a total amount of $3.3 million ('Total Consideration'). The Total Consideration comprises:

- An expenditure commitment of $1.5 million over three years ('Expenditure Commitment') and, subject to completing the Expenditure Commitment ('Earn-in Requirement'),
- Reimbursement to Havilah of $1.8 million, which represents Havilah's historical exploration expenditure on the project ('Reimbursement Payment').

All figures in our Report are quoted in Australian dollars ('AUD' or '$') unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of HRE have requested that BDO Corporate Finance Australia Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of HRE ('Shareholders').

Our Report is prepared pursuant to Australian Securities Exchange ('ASX') Listing Rules 10.1 and 10.5, and Chapter 2E of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the

Notice of Meeting for HRE to assist Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of expert reports' ('RG 111'), Regulatory Guide 112 'Independence of experts' ('RG 112'), and Regulatory Guide 170 'Prospective financial information' ('RG 170').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this Report. We have considered the following:

- How the value of the assets being acquired compares to the value of the consideration to be paid for the assets.
- The likelihood of an alternative transaction being available to HRE.
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction.
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of our Report and have concluded that, in the absence of a superior proposal, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair as the value of HRE's 80% economic interest in the Non-Uranium Rights is less than the value of the Expenditure Commitment. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages, noting that the fairness assessment excludes any potential value accretion as a result of the Expenditure Commitment. We consider the advantages of the Proposed Transaction to outweigh the disadvantages because of the structure of the Earn-in Requirement, with HRE having the ability to withdraw after its initial exploration spend. Further, the Proposed Transaction provides Shareholders with the opportunity to participate in the potential upside of the Non-Uranium Rights at Prospect Hill.

2.4 Fairness

In the context of the Proposed Transaction, we consider that the appropriate fairness comparison is between:

- the value of HRE's 80% interest in the Non-Uranium Rights at Prospect Hill; and
- the Expenditure Commitment of $1.5 million over three years. (We consider the Reimbursement Payment when considering reasonableness.)

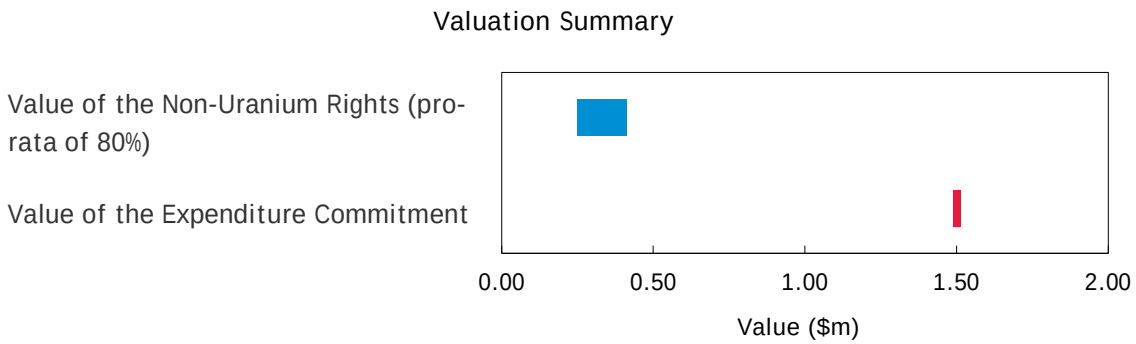
We have excluded the value of the Reimbursement Payment in our fairness assessment as we do not have reasonable grounds on which to assess the likelihood or timing of it becoming payable.

In Section 12 we assessed the fairness by comparing the value of an 80% interest in the Non-Uranium Rights at Prospect Hill to the Earn-in Requirement, as detailed below.

	Ref.	Low ($m)	Preferred ($m)	High ($m)
Value of HRE's 80% interest in the Non-Uranium Rights	10	$0.25	$0.33	$0.41
Value of the Expenditure Commitment	11	$1.50	$1.50	$1.50

Source: BDO analysis

The above valuation ranges are graphically presented below:



We have no reasonable grounds on which to determine what the value of the Non-Uranium Rights will be once the activities that will be funded by the Expenditure Commitment have been completed. As such our fairness opinion is based upon the current value of the Non-Uranium Rights, acknowledging that the value of HRE's interest in the Non-Uranium Rights will be more accurately represented by its future value, being the value following the completion of the Earn-in Requirement.

RG 111.57 states that where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Accordingly, the above pricing indicates that, in the absence of any other relevant information, and an alternative offer, the Proposed Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternative proposal, we consider that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1	The Proposed Transaction will result in HRE acquiring assets that are complementary to its existing portfolio, which may improve the attractiveness of the Company's shares	13.2	HRE may have to seek additional funding to progress its interest in the Prospect Hill Project
13.1	The structure of the Total Consideration protects Shareholders, should the Project not be economically viable		
13.1	Shareholders will have the opportunity to participate in the potential upside of the Non-Uranium Rights at Prospect Hill		

Other key matters we have considered include:

Section	Description
13.3	Alternative Proposal
13.4	Consequences of not Approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed of constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Havilah is a substantial shareholder of HRE, holding 18.27% of issued shares as at 24 August 2025, having received shares as part of the consideration for the Existing Agreement. Consequently, Havilah is considered a related party of HRE.

Based on the Company's audited accounts for the half-year ended 31 December 2024, the value of the consideration to be paid for the Non-Uranium Rights at the Prospect Hill project area under the Proposed Transaction is approximately 71% of the total equity interest of HRE (being Total Consideration of $3.3 million and equity interest of $2.52 million as at 31 December 2024). This consideration value percentage is more than 5% of the total equity interest in HRE and therefore the Non-Uranium Rights at the Prospect Hill project area are considered to be a substantial asset for the purpose of the ASX Listing Rules.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent expert's report is required for the Proposed Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of HRE.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act define the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 and Chapter 2E of the Corporations Act, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the asset proposed to be acquired. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious,

seller acting at arm's length. RG 111 states that when considering the value of the securities that are the subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction. As such, we have not included a premium for control in our analysis.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternatives.

However, RG 111.57 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. Where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between how the value of the Non-Uranium Rights at the Prospect Hill project area compares to the value of the Expenditure Commitment (fairness – see Section 12 'Is the Proposed Transaction fair?'); and
- An investigation into other significant factors to which Shareholders might give attention, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 13 'Is the Proposed Transaction reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 4 August 2025, HRE announced that it had entered into the Earn-in and JV Agreement which sets out the terms and conditions on which Havilah agrees to grant HRE the right to earn an 80% interest in the Non-Uranium Rights at Prospect Hill.

The Earn-in and JV Agreement builds on the Existing Agreement, as outlined in Section 1. The Uranium Rights cover those relating to the following projects:

- Prospect Hill
- Radium Hill project
- Lake Namba-Billeroo project.

Under the Earn-in and JV Agreement, Havilah has agreed to grant HRE the right to earn an 80% interest in the Non-Uranium Rights currently owned by Havilah with respect to the three tenements at Prospect Hill (the 'Tenements'), outlined in the table below.

	Tenement	Project	Holder
1.	EL 5891	Prospect Hill	Havilah Resources Limited (82.5%) & Teale and Associates (17.5%)
2.	EL 6721	Prospect Hill	Havilah Resources Limited (100%)
3.	EL 6933	Prospect Hill	Havilah Resources Limited (100%)

Source: Earn-in and JV Agreement.

Key terms of the Earn-in and JV Agreement

The key terms of the Earn-in and JV Agreement are as follows:

- The Total Consideration to be paid by HRE amounts to $3.3 million, comprising:
    - Expenditure Commitment of $1.5 million over three years, with a minimum commitment of $350,000 in the first year, including drilling a minimum of 2,500m during the first 18 months and a minimum of 1,250m during the second 18 months of the 3-year earn-in period ('Earn-in Requirement'); and
    - Subject to completing the Earn-in Requirement by completing the Expenditure Commitment, reimbursement to Havilah of $1.8 million, which represents Havilah's historical exploration expenditure on Prospect Hill. Payment of the Reimbursement Payment will be made on the following basis:
        - i) HRE will pay 25% of the revenue attributable to its interest in the Project from any mining or processing activities related to the Non-Uranium Rights on the Tenements. These payments will be distributed between Havilah and Teale and Associates ('Teale') in proportion to their respective interests in Prospect Hill, or as otherwise mutually agreed and communicated to HRE. Payments will continue until the total agreed consideration has been paid in full; or
        - ii) At HRE's election, in advance of any such revenue payments, either in full or in part, through one or more cash payments.

- The Non-Uranium Rights do not include the right to be registered as an owner of the Tenements, other than in the event HRE discovers an advanced prospect, being a prospect within the Project where a JORC Resource of Relevant Other Minerals has been estimated ('Advanced Prospect');
- HRE will have the ability to earn an 80% interest in the Non-Uranium Rights within EL 6271 (Havilah 100%), EL 6933 (Havilah 100%), and EL 5891 (Havilah 82.5% with the right to earn 92.5%) and an 80% JV interest in any mining tenements that it applies for over an Advanced Prospect; and
- Upon HRE satisfying the earn-in requirement, it will free carry Havilah's JV interest in an advanced prospect until the completion of a bankable feasibility study, following which Havilah may elect to contribute to or dilute a 1.5% net smelter return ('NSR') royalty on minerals produced.

Conditions precedent

The Proposed Transaction and commencement of the earn-in is conditional upon the satisfaction, or waiver, of the following conditions precedent:

i) Shareholder approvals: HRE obtaining shareholder approval pursuant to ASX Listing Rule 10.1 and sections 195(4) and 208 of the Corporations Act;

ii) Regulatory approvals: HRE and Havilah (together the 'Parties') obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers pursuant to the ASX Listing Rules, the Corporations Act 2001 and any other applicable law to enable completion of the Proposed Transaction;

iii) Third party approvals: the Parties obtaining all necessary third-party approvals, consents and waivers to lawfully undertake the Proposed Transaction; and

iv) Due diligence: the completion of technical and/or legal due diligence on the Project by HRE to its sole satisfaction.

(together, the 'Conditions')

If the Conditions are not satisfied or waived on or before 31 October 2025 ('End Date'), the Parties will take all steps reasonably required to unwind the Proposed Transaction outlined in the Earn-in and JV Agreement within 10 business days of the End Date.

Additionally, in the event a JV has not been established by the end of the Earn-in Period, (being the period starting on the date that the last of the Conditions is satisfied ('Earn-in Commencement Date') and ending on the earlier of the 3rd anniversary of that date or the date that HRE notifies Havilah that it has satisfied the Earn-in Requirement within the Earn-in Period ('Earn-in Satisfaction Date')), HRE must:

i) Return an electronically readable and editable copy of all information it holds relating to the Non-Uranium Rights in relation to the Tenements;

ii) Delete or destroy any remaining documents or materials containing such information as above; and

iii) Rehabilitate any areas of the Tenements impacted by its activities and comply with all relevant environmental and operational obligations as if it had formally withdrawn from the agreement.

Upon completion of the above, the Earn-in and JV Agreement will terminate and the Parties will be released from their obligations (other than in respect of any breaches that occurred prior to termination).

5. Profile of Heavy Rare Earths Limited

5.1 History

HRE is an ASX-listed exploration and development company focused on rare earth elements and uranium. The Company aims to become a key supplier of critical minerals essential for the clean energy transition. HRE's flagship asset is its Cowalinya rare earth project located in Western Australia ('WA'). HRE has other rare earths and uranium assets across WA and in the Northern Territory ('NT').

The Company serves markets relating to hybrid and battery electric vehicles, wind energy, smart phones, robotics, power tools, healthcare, military hardware, and oil refining sectors.

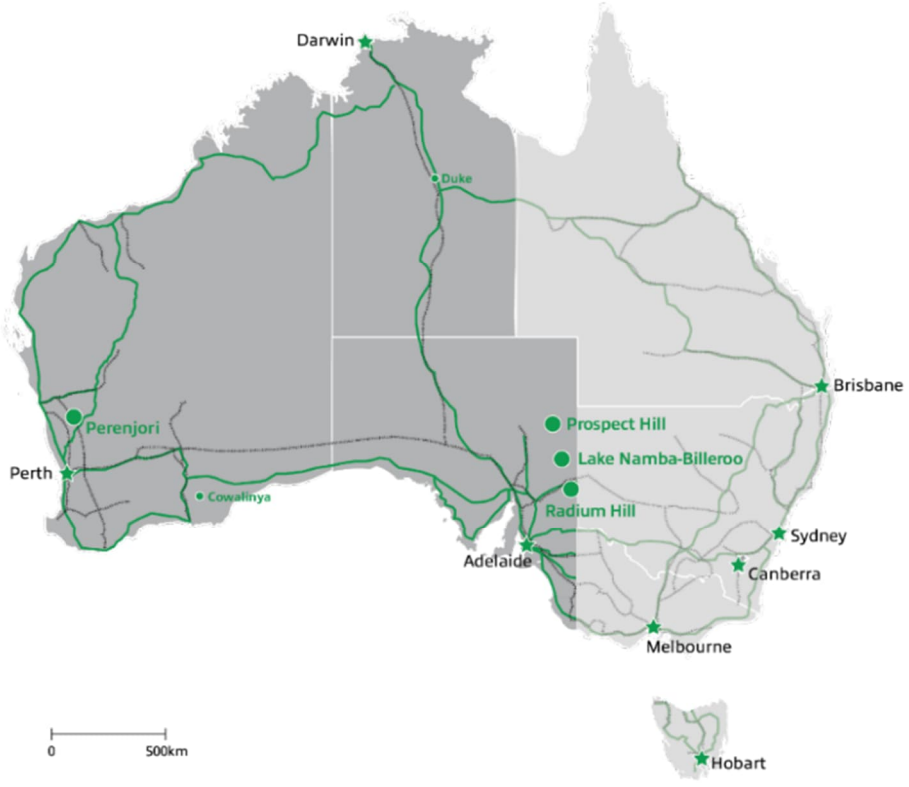
HRE was incorporated in 2021 and listed on the ASX in 2022. The Company is headquartered in Melbourne, Victoria.

The current directors and senior management of HRE are:

- John Byrne – Non-Executive Chairman
- Richard Brescianini – Non-Executive Director
- Gabriel Chiappini – Non-Executive Director
- Justin Mouchacca – Company Secretary and Financial Controller

5.2 Projects

HRE's current portfolio spans across WA and the NT, comprising three 100%-owned projects and three JV projects (acquired as part of the Existing Agreement with Havilah). A map of HRE's projects is presented in the diagram below.



Source: HRE ASX announcement *'HRE Uranium Projects – Exploration Update'* dated 11 March 2025.

5.2.1. Prospect Hill Project

Prospect Hill is a tin project located on the northern margins of the Flinders range in South Australia ('SA'). The project area is delineated into multiple zones, with the South Ridge prospect being the most advanced.

As detailed in Section 4, it is comprised of uranium and non-uranium mineral rights, with HRE currently earning an 80% interest in the former as part of the Existing Agreement. The Non-Uranium Rights relate to three tenements - EL5891, EL6271, and EL6933. Havilah currently holds 82.5% of EL5891 and has the right to move to 92.5% and 100% under certain conditions under a JV agreement with the 17.5% tenement holders, Teale. Havilah holds 100% of the other two tenements.

Prospect Hill's remote location at the extreme northern end of the Flinders Ranges provided logistical challenges to early prospectors and miners in the 19th and early 20th centuries. Until the latter part of the 20th century, little exploration had been conducted in the Prospect Hill project area. Since the mid-1980s, there have been a number of relatively short-lived campaigns of exploration for tin and other metals which resulted in the discovery of several high-grade tin prospects at surface.

Drilling conducted by Marathon Petroleum in the early 1980s resulted in a preliminary mineral resource estimate. However, as this predates the JORC Code (2004 and 2012), it is not considered reliable for current reporting purposes.

Between 1988 and 1994, Lynch Mining Ltd and Pan Australian Mining undertook detailed ground magnetics and radiometrics, followed by stream, soils and rock chip sampling, delineating numerous zones of interest. In 2005, Havilah entered into an earn-in arrangement with Teale and Adrian Brewer, under which infill and extensional drilling was completed.

Plans to test extensions of mineralisation at the South Ridge prospect were delayed for several years due to Native Title negotiations. However, in 2016, Havilah was granted assistance from the South Australian government's 'Plan for Accelerating Exploration' Program to drill test the western extension of South Ridge, as well as several other prospects. This resulted in successfully extending known mineralisation at South Ridge for an additional 220 metres ('m').

On 21 October 2024, HRE announced it had entered into an agreement with Havilah (the Existing Agreement) under which HRE secured the right to earn an 80% interest in the Uranium Rights at Prospect Hill. When the Existing Agreement was announced Havilah stated that such agreements were a way for Havilah to monetise a portion of its non-core uranium assets, for which it is receiving neither inherent market recognition nor any value.

Further information on Prospect Hill can be found in the independent technical assessment and valuation report ('Technical Specialist Report') prepared by MinVal Pty Ltd ('MinVal') in Appendix 3 of our Report.

5.2.2. Cowalinya Project

The Cowalinya project is a 100%-owned rare earths project located approximately 110 kilometres ('km') north-north-east of Esperance. It comprises a 253 square kilometre ('km^2') tenement package on unallocated crown land hosting dominantly granitic type rocks in the Central Biranup Zone of the Albany Fraser Orogen.

In 2022, HRE announced a maiden Mineral Resource Estimate ('MRE') based on HRE's 2021 drilling data. During the December 2023 quarter, the Company reported a growth in Inferred Mineral resources for Cowalinya to 159 million tonnes ('t') at 870 parts per million ('ppm') total rare earth oxides ('TREO'), as outlined in the table below. This result represents material increases in resource tonnes (468%), grade

(39%), and contained rare earths (690%) on the project's MRE of 28 million tonnes at 625 ppm TREO, reported at a lower cut-off grade.

JORC Resource Class	Tonnes (Mt)	TREO (ppm)	Magnet REOs (ppm)	Magnet REOs/TREO	Sc_2O_3 (ppm)
Inferred	159	870	242	28%	32

Source: HRE ASX Announcement dated *'Five-fold increase in mineral resources to 159 Mt @ 870 ppm total rare earth oxides at Cowalinya Project in Western Australia'* dated 3 October 2023.

5.2.3. Radium Hill Project

The Radium Hill project is a uranium-rare earth project acquired as part of the Existing Agreement covering an area of 57km^2.

Project features include:

- 10km of potential strike extension to Radium Hill Mine's main lode where 2.6 Mlbs of U3O8 (plus rare earths) was mined during 1954-1961;
- Historical intercepts of up to 1.24% eU3O8 (12,400 ppm) in drilling and costeans;
- No exploration since 1961.

5.2.4. Lake Namba-Billeroo project

The Lake Namba-Billeroo project covers an area of 2,817km^2. HRE is currently earning an initial 80% interest in the uranium rights from Havilah as part of the Existing Agreement.

During the half-year ended 31 December 2024, HRE commenced exploration on its Lake Namba-Billeroo and Prospect Hill projects. It involved Perth-based technical specialist, Atlas Geophysics, acquiring passive seismic and gravity surveys at both projects to define the location and extent of palaeochannels at a relatively shallow depth (<120m).

Surveys initially focused on the Billeroo Palaeochannel which hosts Boss Energy's Gould's Dam uranium resource. The combined length of the Billeroo Palaeochannel being explored by HRE in the current campaign is 30km.

5.2.5. Perenjori Project

The Perenjori project is a 100%-owned rare earth project located in the Mid-West region of WA, approximately 185km east-south-east of Geraldton. It comprises two contiguous exploration licences spanning 329km^2. The underlying tenure at the Perenjori project is represented by a mixture of unallocated Crown land, general lease (for grazing purposes) and private farmland.

The Perenjori project area is virtually unexplored with no historic exploration drilling completed on the project area.

5.2.6. Duke Project

The Duke rare earth project is 100%-owned by HRE and is located approximately 40km north-west of Tennant Creek in the NT. It comprises two exploration licences covering a combined area of 255km^2 on the Phillip Creek pastoral lease. The project is currently being explored by HRE for heavy rare earths. The Duke area has been previously worked for ironstone-hosted gold-copper-bismuth, iron oxide copper-gold and unconformity-related uranium, but not for rare earths.

A reconnaissance visit to the project area by HRE in April 2023 yielded rare earth assays of up to 732 ppm TREO in historic drill core samples from the Warrego Granite and in rock chips. Encouraged by these results, a 470-sample soil survey was completed in August 2023 over a 23km^2 area of airborne thorium anomalism and a Cu-Bi-Au soil anomaly identified in previous exploration but never drilled.

5.3 Recent corporate events

Placement associated with the Existing Agreement

On 21 October 2024, the Company announced it had received firm commitments for a two-tranche placement ('Placement') to raise $1.2 million (before costs) at an issue price of $0.03 per share. This represented a 15.1% discount to the Company's 15-day volume weighted average price ('VWAP') and an 11.4% discount to the 30-day WVAP to the close of trading on 18 October 2024.

16,000,000 tranche 1 placement shares were issued on 1 November 2024, and 24,000,000 tranche 2 placement shares were issued on 23 December 2024.

Entitlement Offer associated with the Existing Agreement

In addition to the Placement, the Company proposed to undertake a non-renounceable entitlement offer to existing shareholders of one share for every two shares held in the Company ('Entitlement Offer') at an issue price of $0.03 per share, to raise up to $1.02 million (before costs).

On 23 December 2024, HRE issued 42,137,633 shares in relation to the Entitlement Offer. The Entitlement Offer was not open to investors who participated in the Placement.

The Entitlement Offer was fully underwritten by Cygnet Capital Pty Ltd ('Cygnet') and Taylor Collision Limited ('Taylor Collision'), with Cygnet and Taylor Collision underwriting 50% each. Cygnet and Taylor Collision were paid a fee of 6% (in aggregate) of total funds raised under the Entitlement Offer.

5.4 Historical Statements of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-24	Audited as at 30-Jun-24	Audited as at 30-Jun-23*
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	2,782,234	957,586	2,124,052
Trade and other receivables	61,150	63,055	77,177
TOTAL CURRENT ASSETS	2,843,384	1,020,641	2,201,229
TOTAL ASSETS	2,843,384	1,020,641	2,201,229
CURRENT LIABILITIES			
Trade and other payables	(321,064)	(274,303)	(168,101)
Employee benefits	-	(15,808)	(5,417)
TOTAL CURRENT LIABILITIES	(321,064)	(290,111)	(173,518)
TOTAL LIABILITIES	(321,064)	(290,111)	(173,518)
NET ASSETS	2,522,320	730,530	2,027,711
EQUITY			
Issued capital	9,273,508	6,684,119	6,683,971
Reserves	955,323	955,323	944,368
Retained earnings	(7,706,511)	(6,908,912)	(5,600,628)
TOTAL EQUITY	2,522,320	730,530	2,027,711

Source: HRE's financial reports for the half-year ended 31 December 2024 and financial years ended 30 June 2024 and 30 June 2023.

*Restated statement of financial position as at 30 June 2023.

Commentary on Historical Statements of Financial Position

We note that during the year ended 30 June 2024, HRE changed its accounting policy relating to the capitalisation of tenement acquisition costs and all associated expenditures incurred, in accordance with AASB 6 Exploration and Evaluation of Mineral Resources. This was applied as the Company concluded that it is more appropriate to expense all costs associated with the exploration and evaluation activities undertaken. As such, figures as at 30 June 2023 have been restated to reflect this change.

- Cash and cash equivalents of $2.12 million as at 30 June 2023 decreased to $0.96 million as at 30 June 2024. This decrease of $1.16 million was primarily due to payments to suppliers and employees of $0.74 million and payments for exploration and evaluation costs of $0.78 million.
    - Cash and cash equivalents increased from $0.96 million as at 30 June 2024 to $2.78 million as at 31 December 2024. The increase of $1.8 million was primarily a result of proceeds from the issue of shares totalling $2.46 million, offset by payments to suppliers and employees of $0.25 million and payments for exploration expenditure of $0.35 million.
    - Cash and cash equivalents of $2.41 million as at the quarter ended 31 March 2025 decreased to $1.94 million as at 30 June 2025, as outlined in the table below. This decrease of $0.47 million was primarily due to payments for exploration and evaluation costs of $0.35 million and administration and corporate payments of $0.11 million. This was partially offset by $0.03 million received in interest.
- Due to the change in accounting policy detailed above, the Company no longer reports capitalised exploration and evaluation costs. This change resulted in the reversal of previously capitalised acquisition costs amounting to $3.4 million as at 30 June 2023. Consequently, these capitalised costs are no longer presented.
- Trade and other payables of $0.27 million as at 30 June 2024 comprised trade and other payables, trade payables of $0.18 million, accrued expenses of $0.08 million, and other payables of $0.01 million.
- Other than as set out above there is no indication significant movement from the 31 December 2024 balances to the 30 June 2025 management accounts balances.

Historical Statements of Cash Flows

Appendix 5B Consolidated statement of cash flows	Quarter ended 30-Jun-25	Quarter ended 31-Mar-25
Cash flows from operating activities		
Exploration & evaluation costs	(354,000)	(187,000)
Staff costs	(31,000)	(28,000)
Administration and corporate costs	(107,000)	(130,000)
Interest received	25,000	-
Government grants and tax incentives	-	90,000
Net cash from / (used in) operating activities	(467,000)	(255,000)
Cash flows from investing activities		
Property, plant and equipment	(4,000)	-
Net cash from / (used in) investing activities	(4,000)	-
Cash flows from financing activities		
Transaction costs related to issues of equity securities or convertible debt securities	-	(122,000)

Appendix 5B Consolidated statement of cash flows	Quarter ended 30-Jun-25	Quarter ended 31-Mar-25
Net cash from / (used in) financing activities	-	(122,000)
Net increase / (decrease) in cash and cash equivalents for the period		
Cash and cash equivalents at beginning of period	2,406,000	2,783,000
Net cash from / (used in) operating activities	(467,000)	(255,000)
Net cash from / (used in) investing activities	(4,000)	-
Net cash from / (used in) financing activities	-	(122,000)
Cash and cash equivalents at end of period	1,935,000	2,406,000
Estimated cash available for future operating activities		
Net cash from / (used in) operating activities	(467,000)	(255,000)
Total relevant outgoings	(467,000)	(255,000)
Cash and cash equivalents at quarter end	1,935,000	2,406,000
Total available funding	1,935,000	2,406,000
Estimate quarters of funding	4.14	9.44

Source: HRE's quarterly cash flow statements for the quarters ended 31 March 2025 and 30 June 2025.

- Between 31 March 2025 and 30 June 2025, the Company's estimated quarters of funding decreased from 9.44 to 4.14. This metric represents the number of quarters the Company could continue operating at its current rate of net cash outflows, based on its available cash balance. The decrease reflects an increase in the Company's cash burn, with net operating cash outflows rising from $255,000 in the March quarter to $467,000 in the June quarter. This change was primarily driven by higher exploration and evaluation expenditure, which increased from $187,000 to $354,000, and the absence of government grants or tax incentives in the June quarter. As a result, cash and cash equivalents declined from $2.41 million to $1.94 million.

5.5 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-24 $	Audited for the year ended 30-Jun-24 $	Audited for the year ended 30-Jun-23* $
R&D Tax Incentive Income	-	312,168	-
Interest Income	10,328	35,110	28,303
Revenue	10,328	347,278	28,303
Corporate and administrative expenses	(391,102)	(584,322)	(664,195)
Employment expenses	(211,910)	(270,871)	(280,151)
Exploration and evaluation expenditure	(204,915)	(789,414)	(2,579,309)
Share based payment expense	-	(10,955)	(708,709)
IPO expenses	-	-	(169,459)
Expenses	(807,927)	(1,655,562)	(4,401,823)
Profit/(loss) before income tax	(797,599)	(1,308,284)	(4,373,520)
Income tax expense	-	-	-
Profit/(loss) after income tax	(797,599)	(1,308,284)	(4,373,520)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	(797,599)	(1,308,284)	(4,373,520)

Source: HRE's financial reports for the half-year ended 31 December 2024 and financial years ended 30 June 2024 and 30 June 2023.

*Restated statement of profit or loss and other comprehensive income for the year ended 30 June 2023.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

As discussed in Section 5.4, figures stated for the year ended 30 June 2023 have been restated to reflect this change.

- Exploration and evaluation expenditure of $2.58 million was expensed onto the statement of profit or loss for the year ended 30 June 2023 as part of the Company's change in accounting policy, as detailed above.

5.6 Capital structure

The share structure of HRE as at 24 August 2025 is outlined below:

	Number
Total ordinary shares on issue	208,033,882
Top 20 shareholders	134,136,665
Top 20 shareholders - % of shares on issue	64.48%

Source: HRE share registry information

The range of shares held in HRE as at 24 August 2025 is as follows:

Range of shares held	No. of ordinary shareholders	No. of ordinary shares	Percentage of issued shares (%)
1 - 1,000	22	1,814	0.00%
1,001 - 5,000	63	214,549	0.10%
5,001 - 10,000	96	838,611	0.40%
10,001 - 100,000	292	11,044,406	5.31%
100,001 - and over	139	195,934,502	94.18%
TOTAL	612	208,033,882	100.00%

Source: HRE share registry information

The ordinary shares held by the most significant shareholders as at 24 August 2025 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Havilah Resources Limited	38,000,000	18.27%
KEA Holdings Pty Ltd	13,013,781	6.26%
Deck Chair Holdings Pty Ltd	12,988,219	6.24%
Subtotal	64,002,000	30.77%
Others	144,031,882	69.23%
Total ordinary shares on Issue	208,033,882	100.00%

Source: HRE share registry information

The options and performance rights on issue in HRE as at 15 September 2025 are outlined below:

Description		No. of Options/Rights
Unlisted options expiring on 7 January 2028 with an exercise price of $0.06 each		17,500,000
Unlisted options expiring on 26 February 2028 with an exercise price of $0.06 each		12,500,000
Unlisted options expiring on 11 August 2028 with an exercise price of $0.06 each		2,500,000
Total number of options		32,500,000
Cash raised if options are exercised	$	1,950,000

Source: HRE share registry information

6. Profile of Havilah Resources Limited

6.1 History

Havilah is an Australian multi-commodity mineral exploration and development company. The company is the parent company of a group of 12 mineral exploration and development companies operating in Australia, in which Havilah has 100% ownership and voting interest. Havilah was incorporated as a public company in 1997 and listed on the ASX in 2002. Havilah is headquartered in Adelaide, South Australia.

Havilah is a related party of HRE as Havilah is a substantial shareholder in HRE, holding 18.27% of HRE's issued share capital. As outlined in Section 4, in October 2024, Havilah entered into a binding term sheet with HRE, being the Existing Agreement, in relation to its uranium rights at various locations.

The directors of Havilah are:

- Simon Gray – Executive Director and Chairman
- Victor Previn – Independent Non-Executive Director
- Dr Christopher Giles – Executive Director and Technical Director

Havilah undertakes a number of business activities through joint arrangements, including the Existing Agreement with HRE.

7. Economic analysis

HRE and Havilah are primarily exposed to the risks and opportunities of the Australian economy through their domiciliation and listings on the ASX. As such, we have provided an overview of the Australian economy to the extent that it relates to considerations for our assessment.

7.1 Australia

Overview

At its August 2025 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') reduced the cash rate target by 25 basis points to 3.60%, marking a cumulative easing of 75 basis points since the beginning of the year. The decision reflects the RBA's assessment that inflationary pressures have continued to moderate from their 2022 peak, with, with tighter policy settings over recent years helping to bring demand and supply conditions closer into balance.

In the June 2025 quarter, the annualised trimmed mean inflation fell to 2.7%, down from 2.9% in the March 2025 quarter, while annualised headline inflation decreased from 2.4% in May 2025 to 2.1%, assisted by temporary cost-of-living relief measures. The RBA's updated forecasts indicate that underlying inflation is expected to move gradually towards the midpoint of the 2–3% target range, supported by an assumption of a further, gradual path of monetary easing.

Labour market conditions have softened modestly but remain relatively tight. The unemployment rate rose to 4.3% in June 2025, up from 4.1% in May 2025, averaging 4.2% over the June quarter. Broader measures of labour underutilisation remain low, with business surveys reporting that labour availability constrains activity in some sectors. Wage growth has eased from its peak, but persistently weak productivity growth has contributed to elevated unit labour cost growth.

Domestic demand is showing signs of recovery. Real household incomes have improved, and some indicators of financial conditions have eased. However, many businesses report that subdued demand continues to limit their capacity to pass through cost increases to consumers. Gross Domestic Product ('GDP') expanded by 1.3% in the year to March 2025, remaining unchanged from the year to December 2024, underscoring the modest pace of overall growth.

Financial markets have been volatile throughout 2025. Australian equities performed strongly at the start of the year, supported by resilient corporate earnings, favourable economic data, and firm commodity prices, mirroring movements in the United States ('US') market. However, on 2 April 2025, the announcement of significant US tariffs on major trading partners, including Australia, China, and Europe, triggered sharp global equity market declines. While both US and Australian equity markets subsequently rebounded and surpassed February highs following progress in trade negotiations, volatility and investor uncertainty remain elevated.

Outlook

The RBA notes that global economic uncertainty remains high, although recent clarification around the scope of US tariffs and policy responses has reduced the likelihood of the most adverse outcomes. Nonetheless, trade policy developments are expected to weigh on global activity, with the risk that households and firms defer spending and investment decisions until the international outlook stabilises.

Other key uncertainties include the lagged impact of recent monetary policy easing, the responsiveness of firms' pricing and wage decisions to evolving demand and supply conditions, and the ongoing implications of weak productivity growth for unit labour costs.

The RBA has reiterated that its policy priorities remain price stability and full employment. With underlying inflation continuing to moderate towards the target and labour market conditions softening in line with expectations, further monetary easing has been deemed appropriate. The RBA has emphasised that it remains cautious and stands prepared to respond decisively should international developments materially affect the outlook for the Australian economy.

Source: www.rba.gov.au Statement by the Monetary Policy Board: Monetary Policy Decision dated 12 August 2025 and prior periods, the Australian Bureau of Statistics "Labour Force Australia June 2025", Australian Financial Review "Trump mocks world leaders as huge new tariffs take effect".

8. Industry analysis

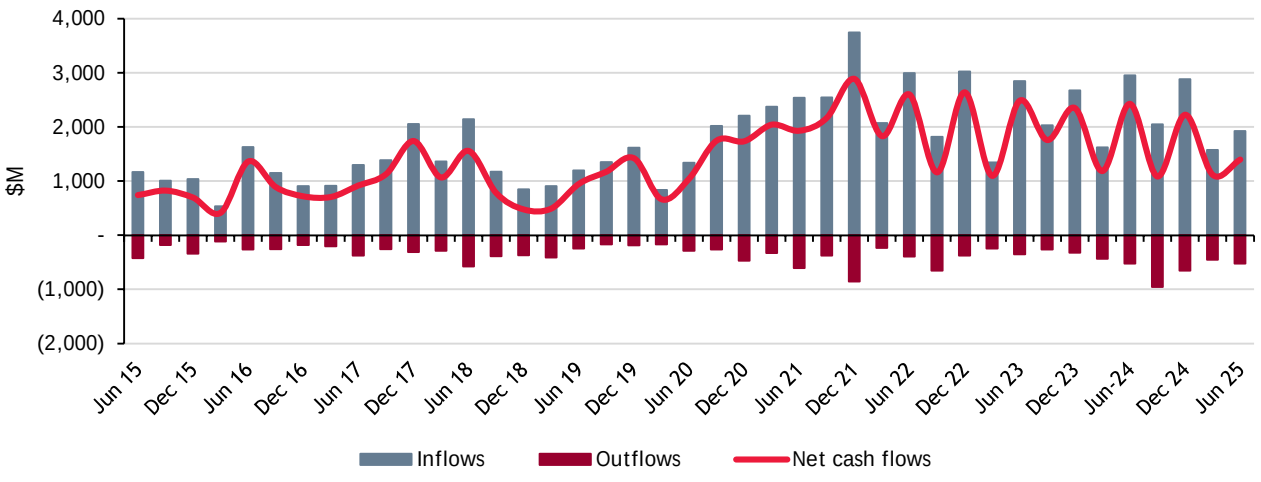
HRE is a uranium exploration and development company, while Havilah and its subsidiaries explore for a range of commodities such as gold, copper and iron ore. However, given Prospect Hill is a tin exploration project, we have provided an overview of the Australian exploration sector and the global tin industry.

8.1 Exploration sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the June quarter of 2025 reveals a rebound in activity across the sector after a subdued start to the year marked by cautious capital allocation and declining cash reserves. This quarter delivered a broad-based rebound in financing, exploration activity, and investor engagement, suggesting that explorers are beginning to re-engage in growth strategies as macroeconomic conditions stabilise.

In the June 2025 quarter financing cash inflows rose to $1.93 billion, a 22% increase from the $1.57 billion of funds raised in the previous quarter. Financing inflows averaged $2.58 million per explorer, which is 13% lower than the two-year average of $2.95 million (since June 2023). This increase in financing inflows was partially offset by a 16% increase in financing cash outflows. As a result, net financing cashflows increased by 25% from the March 2025 quarter, up to $1.40 billion. However, we acknowledge the influence of seasonality on this trend, with the June quarter often being a stronger net financing inflow quarter.

ASX explorers' financing cash flows ($M)



Source: BDO analysis

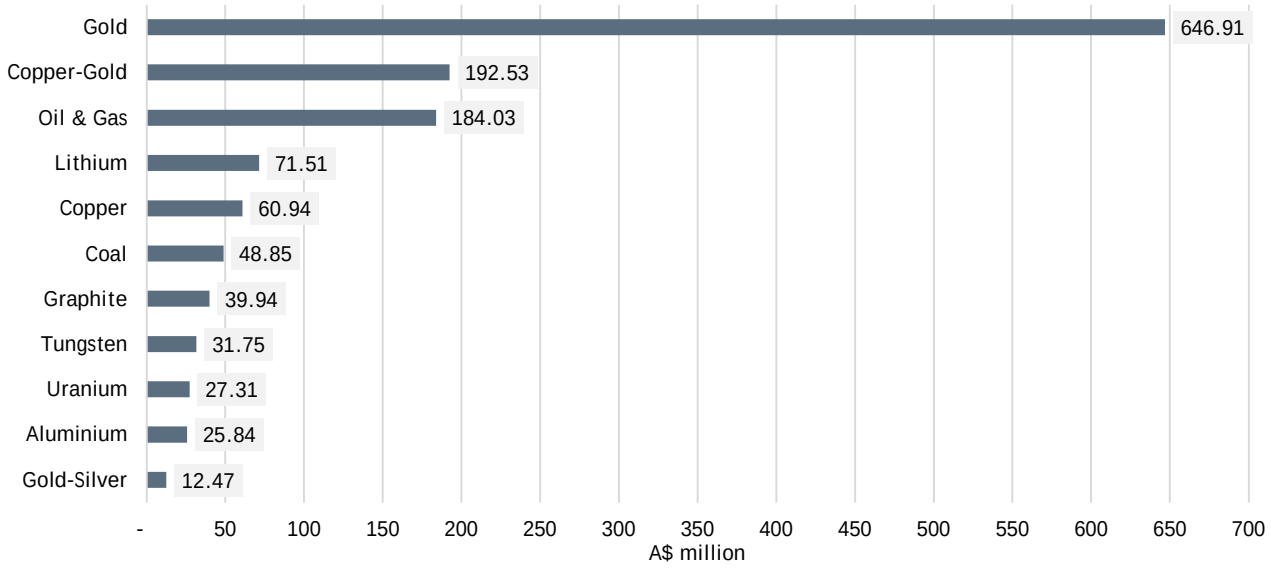
The number of companies which raised capital exceeding $10 million (which we have termed 'Fund Finders') increased in the June 2025 quarter with 42 companies raising $1.31 billion compared to the 26 companies who raised $1.07 billion in the March 2025 quarter. On average, the Fund Finders in the June 2025 quarter raised $31.97 million each and contributed to 69% of the total financing inflows in the quarter. This quarter's Fund Finder cohort was again dominated by gold companies, with the remaining 28 companies spread across ten commodities, comprised mostly of copper-gold, oil and gas, and lithium. Equity remained the main source of investment, accounting for 83% of total funds raised.

Gold maintained its position as the leading commodity in the quarter, raising $646.91 million, and contributing 48% of the total funds raised by the Fund Finders. The persistence of gold in recent quarters underscores gold's enduring appeal as a safe haven asset, particularly amid heightened macroeconomic uncertainty. Copper-gold and oil and gas explorers followed, benefiting from themes of electrification and energy security.

Meanwhile, lithium explorers continued to show reduced activity this quarter, extending the pullback from last year's fund raisings for the commodity. However, as global lithium pricing remains soft due to oversupply and subdued demand, signs of a full recover have yet to materialise. On the other hand, uranium financing rebounded after dropping to nil in the March 2025 quarter, after building up momentum since the December 2023 quarter due to renewed interest in nuclear energy.

Interestingly, despite the global energy transition narrative, coal companies have consistently appeared among Fund Finders for the past eight quarters. This suggests investors are selectively backing coal projects that meet short-term market needs, particularly for steelmaking and energy security concerns. Meanwhile, niche critical minerals are regaining attention, with two tungsten companies securing significant funding this quarter, the first since March 2024. This reappearance likely reflects nascent investor interest in diversified critical minerals.

Financing inflow by commodity - Top 42 explorers - June quarter 2025



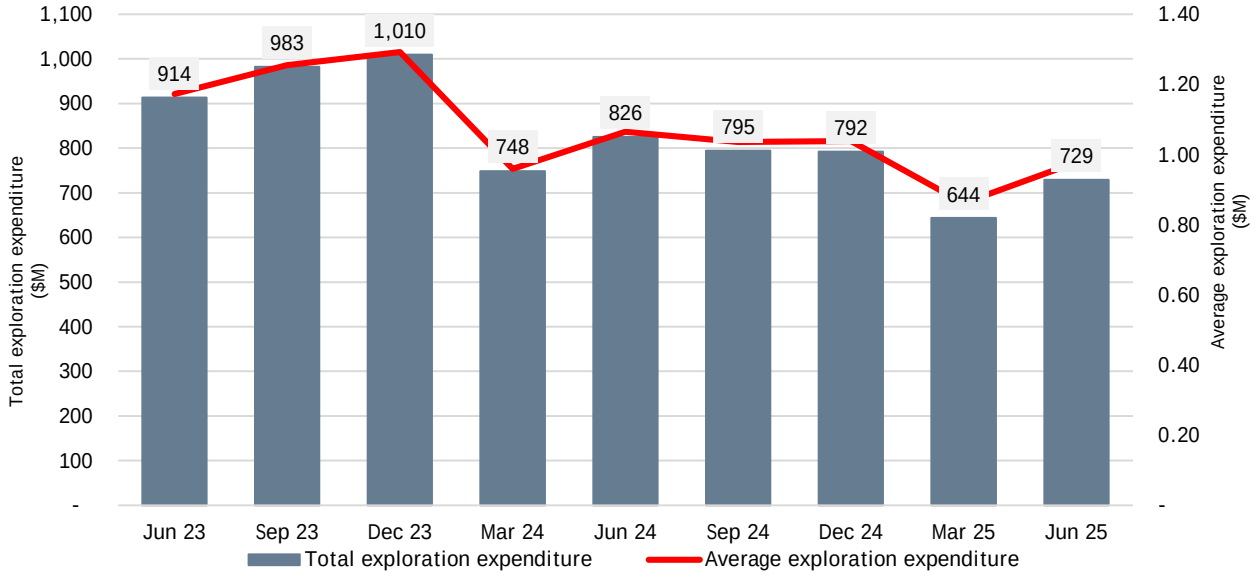
Source: BDO analysis

After a significant slowdown in exploration activities across the board in the March 2025 quarter, we observed a rebound in exploration expenditure in the June 2025 quarter. Exploration expenditure of $728.97 million represents a 13% increase from the preceding March quarter, breaking a four-quarter downtrend, with the average exploration spend per explorer of $0.98 million also breaking the multi-year

low. This reversal signals a cautious recovery as financing improves, especially with expected rate relief likely to support an upward trend in exploration budgets.

Our analysis indicates that spending for the June 2025 quarter was spread with more companies committing over $2 million. The $1 million to $2 million cohort grew, and those spending above $5 million also increased.

Total exploration expenditure - Last two years ($M)



Source: BDO analysis

Over the quarter we observed a continued reduction in the cash balances of explorers, with total cash reserves declining by 7% from the previous quarter. This is below the peak of over $10 million we observed in the year prior, as spending slightly outpaced fundraising. Our analysis indicates that most companies have enough cash for the near term. However, inflation has reduced the real value of cash, prompting management to continue to prioritise treasury top-ups when feasible, even if it means issuing equity.

Overall, activity in the June 2025 quarter suggests cautious optimism, marked by heightened investor engagement, rebounds across key metrics, and gold maintaining its dominance due to high prices and investor support. This quarter illustrates signs of resurgence amongst the explorer cohort, with fundraising and in-ground activity lifted from March 2025 lows, led again by gold and a handful of advanced energy transition adjacent companies.

Source: BDO Explorer Quarterly Cash Update: June 2025 and prior releases.

8.2 Tin

Tin is a soft, malleable, and rust-resistant metal with a long history of industrial and commercial use. It has a low melting point and readily forms alloys with other metals, historically contributing to the development of bronze. Tin is a relatively scarce element, with an average crustal abundance of approximately 2 ppm, compared to 94 ppm for zinc, 63 ppm for copper, and 12 ppm for lead. Tin is sourced from both primary and secondary deposits. Primary deposits are typically associated with granitic rocks and related geological formations, while secondary (placer) deposits result from the erosion of primary sources. Cassiterite (SnO_2) is the principal tin ore. In Australia, significant deposits include the Renison mine in western Tasmania and historical production from secondary sources in north Queensland.

Currently, the primary use of tin is in solders, which account for approximately 50% of global consumption. These solders are used in applications such as plumbing, automotive manufacturing, and electronics. Tin is also used in the production of tinplate—steel coated with tin—which represents around 16% of global tin usage and is commonly employed in packaging for food, beverages, chemicals, and other materials.

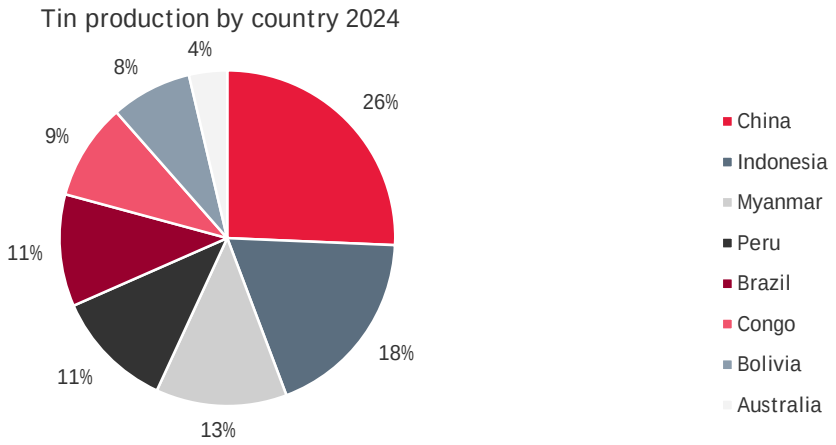
Tin production and reserves

In 2024, the majority of the world's tin was produced in China (26%), Indonesia (18%), and Myanmar (13%), reflecting the continued dominance of Southeast Asia in global tin supply. Despite geopolitical instability in Myanmar, tin production remained significant due to the country's rich deposits and informal mining operations.

Global tin production in 2024 faced moderate challenges, with output constrained by regulatory pressures, environmental concerns, and intermittent disruptions in Myanmar and Indonesia. These factors contributed to supply constraints, although overall production levels remained relatively stable compared to the previous year.

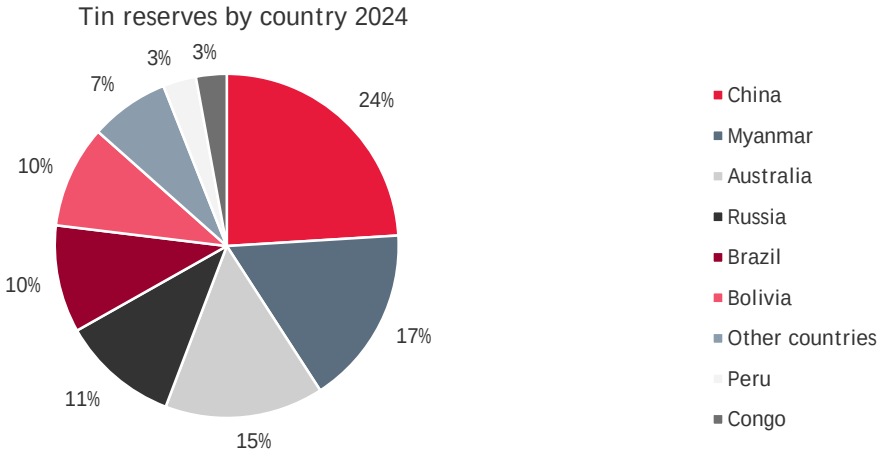
The tin industry also contended with rising production costs and logistical hurdles, particularly in regions with aging infrastructure and limited access to refined processing technologies. Meanwhile, demand for tin continued to be supported by its critical role in electronics, soldering, and emerging green technologies such as solar panels and electric vehicles.

The graphs below illustrate estimated production output for 2024 and tin reserves by country:



Source: United States Geological Survey, January 2025

A figure illustrating the world's tin reserves is illustrated below:



Source: United States Geological Survey, January 2025

Tin prices

Source: S&P Global and Consensus Economics survey dated 18 August 2025

The figure above illustrates the historical fluctuations in the tin spot prices from August 2015 to August 2025 and the Consensus Economics forecast for tin prices for the remainder of 2025 through to 2034.

In 2016 and 2017, tin prices began recovering, reaching US$20,000-21,000/t, supported by supply disruptions in Myanmar and Indonesia, and renewed demand from the electronics sector. Myanmar emerged as a key supplier, but its informal mining sector faced regulatory scrutiny, adding uncertainty to global supply chains.

Between 2018 and 2019, tin prices remained relatively stable, fluctuating between US$18,000–21,000/t. However, concerns over environmental regulations and mine closures in Indonesia and Myanmar began to tighten supply. The rise of electric vehicles and renewable energy technologies also began to influence demand positively, as tin is used in soldering and battery components.

In 2020, the COVID-19 pandemic disrupted global mining operations and logistics, leading to supply shortages. Tin prices rose sharply from US$16,000/t in early 2020 to over US$20,000/t by year-end, driven by panic buying and constrained inventories. Lockdowns in Southeast Asia, particularly in Myanmar and Indonesia, exacerbated the supply crunch.

Throughout 2021, tin prices surged, reaching a record high of US$38,000/t in November, fuelled by booming demand for electronics, semiconductors, and green technologies. Supply remained tight due to ongoing disruptions in Myanmar and limited new mining investments. The London Metal Exchange reported record low tin inventories, further amplifying price pressures.

In 2022, tin prices corrected slightly but remained elevated, averaging around US$30,000-33,000/t. The market was influenced by geopolitical tensions, including Russia's invasion of Ukraine, which indirectly affected global commodity markets. Supply chain bottlenecks and inflationary pressures also contributed to sustained high prices.

In 2023, tin prices experienced moderate volatility, fluctuating between US$25,000–30,000/t. The military conflict in Myanmar's Wa State, a major tin-producing region, led to temporary mine closures, tightening global supply. Meanwhile, demand from the electronics and solar industries remained robust, supporting price stability.

By early 2024, tin prices rebounded sharply, reaching US$33,000-35,000/t, driven by renewed supply concerns and strong demand from Asia. Disruptions in the Democratic Republic of Congo, where Alphamin Resources operates one of the world's richest tin mines, added to the bullish sentiment. The US-China trade tensions and sanctions also influenced market dynamics, with buyers seeking alternative sources.

In the first half of 2025, tin prices exhibited moderate volatility, stabilising around US$31,000-34,000/t. The market was shaped by ongoing geopolitical risks, including continued instability in Myanmar and tightening export controls in Indonesia. Meanwhile, demand remained strong due to increased investment in semiconductors, electric vehicles, and photovoltaic installations. Strategic mine restarts and expansions, such as those in Africa and Southeast Asia, helped ease supply concerns, but persistent feedstock shortages kept prices elevated.

According to Consensus Economics, the tin price is expected to stabilise over the current period through to 2027. The medium-term forecast tin price from 2027 to 2029 is expected to range between US$30,503/t and US$31,343/t, whereas the long-term nominal forecast from 2030 to 2034 is expected to trade just below this range at approximately US$29,524/t.

Source: Consensus Economics, United States Geological Survey, S&P Global, Geoscience Australia, Trading Economics, IMARC and BDO analysis.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2 of our Report.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

As outlined in Section 3.3, RG 111.57 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. Where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.

In performing our assessment of whether the Proposed Transaction is fair to Shareholders for the purpose of ASX Listing Rule 10.1, we have compared the value of the Non-Uranium Rights at the Prospect Hill project area to be acquired by HRE, to the value of the Expenditure Commitment component of the consideration, being an expenditure commitment of $1.5 million over three years.

Pursuant to the Earn-In and JV Agreement between the Parties, HRE may choose the payment method for the Reimbursement Payment for the Proposed Transaction. HRE may elect to pay the Reimbursement upfront, either partially or in full, through cash payments. Alternatively, HRE may defer payment until mining or processing operations commence at an Advanced Prospect, at which point it will pay Havilah 25% of the revenue attributable to its interest in the Project from the Non-Uranium Rights. These payments will be made on a quarterly basis and will continue until the full amount of the Reimbursement has been paid.

Independent Technical Expert

In performing our valuation of the Non-Uranium Rights at the Prospect Hill project, we have relied on MinVal's valuation of the exploration potential of the non-uranium mineral rights on the Prospect Hill project.

MinVal's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code. We are satisfied with the valuation methodologies adopted by MinVal, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by MinVal are detailed in the Technical Specialist Report contained in Appendix 3.

10. Valuation of the non-uranium mineral assets at the Prospect Hill project

In performing our valuation of the non-uranium mineral assets at the Prospect Hill project, we have relied on the Technical Specialist Report prepared by MinVal.

We have no reasonable grounds on which to determine what the value of the Non-Uranium Rights will be once the activities that will be funded by the Expenditure Commitment have been completed.

We instructed MinVal to provide an independent market valuation of the non-uranium mineral assets at Prospect Hill. In determining the technical value of the tenements, MinVal adopted reasonable base acquisition costs derived from comparable tenements in WA. MinVal considered a number of different valuation methods when valuing the non-uranium mineral assets at the Prospect Hill project, with the Geoscientific being their preferred approach. MinVal determined a low and high value range based on a +/- 25% from the preferred valuation.

MinVal has valued EL 5891 on an 82.5% basis, reflecting Havilah's ownership interest in the tenement. We note that Havilah has the right to move to 92.5% and 100% under certain conditions under a JV agreement with the 17.5% tenement holders, Teale. In forming its assessment, MinVal considered the geological and logistical characteristics of the asset, noting that portions of the tenement are covered and exhibit lower exploration potential ('Low Potential'). Additionally, areas that have undergone previous exploration may be subject to access, heritage, and environmental constraints, which further limit the prospectivity of EL 5891.

MinVal is of the opinion that the Prospect Hill Project has the potential to be developed as a dual-focus tin-uranium exploration opportunity, underpinned by the strategic alignment between Havilah's historical tin mineralisation results and HRE's emerging uranium exploration model.

The range of values for the exploration potential of the non-uranium mineral assets at the Prospect Hill project as determined by MinVal is set out below:

Tenement	Havilah interest	Market Valuation		
		Low ($ million)	Preferred ($ million)	High ($ million)
EL 5891	82.5%	0.20	0.33	0.47
EL 5891 - Low Potential	82.5%	0.00	0.01	0.02
EL 5891 total		0.20	0.34	0.49
EL 6271	100%	0.02	0.05	0.08
EL 6933	100%	0.01	0.02	0.04
Total		0.22	0.41	0.60
MinVal Valuation range		0.31	0.41	0.52
Value of HRE's 80% economic interest		0.25	0.33	0.41

Source: Technical Specialist Report prepared by MinVal

To reflect HRE's potential to earn an 80% economic interest in Havilah's share of the Non-Uranium Rights, we have applied an 80% factor to these values. This results in an adjusted range of values between $0.25 million and $0.41 million, with a preferred value of $0.33 million.

For further information on MinVal's approach and conclusions, refer to the MinVal Technical Specialist Report, which is included as Appendix 3 of our Report.

11. Valuation of the consideration

As outlined in Section 9, we have considered the value of the consideration to be expensed for the exploration of the Non-Uranium Rights at Prospect Hill below:

Valuation of the consideration	Note	Low value ($m)	Preferred value ($m)	High value ($m)
Valuation of the Expenditure Commitment	a)	1.50	1.50	1.50
Valuation of the Reimbursement Payment	b)	-	-	-
Total consideration		1.50	1.50	1.50

Source: BDO analysis

Note a) Expenditure Commitment

As detailed in Section 4 of our Report, the Expenditure Commitment of $1.5 million will be payable by HRE over three years, with a minimum commitment of $350,000 in the first year, as part of the Earn-in Requirement.

In our valuation, we have only considered the value of the Expenditure Commitment, as this represents the amount HRE is required to spend to earn an 80% initial interest in the Non-Uranium Rights at Prospect Hill.

We have not discounted the Expenditure Commitment to its present value as the difference between the discounted and undiscounted values is not material to our fairness assessment.

Note b) Reimbursement Payment

As outlined in Section 4, $1.8 million in cash will be payable by HRE to Havilah subject to completion of the Earn-in Requirement, which will be payable from cashflows from mining and processing operations at the Project in respect of Non-Uranium Rights. However, given the early-stage nature of the Non-Uranium Rights at the Project, we do not have reasonable grounds on which to assess the likelihood or the timing of this milestone being met and as such whether nor when the Reimbursement Payment may become payable. Accordingly, we do not have reasonable grounds to include the value of the Reimbursement Payment in our valuation of the consideration.

However, we note that, in the event that the milestone is met and the Reimbursement Payment becomes payable, the value of the Non-Uranium Rights would likely increase to the benefit of Shareholders. As such, we have considered the value of the Reimbursement Payment into our reasonableness assessment covering the advantages and disadvantages of approving the Proposed Transaction.

12. Is the Proposed Transaction fair?

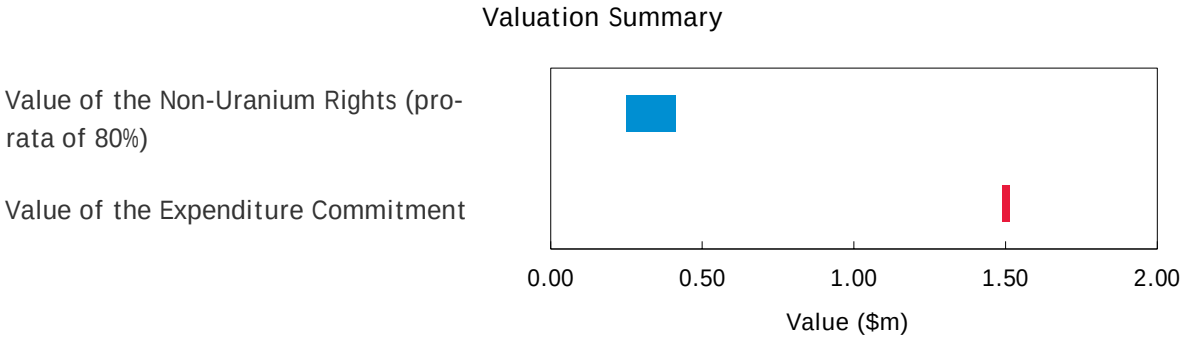
In performing our assessment of whether the Proposed Transaction is fair to Shareholders for the purpose of ASX Listing Rule 10.1, we have compared the assessed value of the assets to be acquired, being an 80% interest in the Non-Uranium Rights at Prospect Hill, with the Expenditure Commitment component of the Total Consideration.

This has been set out in the table below.

	Ref.	Low ($m)	Preferred ($m)	High ($m)
Value of HRE's 80% interest in the Non-Uranium Rights	10	$0.25	$0.33	$0.41
Value of the Expenditure Commitment	11	$1.50	$1.50	$1.50

Source: BDO analysis

The above valuation ranges are graphically presented below:



RG 111.57 states that where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. The above pricing indicates that the value of the 80% economic interest in the Non-Uranium Rights is less than the value of the Expenditure Commitment. Therefore, we consider that the Proposed Transaction is not fair to Shareholders.

We have no reasonable grounds on which to determine what the value of the Non-Uranium Rights will be once the activities that will be funded by the Expenditure Commitment have been completed. As such our fairness opinion is based upon the current value of the Non-Uranium Rights, acknowledging that the value of HRE's interest in the Non-Uranium Rights will be more accurately represented by its future value, being the value following the completion of the Earn-in Requirement.

13. Is the Proposed Transaction reasonable?

We have considered the analysis below, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction.
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. We consider the advantages of the Proposed Transaction to outweigh the disadvantages because of the structure of the Earn-in Requirement, with HRE having the ability to withdraw after its initial exploration spend. Further, it provides Shareholders with the opportunity to participate in the potential upside of the Non-Uranium Rights at Prospect Hill. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Proposed Transaction is reasonable for Shareholders.

13.1 Advantages of approving the Proposed Transaction

We have considered the following advantages in our assessment of whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction will result in HRE acquiring assets that are complementary to its existing portfolio, which may improve the attractiveness of the Company's shares	If the Proposed Transaction is approved, HRE will hold a more comprehensive portfolio of mineral assets, bolstering its presence as an Australian-focused multi-asset explorer. As a result, this may make the Company's shares appear more attractive. Further, the increased attractiveness of the Company's shares arising from the Proposed Transaction may improve the liquidity of the Company's shares. This would improve Shareholders' ability to realise their investment on market, should they choose to exit their investment.
The structure of the Total Consideration protects Shareholders, should the Project not be economically viable	HRE is required to invest $1.5 million over three years to earn an 80% interest in the Non-Uranium Rights. This arrangement not only has the potential to add value to Prospect Hill, it also gives HRE access to those enhanced assets as part of the transaction. The staged and optional structure of the Earn-In Requirement protects Shareholders in the event that additional expenditure on Prospect Hill is deemed unlikely to be value accretive. The structure allows the Company to reassess the prospects of Prospect Hill at defined intervals, based on the technical work completed and results obtained, rather than committing the full consideration upfront. Pursuant to the Earn-in and JV Agreement, subsequent to spending the initial $350,000, HRE has the ability to withdraw from the earn-in at any time. Therefore, given the contingent nature of the Earn-in Requirement, it is likely that the Company would only commit additional spend to the extent that

Advantage	Description
	they expect that future spend will be value accretive to shareholders. This provides HRE with flexibility and the ability to reconsider its strategy and approach before committing the entire Earn-in Requirement. The Reimbursement Payment is contingent in nature, in that it is only payable on revenue generated on mining and processing activities. Accordingly, the Reimbursement Payment will only become payable in the event that the Non-Uranium Rights at Prospect Hill advances to production, which should ultimately be value accretive to Shareholders.
Shareholders will have the opportunity to participate in the potential upside of the Non-Uranium Rights at Prospect Hill	Should the exploration and development of the Tenements at Prospect Hill be successful, Shareholders will have the opportunity to participate in the potential upside of the Company's interest in a potential future producing asset.

13.2 Disadvantages of approving the Proposed Transaction

We have considered the following disadvantages in our assessment of whether the Proposed Transaction is reasonable.

Disadvantage	Description
HRE may have to seek additional funding to progress its interest in the Prospect Hill Project	As outlined in Section 5.5, HRE's cash and cash equivalents balance as at 30 June 2025 was $1.94 million, and as outlined in Section 4, as per the key terms of the Earn-In and JV Agreement, HRE will sole fund $1.5 million Expenditure Commitment for the Project over three years. Although HRE currently has sufficient funds to fulfil its minimum expenditure requirement, being a minimum commitment of $350,000 in the first year, HRE will likely require additional funds in the future in order to progress its interest in Prospect Hill as per the terms of the Earn-in and JV Agreement, as well as to mitigate potential working capital issues. Refer paragraphs below.

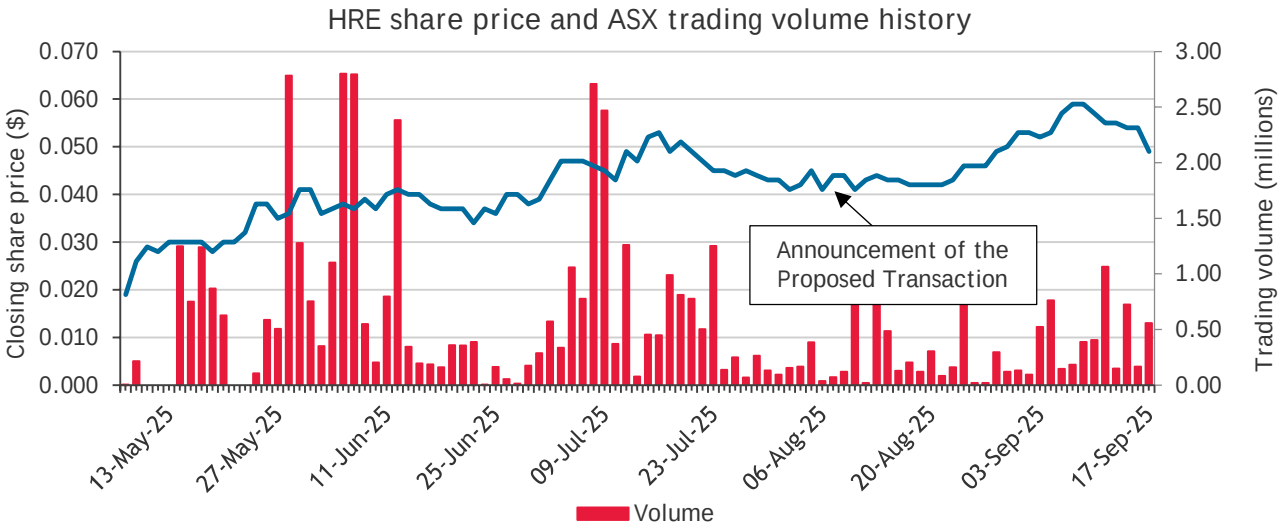
13.3 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of HRE a premium over the value resulting from the Proposed Transaction.

13.4 Consequences of not approving the Proposed Transaction

Potential impact in HRE's share price

We have analysed movements in HRE's share price since the Proposed Transaction was announced. A graph of HRE's share price and trading volume leading up to, and following the announcement of the Transaction is set out below.



Source: S&P Capital IQ

The closing share of an HRE share from 1 May 2025 to 17 September 2025 ranged from a low of $0.019 to a high of $0.059.

The Proposed Transaction was announced on 4 August 2025. On the date the Proposed Transaction was announced, the share priced closed at $0.042, up from a closing price of $0.041 on the previous trading day. On that day, 121,120 shares were traded, representing approximately 0.06% of HRE's current issued capital. It is noted that volumes spiked around the time of the announcement, particularly on 5 August 2025 and 19 August 2025 when 1.01 million and 871,000 shares were traded, respectively.

Following the announcement of the Proposed Transaction, the daily share price of HRE has fluctuated from a low of $0.041 on 11 August 2025 on to a high of $0.059 on 9 September 2025.

Given there was little movement in the share price following the announcement, it is not possible to conclude on the potential impact on HRE's share price if the Proposed Transaction is not approved.

13.5 Other considerations

Additional funding

Based on the Company's cash spend for the quarter to 30 June 2025, it has approximately four quarters of cash reserves available to fund existing operating cash outflows. In addition to this ongoing expenditure, as a consequence of the Proposed Transaction, the Company will have cash commitments totalling $1.5 million over the next three years, being the Expenditure Commitment, with a minimum of $350,000 required in the first year.

Taking these additional obligations into account, and assuming no material change in expenditure or funding inflows, the Company will exhaust its cash reserves prior to June 2026 and would need to secure

additional funding in order to meet its remaining exploration commitments as well as its ongoing operational requirements.

Reimbursement Payment

As outlined in Section 4, upon satisfaction of the Earn-in Requirement, HRE will be required to reimburse Havilah an aggregate amount of $1.8 million as reimbursement for historical exploration expenditure of Havilah on the Prospect Hill project. The Reimbursement Payment (if payable) will be paid from cashflows from mining and processing operations at the Project in respect of the Non-Uranium Rights, or earlier, at the election of the Company.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of our Report and have concluded that, in the absence of a superior proposal, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair as the value of HRE's 80% economic interest in the Non-Uranium Rights is less than the value of the Expenditure Commitment. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages, noting that the fairness assessment excludes any potential value accretion as a result of the Expenditure Commitment. We consider the advantages of the Proposed Transaction to outweigh the disadvantages because of the structure of the Earn-in Requirement, with HRE having the ability to withdraw after its initial exploration spend. Further, the Proposed Transaction provides Shareholders with the opportunity to participate in the potential upside of the Non-Uranium Rights at Prospect Hill.

15. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report
- Audited financial statements of HRE for the years ended 30 June 2023 and 30 June 2024
- Reviewed financial statements of HRE for the half-year ended 31 December 2024
- Independent Specialist Report of the mineral assets performed by MinVal
- Earn-in and Joint Venture Binding Term Sheet with Havilah
- Reserve Bank of Australia
- S&P Capital IQ
- Consensus Economics
- Share registry information
- Announcements made by HRE and Havilah available through the ASX
- Discussions with Directors and Management of HRE.

16. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee of $30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by HRE in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by HRE, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to HRE, Havilah, and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of HRE, Havilah, and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance Australia Pty Ltd, have had within the past two years any professional relationship with HRE or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to HRE and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Australia Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Ashton Lombardo of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 750 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources & Energy Leader for BDO and a former Chairman of BDO in Western Australia.

Ashton Lombardo is a member of Chartered Accountants Australia & New Zealand, is a CA BV Specialist and is member of the committee established to develop and maintain the VALMIN Code. Ashton has over 14 years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

18. Disclaimers and consents

This report has been prepared at the request of HRE for inclusion in Notice of Meeting which will be sent to all HRE shareholders. HRE engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report on the proposal to enter into an earn-in, joint venture agreement with Havilah in relation to the non-uranium mineral rights of the Prospect Hill Project, pursuant to which the Company can acquire up to 80% interest in the Non-Uranium Rights at the Project.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to HRE. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness, or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of HRE, or any other party.

BDO Corporate Finance Australia Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Havilah. MinVal, the valuer engaged for the mineral asset valuation, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting.

Yours faithfully

BDO CORPORATE FINANCE AUSTRALIA PTY LTD

Sherif Andrawes
Director

Ashton Lombardo
Director

Appendix 1 – Glossary of Terms

Reference	Definition
Advanced Prospect	A prospect within the Project where a JORC Resource of Relevant Other Minerals has been estimated
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AUD or $	Australian dollars
BDO	BDO Corporate Finance Pty Ltd
the Conditions	The Proposed Transaction and the commencement of the earn-in are subject to certain conditions precedent, which must either be satisfied or waived before they can proceed
Corporations Act or the Act	The Corporations Act 2001 Cth
Cygnet	Cygnet Capital Pty Ltd
DCF	Discounted cash flow
Earn-in and JV Agreement	The binding term sheet between Havilah and HRE which outlines the terms and conditions for a proposed earn-in and joint venture agreement in relation to the Prospect Hill project
Earn-in Commencement Date	The date that the last of the Conditions is satisfied
Earn-in Period	The period starting on the date of the Earn-in Commencement Date and ending on the earlier of the 3rd anniversary of that date or the Earn-in Satisfaction Date
Earn-in Requirement	Expenditure commitment by HRE of $1.5 million over three years, with a minimum commitment of $350,000 in the first year, including drilling a minimum of 2,500m during the first 18 months and a minimum of 1,250m during the second 18 months of the 3-year earn-in period
Earn-in Satisfaction Date	The date that HRE notifies Havilah that it has satisfied the Earn-in Requirement within the Earn-in Period
End Date	The date on which the Parties will take all steps reasonably required to unwind the Proposed Transaction if the Conditions are not satisfied on or before that date, being 31 October 2025
Entitlement Offer	The non-renounceable entitlement offer to existing HRE shareholders announced on 21 October 2024 in addition to the Placement
Existing Agreement	The existing agreement between Havilah and HRE in which HRE has the right to earn an initial 80% interest in the uranium rights at the Prospect Hill project
Expenditure Commitment	An expenditure commitment of $1.5 million over three years
FME	Future maintainable earnings
Havilah	Havilah Resources Limited
HRE or the Company	Heavy Rare Earths Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)

Reference	Definition
JV	Joint venture
km	Kilometres
km^2	Square kilometres
m	Metres
MinVal	MinVal Pty Ltd
MRE	Mineral Resource Estimate
NAV	Net asset value
Non-Uranium Rights	The non-uranium minerals at the Prospect Hill project
NSR	Net smelter return
NT	Northern Territory
NTMA	Native Title Mining Agreement
the Parties	HRE and Havilah
Placement	The two-tranche placement to raise $1.2 million (before costs) announced on 21 October 2024
ppm	Parts per million
the Project	The Prospect Hill project owned by Havilah in which HRE has the right to earn 80% initial interest in pursuant to the Proposed Transaction
Proposed Transaction	The proposal for HRE to enter into an earn-in agreement with Havilah to eventually earn 80% interest in the non-uranium rights at the Prospect Hill project
Prospect Hill	The Prospect Hill project owned by Havilah in which HRE has the right to earn 80% initial interest in pursuant to the Proposed Transaction
QMP	Quoted market price
RBA	Reserve Bank of Australia
Reimbursement Payment	Subject to completing the Earn-in Requirement, reimbursement to Havilah of $1.8 million, which represents Havilah's historical exploration expenditure on the project
our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective financial information (April 2011)
RG 76	Related parties transactions (March 2011)
SA	South Australia
Shareholders	Non-associated shareholders of HRE
Taylor Collision	Taylor Collision Limited
Teale	Teale and Associates
Technical Specialist Report	Independent Technical Assessment and Valuation Report
the Tenements	The three tenements at Prospect Hill relating to the non-uranium assets at the Prospect Hill project
Total Consideration	The total amount payable by HRE to Havilah to earn 80% interest in the non-uranium rights of the Prospect Hill Project, comprising the Expenditure Commitment and Reimbursement

Reference	Definition
TREO	Total rare earth oxides
Uranium Rights	The uranium exploration assets at the Prospect Hill project
US	The United States of America
VALMIN Code	Valuation of Mineral Assets (2015 Edition)
VWAP	Volume-weighted average price
WA	Western Australia

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Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted market price basis*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market-based assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Specialist Report

PROSPECT HILL PROJECT INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT

Presented To: Heavy Rare Earths Limited

Date Issued: 18/09/2025

Revision: Rev4

Document Reference	MinVal HRE ITAR Rev4
Distribution	Heavy Rare Earths Limited BDO Corporate Finance Australia Pty Ltd MinVal Pty Ltd
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VALMIN Specialists	Ivy Chen – Technical Review Paul Dunbar – Valuation
Peer Reviewer	Ivy Chen – Valuation Paul Dunbar – Technical
MinVal Approval	Paul Dunbar  Date: 18 September 2025
Effective Report Date	18 September 2025
Valuation Date	4 August 2025
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Executive Summary

MinVal Pty Ltd (**MinVal)** was engaged by Heavy Rare Earths Limited ACN 648 991 039 (**HRE** or the **Company**) but instructed by BDO Corporate Finance Australia Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**ITAR** or the **Report**), including valuation on the non-uranium Mineral rights within three tenements that constitute the Prospect Hill Project (the **Project**). If approved by the unrelated shareholders of HRE then HRE will enter a joint venture where it can earn an 80% interest in the tenements EL 5891, EL 6271 and EL 6933 (**Proposed Transaction**). HRE has previously entered into a joint venture on the uranium mineral rights within the Project and other projects owned by Havilah Resources Limited (ACN 077 435 520 (**HAV**), its subsidiaries Copper Aura Pty Ltd (ACN 633 057 280) (Copper Aura) and Iron Genesis Pty Ltd (ACN 633 057 379) (Iron Genesis) where HRE has the right to earn an 80% interest in the uranium mineral rights on three separate projects. As a part of the prior transaction, announced on 21 October 2024 (HRE ASX release 21 October 2024) HAV received a significant number of shares in HRE. MinVal has been informed by BDO that HAV is considered a related party of HRE and as such the Proposed Transaction requires an Independent Expert Report (**IER**) in relation to the unincorporated Joint Venture (**JV**) between HRE and HAV on the non-uranium mineral rights within the Prospect Hill Project..

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

Key Findings

The Project consists of three exploration tenements which have had previous exploration for tin and other minerals. In the 1980's a resource was estimated however this is not reportable under the JORC Code, and it is uncertain whether additional exploration will result in the estimation of a Mineral Resource in accordance with JORC 2012. MinVal does however note that there are significant high grade drill intersections and surface trenching especially at the South Ridge prospect which are highly encouraging, which suggest both geological and grade continuity and show continuity of the structure that is interpreted to control the tin mineralisation. There have been several historical iterations of the mineralisation applying different cut-off grades to assess the potential for extraction which appear to be robust. Portions of the tenements are covered and have a lower exploration potential while the regions with previous exploration may have access, heritage and environmental challenges.

Findings

The Prospect Hill Project has potential for additional tin mineralisation to be delineated and in MinVal's opinion additional exploration is warranted.

Valuation Detail

MinVal's preferred valuation approach is a Geoscientific Valuation.

This is supported by the two potentially comparable transactions and a rule of thumb valuation. The valuation range for the two comparable transactions is determined based on 25% from the comparable transactions.

In MinVal's opinion, the preferred market value of the Project is **$0.4 million** within a range of between **$0.3 million** and **$0.5 million**. The preferred range is ± 25% from the preferred valuation.

1. Introduction

Previously, Havilah Resources Limited (**HAV**), its subsidiaries Copper Aura Pty Ltd (ACN 633 057 280) (Copper Aura) and Iron Genesis Pty Ltd (ACN 633 057 379) (Iron Genesis) and HRE had entered into the Uranium Term Sheet upon which the Parties agreed for Havilah to grant HRE the right to earn an 80% interest in the Uranium Rights and establish an unincorporated joint venture with Havilah in respect of the Uranium Rights

MinVal Pty Ltd (**MinVal**) was engaged by **HRE** but instructed by BDO to prepare an Independent Technical Assessment Report (**ITAR** or the **Report**), including valuation of the Prospect Hill leases (the Project or **Project).** This technical assessment and valuation are to support the grant to HRE of the right to earn an 80% interest in the "Other Mineral Rights" with respect to Tenements EL 5891, EL 6271 and EL 6933, collectively known as the Prospect Hill Project in South Australia, and enter an unincorporated joint venture.

The Report is prepared to assist BDO in assessing the benefits of the Proposed Transaction to the unrelated shareholders of HRE.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, MinVal has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This Report is a non-public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Resolution and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

MinVal's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of each company applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

MinVal has compiled the Report based on the principle of reviewing and interrogating both the documentation of the company involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and Reported by the companies from pegging or acquisition of the Projects to 8 May 2024 based on information supplied to MinVal by both companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

This Report is intended to be a public document, and it has been prepared in the format of an ITAR, in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition). MinVal understands that HRE requires the Report for to append to the BDO IER in obtaining approval of the Proposed Transaction. The document will be released publicly.

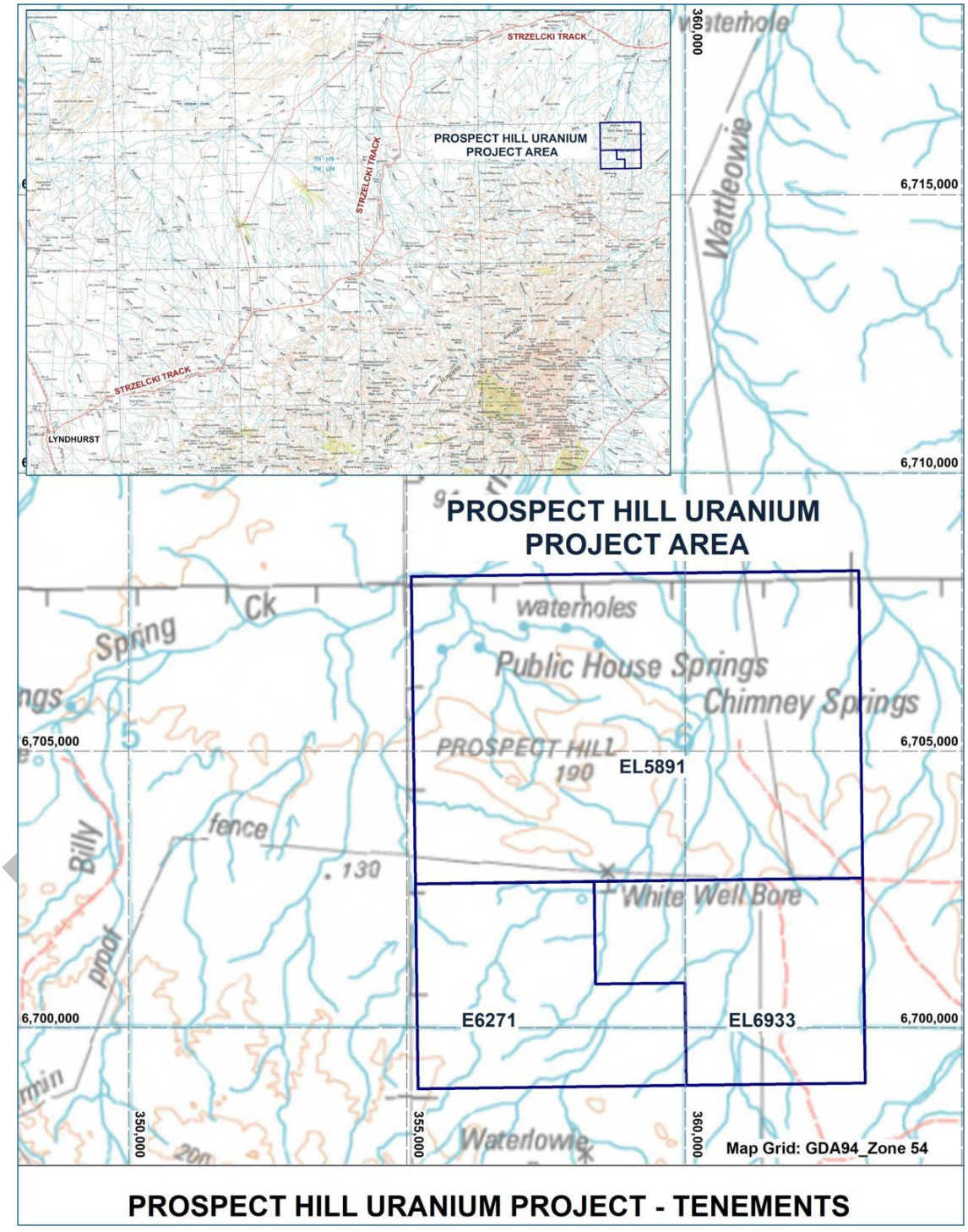

Figure 1: Location of EL 5891, EL 6271 and EL 6933 (on the northern margins of the Flinders Ranges)

1.3. Statement of Independence

MinVal was engaged to prepare a report to describe and value the non-uranium mineral rights for the three leases owned by HAV. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert Reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mr Paul Dunbar, Principal of MinVal has not, within the past two years had any association with HRE, HAV, their individual employees, or any interest in the securities of HRE and HAV or potential interests, nor are MinVal expected to be employed by either Company after the proposed transaction, which could be regarded as affecting Mr Dunbar's ability to give an independent, objective, and unbiased opinion. MinVal will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately $27,000.

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author, with assistance from Ms Ivy Chen as a secondary author and reviewer.

The Report and information that relates to geology, mineral asset valuation, and exploration potential is based on information compiled by Mr Paul Dunbar BSc (Hons) Geol, MSc MINEX, a Competent Person who is a fellow of the AUSIMM and a member of the AIG, and Ms Ivy Chen B App. Sc (Multi), Post Grad Dip Natural Resources and a Fellow of the AusIMM.

Mr Dunbar is the Principal and Director of MinVal and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mr Dunbar consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears. Ms Chen is an associate of MinVal and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Ms Chen consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

Between 4 August 2025, and the date of this Report, nothing has come to the attention of MinVal unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the Report is 4 August 2025.

1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in South Australia. In relation to the tenement standing, MinVal has relied on the information publicly available on the Landtracker website. On this basis MinVal has confirmed the tenements which constitute the Projects held by HAV are in good standing.

In respect of the information contained in this Report, MinVal has relied on Information and reports obtained from the public domain including but not limited to:

- Various ASX releases of Resolution
- Annual Technical Reports for the tenements

- Annual Reports
- Quarterly Reports
- ASX releases detailing exploration activities
- Various ASX releases from previous owners and neighbouring companies
- Government Regional datasets, including geological mapping and explanatory notes

Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by the company where it has been considered necessary. MinVal has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. MinVal has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this Report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.6. Site visit

A site visit to the Project was not undertaken for this report as the assets are at an early stage of exploration and a site visit would not have provided any material benefit.

2. Prospect Hill Project

2.1. Mineral Tenure

The Project consists of three exploration licences as detailed in Table 1, these tenements cover approximately 75km^2 and were granted in 2016, 2018 and 2023.

Table 1: Tenement Schedule of the Prospect Hill Project

Tenement	Project	Holder	Area	Grant	Expires	Native Title Status
EL 5891	Prospect Hill	Havilah Resources (82.5%) Teale and Associates (17.5%)	45	25/07/2016	24/07/2027	Dieri NTMA Tenement registered in NTMA
EL 6271	Prospect Hill	Havilah Resources Limited (100%)	15	19/10/2018	18/10/2029	NTMA Tenement to be registered in NTMA
EL 6933	Prospect Hill	Havilah Resources Limited (100%)	15	22/09/2023	21/08/2029	NTMA Tenement to be registered in NTMA

Source: Schedule 1, Binding Term Sheet (HRE and HAV) - Other Minerals JV_ June 2025_DRAFT and Landtracker website 29 Jul 2025,

The validity or security of the tenure listed in Table 1 are as presented by HRE in *Schedule 1 of the Binding Term Sheet (HRE and HAV) - Other Minerals JV_ June 2025_DRAFT* (Schedule 1).

EL5891 is held jointly by HAV and joint venture partners Teale and Associates, and EL 6271 and EL 6933 are fully owned by HAV.

Schedule 1 states that the Teale Agreement (Agreement) documents Havilah's right to an 82.5% interest in **EL5891**, subject to a Minister's consent to the transfer of the relevant tenement interests to Havilah by the South Australian Department of Energy and Mining. The summary presented in Schedule 1 states that in the Agreement "*The Other Mineral Rights for this tenement only will be 80% of Havilah's interest which, subject to the above, is currently 82.5% with the right to move to 92.5% and 100% under certain conditions specified in the Teale Agreement. For the avoidance of doubt, HRE will earn an 80% interest in Havilah's interest in EL5891 from time to time*."

Schedule 1 of the draft Binding Terms Sheet further states in relation to Native Title Status that "*Havilah has Native Title Mining Agreements (NTMA) in place with all the relevant Native Title parties covered by the Tenements and these NTMA's are registered with the Department. However, not all the individual exploration licences (ELs) are listed against the relevant NTMA. Prior to drilling approvals being granted by the Department each EL (where drilling is to take place) must be registered under the relevant NTMA and filed with the Department. The Adnyamathanha administrative body (ATLA) has been under administration for the last two years, which has delayed the process of registering the additional ELs under the ATLA NTMA. Havilah is presently working with its native title lawyer on this matter and there is no certainty when it will be resolved*."

The current situation where **EL6271 and EL6933** are yet to be registered in the NTMA, presents a lack of clarity in relation to HRE's ability to obtain drilling approvals for EL6271 and EL6933 in a timely way to meet earn-in commitments if work is required in these tenements to satisfy the earn-in obligations.

MinVal has been informed that a draft agreement has been negotiated with the Adnyamathanha NTMA and that this draft agreement is likely to be considered by the community in the near future. If the draft agreement is executed then that would allow heritage surveys to be undertaken and ground disturbing activities in EL6271 and EL6933.

MinVal has reviewed the information in Schedule 1 and is of the opinion that while there is security of tenure, this may be impacted by the uncertain timeframe for any approvals to undertake drilling within the tenements. This potentially compromises the ability for HRE to undertake drilling on EL6271 and EL6933 and complete the earn-in as detailed in the transaction ASX release dated 4 August 2025. It is important to note that EL5891 has been registered with the Dieri NTMA and exploration on the high priority tin targets is not impacted by the heritage approvals.

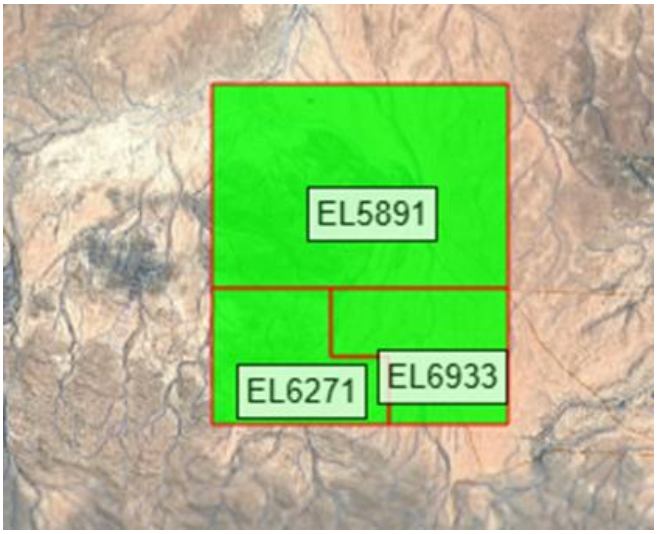

Figure 2 : Tenements
Source: Landtracker website August 2025

Figure 3 : Location Diagram
Source: Landtracker website 29 Jul 2025

2.2. Location and Access

The Prospect Hill tin project is located on the northern margins of the Flinders Ranges and is currently one of South Australia's largest known tin occurrences. The tenements that comprise the Project (Figure 2) are located on the northern margins of the Flinders Ranges (Figure 3), and lie approximately 60km northeast of Arkaroola or 140km north northeast of Leigh Creek, within the Callabonna (SH54-06) 1:250,000 map sheet.

The project area is situated close to Moolawatana station approximately 25km to the southeast of Prospect Hill. Access is by dry weather dirt road and station tracks. The ranges at this locality rise to approximately 80m above the surrounding plains and the area consists of ridges of deformed Mesoproterozoic granite, volcanics, quartzite and Neoproterozoic Adelaidean strata.

Vegetation in the area is typified by sparsely developed low lying ephemeral grasses and herbs. Trees are mostly confined to sheltered valleys and less exposed areas where soil moisture is more concentrated. Due to the harsh climatic conditions and shallow soil profile tree height is limited. In some areas ground cover resembles stony desert and tableland type soils consisting largely of rocks and small stones form a crust over the land surface.

2.3. Geological Setting and Mineralisation

HAV entered a joint venture during September 2007 with the tenement holders, earning up to an 85% interest in the tenement by completing a feasibility study. Subsequently, HAV completed two rounds of reverse circulation percussion drilling, with encouraging results. The higher-grade tin mineralisation was found to occur within broader lower grade tin halos associated with potentially economic grades of copper, lead, zinc and silver.

Preliminary metallurgical test work on three composite drill chip samples at the time confirmed that more than 80% of the tin, which was mostly present as free cassiterite grains, can be effectively recovered by gravity processing methods.

Significant base metals have been interpreted to be associated with the tin, and the mineralisation is developed in a quartz-biotite-garnet-fluorite horizon.

Re-evaluation of the previous exploration data with Havilah's joint venture partners, had highlighted several widely scattered but undrilled high tin rock chip sample locations. These are considered by MinVal to be highly significant especially with the new "roofed tin granite" geological model developed for the area.

The extent of primary hard rock tin occurrences within the exploration licence highlighted the potential for significant alluvial tin deposits in water courses draining the bedrock. Post acquisition of the Project in first quarter of 2011, Havilah completed further testing for both alluvial and hard rock tin in this highly prospective area, seeking the rare earth-rich accessory heavy minerals shed from the highly rare earth enriched granites accompanying alluvial tin deposits in the region.

The Prospect Hill area (Figure 4) is composed of strongly foliated, in part mylonitised, felsic volcanics named the Petermorra Volcanics by Sheard et al. (1992). These are intruded by the White Well Granite, the North Ridge granite, the Old Hut granite and the Prospect Hill Granite (Teale et al. 1989; Sheard et al. 1992; Teale and Brewer, 2016) with the latter being high level and porphyritic. Minor meta-epiclastics are intercalated with the felsic volcanics as are rare quartzitic meta-sediments. The Mesoproterozoic sequence is overlain by Adelaidean meta-sediments with a basal conglomerate present. The meta-volcanics, dated by Sheard et al. (1992) at 1560 ± 2Ma, and the associated

intrusives (1553Ma; unpublished data) are some of the youngest Mesoproterozoic igneous rocks in the Curnamona Craton.

The meta-volcanics are siliceous and contain the assemblage quartz-K-feldspar-plagioclase-biotite-muscovite. The muscovite is fabric-forming and developed during the Delamerian tectono-thermal event. Magmatic biotite has been deformed and recrystallised. The White Well Granite (Figure 2) is porphyritic and contains large (~1.5cm) subhedral phenocrysts of K-feldspar which can be partially mantled by a thin rim of calcic oligoclase. Plagioclase phenocrysts can be up to 1cm in size and the groundmass is dominated by finer grained quartz, K-feldspar, plagioclase and biotite. Plagioclase can be replaced by sericitic white mica. Many samples exhibit a granophyric intergrowth of quartz and K-feldspar within the matrix.

The Prospect Hill Granite contains scattered ovoidal phenocrysts of K-feldspar which can be up to 4cm in diameter as well as smaller, rounded, corroded and embayed quartz and lesser euhedral plagioclase. Biotite occurs interstitial to matrix feldspars and quartz and is now represented by decussate biotite aggregates. It is Fe-rich (~29% FeO) and averages 0.83% F. Abundant fluorite is present as well as trace allanite, zircon, apatite, tourmaline, pyrite, magnetite and very rare cassiterite.

Two additional granites have recently been identified. These have been called the Old Hut Granite and the North Ridge Granite. Both are high level with the latter being fine-grained. The North Ridge Granite contains rounded "nodules" of tourmaline like that observed in the Prospect Hill Granite. It appears to intrude the Prospect Hill intrusive.

The intrusives are enriched in LREE and HREE and have an extreme negative europium anomaly. High concentrations of Y (~120ppm), Nb (~40ppm), U (8-78ppm), Sn (8-500ppm), Pb (55-65ppm) and Th (55-187ppm) are present. The Prospect Hill "sequence" is separated from the rest of the Mt. Babbage Block by a major ENE trending structure. The White Well, Old Hut, North Ridge and Prospect Hill Granites and the associated felsic volcanics are not present to the south of the structure.

The outcropping area of the tenement contains significant Sn, Cu and W mineralisation. This mineralisation is interpreted to be related to the Mesoproterozoic Prospect Hill Porphyry. his intrusive has been dated at 1553Ma and is more fractionated than the better known 1585Ma "A-type" intrusives in the region which lie south of the major east northeast trending structures. It is interpreted that source melting at 1553Ma has yielded highly fertile melts along the margins of both the Gawler and Curnamona Cratons. It is possible that the tin mineralisation observed in the Wilcherry Hill/Menninnie Dam area is associated with similar aged intrusives.

The geology of the entire Project is shown in Figure 5 below the area labelled Target Zone is considered prospective tin with the green areas within the pale pink area of metavolcanics are the previous drilling targeting tin mineralisation.

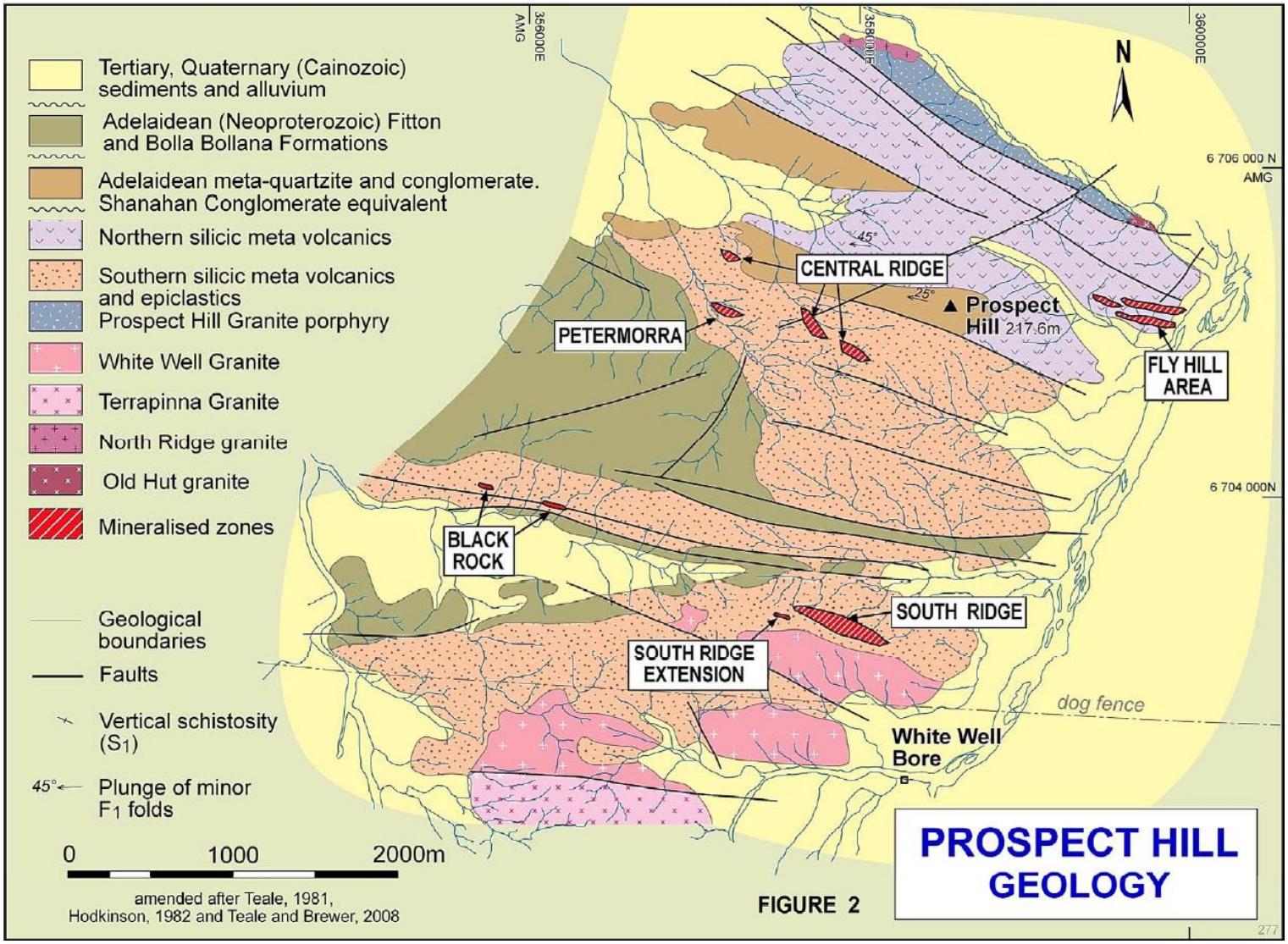

Figure 4: Prospect Hill Geology

Source: ENV13041 Pace Discovery Drilling Collaboration, Programme Dpy9-12, Between DSD and Teale & Associates Pty Ltd and Adrian Brewer

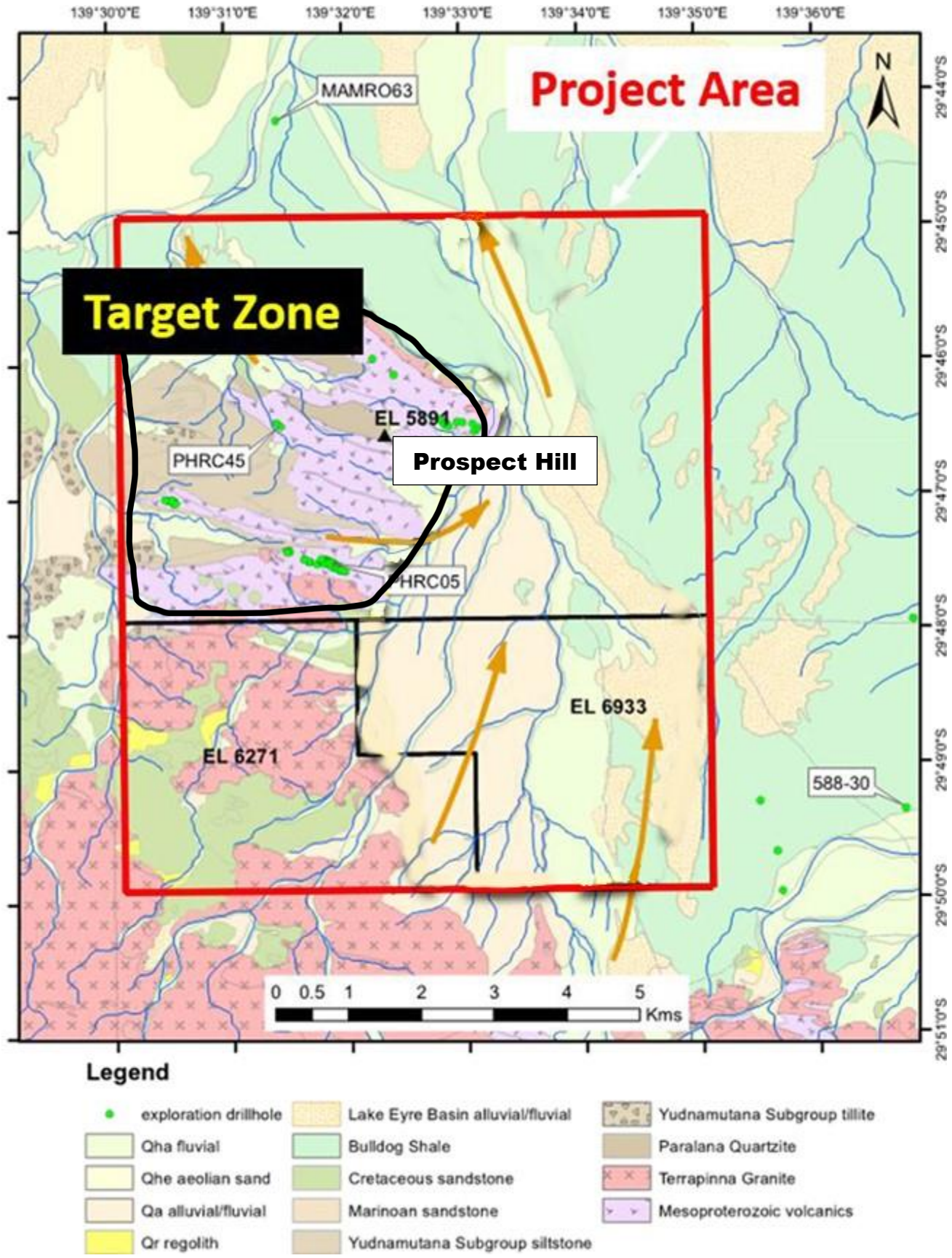

Figure 5: Geology of Prospect Hill Project Area and target for tin mineralisation

Source: modified after HRE:ASX 21 October 2024

2.4. Previous Exploration

This summary of previous exploration is summarised from "*ENV13041 Pace Discovery Drilling Collaboration, Programme Dpy9-12, Between DSD and Teale & Associates Pty Ltd and Adrian Brewer*" (May 2017)

Prior to 1980 little exploration of note had been conducted in the Prospect Hill region, with work generally restricted to stream sediment sampling for base metals and limited rock chip sampling. Discovery of anomalous tin in rock and stream sediment samples by Marathon Petroleum in 1980 led to more detailed work being undertaken, with the subsequent discovery of outcrop containing ore grade cassiterite mineralisation.

Outcrop samples from the South Ridge Prospect lode horizon returned assays of up to 13% Sn, 0.8% Pb, 175g/t Ag, 3.95% Cu, 2040ppm Y and 4150ppm Bi. MinVal considers these historical numbers as indicative only. The Prospect Hill area was interpreted to contain numerous tin and base metal-rich zones that tend to be lenticular and sub-parallel to the strong Delamerian foliation present.

The South Ridge mineralisation is represented by an east-west trending belt of tin mineralisation approximately 700m in length. The mineralisation was interpreted as plunging to the west where minor tin anomalism and alteration continued for approximately 2500m. The mineralisation is closely associated with deformed and metamorphosed felsic volcanics, tuffaceous sediments and high-level K, U, Sn and F-rich granites. Tin was interpreted as being present as cassiterite, with minor tin contained in biotite and other silicates. Mineralisation was associated with a gangue of quartz, Mn-rich garnet, gahnite, fluorite, biotite, Zn-rich chlorite, F-rich margarite, Pb-bearing epidote, magnetite (often zincian), xenotime, sphalerite, chalcopyrite and galena. The mineralisation was considered generally sulphur-poor with iron sulphides rare.

The petrogenesis of the mineralisation was considered difficult to reconcile due to the strong deformation present. Mineralisation has been deformed and is interpreted as being pre-tectonic in origin. The mineralisation is located within meta-volcanics which were hydrothermally altered prior to deformation and metamorphism with an addition of F, Fe, Mn as well as tin and base metals.

The volcanics exhibited increasing garnet approaching the mineralisation and becomes manganoan closer to the mineralisation. Lead isotopic studies of galena from the South Ridge Prospect indicated isotopic compositions like Hunter's Dam, Ram Dam and North Portia prospects to the south in the southern Curnamona Craton. The lead isotopic signature was unlike that of mineralisation associated with Delamerian mineralisation and rather being Mesoproterozoic in nature. The authors of the suggest that the mineralisation approximates the age of the host meta-volcanics, in particular the Prospect Hill Porphyry.

Early drilling was carried out by Pan Australian Mining and Lynch Mining Pty Ltd between 1986 and 1994 and intersected potentially economic tin mineralisation with associated base metals. A total of 14 holes for 986m were drilled at the South Ridge prospect and five holes for 170m at the Central Ridge prospect.

A resource estimate was undertaken in 1995 which covered over 50 vertical metres, and strike length of approximately 280m on the South Ridge Prospect. The resource was not prepared in accordance with the current JORC code and is therefore not considered JORC compliant. For that reason, the tonnages and grades are not detailed in this Report. The mineralisation plunges to the west and is yet to be tested using contemporary exploration methods. MinVal considers this mineralisation to be indicative of a target for additional exploration to be tested as a priority by the Company when it commences exploration to earn into Prospect Hill Project.

Between 2007 and 2017, a total of 71 RC drill holes (5,698m) were completed by Havilah on the area, with 42 holes completed on the South Ridge Prospect and 9 on the North Ridge Prospect area. Significant intersections over eleven holes at the time ranged between 0.5% - 4.8% Sn

This drilling on the South Ridge Area enabled a revised mineralisation quantum in the area to a larger tonnage at a lower grade, but neither estimate was of sufficient size to support a stand-alone mining operation at the prevailing tin metal price.

Figure 6 below shows the plan of South Ridge Prospect drilling with significant drill intersections while Figure 7 shows a long section of the drilling completed at the South Ridge Prospect.

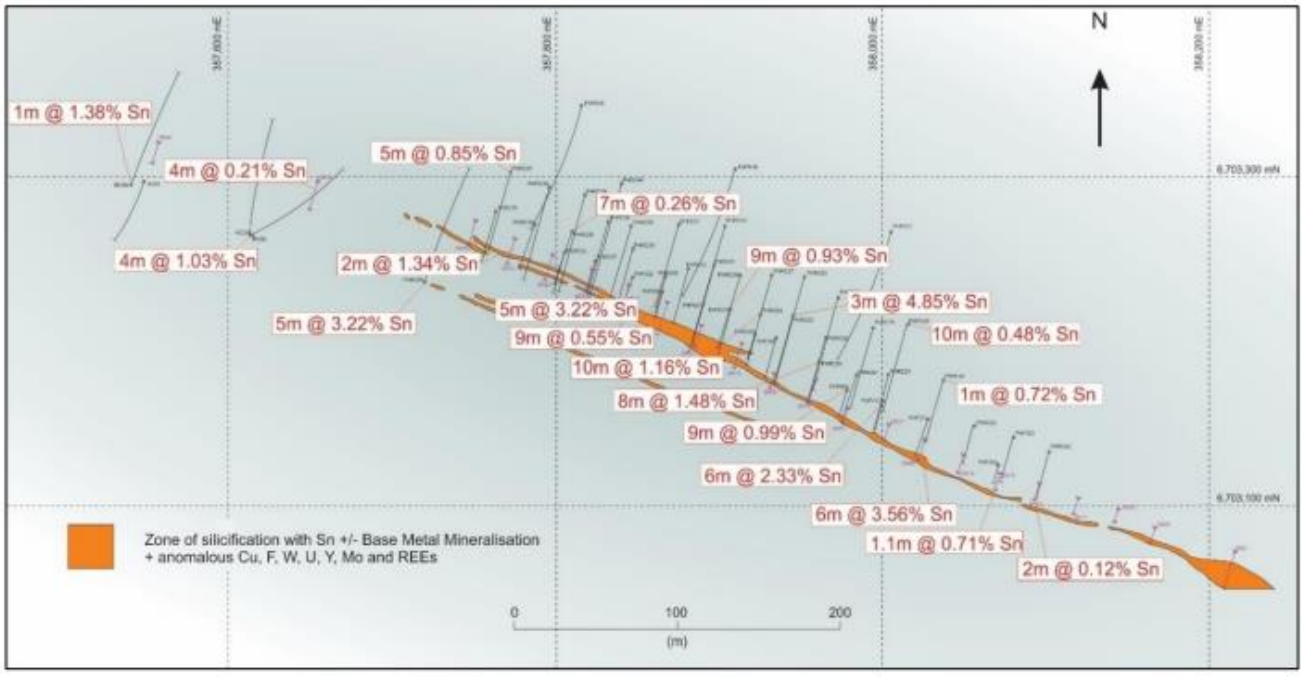

Figure 6: Plan of South Ridge drilling with significant historical drill intersections

Source HRE ASX release 4 August 2025

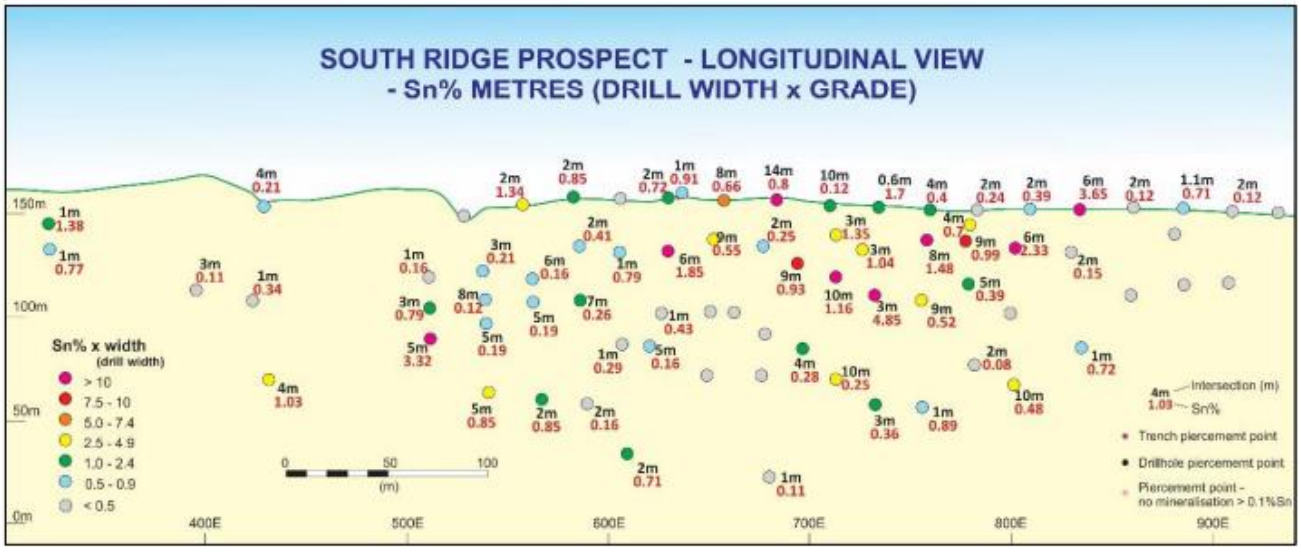

Figure 7: Long Section of South Ridge Prospect with grade x width intersections shown

Source HRE ASX release 4 August 2025

Drilling completed on the North Ridge area generally returned only thin low-grade intersections and requires additional interpretation prior to undertaking any further drilling.

In early 2017, Havilah planned a ~A$350,000 RC drill program, backed by a South Australian PACE (Plan to Accelerate Exploration) grant, targeting these high-grade tin prospects:

The Fly Hill area was drilled to investigate rock chip samples of significant grade. The drilling on this area was of a reconnaissance nature and consisted of 9 holes for 712m was completed in 2017. It was designed to test the down dip continuity of both the significant grade in surface tin breccias and associated flanking Cu ± W mineralisation. The predicted geology was quartz/cassiterite breccias in highly complex sheared host volcanics and minor high level intrusives, with clasts of quartz-cassiterite sitting in a matrix of higher grade cassiterite-tourmaline-quartz. sometimes crosscut by later cassiterite veins as well as quartz-scheelite veins.

The Petermorra Prospect was interpreted to host a broad elliptical zone of anomalous Sn and Cu. It was drill tested with 2 holes for 236m in 2017. The cassiterite mineralisation was fine to very coarse grained (up to 1mm) and associated with a "greisen-like" assemblage of muscovite-tourmaline-quartz.

The Black Rock prospect (Figure 8) is west of the South Ridge prospect and was identified using former stream sediment results and pXRF soil samples. Outcrops of significant tin grade were encountered, and these appeared to be developed as boudins within a mylonitic domain which paralleled the adjacent fabric. Drilling this prospect in 2017 consisted of 9 holes for 612m.

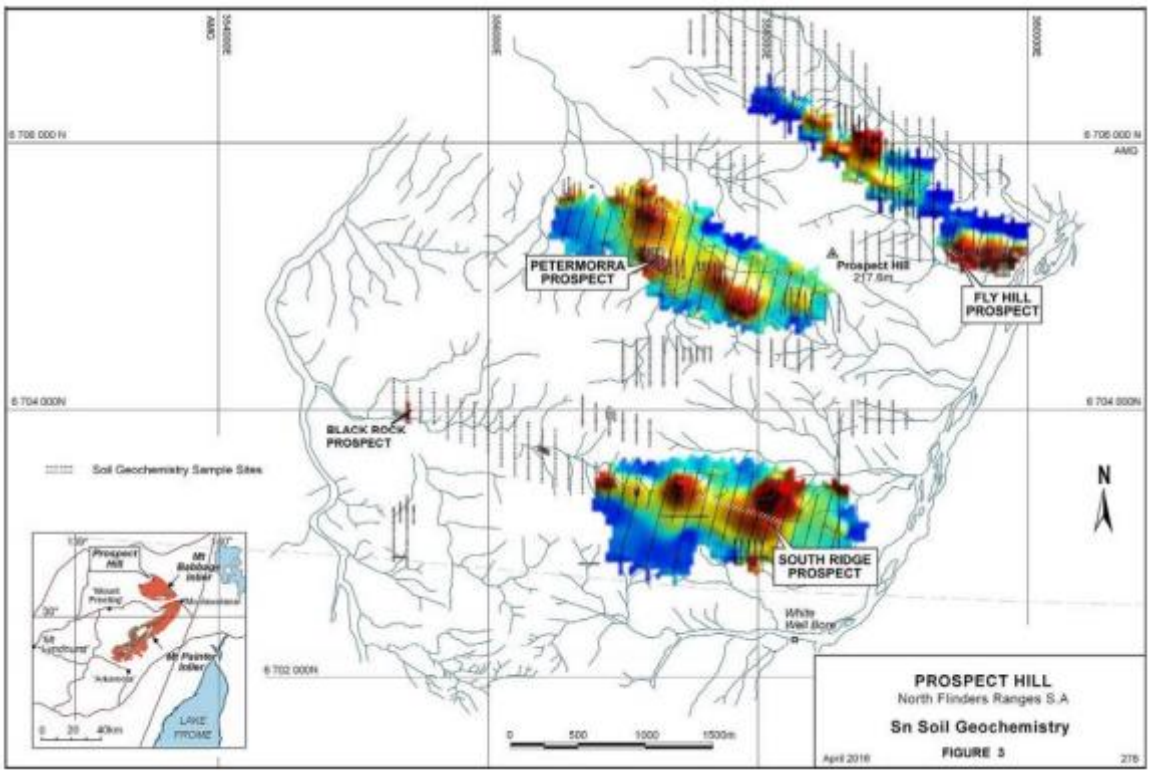

Figure 8: Plan of pXRF soil samples across the main tin prospects within the Prospect Hill Project

Source HRE ASX release 4 August 2025

There were no new drill programs or modern exploration activities at Prospect Hill from 2018 through to 2023.

2.5. Recent Exploration

In October 2024, HAV entered a binding deal with HRE to sell uranium rights at Prospect Hill (along with Radium Hill and Lake Namba-Billeroo). HRE agreed to spend A$3 M over 3 years (min A$1 M in Year 1) to earn 80 % interest in uranium rights. Prospect Hill is considered an untested analogue to the Beverley–Four Mile uranium ISR camp (~30 km south). HRE is targeting sediment-hosted uranium mineralisation in Tertiary/Cretaceous sediments.

In March 2025, HRE completed passive seismic/gravity surveys north and east of Prospect Hill. The survey work was impacted by inclement weather and preliminary results were available for internal review in April 2025. The review work is currently underway. HRE is in the process of integrating results with historical geophysical and drilling data to build a ranked pipeline of uranium drill targets. Early stakeholder engagement (Native Title, heritage clearance) is also underway in preparation for drilling.

On 4 August 2025, HRE and Havilah signed an expanded earn-in agreement to include all mineral rights, not just uranium, where HRE will spend $1.5 million over 3 years, including ~3,750 m drilling (≥2,500 m in Year 1), and initially spending a minimum of $350,000 in the first 12 months. HRE will earn 80 % of all minerals, with HAV free carried until completion of a bankable feasibility study on non-uranium discoveries at which HAV may then contribute 20 % or dilute to a 1.5 % NSR royalty.

Historic tin data highlights include best intercepts of 3 m @ 4.85 % Sn, 5 m @ 3.32 % Sn, 6 m @ 2.33 % Sn, with metallurgical recovery test work based on historical tin data suggests that yields of up to 80 % cassiterite via gravity may be achievable.

2.6. Exploration Potential

HRE's exploration is targeting both uranium mineralisation within younger sediments in the eastern portion of the tenements and tin and associated mineralisation within the older metavolcanic units that largely outcrop in the western portion of the Project.

Tin strategy

There is minimal drilling deeper than 100m below surface, this lack of deeper drilling presents a significant target for additional exploration.

- South Ridge extensions and potential high-grade mineralisation suggested by historical drilling results. South Ridge has demonstrated tin over ~400–500 m strike and to ~120 m depth, per expanded historic records (56 drill holes) with the mineralisation open at depth down plunge to the west.
- Fly Hill, Black Rock, Petermorra areas remain under drilled. Previous drilling and surface sampling has identified multiple targets which in MinVal's opinion require additional exploration including drilling.

Uranium strategy

While the uranium is not considered in this report or valuation it is important to note the exploration potential and targets within the Project.

- The uranium exploration model is targeting sediment-hosted roll front uranium mineralisation in the eastern portions of EL5891 and EL6933. The targets are within Cretaceous and Tertiary sediments.

- Prospect Hill's potential remains untested with Beverley/Four Mile (Heathgate) and Honeymoon (Boss Energy) considered as potential analogues, targeting redox fronts in Cretaceous/Tertiary sediments.

MinVal is of the opinion that HRE has potential to develop Prospect Hill into a dual-focus tin–uranium exploration project, with synergy created by a strategic alignment between HAV's historical tin mineralisation results and HRE's emerging uranium exploration model. The application of modern geophysical techniques offers new opportunities to refine the mineralisation models

2.7. Mineral Resource Estimate

Previous shallow drilling by Marathon Petroleum during the 1980's was the basis of establishing an estimated quantity of mineralisation or a historical resource to a vertical depth of 50 metres, and over a strike length of 280 metres on the South Ridge prospect this estimate was reported in an internal memo in 1995. MinVal considers that as this estimate predates JORC 2004 and JORC 2012 it is not suitable for use in the valuation of the Mineral Asset and is not detailed in this report.

This estimate initially reported in accordance with a previous edition of the JORC Code and today is a historical estimate which will need to be reviewed, re-estimated and classified along with reviewing any QAQC on the historical drilling results, before it can be reported in accordance with the current 2012 edition of the Code. This body of mineralisation has had several iterations of interpretation historically applying different cutoff grades to assess its potential for extraction and appears to be reasonably robust.

New drilling planned by HRE may allow the existing historical drilling to be tested against new results, and an estimate that can be reported in accordance with the JORC Code may be able to be estimated for Prospect Hill, however MinVal cautions that there is no certainty that additional exploration within the Project would result in the estimation of a Mineral Resource and therefore this previous historical estimate is not suitable for use in the Mineral Asset Valuation. MinVal considers that this historical estimate does not meet the reasonableness requirements required under VALMIN and as such is not used in the valuation of the Mineral Asset.

3. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 2 and provides a guide as to the most applicable valuation techniques for different assets.

Table 2: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code, Prospect Hill is best described as an early-stage Exploration project. There are no mineral resource estimates that can be reported in accordance with the current 2012 edition of the JORC Code within the Project.

In MinVal's opinion, Prospect Hill should be valued using the Geoscience approach as the primary method, with a cross-check valuation competed using comparable transactions and a rule of thumb valuation approach.

3.1. Previous Valuations

MinVal is not aware of any previous valuations for the Project.

3.2. Valuation Subject to Change

The valuation of any mineral property is subject to several critical inputs most of these change over time and this valuation is using information available as of 4 August 2025 being the valuation date of this Report and considering information up to 4 August 2025. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While MinVal has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of MinVal.

As at the date of this Report in MinVal's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

3.3. General Assumptions

The non-uranium rights within the Prospect Hill Project have been valued using appropriate methodologies as described Table 2 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to MinVal is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the information relating to mineral rights, tenement security and statutory obligations reviewed by MinVal were fairly stated and that the mineral licenses will remain active.
- That all other regulatory approvals for exploration and mining reviewed by MinVal are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The tin price assumed (where it is used / considered in the valuation) is as at 4 August 2025, being ~US$33,350/t (Trading Economics (tradingeconomics.com/commodity/tin)
- The US$ - AUS$ exchange rate of 0.6466 (www.xe.com) on 4 Aug 2025.
- All currency in this Report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US$.

3.4. Tin Market Analysis

As the Project being valued in this Report are dominantly prospective for tin, it is important to note the current market conditions and supply and demand fundamentals of the market.

Tin Market Trading Economics reported that Tin futures rose to $35,900 per tonne, the highest since touching the four-month high of $33,675 on 21 February 2025 as geopolitical mishaps lowered supply from key producers. This magnified the impact of lower supply elsewhere, as export permits from Indonesia are expected to be delayed following bureaucratic breaks in the Lunar New Year, extending similar trends from the previous year. Additionally, reports indicated that Myanmar's Man Maw mine has not yet been reinstated amid political conflicts in the major tin producer. Lower output from Myanmar's Wa State in recent years has pressured the availability of ore for Chinese smelters, which continued to report tight conditions of feedstock availability at the turn of the year. On the demand front, increasing investment in hardware for AI technologies continued to underpin buying

MinVal considers that the overall tin market is currently buoyant. The market is however cautious regarding projects in New South Wales due to a heightened risk element around permitting, heritage and environmental approvals.

Figure 9 is a graph of the spot price for tin in US$ for the past five years.

Figure 9: Five Year Spot Tin Price US$

Source: S&P Capital IQ

3.5. Valuation of Mineral Assets

There are several valuation methods that are suitable for advanced properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Resolution Transactions
- Yardstick valuations

At the Valuation Date there are not Ore Reserves or Mineral Resources estimated for the Project, rendering an income-based DCF approach unsuitable for the purpose of this valuation.

2. Comparable Market Based Transactions – Area Based

A comparable transaction multiples valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the area of a project that has transacted. Advantages of this type of valuation method include that it is easily understood and applied, especially where the maturity of the work completed on the tenement area is comparable, and the exploration work is reported according to an industry standard (like the JORC Code or NI43-101). However, it is not as robust for projects where any resources estimated are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals.

If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transactions being used are recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable and material differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore, or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, the S&P Capital IQ subscription database, and a database compiled by MinVal for exploration stages.

This valuation method is often the primary valuation method for exploration or advanced (pre-development) projects. More advanced projects with high confidence resources, or declared ore reserves, would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain; however often the lack of transaction makes this difficult. Normalisation of the commodity to the current price attempts to render these transactions more comparable.

3.6. Exploration Asset Valuation

To generate a value of an early-stage exploration property or the exploration potential away from a mineral deposit, it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced properties the most significant value drivers for the overall property are the declared Mineral Resources or Ore Reserves, while for earlier stage properties a significant contributor to the property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the properties' area or Mineral Resource estimates (both current and historic).
- Joint Resolution terms based on the properties' area; and
- A prospectivity enhancement multiplier (PEM).

A rule of thumb valuation for early stage pre-resource projects.

4. Valuation of the Mineral Assets

The principal mineral assets valued in this Report is the non-uranium mineral rights on the Prospect Hill Project. In this valuation the Project is limited to the non-uranium rights within the three contiguous tenements, the valuations are provided on a tenement equity basis.

MinVal has undertaken a valuation based on three techniques, these being a recent transaction that has occurred on the Project with supporting valuations being a Comparable Transaction (area based) and a rule of thumb method. The valuation is on an equity basis.

4.1. Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a complete understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

For the Project valuation MinVal has used the reasonable BAC for comparable tenements in Western Australia rather than South Australia due to the required expenditure requirements in Western Australia compared to the more variable nature of the exploration covenant expenditure approach that is used in South Australia. Additionally, due to the heritage access issues for the tenements outlined above there has been minimal expenditure over the past five years especially for the non-uranium exploration activities.

A range in the Geoscientific rankings were derived for each of the ranking criteria. The ranking criteria for each tenement were determined with the Off-Property Criteria considered to be between 1.0 and 2.0, the On-Property Criteria between 1.0 and 2.5, the Anomaly Factor between 1.0 and 4.0 while the Geology Criteria are between 0.5 and 2.5. When each of these ranking criteria and the BAC, as detailed Appendix A, are multiplied in series it determines the technical value. A premium of 20% has been applied to the technical value to account for the current tin market conditions. A 5% discount was applied to the Project due to regulatory, heritage and environmental approvals. The Technical and Market Values are shown in Appendix A. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment.

As per the Geoscientific approach detailed in Appendix A, EL5891 has been divided into two areas due to the different geoscientific rankings for the non-uranium mineral potential considered separately within the tenement. MinVal has determined that the more prospective portion of the tenement is approximately 30km^2 while the less prospective portion is approximately 15km^2 with this being the basis of the total value of EL5891 presented within the report. The details of the more prospective and less prospective ranking criteria are detailed in Appendix A.

Table 3 below details the valuation of each of the three tenements that constitute the Project.

Table 3 Geoscientific Market Valuation summary for each tenement within the Project

Tenement	Lower Valuation (A$ M)	Preferred Valuation (A$ M)	Upper Valuation (A$ M)
EL5891	0.20	0.34	0.49
EL6271	0.02	0.05	0.08
EL6933	0.01	0.02	0.04
Total	**0.2**	**0.4**	**0.6**

Note appropriate rounding has been applied to the total

This results in a Market Value for the non-uranium mineral rights within the Project of between **$0.2 million** and **$0.6 million** with a preferred geoscientific valuation of **$0.4 million,** being the average of the upper and lower valuations.

4.2. Comparable Transactions – Area Based

For the Comparable Transaction valuation of the Project, an analysis of completed project-based pre-mineral resource tin transactions was compiled for recent Australian tin projects that are considered broadly comparable.

Only two transactions were identified that could be considered to be broadly comparable, these are the acquisition of the Bygoo Tin Project in New South Wales in September 2024 by Caspin Resources Limited (**Caspin**) and a transaction in March 2025 by Terra Uranium Limited (ASX: T92) (**T92**) for the Ottery Tin Mine, Castle Rag Silver project and Mole River Silver and Tin projects, all in New South Wales. These transactions were considered at least broadly comparable to Prospect Hill however there are identifiable differences in these projects and the Prospect Hill Project. Due to these differences the comparable transaction valuation is a secondary or supporting valuation rather than a preferred or primary valuation. The Caspin acquisition was for approximately 1,180km^2 of tenements surrounding a historic tin mine with the transaction completed for approximately $2.2 million (based on the various hurdle rates and actual option payments) while the T92 project covering 177km^2 transacted for $0.14 million.

When the Caspin Project transaction was applied to the proximal tenements which are more prospective covering approximately 622km^2 the determined multiple is $3,531/km^2. The T92 project transaction occurred at a multiple of $806/km^2. When these multiples are applied to the Prospect Hill Project on an equity basis the area of the Project is 67.125km^2 and the valuation derived is $0.24 million based on the Caspin transaction or $0.05 million based on the T92 acquisition.

MinVal considers that a range for the Project should be determined and based on the comparable transactions has elected to set the range as ±25% from the average area based multiple.

The Project area of 67.125km^2 multiplied by Caspin Project acquisition of $3,531/km^2 results in a preferred valuation of **$0.24 million** while the T92 acquisition valued the Project at **$0.05 million**.

Table 4 below summarises the valuations of each of the tenements that constitute the Project.

Table 4 Comparable Transaction Valuations for each Tenement within the Project

Comparable Transaction	Tenement	Equity	Area (km^2)	Multiple ($/km^2$)	Lower Valuation (A$ M)	Preferred Valuation (A$ M)	Upper Valuation (A$ M)
Caspin Tin Transaction	EL5891	82.5%	45	$3,531.70	$0.10	$0.13	$0.16
	EL6271	100%	15	$3,531.70	$0.04	$0.05	$0.07
	EL6933	100%	15	$3,531.70	$0.04	$0.05	$0.07
	Total Project		75		$0.18	$0.24	$0.30
T92 Transaction	EL5891	82.5%	45	$806.03	$0.02	$0.03	$0.04
	EL6271	100%	15	$806.03	$0.01	$0.01	$0.02
	EL6933	100%	15	$806.03	$0.01	$0.01	$0.02
	Total Project		75		$0.04	$0.05	$0.07
MinVal Preferred Valuation Total Project			75		$0.18	$0.24	$0.30

Note appropriate rounding has been applied to the total

Therefore, the non-uranium mineral rights within the Project have in MinVal's opinion, have a preferred market value, based on the Caspin Project acquisition of **$0.24 million** within a range (±25%) of between **$0.18 million** and **$0.30 million**. While based on the T92 transaction the valuation would be **$0.05 million** within a range (±25%) of between **$0.04 million** and **$0.07 million**.

MinVal considers that the Caspin transaction is more comparable and therefore the preferred valuation multiple for the valuation of the non-uranium mineral rights within the Project.

4.3. Rule of Thumb

A general Rule of Thumb valuation can also be considered as a viable valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by the actual transaction or a comparable transaction method.

For early-stage projects without a Mineral Resource estimate, a common rule of thumb transaction would occur between $5,000/$km^2$ and $15,000/$km^2$.

The Project's overall area is 75km^2 or 67.125km^2 (on an equity basis) the rule of thumb valuation ranges detailed above generates a likely market value for the Havilah equity of between **$0.3 million** and **$1.0 million** with a preferred valuation of **$0.7 million**.

In MinVal's opinion this valuation approach applies to all the mineral potential within the tenement therefore this could be an upper valuation for the project including the uranium mineral rights and the non-uranium mineral rights.

This valuation provides support for the geoscientific valuation and falls within the range of the two potentially comparable transactions and is therefore considered to be a suitable comparable method to estimate a value of the project.

Table 5 below details the rule of thumb valuation for the tenements that constitute the Project

Table 5 Rule of Thumb Valuation for the tenements within the Project

Tenement	Equity	Area (km^2)	Lower Valuation $5,000/$km^2$ (A$ M)	Preferred Valuation $10,000/$km^2$ (A$ M)	Upper Valuation $15,000/$km^2$ (A$ M)
EL5891	82.5%	45	$0.19	$0.37	$0.56
EL6271	100%	15	$0.08	$0.15	$0.23
EL6933	100%	15	$0.08	$0.15	$0.23
Total Project		75	$0.3	$0.7	$1.0

Note appropriate rounding has been applied to the total

In MinVal's opinion the non-uranium mineral rights within the Project have a possible market value, based on a rule of thumb approach, of between **$0.3 million** and **$1.0 million** with a preferred valuation (using this approach) of **$0.7 million**. However, MinVal cautions that this valuation applies to all the mineral rights within an early-stage project rather than just the non-uranium mineral potential, therefore this should be considered to be an upper market valuation of the non-uranium mineral potential within the Project.

5. Preferred Valuations

Based on the valuation techniques detailed above, Table 6 provides a summary of the different valuations derived for the Prospect Hill Project. Figure 10 graphically shows the valuation ranges and preferred valuations for the Project by the various methods and MinVal's preferred valuation for the Project.

MinVal's preferred valuation approach is the Geoscientific Valuation method. This is supported by the Comparable Transaction and Rule of Thumb valuation approach. The valuation range for both the comparable transaction approaches is determined based on ±25% from the comparable transactions.

As the preferred valuation approach is the Geoscientific valuation to generate a range in likely market values, as required by the VALMIN Code, MinVal considers that a reasonable range of valuations would be ±25% from the preferred geoscientific valuation, representing the likely range of market valuations.

On this basis, in MinVal's opinion and as detailed in Table 6, the preferred market value of the non-uranium mineral rights within the Project is **$0.4 million** with a range between **$0.3 million** and **$0.5 million.**

Table 6: Summary valuation of the non-uranium rights in the Prospect Hill Project by method

Company	Asset	Valuation Technique	Priority	Lower Valuation A$ M	Preferred Valuation A$ M	Upper Valuation A$ M
HRE	Prospect Hill non-uranium rights	Geoscientific	Primary	0.2	0.4	0.6
		Rule of Thumb	Supporting	0.3	0.7	1.0
		Comparable Caspin	Supporting	0.2	0.3	0.3
		Comparable T92	Supporting	0.0	0.1	0.1
		MinVal Preferred		0.3	0.4	0.5

Note the totals may not add due to rounding in the valuations and appropriate rounding has been applied.

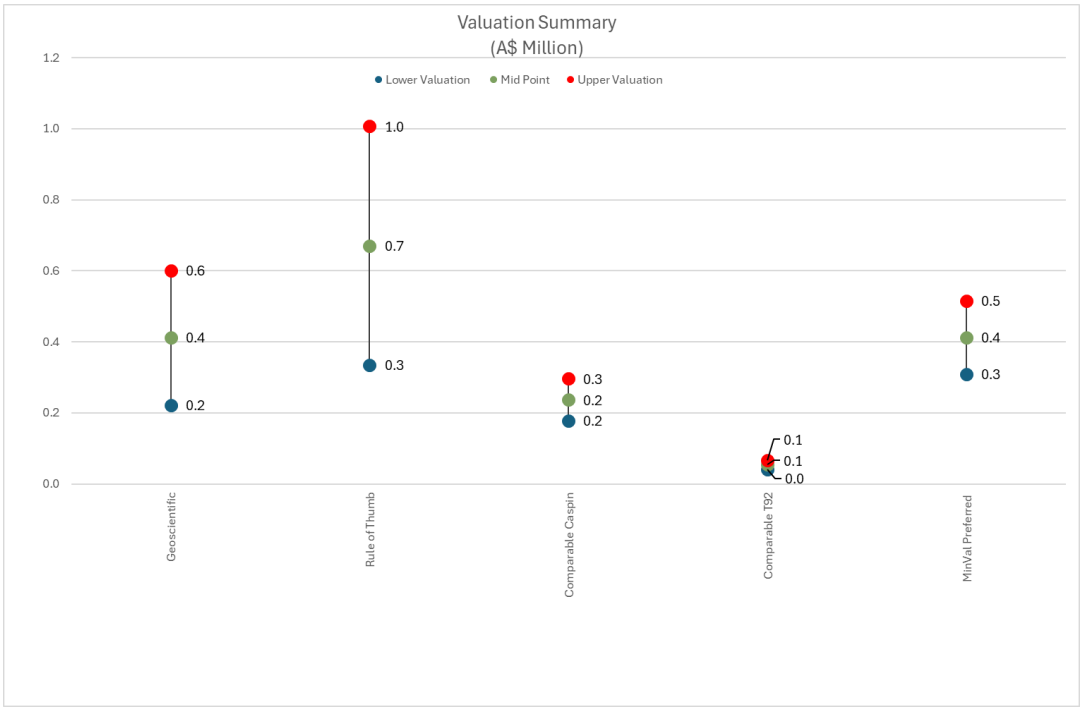

Figure 10: Valuation Summary by method

6. References

The reference list below includes public domain and unpublished company Reports obtained either directly from the Company or ASX releases of previous Joint Resolution holders or previous holders of the tenements.

Binding Term Sheet (HRE and HAV) - Other Minerals JV_ June 2025_DRAFT

Champion, D. and Britt, A.F., 2019. Australian Resource Reviews: Tin 2018. Geoscience Australia, Canberra,

HAV_ASX_17112011_Acquisition of Prospect Hill

HRE_ASX_21102024 Acquisition of Three Highly Prospective Uranium Projects in South Australia

Joint Ore Reserves Committee, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: http://www.jorc.org (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Teale and Associates Pty Ltd and Adrian Brewer, May 2017, ENV13041 Pace Discovery Drilling Collaboration, Programme Dpy9-12, Between DSD and Teale and Associates Pty Ltd and Adrian Brewer, South Australian Resource Information Gateway (SARIG) catalogue.

VALMIN Committee, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: http://www.valmin.org (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Appendix A Geoscientific Valuation

Tenement	Company Equity	Area (km^2)	Off Property Low	Off Property High	On Property Low	On Property High	Anomaly Low	Anomaly High	Geology Low	Geology High	BAC ($)
EL 5891	82.5%	30	1.5	2.0	2.0	2.5	3.5	4.0	2.0	2.5	10000
EL 5891 LOW POTENTIAL	82.5%	15	1.0	1.5	1.0	1.5	1.0	1.5	0.5	1.0	5000
EL 6271	100%	15	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	10000
EL 6933	100%	15	1.0	1.5	1.0	1.5	1.0	1.5	0.5	1.0	10000
Total		**75.00**									

Tenement	Technical Valuation			Locational Discount / Premium	Market Discount / Premium	Geoscientific Market Valuation		
	Low	Preferred	High			Low	Preferred	High
EL 5891	0.17	0.29	0.41	95%	120%	0.20	0.33	0.47
EL 5891 LOW POTENTIAL	0.00	0.01	0.01	95%	120%	0.00	0.01	0.02
EL5891 Total						0.20	0.34	0.49
EL 6271	0.02	0.04	0.07	95%	120%	0.02	0.05	0.08
EL 6933	0.01	0.02	0.03	95%	120%	0.01	0.02	0.04
Total	**0.20**	**0.36**	**0.53**			**0.2**	**0.4**	**0.6**
MinVal Preferred						**0.3**	**0.4**	**0.5**

Note the MinVal preferred range is the preferred valuation +/- 25%

Appendix B MinVal's Valuation Methodology

Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (**DCF**) valuations (generally limited to Properties with published Ore Reserves)
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions is derived from various sources including the ASX and other securities exchange releases associated with these transactions; a database is then compiled by MinVal for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable transactions are compiled where Mineral Resources and in some cases Ore Reserves have been estimated.

Yardstick Valuation

A yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. Where a project is expected to produce a concentrate, the value is discounted to account for the payability of the product produced. For example while not generally publicly available a concentrate producer would have an offtake agreement with a smelter or concentrate trading company which would include costs associated with a treatment charge, a refining charge, penalties for other deleterious elements in the concentrate, a fee payable for other potentially valuable elements in the concentrate in addition to these costs associated with the production of a concentrate would be the transport and port handling costs, insurance and additional state based royalties. Therefore, where a project generates or is expected to generate a concentrate in MinVal's opinion a 50% discount to the yardstick multiples detailed in Table 1 below are reasonable given the additional costs when compared to a project that generates or is expected to generate gold dore which is the basis of the yardstick multiples detailed below.

Table 1: Typical Yardstick Multiples used for Projects

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot Price)	Upper Yardstick Multiple (% of Spot Price)
Ore Reserves	5%	10%
Measured Resources (less Proved Reserves)	2%	5%
Indicated Resources (less Probable Reserves)	1%	2%
Inferred Resources	0.5%	1%

Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic)
- Joint Venture terms based on the Properties' area
- A Geoscientific (Kilburn) Valuation
- A prospectivity enhancement multiplier (PEM), and
- A rule of thumb valuation for early stage pre resource projects.

The first two methods are more data driven and market based whilst the second two are cost-based and require subjective judgement by the valuer regarding prospectivity and efficacy of prior exploration. Market-based and cost-based methods are appropriate methods for valuing exploration projects as per Section 8.2 and 8.3 of the VALMIN Code. There are specific reasons which are explained in the body of the Report to justify the methods used in each case.

Comparable Transactions

The methodology to determine the Comparable Transactions valuation is based on a projects area and undertaken using the same methodology as that described for the Comparable Transactions valuation for advanced projects section; however, transactional value is applied to the project area rather than the Mineral Resources or Ore Reserves.

The area based comparable transaction multiples whilst a useful in valuation method is strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas.

Joint Venture Terms

The Joint Venture terms valuation is similar to the Comparable Transactions method based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement.

Goulevitch and Eupene (1994) adapted this method for use in an Australian context, and it is this methodology that MinVal's method is based upon. While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. Further, to account for the large areas inherent in many Australian tenement holdings (as opposed to Canadian holdings), MinVal either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

There are several specific geological inputs that are critical in determining a valid geoscientific or Kilburn valuation. The specialist undertaking the valuation therefore must have a good understanding of the mineralisation styles within the overall region, the tenements and have access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project.

There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost (**BAC**), which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

Table 2 documents the ranking criteria that were used in conjunction with the BAC for the project tenements to determine the technical valuation of the project.

MinVal determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. In addition to ensuring the rankings are correct deriving the BAC is critical as it is the primary driver of the final value.

The technical valuation is determined by multiplying each of the four geoscientific ranking criteria (off-property, on-property, anomaly factor and geological factors) in series with the BAC. This is completed for the lower of the ranked factors and separately with the upper of the rankings to determine the range in the technical valuations.

The technical valuation derived from the ranking factors is also adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions relating to a specific commodity or geological terrain. These adjustments may increase or decrease the technical value to derive the fair market valuation.

The ranking criteria used are defined in the Table 2 below.

Table 2: Ranking Criteria used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	**Off-property factor**	**On-property factor**	**Anomaly factor**	**Geological factor**
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

For early-stage Projects (where there are no Mineral Resources estimated), MinVal considers the Geoscientific (Kilburn) Valuation method to be the most robust due to the interplay between the four geoscientific criteria and is commonly the primary valuation method used for the surrounding exploration potential.

Prospectivity Enhancement Multiplier (PEM) Valuation

It is the view of MinVal that the PEM method is the least transparent and most subjective valuation method as this method depends only on an assessment of the effectiveness of the previous and recent exploration expenditure. MinVal uses the expenditure for the past five years for a PEM valuation approach as it is sufficient time for a project to advance to a more advanced exploration stage with Mineral Resources estimated which would then be valued using a comparable transaction, resource multiple approach.

Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (**PEM**) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific

Property and commodity being evaluated. Onley (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria typically used by MinVal are outlined in Table 3 below.

Table 3: Prospectivity Enhancement Multiplier (PEM) ranking criteria

Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

MinVal considers the PEM valuation method as a secondary valuation method. MinVal in general prefers to use resource multiples or area-based multiples generated from Comparable Transactions if a JORC 2012 resource has been estimated on the project however, if there are no comparable transactions, then a PEM is considered a viable valuation method.

Glossary

Below are brief descriptions of some terms used in this Report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral Mineralogy Database (webmineral.com) and Wikipedia (Wikipedia).

The terms listed below are taken from the 2015 VALMIN Code (The VALMIN Code - 2015 Edition).

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the Report.

Australasian means Australia, New Zealand, Papua New Guinea and their offshore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the *Australian Corporations Act 2001 (Cth)*.

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1 of the VALMIN Code.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to https://www.jorc.org/ for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of Reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the *Corporations Act*.

Independent Expert Report means a Public Report as may be required by the *Corporations Act*, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of Reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 of the VALMIN Code for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the Report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being Reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 of the VALMIN Code for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes considering mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design considering geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resource is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging, etc.).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to https://www.jorc.org/ for further information.

Ore Reserve is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to https://www.jorc.org/ for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resources and **Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to Society of Petroleum Engineers (SPE) | Oil & Gas Membership Association for further information.

Practitioner is an Expert as defined in the *Corporations Act,* who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of Reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily based on their academic qualifications and professional experience.

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build goodwill.

Public Report means a Report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 of the VALMIN Code for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the Report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or **Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities have the meaning as defined in the *Corporations Act*.

Securities Experts are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the *Corporations Act*, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of Reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the Report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

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Annexure C – Announcement of 4 August 2025

ASX ANNOUNCEMENT
Heavy Rare Earths Limited (ASX: HRE)
4 August 2025

HRE TO ACQUIRE ADVANCED TIN PROJECT WITH ALL MINERAL RIGHTS AT PROSPECT HILL

- **HRE to acquire rights to South Australia's largest known and most advanced tin project at Prospect Hill in the Northern Flinders Ranges**
- **HRE considers Prospect Hill to be an exceptional tin opportunity based on extensive historic exploration data. Tin projects of this calibre are uncommon in Australia.**
- **Historic drilling has confirmed tin mineralisation over 500 metres of strike and to a depth of 120 metres at the South Ridge prospect. This includes 56 holes, many with high-grade tin intercepts including:**
  - **3 metres @ 4.85% Sn from 44 metres (hole PHRC03)**
  - **5 metres @ 3.32% Sn from 84 metres (PHRC55)**
  - **6 metres @ 2.33% Sn from 14 metres (PHP-15)**
- **Prior petrological and metallurgical studies indicate tin is mostly present as cassiterite, 80% of which can be recovered by gravity processing methods**
- **Several nearby prospects with high tin grades from surface sampling present exploration discovery opportunities**
- **Planned follow-up work to establish Mineral Resources at South Ridge**
- **Tin is on critical minerals lists of many western economies due to looming supply deficits and geopolitical concerns**
- **Prospect Hill represents a material addition to HRE's current suite of projects with a critical and clean energy minerals focus**

Heavy Rare Earths Limited (**"HRE"** or **"the Company"**) is pleased to announce it has entered into a binding Term Sheet with Havilah Resources Limited (ASX: HAV; **"Havilah"**) to expand its rights to all minerals from the current uranium-only rights on the Prospect Hill project, which lies in the northern Flinders Ranges of South Australia (Figure 1).

On signing the Term Sheet, HRE's non-executive Chairman, John Byrne, said, *"This transaction on Prospect Hill with our major shareholder Havilah Resources is to the clear benefit of both parties. We appreciate their ongoing support in considering and agreeing our proposal to expand our mineral interests during the initial year of our commercial engagement.*

"The Company is excited about the advanced opportunity on offer at the South Ridge tin prospect. Whilst we will maintain the momentum on our uranium JV projects at Radium Hill, Prospect Hill and Lake Namba-Billeroo, this transaction offers the potential for HRE to move quickly to advanced studies on the small-scale extraction of tin."

TRANSACTION SUMMARY

HRE has executed a binding 'other minerals' Term Sheet (**"Agreement"**) with Havilah that secures it the right to acquire an 80% initial interest in all Havilah's rights to non-uranium minerals within the Prospect Hill project area. It builds on the existing agreement **("Existing Agreement"**) with Havilah in which HRE is currently earning an 80% initial interest in Havilah's rights to uranium mineralisation hosted by Cretaceous age and younger sediments on the same three project area tenements *(refer to ASX announcement 21 October 2024)*.

Under the Agreement, to acquire the 80% interest HRE must spend a minimum of $1,500,000 on exploration and development of non-uranium minerals within 3 years, including $350,000 in the first year. As part of this expenditure obligation, to acquire the 80% interest the Company is required to drill a minimum of 2,500 m during the first 18 months and a minimum of 1,250 m in the second 18 months of the 3-year earn-in term (3,750 m in total) (taken together, the **"Earn-In Requirement"**).

Once HRE has earned the 80% interest in Havilah's non-uranium mineral rights by satisfying the Earn-In Requirement, a joint venture (**"JV"**) will be formed and Havilah will be free-carried until the completion of a bankable feasibility study (**"BFS"**) on any non-uranium mineral deposit discovered. Following completion of a BFS, Havilah will have the right to contribute its 20% pro-rata share of all future JV expenditure or otherwise dilute to below a 10% JV interest and receive a 1.5% net smelter return (NSR) royalty on production.

HRE and Havilah entered into a tenement access and mineral rights agreement (**"TAMRA"**) as part of the Existing Agreement. The Company confirms that the TAMRA will continue to govern its access rights to Havilah's Prospect Hill project exploration licences under the Agreement.

Subject to completing the Earn-In Requirement, HRE will reimburse Havilah an aggregate amount of $1,800,000 being reimbursement of Havilah's historical exploration expenditure on the project. Payment of these funds will be deferred until such time cashflows from a future non-uranium mining or processing operation at Prospect Hill are available or HRE elects to make the reimbursement payment earlier.

Completion of the transaction is subject to the following conditions precedent:

i) shareholder approval (including for the purposes of Listing Rule 10.1) which will be sought at an Extraordinary General Meeting (**"EGM"**) proposed to be held as soon as practicable. The Notice of Meeting for the EGM will include an independent expert's report, which is required for the transaction to be considered under Listing Rule 10.5.10; and

ii) HRE and Havilah otherwise obtaining all required legal, third party and other required approvals and/or consents for the proposed transaction to proceed.

BACKGROUND

The Prospect Hill project comprises three contiguous exploration tenements EL5891, EL6271 and EL6933 covering a total area of 75 km^2. The western portion of the project area features outcropping rocks of the Curnamona Craton (Mt Painter/Mt Babbage Inliers) which hosts significant polymetallic mineralisation dominated by tin (Sn). Tin is present as cassiterite and this will be the initial focus of HRE's non-uranium exploration and development activities at Prospect Hill.

The project area has seen a number of relatively short-lived campaigns of exploration for tin and other metals since the mid-1980s at times when tin prices were substantially lower than they are today. This work resulted in the discovery of several high-grade tin prospects at surface. The best explored of these is the South Ridge prospect where drilling of 56 holes has outlined tin-rich mineralisation in a well-defined lode structure over a strike length of about 500 m. Highly mineralised drill intercepts from South Ridge include:

- **3 m @ 4.85% Sn from 44 m in PHRC03**
- **5 m @ 3.32% Sn from 84 m in PHRC55**
- **6 m @ 2.33% Sn from 14 m in PHP-15**
- **6 m @ 1.85% Sn from 24 m in PHP-2**
- **8 m @ 1.48% Sn from 11 m in PHRC24**
- **10 m @ 1.16% Sn from 33 m in PHRC04.**

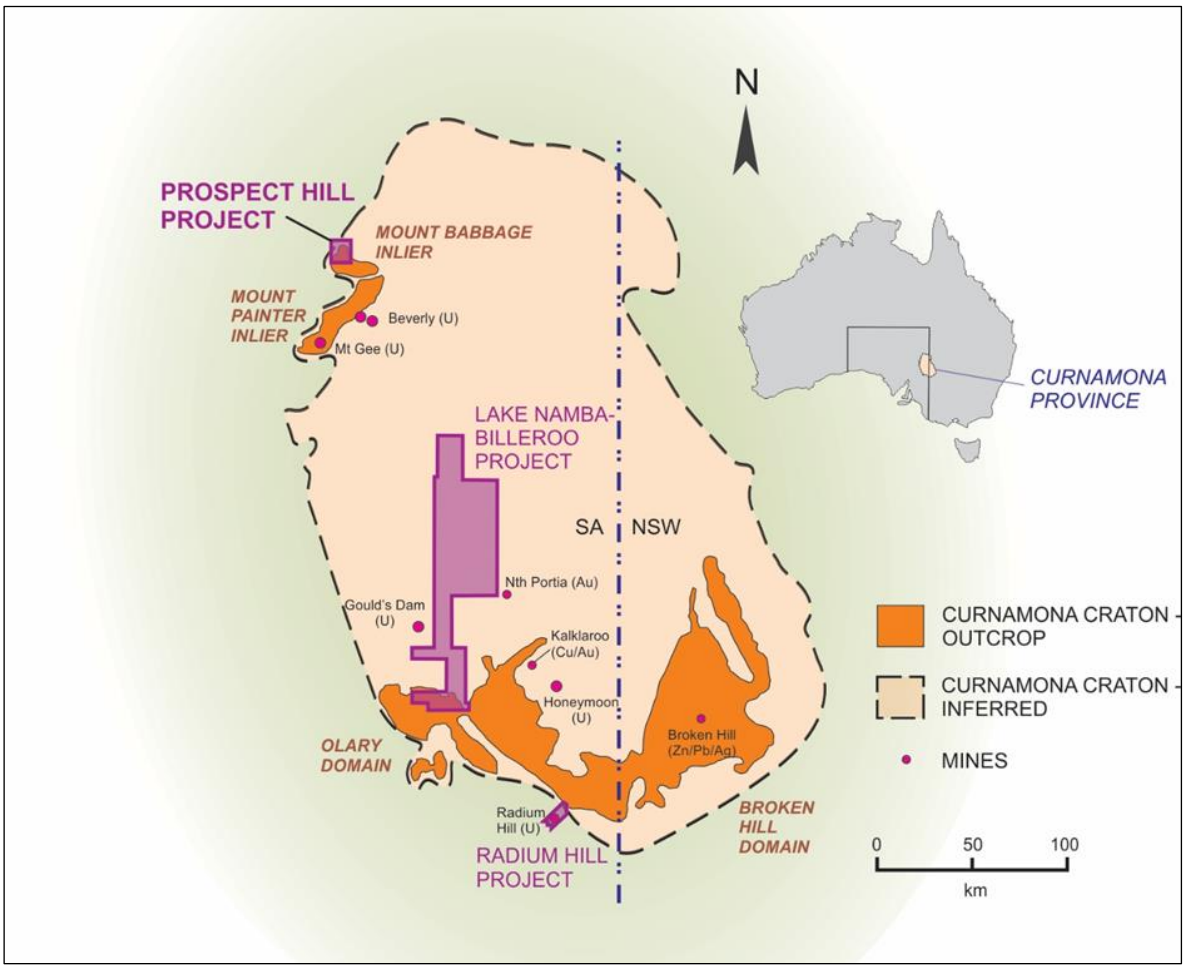

Figure 1: Location of HRE projects in the Curnamona Craton, South Australia.

HRE plans to fast-track drilling work at South Ridge in the coming months with the aim of estimating a maiden Mineral Resource for the project and to acquire material for metallurgical testwork. Limited testwork to date has focused on producing a concentrate with gravity separation. The application of advanced sensor-based ore sorting technology to cassiterite

mineralisation such as that offered by TOMRA[1] could represent a substantial opportunity for HRE at South Ridge.

The proposed acquisition of non-uranium mineral rights at Prospect Hill broadens HRE's exposure to clean energy, and strategic and critical minerals, complementing its co-product critical mineral scandium (Sc) and rare earth (REE) opportunities at its high-grade Radium Hill uranium project *(refer to ASX announcement 19 May 2025)*. Importantly, uranium (target commodities at Prospect Hill and Radium Hill), tin (Prospect Hill), and scandium and rare earths (Radium Hill) have been identified by a number of Western governments as being strategic or critical to their economies and, in the case of tin, scandium and rare earths, highly vulnerable to supply chain disruption (Table 1).

Tin is used in a wide variety of products including solder (electronics), chemicals (PVC stabilizers, polymer catalysts), tinplate (food packaging), alloys (bearing metal, coatings), and inorganic (ceramics, glazes) and organic (plastics, wood preservatives, pesticides, fire retardants) compounds. Tin futures[2] are at US$34,000 per tonne, holding close to the three-month high of US$35,100 as persistently low supply coincides with evidence of robust demand. Investment in new tin supply has been relatively weak for some time, with only one significant mine entering the market in the last five years. According to the International Tin Association[3] looming deficits and geopolitical concerns will renew the search for new tin projects and the next decade will see a new wave of government-supported investment to secure sustainably sourced supply that needs to grow by an estimated 50,000 tonnes per annum for the technology surge to 2030.

Table 1: Critical minerals targeted at HRE's Prospect Hill and Radium Hil projects.

COUNTRY/REGION[1]	URANIUM	TIN	SCANDIUM	RARE EARTHS[2]
Australia			✓	✓
Canada	✓	✓	✓	✓
EU			✓	✓
India		✓	✓	✓
Japan	✓		✓	✓
South Korea		✓	✓	✓
UK		✓	✓	✓
USA		✓	✓	✓

1. Selected critical minerals are shown for each country/region. Australia has declared 31 critical minerals, Canada 29, EU 30, India 30, Japan 36, South Korea 33, UK 18 and USA 50.
2. RARE EARTHS are Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium (Tm), Ytterbium (Tb), Lutetium (Lu) and Yttrium (Y).

[1] https://www.tomra.com/mining
[2] https://tradingeconomics.com/commodity/tin
[3] https://www.internationaltin.org/tin2030-a-vision-for-tin/

REGIONAL GEOLOGY

The Prospect Hill project lies in the Mt Painter/Mt Babbage Inliers at the north-western margin of the Palaeo-Mesoproterozoic Curnamona Craton, a geological province that is well-endowed in critical and clean energy minerals such as copper (Cu), REEs and U (Figure 2).

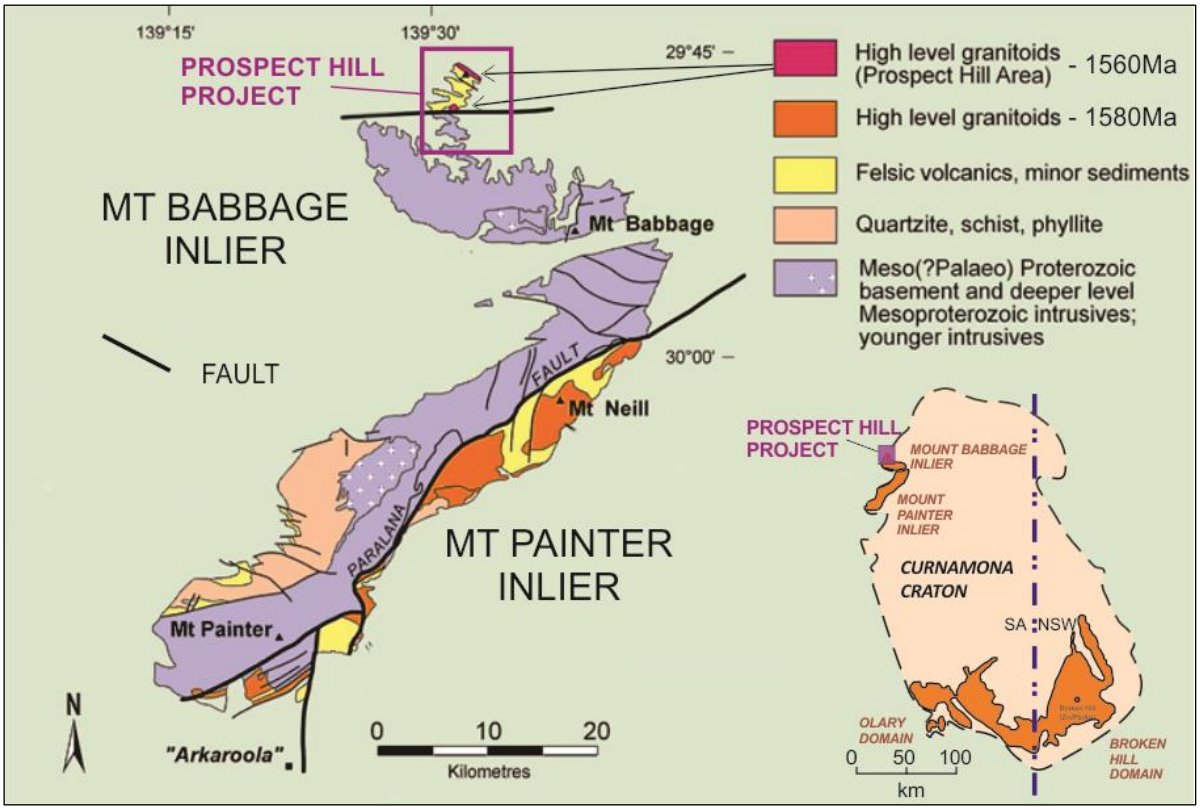

Figure 2: Regional geology of Palaeo-Mesoproterozoic Mt Painter and Mt Babbage Inliers.

The Mt Painter/Mt Babbage Inliers, and Curnamona Craton in general, have geological similarities with the nearby Gawler Craton most notably concerning the relationship of base, precious and critical minerals mineralisation with an igneous intrusion dating event from around 1590 Ma.

The exception to this is the Prospect Hill Block separated from the rest of the Mt Babbage Inlier by a major, as yet unnamed, E-W fault, passing through the middle of the project area (Figure 3). To the north of the fault, the Prospect Hill Block is host to less intense, higher-level deformation with several, cross-cutting, younger (1560 Ma), granitoids such as the White Well Granite and Prospect Hill Porphyry. The 1580 Ma Terrapinna Granite lies south of the fault.

LOCAL GEOLOGY AND MINERALISATION

The Mt Babbage Inlier in the project area is dominated by Palaeoproterozoic volcanics and volcaniclastics which have been intruded by multiple, younger, Mesoproterozoic, granitoids (1560 Ma). The core of the Inlier is unconformably overlain by Neoproterozoic Adelaidean metasediments to the west and Cretaceous and younger sediments to the north and east (Figure 3).

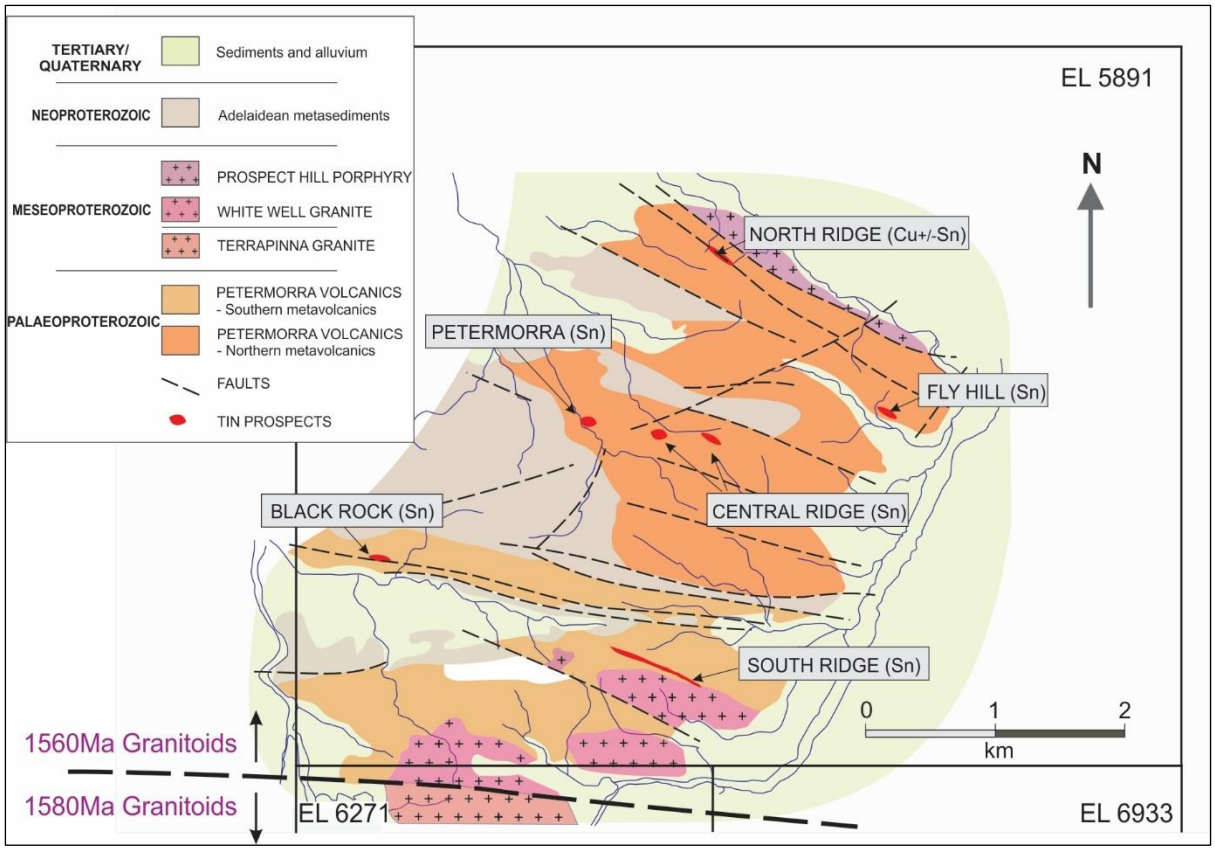

Figure 3: Summary of outcropping geology in EL5891 and location of Sn prospects.

Unlike the older (1590 Ma) igneous event, younger granites are anomalous in Sn as well as other critical minerals (copper (Cu), fluorine (F), tungsten (W), uranium (U), molybdenum (Mo) and rare earths (REEs)) representing a variety of mineralisation styles[4]. Intrusion of younger granites into Petermorra Volcanics are interpreted to be responsible for Sn-rich polymetallic mineralisation in the Prospect Hill area.

At least three styles of Sn mineralisation have been recognised:

i) Epigenetic fault/shear mineralisation associated with anomalous F, U, yttrium (Y), zinc (Zn) and Cu. Seen at the South Ridge prospect, this is the most significant style;

ii) A silica-muscovite-tourmaline association, seen at surface in elliptical or pod-like accumulations. The 3D dimensional shape of this mineralisation is unknown but they may represent shoots or “pipes”. Although limited in extent these represent significant targets due to their high-grade nature (*e.g.,* up to 56% Sn at the Black Rock prospect); and

iii) Anomalous Sn has also been recorded in “skarn-like” zones with epidote + actinolite + sphene + grossular garnet.

HRE considers the Prospect Hill Block to be a unique, highly prospective terrain in which to discover Sn-rich deposits.

[4] *Teale, G. S. (1993). Mesoproterozoic of the Curnamona Craton and Mount Painter and Mount Babbage Inliers, Volume 1. In J. F. Drexel & W. V. Preiss (Eds.), The Geology of South Australia. Adelaide: South Australia Geological Survey Bulletin 54*

EXPLORATION HISTORY AND POTENTIAL

Prospect Hill's remote location at the extreme northern end of the Flinders Ranges provided logistical challenges to early prospectors and miners in the 19th and early 20th centuries. There is evidence of prospecting pits and shallow shafts targeting Cu mineralisation at what is now known at the North Ridge Prospect (Figure 3).

Until the latter part of the 20th century little exploration of note had been conducted in the Prospect Hill Block. Anomalous Sn in stream sediment samples collected by Marathon Petroleum (Marathon) in 1980 led to the discovery of outcropping cassiterite-rich mineralisation at South Ridge. Several other Sn prospects were also outlined (Figure 3), some with anomalous base metals, highlighting the area's prospectivity.

Outcrop samples from the South Ridge prospect returned assays up to 13% Sn, 0.8% Pb (lead), 175 g/t Ag (silver), 3.95% Cu, 2040 ppm Y and 4150 ppm Bi (bismuth). Channel sampling by Marathon indicated a well-defined zone of silicification and shearing within volcaniclastics with channel sample intervals including:

Line 4150E: 6.2 m @ 2.74% Sn
Line 4050E: 0.6 m @ 1.70% Sn
Line 3950E: 2.6 m @ 0.7% Sn.

Drill testing of South Ridge mineralisation commenced in 1986 by North Flinders Mines (North Flinders) with the completion of two percussion holes PHP-1 and 2, the second of which intersected rich cassiterite mineralisation, returning:

PHP-2: 6 m @ 1.85% Sn from 24 m.

Despite this high-grade Sn mineralisation, North Flinders undertook no further work.

In the late 1980s Lynch Mining Ltd undertook detailed ground magnetics and radiometrics, followed by stream, soils and rock chip sampling, delineating numerous zones of interest. They focussed on detailed mapping and sampling of the South Ridge prospect, defining a zone over 300 m in strike length and up to 15 m in width, noting that mineralisation pinched and swelled along strike and was hosted by a siliceous *"lode horizon"* with distinctive mineralogy including fluorite, garnet, quartz and gahnite in addition to cassiterite.

Shallow percussion drilling of 17 holes was undertaken during two campaigns. Eleven drill holes at South Ridge highlighted continuity of Sn-rich mineralisation along the *lode horizon*. The best drill intersections, using a 0.1% Sn cutoff, included:

PHP-5: 4 m @ 0.72% Sn from 3 m
and **5 m @ 1.77% Sn from 11 m**
PHP-6: 2 m @ 1.51% Sn from 18 m
PHP-8: 3 m @ 1.26% Sn from 17 m
PHP-15: 6 m @ 2.33% Sn from 14 m.

Three drill holes were designed to test the zone at >100m depth but all three showed significant deviation from the original plan and it was likely they did not reach the target[5].

In addition, anomalous base and precious metal values were returned in some drill holes, including 5 m @ 0.46% Cu, 1 m @ 1.8% Zn, 2 m @ 1.8% Pb and 3 m @ 64 g/t Ag.

[5] *Lynch mining Pty Ltd EL 2158. Annual Report Mar 1997 to Mar 1998 ENV09178*

Surface exploration work was completed at the North Ridge prospect area where rock chip sampling returned anomalous levels of Cu (up to 15.2%). Limited drill testing of the Central Ridge prospect intersected strongly anomalous Sn mineralisation from multiple zones below quartz-tourmaline outcrop. From five completed drill holes the best intersections were:

PHP-11: 3 m @ 0.29% Sn from 2 m
and 2 m @ 0.23% Sn from 29 m
PHP-12: 1 m @ 0.45% Sn from 10 m
and 1 m @ 0.34% Sn from 30 m.

In 2005 Havilah Resources Limited (Havilah) entered into an earn-in arrangement with the-then tenement holders, Teale and Associates Pty Ltd and Adrian Brewer. They completed infill and extensional drilling at the South Ridge prospect and drill test targets along North Ridge across two campaigns in 2007/08 and 2017/18.

In 2007, 10 reverse circulation (RC) drill holes, totalling 879 m, were completed at South Ridge and 9 holes totalling 483 m at North Ridge. The South Ridge program continued to intersect high-grade Sn mineralisation including:

PHRC01: 5 m @ 0.39% Sn from 33 m
PHRC02: 9 m @ 0.52% Sn from 43 m
PHRC03: 3 m @ 4.85% Sn from 44 m
PHRC04: 10 m @ 1.16% Sn from 33 m
PHRC05: 3 m @ 1.35% Sn from 13 m.

In addition to geochemical assays, the drill samples also provided material for petrological examination, for check assaying at independent laboratories, and 3 composite samples for sighter metallurgical testwork at Burnie Research Laboratory.

In 2008, a further 24 RC holes totalling 2,231 m were completed at South Ridge with intersections including:

PHRC23: 9 m @ 0.93% Sn from 28 m
PHRC24: 8 m @ 1.48% Sn from 11 m
PHRC37: 5 m @ 0.85% Sn from 93 m
PHRC38: 2 m @ 0.85% Sn from 100 m
PHRC40: 2 m @ 0.71% Sn from 129 m.

Plans to test extensions of South Ridge mineralisation were delayed for several years due to Native Title negotiations. During this time an extensive program of pXRF soil sampling was undertaken. A total of 1,565 sites were sampled, the results of which clearly highlight known Sn prospects (Figure 4), allowing a better understanding of mineral zonation and also adding a new prospect – Black Rock, the westernmost Sn mineralisation at Prospect Hill. Field checking of this anomaly uncovered several small but very high-grade outcrops with up to 58% Sn.

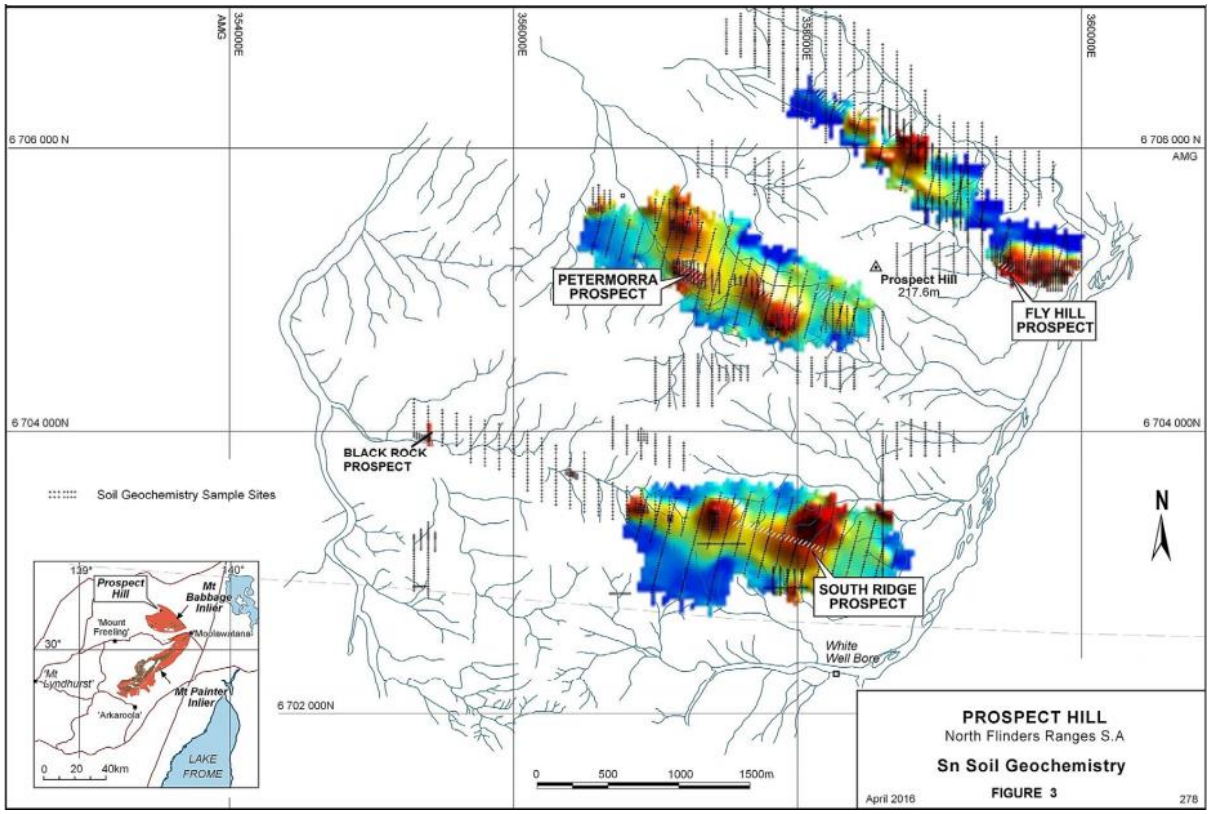

Figure 4: Colour contoured pXRF soil assays across main Sn prospects at Prospect Hill.

In 2016 Havilah was granted assistance from the South Australian Government PACE program to drill test the western extension of South Ridge as well as several other prospects. Drilling commenced in 2017 at western South Ridge (8 holes for 712 m) with subsequent work at the Fly Hill (9 holes for 712 m) and Petermorra (2 holes for 236 m) prospects, and the newly discovered Black Rock prospect (9 holes for 612 m).

Havilah reported that its drilling successfully extended known mineralisation at South Ridge for an additional 220 m to the west with potential for further extension despite low-grade results in the westernmost holes. Significantly, two drill holes in the final drilling program at South Ridge in 2017 intersected >1% Sn at 75 – 90 m vertical depth:

PHRC55: 5 m @ 3.22% Sn from 84 m
PHRC56: 4 m @ 1.03% Sn from 111 m.

Drill hole PHRC54 at Fly Hill intersected two zones of anomalous Sn mineralisation – 2 m @ 0.2% Sn from 4 m and **4 m @ 0.7% Sn from 62 m, including 1 m @ 1.3% Sn**. Three drill holes at the Black Rock prospect encountered intervals of 0.2% Sn but failed to replicate the high grades obtained from surface sampling for reasons not yet understood.

In summary, 90 holes have been drilled at Prospect Hill during multiple, short-lived campaigns over four decades, with the focus overwhelmingly on the South Ridge prospect (Table 2).

Table 2: Previous exploration drilling summary at Prospect Hill project, 1986-2017.

PROSPECT	YEAR/S	NO. HOLES	TOTAL METRES
South Ridge	1986, 1994, 1996, 2007, 2008, 2017	56	4,641
Central Ridge	1994	5	170
North Ridge	2007	9	483
Petermorra	2017	2	236
Fly Hill	2017	9	712
Black Rock	2017	9	612
TOTAL		**90**	**6,854**

PROSPECT HILL TIN MINERALISATION – SOUTH RIDGE

The most advanced prospect at Prospect Hill is South Ridge where drilling and costeaning has outlined mineralisation within a linear, steeply-dipping structural zone of silicification and distinctive gangue mineralogy, known as the *lode horizon*, over 500 m of strike (Figure 5).

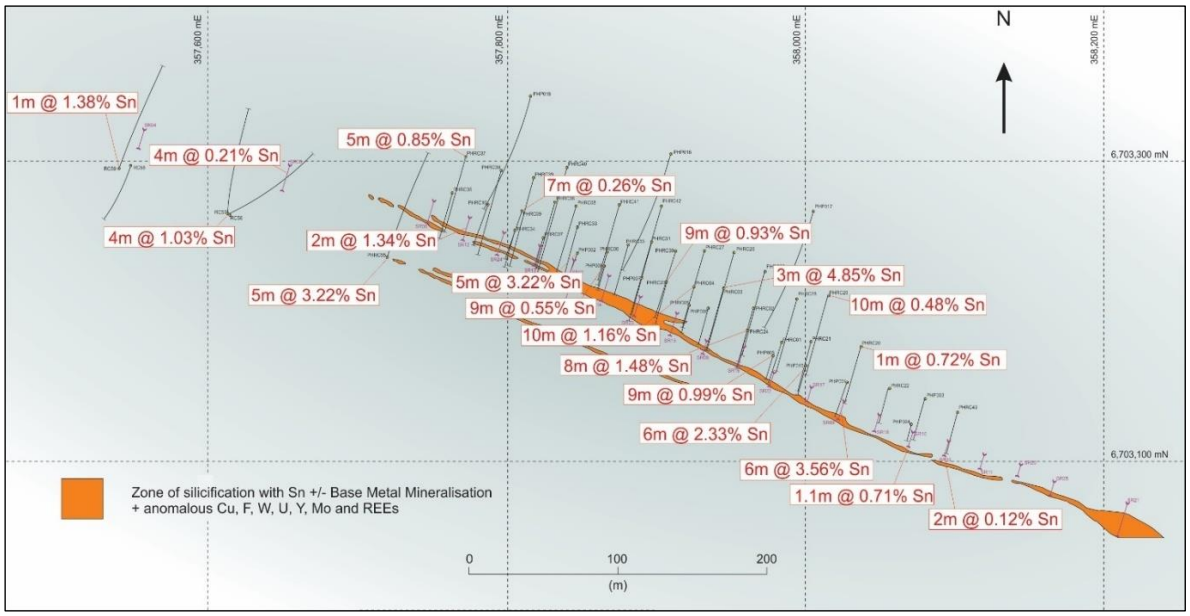

Figure 5: Plan view of South Ridge prospect with selected drill and trench intersections.

Within the *lode horizon*, Sn mineralisation (>0.1% Sn) varies from 1 m to 6 m true width and has been traced to over 100 m vertical depth (Figure 6). Surface mapping/trenching and percussion drilling indicate the potential effect of structural control which causes high-grade mineralisation to pinch and swell, with a shallow western dip to this trend. This was recognised in the final phases of drilling and is yet to be sufficiently tested.

Structural control of mineralisation within a linear zone is often best depicted as distribution of total metal content (grade x length). Plotting total metal content for intersections at South Ridge (>0.1% Sn cutoff) indicates a shallow westerly dip to highest-grade mineralisation (Figures 6 and 7). This also highlights the potential to extend high-grade mineralisation at South Ridge at depth and to the west (Figure 7).

Significant Sn intersections (>0.1% Sn) and drill hole details from South Ridge are detailed in Tables 3 and 5.

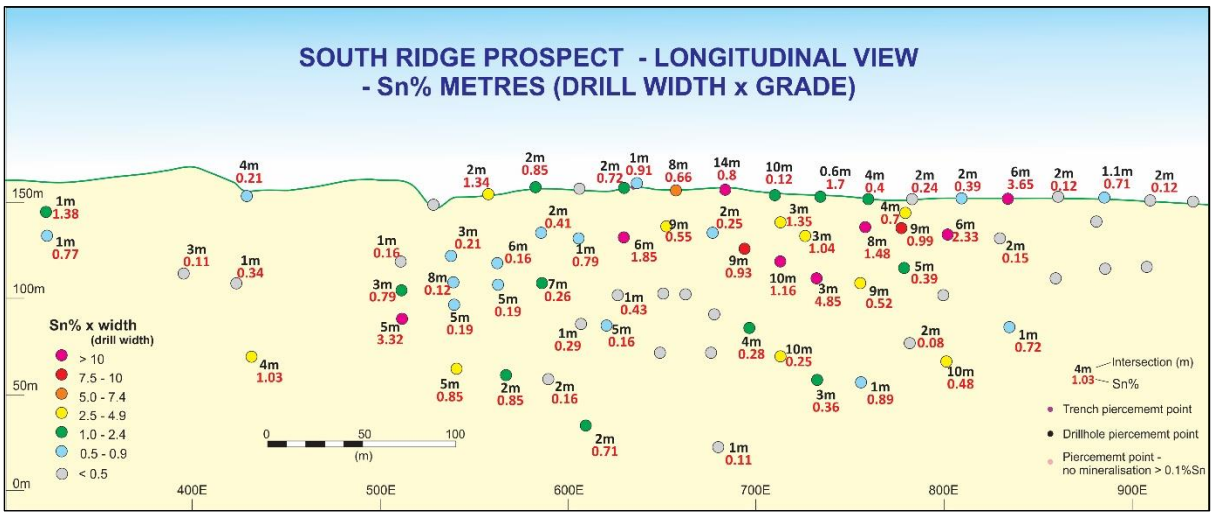

Figure 6: Longitudinal view of South Ridge prospect showing drill holes piercement points.

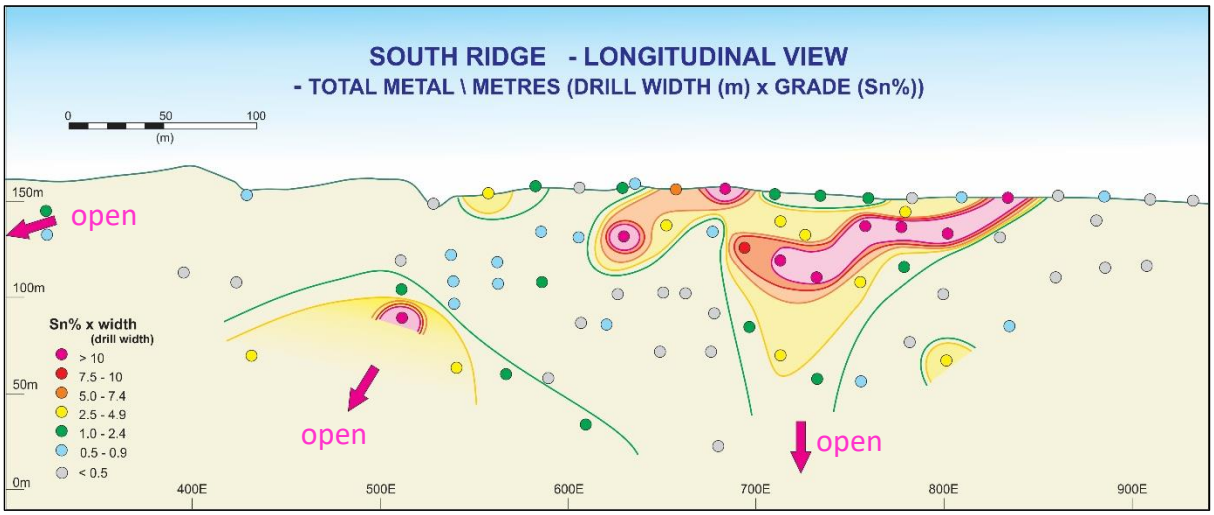

Figure 7: Longitudinal view of South Ridge prospect showing contoured total metal intersections.

PROSPECT HILL MINERALISATION – OTHER PROSPECTS

Tin mineralisation is widespread throughout the Mt Babbage Inlier. Although most work to date had focussed on South Ridge, several other prospects show potential for further discoveries. Drilling of these prospects has been reconnaissance to date with several intersections of strongly anomalous Sn +/- base and precious metal mineralisation. Table 4 lists significant Sn (>0.1% Sn) assays at the Central Ridge, North Ridge, Fly Hill and Black Rock prospects, and Table 5 lists details of all holes drilled to date at these prospects.

High grade Sn mineralisation seen at surface at Black Rock and Fly Hill has not been replicated in drilling to date. Sn mineralisation at these other prospects differs from South Ridge in not being confined to a tabular, linear structure associated with quartz veins and

distinctive associated mineralogy such as fluorite and garnet. Sn at the other prospects is intimately associated with black tourmaline and silica and forms high-grade pods or potentially pipes.

HRE considers that understanding the structural control to Sn mineralisation at these other prospects is key to unlocking their potential. There are many geological similarities with the well-known Zaaiplaats tin field in South Africa. In this district, cassiterite mineralisation is hosted as low-grade disseminations in granite and large, and uniquely mineralised, tourmaline-rich hydrothermal-pipe and lens-shaped orebodies[6] which, although sometimes limited in horizontal extent, may be very high-grade and extend for many metres vertically.

Detailed structural analysis of the other drilled prospects will be undertaken prior to further drill testing.

PROSPECT HILL – POTENTIAL

In summary, HRE proposes acquiring a strongly mineralised critical minerals project in the highly prospective Curnamona Craton. The Prospect Hill project comes with an extensive geological database collected over several decades that includes:

- 350 rock samples;
- 4,520 soil samples;
- 305 stream samples;
- 40 trenches (536.8 m);
- 19 percussion holes (1,156 m);
- 71 RC holes (5,698 m);
- detailed geological mapping;
- extensive petrographic sampling; and
- metallurgical testwork.

This database has demonstrated widespread Sn mineralisation at Prospect Hill and can provide a framework to rapidly upgrade the standout South Ridge Sn prospect to a Mineral Resource with targeted infill drilling and additional metallurgical testwork. There is potential to expand the mineral system down dip and along strike with additional drilling.

HRE also regards other Sn prospects in the project area are underexplored and therefore represent significant opportunities to add to any future resource inventory.

-- Ends --

This announcement has been approved by the Board of HRE.

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[6] https://www.mdpi.com/2075-163X/10/4/379

About Heavy Rare Earths Limited

Heavy Rare Earths Limited (ASX: HRE) is an Australian uranium and critical minerals exploration and development company. HRE's key exploration projects are in the uranium- and critical minerals-rich Curnamona Province of eastern South Australia and in the Mid-West region of Western Australia.

Competent Person's Statement

The Exploration Results contained in this announcement were compiled by Mr Joseph Ogierman. Mr Ogierman is a Member (#4469) of the Australian Institute of Geoscientists (MAIG). He is a full-time employee of Heavy Rare Earths Limited. Mr Ogierman has more than 35 years' experience in mineral exploration and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Ogierman consents to the inclusion in this announcement of the matters based on the Exploration Results in the form and context in which they appear.

Forward Looking Statement

This announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond HRE's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding HRE's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause HRE's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). Readers are cautioned not to place undue reliance on forward-looking statements. Although HRE believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Table 3: Significant Sn assays at South Ridge prospect. Prospect Hill project[7].

HOLE NO.	FROM (m)	TO (m)	INTERVAL (m)	Sn (%)
PHP-1	20	22	2	0.15
PHP-2	24	30	6	1.85
includes	24	28	4	2.68
PHP-5	3	7	4	0.72
	11	16	5	1.77
	17	20	3	0.41
PHP-6	18	20	2	1.51
	29	32	3	0.4
PHP-7	21	23	2	0.25
	26	28	2	0.12
PHP-8	17	20	3	1.26
	21	23	2	0.15
	24	26	2	0.42
PHP-15	14	20	6	2.33
	25	26	1	0.47
PHRC01	33	38	5	0.39
includes	*33*	*35*	*2*	*0.84*
PHRC02	43	52	9	0.52
includes	*46*	*50*	*4*	*0.93*
PHRC03	44	47	3	4.85
	52	54	2	0.15
PHRC04	33	43	10	1.16
includes	*39*	*43*	*4*	*2.28*
PHRC05	13	16	3	1.35
	26	29	3	0.24
PHRC07	27	28	1	0.79
PHRC08	71	76	5	0.16

[7] *Mineralised intervals do not contain more than a 1 m interval of <0.1% Sn. No top cut-off Sn grade was applied.*

PHRC09	50	57	7	0.26
includes	*50*	*51*	*1*	*0.86*
PHRC10	34	40	6	0.16
includes	*35*	*36*	*1*	*0.41*
	47	52	5	0.19
PHRC20	64	65	1	0.72
PHRC21	49	50	1	0.07
PHRC23	28	37	9	0.93
includes	*30*	*33*	*3*	*2.06*
PHRC24	6	9	3	0.23
	11	19	8	1.48
includes	*12*	*16*	*4*	*2.63*
	23	24	1	0.20
	27	28	1	0.13
PHRC25	101	102	1	0.89
PHRC26	99	102	3	0.36
	111	112	1	0.07
PHRC27	84	94	10	0.25
includes	*85*	*86*	*1*	*1.07*
PHRC28	76	78	2	0.08
PHRC29	85	95	10	0.48
includes	*89*	*90*	*1*	*2.75*
PHRC30	72	76	4	0.28
PHRC31	67	68	1	0.06
PHRC32	55	56	1	0.08
	61	62	1	0.06
PHRC33	43	44	1	0.10
	59	60	1	0.43
PHRC34	21	23	2	0.41

	33	34	1	0.22
PHRC35	28	31	3	0.21
	37	45	8	0.12
	49	50	1	0.39
	56	61	5	0.19
PHRC36	54	55	1	0.06
	69	70	1	0.23
	73	74	1	0.29
PHRC37	80	82	2	0.40
	93	98	5	0.85
includes	*95*	*96*	*1*	*3.34*
PHRC38	90	91	1	0.06
	95	98	3	0.13
	100	102	2	0.85
	104	105	1	0.08
PHRC39	102	104	2	0.16
	107	108	1	0.13
	110	111	1	0.08
PHRC40	27	30	3	0.06
	129	131	2	0.71
PHRC42	84	85	1	0.09
	140	141	1	0.11
PHRC55	54	55	1	0.16
	69	72	3	0.79
	84	89	5	3.32
PHRC56	69	70	1	0.34
	111	115	4	1.03
PHRC57	62	65	3	0.11
PHRC59	18	19	1	1.38
	34	35	1	0.77

Table 4: Significant Sn assays at Central Ridge, North Ridge, Fly Hill and Black Rock prospects. Prospect Hill project[8].

HOLE NO.	PROSPECT	FROM (m)	TO (m)	INTERVAL (m)	Sn (%)
PHP-11	Central Ridge	2	5	3	0.29
		29	31	2	0.23
PHP-12	Central Ridge	10	11	1	0.45
		13	14	1	0.10
		30	31	1	0.34
PHRC18	North Ridge	36	37	1	0.16
PHRC19	North Ridge	38	40	2	0.11
		52	53	1	0.16
PHRC54	Fly Hill	4	7	3	0.20
		62	66	4	0.69
PHRC65	Black Rock	27	28	1	0.23
PHRC68	Black Rock	39	40	1	0.21
PHRC71	Black Rock	54	55	1	0.28

[8] *Mineralised intervals do not contain more than a 1 m interval of <0.1% Sn. No top cut-off Sn grade was applied.*

Table 5: Details of historic Prospect Hill project holes.

HOLE NO.	PROSPECT	EASTING (m)	NORTHING (m)	EVEVATION (m)	AZIMUTH (°)	DIP (°)	TOTAL DEPTH (m)
PHP-1	South Ridge	358027	6703151	148	199.5	-60	50
PHP-2	South Ridge	357846	6703238	157	199.5	-60	48
PHP-3	South Ridge	358079	6703140	147	195.5	-55	50
PHP-4	South Ridge	358070	6703123	149	194.5	-55	21
PHP-5	South Ridge	357977	6703169	150	195.5	-55	30
PHP-6	South Ridge	357934	6703201	152	195.5	-55	45
PHP-7	South Ridge	357889	6703221	154	195	-55	45
PHP-8	South Ridge	357864	6703229	156	195	-55	30
PHP-9	South Ridge	358385	6703033	130	195.5	-55	35
PHP-10	Central Ridge	357710	6704991	136	195.5	-55	30
PHP-11	Central Ridge	357204	6705432	105	15.5	-60	35
PHP-12	Central Ridge	357205	6705448	105	15.5	-60	35
PHP-13	Central Ridge	357214	6705468	105	15.5	-60	35
PHP-14	Central Ridge	357219	6705489	103	15.5	-60	35
PHP-15	South Ridge	357999	6703162	149	195.5	-55	35
PHP-16	South Ridge	357909	6703304	145	196.5	-60	180
PHP-17	South Ridge	358004	6703265	139	196.5	-60	180
PHP-18	South Ridge	357815	6703343	146	195	-60	177
PHP-19	South Ridge	358378	6703034	133	195.5	-60	60
PHRC01	South Ridge	357983	6703178	150	197.5	-70	88
PHRC02	South Ridge	357964	6703201	151	195.5	-60	88
PHRC03	South Ridge	357944	6703214	152	195.5	-60	88
PHRC04	South Ridge	357924	6703215	153	195.5	-60	58
PHRC05	South Ridge	357921	6703203	153	195.5	-60	40
PHRC06	South Ridge	357866	6703238	156	195.5	-75	88
PHRC07	South Ridge	357823	6703248	160	195.5	-60	40
PHRC08	South Ridge	357845	6703269	156	196.5	-60	94
PHRC09	South Ridge	357809	6703266	157	199.5	-60	70
PHRC10	South Ridge	357786	6703270	156	199.5	-60	59
PHRC11	North Ridge	358472	6706051	127	32.5	-60	80
PHRC12	North Ridge	357961	6706409	119	32.5	-60	40
PHRC13	North Ridge	357998	6706381	122	32.5	-60	40
PHRC14	North Ridge	358049	6706366	124	32.5	-60	12
PHRC15	North Ridge	358036	6706350	124	32.5	-60	37
PHRC16	North Ridge	358092	6706317	127	32.5	-60	58
PHRC17	North Ridge	358123	6706281	130	32.5	-60	82
PHRC18	North Ridge	358760	6705834	121	32.5	-60	76
PHRC19	North Ridge	359870	6705060	94	32.5	-60	58
PHRC20	South Ridge	358036	6703175	140	195.5	-60	80
PHRC21	South Ridge	358003	6703178	145	195.5	-60	70
PHRC22	South Ridge	358055	6703147	145	195.5	-60	50

PHRC23	South Ridge	357906	6703218	153	195.5	-60	58
PHRC24	South Ridge	357960	6703186	150	195.5	-60	50
PHRC25	South Ridge	357972	6703225	145	195.5	-60	118
PHRC26	South Ridge	357951	6703238	145	195.5	-60	136
PHRC27	South Ridge	357931	6703239	146	195.5	-60	106
PHRC28	South Ridge	357993	6703207	144	195.5	-60	100
PHRC29	South Ridge	358014	6703209	145	195.5	-60	111
PHRC30	South Ridge	357912	6703239	148	197.5	-60	94
PHRC31	South Ridge	357896	6703245	150	195.5	-60	88
PHRC32	South Ridge	357880	6703243	153	195.5	-60	70
PHRC33	South Ridge	357846	6703255	154	195.5	-60	70
PHRC34	South Ridge	357804	6703253	156	195.5	-60	52
PHRC35	South Ridge	357762	6703278	147	195.5	-60	64
PHRC36	South Ridge	357831	6703272	150	195.5	-60	94
PHRC37	South Ridge	357771	6703302	145	195.5	-60	106
PHRC38	South Ridge	357795	6703293	147	195.5	-60	118
PHRC39	South Ridge	357817	6703288	148	195.5	-60	124
PHRC40	South Ridge	357839	6703295	147	195.5	-60	148
PHRC41	South Ridge	357874	6703270	148	195.5	-60	106
PHRC42	South Ridge	357902	6703269	145	195.5	-60	160
PHRC43	South Ridge	358101	6703131	146	195.5	-60	58
PHRC44	Petermorra	357158	6705166	92	199.5	-60	118
PHRC45	Petermorra	357212	6705119	100	201.5	-60	118
PHRC46	Fly Hill	359402	6705222	96	27.5	-60	94
PHRC47	Fly Hill	359441	6705190	96	27.5	-60	76
PHRC48	Fly Hill	359478	6705172	96	27.5	-60	82
PHRC49	Fly Hill	359465	6705150	96	27.5	-60	94
PHRC50	Fly Hill	359517	6705136	92	27.5	-60	100
PHRC51	Fly Hill	359634	6705186	102	207.5	-60	94
PHRC52	Fly Hill	359708	6705184	102	197.5	-60	100
PHRC53	Fly Hill	359845	6705168	102	197.5	-60	102
PHRC54	Fly Hill	359915	6705106	95	17.5	-60	74
PHRC55	South Ridge	357718	6703235	166	15.5	-60	148
PHRC56	South Ridge	357612	6703264	170	65.5	-60	160
PHRC57	South Ridge	357613	6703263	169	355.5	-60	124
PHRC58	South Ridge	357547	6703296	162	195.5	-60	76
PHRC59	South Ridge	357539	6703294	162	15.5	-60	130
PHRC60	South Ridge	357303	6703394	164	195.5	-60	58
PHRC61	South Ridge	357306	6703415	165	195.5	-60	100
PHRC62	South Ridge	357340	6703400	164	195.5	-60	94
PHRC63	Black Rock	355769	6704059	117	203.5	-60	52
PHRC64	Black Rock	355755	6704067	119	205.5	-60	52
PHRC65	Black Rock	355760	6704082	121	205.5	-65	88
PHRC66	Black Rock	355731	6704083	116	203.5	-60	58
PHRC67	Black Rock	355736	6704099	116	203.5	-65	94

PHRC68	Black Rock	355705	6704089	116	203.5	-60	58
PHRC69	Black Rock	355711	6704112	119	203.5	-60	94
PHRC70	Black Rock	355666	6704099	124	203.5	-60	58
PHRC71	Black Rock	355627	6704107	122	203.5	-60	58

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this Section apply to all succeeding Sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g., cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Historic drilling and surface geochemistry. • The data reported in this announcement is compiled from publicly available sources, principally the South Australian Resources Information Geoserver (SARIG), an open file geoscience database. This multigenerational dataset has been collected by many companies over 25 years prior to 2005 and so has varying degrees of accompanying metadata, ranging from comprehensive to absent. As best as can be ascertained from the records studied the original sampling and drilling was conducted using industry best practice, and can be relied upon, but possible limitations due to age should be kept in mind. • Since 2005 work was undertaken by the current tenement holders, namely Havilah Resources Limited (Havilah), Teale and Associates Pty Ltd. and former tenement holder and geologist, Adrian Brewer. Technical data generated during this period was mostly reported to the ASX by Havilah and in accordance to the 2004 JORC Code and 2012 JORC Code. All of this technical data was made available to Heavy Rare Earths Limited (HRE) for this announcement.

Criteria	JORC Code Explanation	Commentary
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• For percussion drilling, single metre intervals were collected directly from the cyclone cone splitter. 2-3 kg samples were riffle split at 1m intervals. prior to collection in calico bags. • All reverse circulation (RC) drill samples were collected into pre-numbered calico bags and packed into polyweave bags by Havilah staff for shipment to the assay laboratory in Adelaide. • Drill hole collar locations were surveyed by handheld GPS units which have an accuracy to ±5 m. • For trenching/costeaning continuous chip sampling was done generally over 1 m intervals but occasionally over 2 m intervals or sub-metre intervals dependent on exposed geological boundaries. • Handheld XRF results are not reported individually here but were used to compile the soil geochemistry map in Figure 4. The instrument readings were checked against known standards at regular intervals.
	Aspects of the determination of mineralisation that are Material to the Public Report.	• Mapping and sampling by experienced geologists, petrological studies and standard laboratory assaying techniques confirm the mineralisation.
Drilling techniques	*Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The first 19 drill holes at Prospect Hill were recorded in reports as percussion drill holes. All subsequent drilling has been by RC drilling. • The 2007/08 and 2017/18 drill programs supervised by Havilah employed RC drilling with a face sampling hammer bit.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	• The sample yield and quality of the RC samples was routinely recorded in drill logs. • The site geologist considered that overall, the results are acceptable for interpretation purposes.

Criteria	JORC Code Explanation	Commentary
	Measures taken to maximize sample recovery and ensure representative nature of the samples.	• For pre-2005 drilling there is no specific reference made regarding the optimisation of sample recovery. Industry-standard practice is assumed, given supervision by experienced geologists whereby insufficient recovery is noted and rectified by re-drilling. • For post-2005 drilling (Havilah) sample recoveries for RC drilling were continuously monitored by the geologist on site in order to effect adjustments to drilling methodology to optimize sample recovery and quality if necessary. No issues were recorded by the experienced supervising geologist.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sample recoveries were acceptable and there is no evidence of RC sample bias.

Criteria	JORC Code Explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Historic company exploration reports from pre-2005 drilling record geological logging for every metre of drilling. Information includes rock type and mineralisation present and, where applicable, percentage of minerals present such as cassiterite or sulphides. • Geological logging of drill chips by Havilah was carried out on all holes by experienced geologists and technical staff. Holes were logged for lithology, weathering, alteration and mineralisation. • Logs loaded into Excel spreadsheets and uploaded into an SQL database. • Logging is semi-quantitative and 100% of reported intersections have been logged. • There are no documented archive samples from pre-2005 drilling. • For post-2005 (Havilah) drilling a representative sample of each 1 m RC interval is retained in chip trays and stored in a secure Havilah facility for future reference. • Samples from 5 holes were collected as representative from the final drilling program. These were offered to the South Australian Government Core Library in May 2017.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	• Percussion and RC drilling is primarily a quantitative sampling method at Prospect Hill, collecting 1 m samples for analysis.
	The total length and percentage of the relevant intersections logged.	• All drill intervals were logged.
Sub-sampling techniques and	*If core, whether cut or sawn and whether quarter, half or all core taken.*	• Not applicable.

Criteria	JORC Code Explanation	Commentary
sample preparation	*If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• Sampling method for pre-Havilah drilling is undocumented but given the experienced geologists involved, it would have followed industry best practice. There is no reason to expect this sampling would be less reliable than later sampling. • For Havilah sampling, RC drill chips were received directly from the drilling rig via a cyclone and were riffle split on 1 m intervals to obtain 2-3 kg samples. • Sampling size is appropriate for the style of mineralisation observed.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• For Havilah drilling, samples were dried, crushed and pulverised to 90% passing 75 µm. This is considered to have appropriately homogenised the sample to allow subsampling for the various assay techniques.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	• Subsampling of pulverised and homogenised drill chip samples was undertaken at ALS laboratory according to routine procedures.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	• For post-2005 drilling, blanks, duplicates and standard samples were inserted at regular intervals. Analysis of results for these control samples did not reveal any systematic assaying errors.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	• Sample sizes are industry standard and considered appropriate for the style of mineralisation observed.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Assay procedures for Havilah drilling and costean (continuous chip) sampling were performed by a reputable assay laboratory (ALS in Adelaide, South Australia). • Eight elements Ag, Bi, Ce, Cu, Fe, Pb, Zn, Y were digested by four-acid digest then analysed by ICPMS (method ME-MS61). • Sn and U assays were generated by lithium borate fusion XRF (method ME-MS85) – considered appropriate for these elements. • Total assay method in both cases.

Criteria	JORC Code Explanation	Commentary
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	• Niton handheld XRF analyser used for rock and soil sampling generally for 30 second count times. Machine accuracy and precision is regularly checked against a range of standards carried in the field. • The Niton handheld XRF analyser has variable accuracy depending on the sample type and element but is considered sufficiently accurate to obtain an indication of anomalism for desired elements. This is supported by consistency of results for many analysed field samples.
	Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.	• For post-2005 drilling, blanks, duplicates and standard samples were inserted at regular intervals. Analysis of results for these control samples did not reveal any systematic assaying errors. • Quality control procedures prior to 2005 are not known and less reliance can therefore be placed on the pre-2005 drilling data.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.*	• Several competent geologists from different organisations have independently verified the trenching and drilling data over many years. • Due to the early-stage exploration, twinned holes have not been used to validate earlier drill intersections.

Criteria	JORC Code Explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Drill data was compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary. The intersection calculations were viewed by more than one geological personnel. • Drill hole data including meta data, lithological, mineral, survey, sampling and magnetic susceptibility was collected and stored as physical and electronic copies or entered directly into an Excel spreadsheet. When complete the spreadsheet was combined into a master Excel spreadsheet as the drill hole database. • Assay data was provided by ALS via Excel (.csv) spreadsheets. The data was validated using the results received from the known certified reference material. Hard copies of the assay certificates were stored with drill hole data such as drillers' plods, invoices, and hole planning documents. • Laboratory assay results were compiled into databases in commercial software including Mapinfo and Vulcan for plotting and interpretation purposes.
	Discuss any adjustment to assay data.	• Assay data is not adjusted.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Soil sample locations were recorded using a hand-held GPS. Horizontal positional accuracy is ±3-5 m.
	Specification of the grid system used.	• Historical data is recorded in AGD84, Zone 54 but has been reprojected to MGA2020.
	Quality and adequacy of topographic control.	• Hand-held GPS only.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	• pXRF soil data was collected at 25 m intervals along cross lines 100 m apart across prospective zones of the Petermorra Volcanics. Traverse surveys varied from 500 m to 4 km in length.

Criteria	JORC Code Explanation	Commentary
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• Mineral Resource and Ore Reserve estimation has not been undertaken at Prospect Hill.
	Whether sample compositing has been applied.	• Sample compositing was not used during initial drilling programs at South Ridge due to the reconnaissance nature of drilling. After more information was available, compositing 1 m samples into 2 or 3 m intervals was employed in several holes and only in unmineralised hanging wall + footwall zones. There was no compositing of samples within zones of mineralisation. • There was no compositing of samples for drilling of other prospects other than South Ridge as this drilling is still preliminary in nature and insufficient geological information is available to enable accurate prediction of mineralised zones.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Soil sample lines are approximately perpendicular to the regional structural/lithological trends (Figure 4). • Trench/costean sampling lines are approximately perpendicular to prospect-scale structural/lithological trends (Figure 5). • Drill hole orientation at South Ridge is perpendicular to prospect-scale structural/lithological trends (Figure 5). • Drill hole orientation at other prospects (*e.g.,* Black Rock) is designed to be perpendicular to structural/lithological trends but insufficient information is available in the vertical plane to confirm this is the optimum orientation to test the “pod-like” tourmaline-silica+/-cassiterite mineralisation.
	If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• At South Ridge, drilling is perpendicular to the main mineralisation trend but as the zone is near vertical to steeply dipping, drill holes intersect the zone at a high angle, therefore they do not reflect true width of the zone. True widths have not been calculated to date until better understanding of the South Ridge mineralised zone is achieved with additional drilling.

Criteria	JORC Code Explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	• Samples collected by Havilah were in the custody of Havilah field personnel from collection at the drill rig until they were delivered to the laboratory.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• Internal auditing of sampling techniques and assay data by Havilah has not revealed any material issues.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding Section 1 also apply to this Section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• Exploration licenses EL 5891 (45 km^2), EL 6271 (15 km^2), and EL 6933 (15 km^2), that comprise the Prospect Hill project area are located 400 km NNE of Port Augusta in South Australia. They compromise a total area of 75 km^2 and are situated on a general lease (for grazing purposes). • The northern half of the Prospect Hill project, including the South Ridge prospect lies on Murnpeowie Pastoral Station while the southern half is on Moolawatana Pastoral Station. • The registered holder of EL 5891 is Havilah Resources Limited (Havilah) and Teale & Associates Pty Ltd (Teale). Both ELs 6271 and 6933 are registered to Havilah. • In August 2025, Heavy Rare Earths Limited (HRE) entered into an earn-in agreement to acquire an 80% initial interest in all Havilah's rights to non-uranium minerals within the Prospect Hill project area. It builds on the existing agreement with Havilah in which HRE is currently earning an 80% initial interest in Havilah's rights to uranium mineralisation hosted by Cretaceous age and younger sediments on the same three project area tenements. • Two determined Native Title claim areas exist over the project area attributable to the Dieri people and Adnyamathanha people.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The granted tenements are in good standing. Conducting exploration operations on the tenements is subject to the normal regulatory requirements of the South Australian Department for Energy and Mining (DEM). • Cultural heritage surveys are required by the respective Native Title parties prior to undertaking ground disturbing activities.

Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• As outlined in the body of this announcement there have been several exploration campaigns undertaken by multiple companies over nearly five decades since the discovery of Sn mineralisation at South Ridge in 1980. These companies include Marathon Petroleum, North Flinders Mines, Lynch Mining, Werrie Gold, Adrian Brewer + Teale & Associates, and Havilah Resources. All reports on work completed by these companies are available online through the South Australian Resources Information Geoserver (SARIG).
Geology	*Deposit type, geological setting and style of mineralisation.*	• There are multiple Sn-rich mineralisation styles in the Prospect Hill project. The most significant style so far encountered is a shear-hosted epigenetic vein at South Ridge associated with 1560 Ma granites. Other significant styles include high-grade pods of tourmaline + cassiterite + quartz which, although small in nature (1-2 m), have vertical extent which is yet to be confirmed. Although limited in outcrop extent they are significant targets due to the high grade of Sn. The exploration model being followed is that these occurrences may represent vectors to underlying larger tonnage but lower grade granite-hosted Sn systems. • The Prospect Hill Block is host to several small 1560 Ma granites such as the Prospect Hill Porphyry and White Well Granite. It is postulated that intrusion of these granites into overlying Petermorra Volcanics has caused the widespread Sn +/- base metal mineralisation.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* - *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length.*	• See the body of this announcement for tabulated drill hole collar details and mineralised results (Tables 3, 4 and 5).

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Sn results are documented as down hole width.
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Aggregated intercepts cited in the text and in Tables 3 and 4 contain no mineralised interval of >1 m thickness with more than a 1 m interval of <0.1% Sn. No top cut-off Sn grade has been applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalents are stated.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').*	• Downhole lengths are reported. Drill holes are typically oriented with the objective of intersecting mineralisation as near as possible to right angles, so that downhole intersections in general are as near as possible to true width. • The majority of drill holes at South Ridge are directed perpendicular to the strike of the cassiterite mineralised zone *i.e.,* drill azimuth between 190˚-200˚, as detailed in Table 5. Inclination of the majority of South Ridge drill holes is -60° as the mineralised zone is steeply dipping to the NNE. This means that holes intersect the zone at a high angle and not perpendicular, therefore reported drill intersections are drill width and not true width. • True widths have not been calculated to date until more accurate modelling of the South Ridge zone can be achieved with the benefit of more drilling data.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plan and longitudinal vein sections of drilling at South Ridge record drill locations with the plan view showing selected high-grade Sn intersections (Figure 5). The longitudinal sections show drill piercement points of the mineralised zone and all summary assay intersections including unmineralised or poorly mineralised intersections (Figures 6 and 7).

Criteria	JORC Code Explanation	Commentary
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The majority of drill hole results for Sn, the target mineral, are listed in Tables 3 and 4, without regard to the grade or thickness of Sn mineralisation. Drill holes not reported are generally barren, did not intersect the target or were abandoned due to drilling problems.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Preliminary metallurgical testwork has been undertaken on percussion drill chips on two occasions. The first was in 1990 when hand samples of South Ridge mineralisation totalling 5 kg was tested at University of New South Wales Laboratories by Ersker Milling and Processing Pty Ltd. They reported the cassiterite was fine grained and mineralogy overall was simple with predicted recovery >80% (available on SARIG in ENV8201). The second test was by Burnie Research Laboratory in 2008. Gravity separation was performed on three composite samples of 6 kg each representing low, medium and high-grade mineralisation. Overall gravity results indicate that Sn liberation becomes limited in size fractions above 75 µm and that gravity separation improved dramatically with decreasing grind size. For the high-grade composite, in the 38–75 µm fraction, 84% of Sn reported to a 48.1% Sn concentrate (available on SARIG in ENV11456).
Further work	*The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• HRE plans a program of percussion and diamond core drilling to upgrade the South Ridge prospect to an initial Mineral Resource. This will involve infill drilling of existing drill sections and testing for extensions to the known zone at depth and along strike to both the west and east. Selected mineralised samples from diamond core drilling will also be used for metallurgical testwork. • Follow-up drill testing of anomalous intersections previously obtained at other prospects will be undertaken, including at the Petermorra, Black Rock and Fly Hill prospects (Figures 3 and 4). • For all relevant diagrams see body of this announcement.

HEAVY RARE EARTHS LIMITED

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YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00PM (AEDT) on Saturday, 25 October 2025.**

TO APPOINT A PROXY ONLINE

BY SMARTPHONE

STEP 1: VISIT https://www.votingonline.com.au/hregm2025

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00PM (AEDT) on Saturday, 25 October 2025.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

Online	https://www.votingonline.com.au/hregm2025
By Fax	+ 61 2 9290 9655
By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
In Person	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Heavy Rare Earths Limited
ABN 35 648 991 039

☐ **Your Address**
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Heavy Rare Earths Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held virtually **at https://us06web.zoom.us/webinar/register/WN_tScXUbh6Qq-9nGPUBYIrIg on Monday, 27 October 2025 at 2:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of the item of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of Earn-in and Joint Venture	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…….. Contact Daytime Telephone……..... Date / / 2025