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HEAVY RARE EARTHS LIMITED

Prospectus

Heavy Rare Earths Limited
(ACN 648 991 039)

This Prospectus is being primarily issued for the non-renounceable pro-rata offer to Eligible Shareholders of one (1) New Share for every eight (8) Shares held on the Record Date at an issue price of $0.028 each to raise up to approximately $728,119 (before costs), with one (1) free-attaching Option for every two (2) New Shares subscribed for and issued (**Entitlement Offer**).

This Prospectus is also being issued for the Secondary Offers described in the Prospectus.

ASX Code

HRE

Important Notice

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your suitably qualified professional adviser without delay.

The Securities offered in connection with this Prospectus are of a speculative nature.

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Important information

This Prospectus is dated 19 August 2026 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the Company's offices at Level 21, 459 Collins Street, Melbourne, Victoria 3000 during normal business hours, and on the Company's website at https://hreltd.com.au/. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.6).

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the Application Form free of charge from the offices of the Company for the duration of the offer period by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

The Securities offered by this Prospectus should be considered speculative and it is important that investors read the Prospectus in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other suitably qualified professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

By subscribing for Securities offered under this Prospectus in accordance with the instructions in Section 2 and on the Application Form you acknowledge that you have read this Prospectus and you have acted in accordance with and agree to the terms of the Offers detailed in this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No overseas offering

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia and to the extent permitted in Section 1.21, New Zealand.

Notice to investors in New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, for Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options (including the

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Placement Options and Lead Manager Options) issued under this Prospectus. The Company will distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (https://hreltd.com.au/). The Company will distribute a copy of the TMD to Eligible Shareholders who fall within the target market.

Taxation

The taxation consequences of any investment in Securities will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the laws of Victoria. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation in connection with the Entitlement Offer not contained in the Prospectus may not be relied upon as having been authorised by the Company or any of its officers. Except as required by law, and only to the extent so required, none of the Company, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance and forward-looking statements

This Prospectus contains certain statements that constitute "forward-looking statements". These statements can be identified by the use of terminology such as "will", "anticipate", "believe", "expect", "project", "continue", "assume", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" or comparable terminology. Indications of, and guidance on, future earnings, financial position, dividends and distributions and performance are also forward-looking statements, as are statements regarding the Company's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereafter, statements about the plans, objectives and strategies of the management of the group), statements about the industry and markets in which the Company operates, statements about the future performance of the Company's business and its financial condition, and forecasted economic indicators.

Such forward-looking statements are provided as a general guide only, should not be relied on as an indication or guarantee of future performance, and involve known and unknown

risks (including, without limitation, the risks set out in section 4 of this Prospectus) uncertainties and other factors, many of which are beyond the control of the Company, its officers, employees, agents and advisers, that may cause the Company's actual results and performance to be materially different from any future results or performance expressed or implied in such statements. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise.

There can be no assurance that actual outcomes will not differ materially from the forward-looking statements in this Prospectus. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecasted and their differences may be material. Refer to Section 4 of this Prospectus for a non-exhaustive summary of certain key risk factors.

Neither the Company or any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

To the maximum extent permitted by law, the Company and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. The Company disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

Trading new quoted Securities

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade new quoted Securities offered under the Prospectus which they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade new quoted Securities in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other suitable qualified professional adviser.

Definitions and interpretation

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated.

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Corporate Directory

Directors	
Jason Barnett	Managing Director and Chief Executive Officer
Gabriel Chiappini	Non-Executive Chairman
Amanda Buckingham	Non-Executive Director
Graeme Morissey	Non-Executive Director

Company Secretary	Registered and Principal Office
Justin Mouchacca	Level 21, 459 Collins Street Melbourne VIC 3000 Phone: (03) 8630 3321 Email: info@hreltd.com.au Website: https://hreltd.com.au/

Share Registry*	Solicitors
Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000	Hamilton Locke Level 39, 152 - 158 St Georges Terrace Perth, WA 6000

Lead Manager	Auditor*
Cygnet Capital Pty Limited 21 Beatty Avenue Armadale VIC 3143	William Buck Level 20, 181 William Street Melbourne VIC 3000

ASX Code: HRE

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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PROPOSED TIMETABLE

Event	Date
Announcement of the Entitlement Offer and lodgement of Appendix 3B	Wednesday, 5 August 2026
Lodgement of Prospectus with ASIC and ASX (prior to market open)	Wednesday, 19 August 2026
Ex date	Friday, 21 August 2026
Record date for determining Entitlements	Monday, 24 August 2026
Issue of Tranche 1 Placement Shares	Tuesday, 25 August 2026
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Thursday, 27 August 2026
Last day to extend the Closing Date	Tuesday, 22 September 2026
Closing Date as at 5:00pm (Melbourne time)	Friday, 25 September 2026
Securities quoted on a deferred settlement basis	Monday, 28 September 2026
Announcement of results of the Entitlement Offer	Wednesday, 30 September 2026
Shareholder meeting for approval to issue the Tranche 2 Placement Shares, Placement Options and Lead Manager Options	Wednesday, 30 September 2026
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities (including all Shares and Options under the Entitlement Offer, the Tranche 2 Placement Shares, all Placement Options and the Lead Manager Options)	Friday, 2 October 2026
Normal (T+2) trading starts	Monday, 5 October 2026
First settlement date of trades conducted on a deferred settlement basis and on a normal T+2 basis	Wednesday, 7 October 2026

Note: *The above dates are indicative only and may change without notice. The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules, other applicable laws and the Lead Manager Mandate. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities*.

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Letter from the Chair

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata one-for-eight Entitlement Offer at an issue price of $0.028 per New Share, to raise up to approximately $728,119 (before costs). Eligible Shareholders may choose to top-up their holdings by applying for additional New Shares (and free-attaching New Options) under the Top-Up Facility.

In parallel with the Entitlement Offer, on 5 August 2026 the Company announced a capital raising of a further $1.3 million (before costs) (**Placement**) via the issue of:

(a) up to 46,428,571 Shares to new and existing sophisticated, professional and other exempt investors (**Placement Participants**) at an issue price of $0.028 per Share (**Placement Shares**); and

(b) up to 23,214,286 Options (subject to rounding) to the Placement Participants (**Placement Options**) on the basis of 1 Placement Option for every 2 Placement Shares subscribed for and issued under the Placement.

The funds raised by the Entitlement Offer and Placement are intended by the Company to be applied primarily towards:

- a strategic review at the Subron Heavy Rare Earths project;
- the Company's maiden drilling program at the Prospect Hill Project;
- ANSTO test work and the Company's maiden drilling program at the Radium Hill Project; and
- general working capital and to pay the costs of the Offers.

Cygnet Capital Pty Limited (**Cygnet Capital** or **Lead Manager**) has been appointed to act as lead manager to the Placement and Entitlement Offer.

For further details on the proposed use of funds to be raised under the Entitlement Offer, please see Section 1.8 of this Prospectus.

Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for one (1) New Share for every eight (8) Shares held on the Record Date, being 5.00pm (AEST) on Monday, 24 August 2026. Participants in the Entitlement Offer will also be issued 1 new free-attaching Option for every 2 New Shares subscribed for and issued under the Entitlement Offer, each exercisable at $0.06 and expiring on 26 February 2028 (**New Options**).

Shares issued under the Entitlement Offer and on exercise of the New Options will rank equally with existing Shares.

The Entitlement Offer provides Eligible Shareholders with the opportunity to take up New Shares and New Options (together, **New Securities**) proportional to their shareholding and mitigate the effect of dilution. Eligible Shareholders who have subscribed for their Entitlement in full may also apply for additional New Shares (and free-attaching New Options) pursuant to the Top-Up Facility.

How to apply

The Entitlement Offer and Top-Up Facility are scheduled to close at 5.00pm (AEST) on Friday, 25 September 2026. Eligible Shareholders wishing to participate in the Entitlement Offer and Top-Up Facility must ensure that they have completed the Application by paying Application Monies before this time in accordance with the instructions set out on the Application Form and Section 2 of this Prospectus.

If the New Securities are not fully subscribed by Eligible Shareholders under the Entitlement Offer and Top-Up Facility, the Company reserves the right to place those New Securities within 3 months of the close of the Entitlement Offer to sophisticated or professional investors identified by the Company and

Lead Manager, subject to compliance with the ASX Listing Rules and the terms of the Lead Manager Mandate.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold, and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Risks and additional information

The Prospectus includes further details of the Offers and the effect of the Offers on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor, or other suitably qualified professional adviser to evaluate whether or not to participate in the Offers.

Through this offer structure we have prioritised existing Shareholders who continue to back our story. I welcome and encourage our Shareholders to take up their Entitlements, as I plan to do.

On behalf of the Company, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully



Gabriel Chiappini
Non-Executive Chair

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Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
Transaction specific prospectus This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.	Section 5.4
Risk factors Potential investors should be aware that subscribing for Securities involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of: • **Future capital and funding requirements**: The Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its exploration activities. In the event that all of the funding options available to the Company do not transpire or there is no change to the Company's forecasted spending pattern, there may be material uncertainty about whether it would be able to continue as a going concern and, therefore, realise its assets and discharge its liabilities in the normal course of business. The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted. • **Going concern risk:** The Company's reviewed financial report for the half-year ended 31 December 2025 includes the following material uncertainty relating to going concern: '*We draw attention to Note 2 in the half-year financial report, which indicates that the Company incurred a net loss of $847,844 and net operating cash outflows of $551,839 during the half-year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.*'	Section 4

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Key Information	Further Information
The Board believes that the Company will have sufficient funds to adequately meet the Company's current commitments and working capital requirements. However, there remains a risk that further funding will be required by the Company in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant uncertainty on the Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. • **Exploration and development risks**: The prospects of the Company's projects must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities and, accordingly, carries significant exploration risk. Potential investors should understand that mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. • **Tenure, access and grant of licences / permits**: The Company's current and future operations are subject to receiving and maintaining licences, permits and approvals from appropriate governmental authorities. In particular, the Company may require exploration, processing, exploitation, and environmental permits in Australia from time to time in connection with exploration, mining and processing. There is no assurance that any required licences, permits or approvals will be granted or that delays will not occur in connection with obtaining or renewing the licences, permits or approvals necessary for the Company's proposed operations. Notwithstanding that Australia has an established mining industry with a structured permitting process, delays in the permitting and approvals process are an inherent risk to all mining and industrial manufacturing projects. At the Prospectus Date, all mining and exploration permits and licences are in good standing, however, failure to obtain or renew one or more required licences, permits or approvals on a timely basis may adversely affect the Company's operations. • **Environmental risk**: The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The existence of these environmentally sensitive areas and requirements for the Company to prepare necessary management plans and obtain additional approvals may impact or delay the Company's ability to carry out exploration or mining activities within the affected areas. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits. • **General market risks**: Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.	

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Key Information	Further Information
Overview of the Offers This Prospectus is for an offer of New Shares and free attaching New Options (together, the **New Securities**) under the Entitlement Offer. The allocation policy for the Offers is in Section 1.6. **Entitlement Offer** The Entitlement Offer is a non-renounceable pro rata entitlement offer of one (1) New Share for every eight (8) existing Share held by Eligible Shareholders on the Record Date, at an issue price of $0.028 per New Share to raise up to approximately $728,119 (before costs). Eligible Shareholders who are issued New Shares under the Entitlement Offer will also be issued 1 free-attaching New Option for every 2 New Shares issued under the Entitlement Offer, exercisable at $0.06 each and expiring on 26 February 2028 (**New Options**). The New Options are otherwise on the terms and conditions in Section 5.2. The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold, and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in the Company will be reduced. **Top-Up Facility** Eligible Shareholders who take up their Entitlement in full may apply for additional New Shares up to a maximum equal to 50% of their Entitlement, together with the corresponding number of free-attaching New Options. New Securities offered under the Top-Up Facility are offered on the same terms as the Entitlement Offer. **Shortfall Offer** Any New Securities not taken up pursuant to the Entitlement Offer and Top-Up Facility (**Shortfall**) will be offered under the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each New Share under the Shortfall Offer will be $0.028 being the price at which New Shares are offered under the Entitlement Offer. Similarly, New Options offered under the Shortfall Offer will be subject to the same terms as those offered under the Entitlement Offer. If the New Shares are not fully subscribed by Eligible Shareholders under the Entitlement Offer and Top-Up Facility, the Company reserves the right to place those New Shares (together with free attaching New Options) within 3 months of the close of the Entitlement Offer to sophisticated or professional investors identified by the Company in addition to Eligible Shareholders who may apply for Shortfall Securities by completing the Application Form, subject to compliance with the ASX Listing Rules and the terms of the Lead Manager Mandate. **Placement Options Offer** This Prospectus includes a separate offer of up to 23,214,286 Placement Options (subject to rounding) to Placement Participants pursuant to the Placement Options Offer. The Placement Options will be issued on the same terms and conditions as the New Options under the Entitlement Offer and Shortfall Offer and are otherwise subject to the terms and conditions in Section 5.2. The issue of the Placement Options is subject to, and conditional upon, Shareholder approval being obtained at the Company's General Meeting expected to be held on Wednesday, 30 September 2026 (**General Meeting**). If Shareholder approval is not obtained, the Placement Options will not be issued.	Sections 1.1 to 1.6 (inclusive)

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Key Information	Further Information
The Placement Options Offer is an offer of one (1) Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement. Only Placement Participants who were issued Placement Shares are eligible to participate in the Placement Options Offer. No funds will be raised from the issue of the Placement Options under this Prospectus. **Lead Manager Offer** This Prospectus includes a separate offer of 5,000,000 quoted Options with an exercise price of $0.06 each and an expiry date of 26 February 2028 (**Lead Manager Options**) to the Lead Manager (or its nominee/s) (**Lead Manager Offer**). The Company has agreed to issue the Lead Manager Options under the Lead Manager Mandate as partial consideration for the lead managerial services provided in connection with the Entitlement Offer and Placement. Refer to Section 5.3 for a summary of the Lead Manager Mandate. The Lead Manager Options offered under the Lead Manager Offer are on the same terms as those New Options offered under the Entitlement Offer and are otherwise on the terms and conditions in Section 5.2. The issue of the Lead Manager Options is subject to, and conditional upon, Shareholder approval being obtained at the Company's General Meeting. If Shareholder approval is not obtained, the Lead Manager Options will not be issued to the Lead Manager (or its nominee/s).	
Eligible Shareholders The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who, on the Record Date: • are the registered holder of Shares; and • have a registered address in Australia or, to the extent permitted in Section 1.21, in New Zealand.	Sections 1.21 and 1.22
Use of funds Funds raised under the Offers and Placement are intended to be applied towards: • a strategic review of the Subron Heavy Rare Earths project; • the maiden drilling program at the Prospect Hill Project (tin); • ANSTO test work and the maiden drilling program at the Radium Hill Project (critical minerals, uranium and rare earth elements); and • general working capital and the costs of the Offers.	Section 1.8
Effect on control of the Company The Company is of the view that the Offers will not affect the control of the Company. No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers. Shareholders should note that if they do not participate in the Offers, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.13.	Sections 1.12 and 1.13

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Indicative capital structure and pro-forma balance sheet

Sections 3.1

The indicative capital structure upon completion of the Offers is set out below (subject to rounding):

	Shares	Quoted Options	Unquoted Options[2]	Performance Rights[3]
Existing Securities on issue	208,033,882	-	32,500,000	10,000,000
Entitlement Offer	26,004,235	13,002,118	-	-
Placement Shares[4]	46,428,571	-	-	-
Placement Options Offer[5]		23,214,286		
Lead Manager Offer[5]	-	5,000,000	-	-
Board Performance Rights[5]	-	-	-	13,500,000
Incentive Performance Rights[6]	-	-	-	1,500,000
Total[1]	**280,466,688**	**41,216,404**	**32,500,000**	**25,000,000**

Notes:

(1) The figures in the table assume that the Offers are fully subscribed and that no other Securities are issued except for the Shares to be issued pursuant to the Placement, the Board Performance Rights and the Incentive Performance Rights and that no Shares are issued on the conversion or exercise of any existing Options or Performance Rights.

(2) The Unquoted Options comprise:

(a) 17,500,000 Unquoted Options exercisable at $0.06 each and expiring on 7 January 2028;

(b) 12,500,000 Unquoted Options exercisable at $0.06 each and expiring on 26 February 2028; and

(c) 2,500,000 Unquoted Options exercisable at $0.06 each and expiring on 11 August 2028.

(3) The Performance Rights are subject to various vesting conditions and expire on 22 December 2028.

(4) The Placement Shares comprise:

(a) 31,000,000 Tranche 1 Placement Shares to be issued under the Company's placement capacity under Listing Rule 7.1 without the need for Shareholder approval; and

(b) 15,428,571 Tranche 2 Placement Shares to be issued subject to Shareholder approval at the Company's upcoming General Meeting.

(5) The issue of the Placement Options under the Placement Options Offer, Lead Manager Options under the Lead Manager Offer and:

(a) 10,500,000 Performance Rights to Managing Director Jason Barnett; and

(b) 3,000,000 Performance Rights to Director Graeme Morissey,

(collectively, the **Board Performance Rights**), are all subject to and conditional upon receipt of Shareholder approval at the Company's upcoming General Meeting.

(6) As announced on 29 January 2026, the Company intends to issue up to 1,500,000 Performance Rights to Company Secretary Justin Mouchacca pursuant to the Company's employee securities incentive plan (**Incentive Performance Rights**). The issue of the

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Key Information	Further Information
Incentive Performance Rights is not subject to Shareholder approval, and is expected to occur prior to the Closing Date. The indicative pro-forma balance sheet showing the effect of the Offers is in Section 3.2.	
Directors' interests The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlements is set out in the table below (subject to rounding):	Section 5.9(b)

Director	Shares	Voting power (%)[1]	Performance Rights	Entitlement (New Shares)	Entitlement (New Options)
Jason Barnett	-	-	-[2]	-	-
Gabriel Chiappini	732,558[3]	0.35%	5,000,000	91,570	45,785
Amanda Buckingham	-	-	5,000,000	-	-
Graeme Morissey	-[3]	-	-[2]	-	-

Notes:

(1) Based on 208,033,882 Shares on issue as at the date of this Prospectus.

(2) The Company intends to issue Securities subject to receipt of Shareholder approval at the upcoming General Meeting:

(a) 10,500,000 Board Performance Rights to Mr Jason Barnett; and

(b) 3,000,000 Board Performance Rights to Mr Graeme Morrissey.

(3) Subject to receipt of Shareholder approval at the General Meeting pursuant to Listing Rule 10.11, the Company will issue (subject to rounding):

(a) 892,857 Placement Shares and 446,428 Placement Options to Mr Chiappini (or his nominee/s); and

(b) 714,286 Placement Shares and 357,143 Placement Options to Mr Morissey (or his nominee/s).

Forward looking statements This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this	Key Information and Section 4

Key Information	Further Information
Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.	

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1. Details of the Offers

1.1 Entitlement Offer

The Company is making an offer to all Eligible Shareholders to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately $728,119 (before costs) by the issue of up to approximately 26,004,235 New Shares and 13,002,118 free-attaching New Options (subject to rounding) (together, the **New Securities**).

Entitlements under the Entitlement Offer will be determined on the basis of:

(a) 1 New Share for every 8 Shares held at the Record Date at an issue price of $0.028 each; plus

(b) 1 free-attaching New Option for every 2 New Shares subscribed for and issued, exercisable at $0.06 each and expiring on 26 February 2028 and otherwise on the terms and conditions contained in this Prospectus.

The purpose of the Entitlement Offer is to:

(a) provide Eligible Shareholders with the opportunity to take up Shares proportional to their shareholding and to mitigate the effect of dilution; and

(b) provide the Company with additional funds to be applied in accordance with the use of funds set out in Section 1.8.

As at the date of this Prospectus, the Company has 208,033,882 Shares on issue. Assuming no other Shares are issued or Securities exercised or converted to Shares prior to the Record Date (and subject to rounding), the Entitlement Offer is for approximately 26,004,235 New Shares and 13,002,118 New Options.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Security, such fraction will be rounded up to the nearest whole Security.

The issue of the New Shares and the free-attaching New Options under the Entitlement Offer does not require Shareholder approval.

A summary of the rights and liabilities attaching to the New Shares and New Options offered under the Entitlement Offer are in Sections 5.1 and 5.2 respectively. New Shares issued under this Prospectus, and the New Shares issued upon exercise of the New Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus.

1.2 Top-Up Facility

Eligible Shareholders who have applied for their Entitlement in full may also apply for Top-Up Securities in excess of their Entitlements at the $0.028 per New Share (**Top-Up Facility**), subject at all times to the Directors' discretion to scale back applications for Top-Up Securities under the Top-Up Facility and otherwise in accordance with the allocation policy set out in Section 1.6. Eligible Shareholders who take up their Entitlement in full may apply for additional New Shares up to a maximum equal to 50% of their Entitlement, together with the corresponding number of free-attaching New Options.

Eligible Shareholders wishing to apply for Top-Up Securities under the Top-Up Facility must consider whether or not the issue of the Top-Up Securities applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

Any Entitlements not taken up pursuant to the Entitlement Offer will be offered for subscription under the Top-Up Facility.

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Any Top-Up Securities will be limited to the extent there are sufficient New Securities from Eligible Shareholders who do not take up their Entitlements in full or from the Entitlements of Ineligible Shareholders.

The Directors reserve the right to allocate the Top-Up Securities at their sole discretion, and otherwise in accordance with the allocation policy in Section 1.6.

In allocating Top-Up Securities, the Directors may have regard to the following (non-exhaustive) factors:

(a) the number of New Securities that an Eligible Shareholder is entitled to subscribe for pursuant to its Entitlement relative to the number of Top-Up Securities that it has applied for;

(b) the total number of Top-Up Securities available for subscription under the Top-Up Facility;

(c) the number of Shares and Options held by an Eligible Shareholder after completion of the Entitlement Offer;

(d) identifying any Eligible Shareholders who are potential long term or cornerstone investors of the Company;

(e) the timeliness of the application by particular Eligible Shareholders;

(f) the overall level of demand under the Entitlement Offer; and

(g) ensuring an appropriate Shareholder base for the Company going forward.

The Board may scale back allocations for Top-Up Securities prior to allotting and issuing those Top-Up Securities. The Board anticipates that should it receive applications for Top-Up Securities in excess of the number of Top-Up Securities available for subscription under the Top-Up Facility, it will cap or scale back allocations for Top-Up Securities on a pro-rata basis having regard to each Eligible Shareholder's holding in Shares as at the Record Date.

In any event:

(a) no Top-Up Securities will be issued to an Eligible Shareholder which would, if issued, result in them (together with their associates) increasing their voting power in the Company above 20%; and

(b) no Top-Up Securities will be issued if their issue would contravene any law or Listing Rule.

There is no guarantee that Eligible Shareholders will receive the number of Top-Up Securities applied for. The Company's decision on the number of Top-Up Securities to be allocated to an Eligible Shareholder will be final. It is a term of the Top-Up Facility that, should the Company scale back Applications for Top-Up Securities in accordance with the allocation policy described above, the Eligible Shareholder will be bound to accept such lesser number of Top-Up Securities allocated to them.

In the event of a scale back, the Application Monies received in excess of $0.028 multiplied by the total number of New Shares issued to the Eligible Shareholder under the Entitlement Offer and the Top-Up Facility will be refunded by the Company, without interest, following allotment.

The Company may elect to extend the Top-Up Facility to certain institutional or professional investors, including those with registered addresses outside of Australia or New Zealand where the Company is satisfied, in its sole discretion, that the offer and sale of the Top-Up Securities can be made in compliance with applicable securities laws without any locally compliant prospectus, lodgement or filing.

The Directors or other related parties of the Company are not entitled to participate in the Top-Up Facility unless prior Shareholder approval is received.

1.3 Shortfall Offer

Any Shortfall that is remaining after the issue of the New Securities under the Entitlement Offer and Top-Up Facility will form the Shortfall Securities. The offer of the Shortfall Securities is a separate offer under this Prospectus (**Shortfall Offer**). The Shortfall Offer will only be extended to parties identified by the Company in consultation with the Lead Manager.

The Shortfall Offer opens on the date of this Prospectus, and the Company may at any time while the Shortfall Offer is open make offers of Shortfall Securities under the Shortfall Offer which are conditional on the availability of Shortfall Securities following the close of the Entitlement Offer and Top-Up Facility.

The issue price of New Shares offered under the Shortfall Offer will be $0.028 each, which is the issue price at which New Shares have been offered to Eligible Shareholders under the Entitlement Offer and Top-Up Facility. New Options will be issued on the basis of one (1) New Option for every two (2) New Shares subscribed for under the Shortfall Offer on the same basis as the Entitlement Offer.

An Application Form in relation to the Shortfall Offer will be issued to investors invited to apply for Shortfall Securities, together with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion within 3 months after the Closing Date of the Entitlement Offer. The Directors will take into consideration the allocation policy described in Section 1.6. An Application for Shortfall Securities accompanied by payment of Application Monies does not guarantee the allotment of Shortfall Securities.

No New Securities will be issued to an Applicant under this Prospectus or via the Shortfall Offer if the issue of New Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no New Securities will be issued via the Shortfall Offer to any Directors or other related parties of the Company unless prior Shareholder approval is received.

A summary of the rights and liabilities attaching to the New Shares offered under the Shortfall Offer is in Section 5.1. The terms and conditions of the New Options are in Section 5.2. Shares issued upon exercise of the New Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus.

1.4 Placement Options Offer

This Prospectus includes a separate offer of up to 23,214,286 Placement Options (subject to rounding) to Placement Participants pursuant to the Placement Options Offer. The Placement Options will be issued on the same terms and conditions as the New Options under the Entitlement Offer and Shortfall Offer and are otherwise subject to the terms and conditions in Section 5.2.

The Placement Options Offer is an offer of one (1) Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement.

Only Placement Participants who were issued Placement Shares are eligible to participate in the Placement Options Offer.

No funds will be raised from the issue of the Placement Options under this Prospectus.

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The Placement Options Offer and the issue of the Placement Options are conditional on Shareholders approving the issue of all Placement Options at the General Meeting. If that approval is not obtained, no Placement Options will be issued. Failure of that condition will not affect the Entitlement Offer, the Top-Up Facility or the Shortfall Offer.

All Shares issued upon the exercise of the Placement Options will rank equally with the existing Shares on issue, as summarised in Section 5.1.

1.5 Lead Manager Offer

This Prospectus includes a separate offer of 5,000,000 quoted Options with an exercise price of $0.06 each and an expiry date of 26 February 2028 (**Lead Manager Options**) to the Lead Manager (or its nominee/s) (**Lead Manager Offer**).

The Company has agreed to issue the Lead Manager Options under the Lead Manager Mandate as partial consideration for the lead managerial services provided in connection with the Entitlement Offer and Placement. Refer to Section 5.3 for a summary of the Lead Manager Mandate.

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. A personalised application form in relation to the Lead Manager Offer will be issued to the Lead Manager together with a copy of this Prospectus.

All Shares issued upon the exercise of the Lead Manager Options will rank equally with the existing Shares on issue, as summarised in Section 5.1.

The issue of the Lead Manager Options under the Lead Manager Offer is subject to, and conditional upon, Shareholder approval being obtained at the Company's General Meeting. If Shareholder approval is not obtained at the General Meeting, the Lead Manager Options will not be issued to the Lead Manager (or its nominee/s).

1.6 Allocation policy

The allocation policy adopted by the Company for the Entitlement Offer is as follows:

Step	Allocation	Policy
Step 1	**Entitlement Offer**	Eligible Shareholders apply for their Entitlements pursuant to the Entitlement Offer.
Step 2	**Top-Up Facility**	Subject to the allocation policy detailed in Section 1.2, Eligible Shareholders who apply for their Entitlements in full may apply for Top-Up Securities.
Step 3	**Shortfall**	If, following Steps 1 and 2 there remains a shortfall of New Securities offered under the Entitlement Offer (**Shortfall**), the Directors reserve the right to place Shortfall at their discretion following reasonable consultation with the Lead Manager during the three month period following the Closing Date to sophisticated or professional investors identified by the Company, provided that no investor will be entitled to increase their voting power in the Company above 20% through the allocation of Shortfall. In exercising this discretion, the Board will take into consideration a number of factors, including recommendations made by the Lead Manager, and ensuring the Company has an appropriate and optimal Shareholder

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Step	Allocation	Policy
		base, which may be achieved through the introduction of new investors.

No New Securities will be issued to an Applicant under this Prospectus if the issue of New Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Top-Up Facility or Shortfall Offer to any Directors or other related parties of the Company unless prior Shareholder approval is received.

1.7 Purpose of this Prospectus

The purpose of this Prospectus is to:

(a) provide Eligible Shareholders with the opportunity to take up New Securities proportional to their shareholding and to mitigate the effect of dilution;

(b) make the offer of Lead Manager Options and Placement Options under the Lead Manager Offer and Placement Options Offer respectively;

(c) remove any trading restrictions that attach to Shares issued by the Company on exercise of the New Options (including the Placement Options and Lead Manager Options), and any other Shares issued whilst an Offer under this Prospectus remains open for acceptance, so that the recipients of those Shares may, if they choose to, sell those Shares (as applicable) within 12 months from the date of their issue without the issue of a prospectus; and

(d) provide the Company with additional funds to be attributed in accordance with the use of funds set out in Section 1.8.

1.8 Use of funds

The following indicative table sets out the proposed use of funds raised under the Offers and the Placement:

Proposed use of funds	$	%
Subron Heavy Rare Earths Project strategic review (Heavy Rare Earths)	400,000	19.72%
Prospect Hill Heavy Rare Earths Project – Maiden drilling campaign (Tin)	500,000	24.65%
Radium Hill ANSTO test work and HRE maiden drilling campaign (Critical minerals, uranium, Rare Earth Elements)	500,000	24.65%
General working capital[(1)]	440,126	21.70%
Expenses of the Offers[(2)]	187,993	9.27%
Total	**2,028,119**	**100%**

Notes:

(1) Working capital includes but is not limited to corporate office, administration, staff and operating costs, directors' fees, executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

(2) The expenses of the Offers includes ASIC fees, ASX quotation fees, Lead Manager fees, legal and preparation expenses, printing mailing, registry and other expenses. Refer to Section 5.11 for details.

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(3) The above table does not include any funds raised from exercise of the New Options. To the extent that New Options are exercised, the funds raised are intended to be applied to ongoing exploration and general working capital.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including exploration results, market conditions, the development of new opportunities and/or any number of other factors, and actual expenditure levels, which may differ significantly from the above estimates.

1.9 Opening and Closing Dates

The Offers will open on Thursday, 27 August 2026 (**Opening Date**) and are anticipated to close at 5.00pm (AEST) on Friday, 25 September 2026 (**Closing Date**) (excluding the Shortfall Offer).

The Shortfall Offer may remain open for up to three months following the Closing Date.

1.10 Minimum subscription

There is no minimum subscription for the Offers.

1.11 Underwriting

The Offers are not underwritten.

1.12 Effect on control of the Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

(a) from 20% or below to above 20%; or

(b) from a starting point of above 20% and below 90%.

The Entitlement Offer does not satisfy the 'rights issue' exception to section 606(1) as a nominee for foreign Shareholders has not been appointed in accordance with section 615 of the Corporations Act. Accordingly, the only applicable exception to section 606(1) is exception 9 of section 611 of the Corporations Act (the "3% creep" exception). Notwithstanding this exception, the Company notes that no investor or existing Shareholder is anticipated to hold a voting power of 20% or more as a result of the Offers.

No New Shares will be issued to any Shareholder or Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's voting power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

1.13 Potential dilution

Shareholders should note that if they do not participate in the Offers, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of

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the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	Shareholding if Entitlement not subscribed	% post Offers
Shareholder 1	20,000,000	9.61	2,500,000	20,000,000	7.13%
Shareholder 2	10,000,000	4.81	1,250,000	10,000,000	3.57%
Shareholder 3	5,000,000	2.40	625,000	5,000,000	1.78%
Shareholder 4	2,500,000	1.20	312,500	2,500,000	0.89%
Shareholder 5	1,250,000	0.60	156,250	1,250,000	0.45%

The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Top-Up Facility and Shortfall Offer. The above table also assumes that no Shares are issued, other than those offered pursuant to this Prospectus and the Placement.

1.14 Substantial Shareholders

Based on available information as at the Prospectus Date and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Shares	Voting power (%)[1]
Havilah Resources Limited	38,000,000	18.27%
Jonathan Saul Rosham	14,766,739	7.10%
Darien Charles Jagger	14,037,075	6.75%

Notes:

(1) Based on 208,033,882 Shares on issue as at the Prospectus Date.

(2) The shareholdings listed above are based on the substantial holding notices disclosed to the Company and other information available to the Company. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.

1.15 No rights trading

The rights to New Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse and your Entitlement will form part of the New Securities which are available for subscription under the Top-Up Facility and, subject to any Shortfall, the Shortfall Offer.

1.16 Issue date and dispatch

New Securities under the Entitlement Offer are expected to be issued on or before the date specified in the Timetable in this Prospectus.

Security holder statements will be despatched on or about the issue date of the New Securities under the Entitlement Offer and Top-Up Facility, in accordance with the Timetable.

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New Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue of Shortfall Securities is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

1.17 Application Monies held on trust

All Application Monies received under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the relevant Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.18 ASX quotation

Application for quotation of the New Shares and the New Options offered by this Prospectus has been made or will be made to ASX within 7 days after the date of this Prospectus, in accordance with the Timetable. If ASX does not admit the New Shares or the New Options to quotation within 3 months after the date of this Prospectus, the issue of those Securities will be void and the Company will repay all Application Monies received, without interest, as soon as practicable.

The fact that ASX may grant Official Quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company or the New Shares or New Options offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

1.19 CHESS

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.20 SRN

Following the issue of the New Securities, you will be registered on the Issuer Sponsored sub-register and your statement will be despatched by the Share Registry and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

An Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may

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request a statement at any other time; however, a charge may be made for additional statements.

1.21 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offers.

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

(a) the number and value of the Securities that would be offered to those Shareholders; and

(b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Entitlement Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, for Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.22 Notice to nominees and custodians

Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Offers in respect of some or all of the beneficiaries on whose behalf they hold Shares.

Nominees and custodians should note in particular that the Offers are not available to:

(a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria to be eligible to participate in the Offers; or

(b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Offers.

In particular, persons acting as nominees or custodians for other persons may not take up any Securities on behalf of, or send any documents relating to the Offers to, any person in

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any jurisdiction outside Australia or, subject to the restrictions outlined in Section 1.21 above, New Zealand.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares.

The Company is not able to advise on foreign laws. For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of Securities allocated to investors claiming to be eligible to participate in any of the Offers, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

1.23 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.24 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.25 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2025 can be found in the Annual Report announced on ASX on 30 September 2025 and the half-year ended 31 December 2025 announced on ASX on 16 March 2026.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 September 2025 are listed in Section 5.6.

Copies of the above documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.26 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's holding of Securities in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

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1.27 Enquiries concerning Prospectus

For enquiries relating to this Prospectus and general shareholder enquiries, please contact the Company via the Company's contact details contained in the Corporate Directory.

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2. Action required to participate in the Offers

2.1 Actions to be taken by Eligible Shareholders

Eligible Shareholders may either:

(a) take up all of their Entitlement (refer to Section 2.2);

(b) take up all of their Entitlement (refer to Section 2.2) and also apply for additional New Securities under the Top-Up Facility (refer to Section 2.3);

(c) take up part of their Entitlement (refer to Section 2.4); or

(d) allow their Entitlement to lapse, if they do not wish to participate in the Entitlement Offer (refer to Section 2.5).

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Application Form which accompanies this Prospectus.

Only Placement Participants will be eligible to participate in the Placement Options Offer (refer to Section 2.7).

Only the Lead Manager or its nominees will be eligible to participate in the Lead Manager Offer (refer to Section 2.8).

2.2 Eligible Shareholders wishing to accept Entitlement in full

If you wish to take up all of your Entitlement, you are required to make payment via BPAY® or EFT (refer to Section 2.9 for further details regarding payment via BPAY® or EFT) as set out in the Application Form.

Payment is due by no later than 5.00pm (AEST) on the Closing Date. Note that when paying by BPAY® you are not required to submit the personalised Application Form but are taken to make the statements on that form.

2.3 Eligible Shareholders wishing to accept Entitlement in full and participate in the Top-Up Facility

If you are an Eligible Shareholder and you wish to apply for New Securities in excess of your Entitlement, you are required to apply for more New Securities than the number shown in your personalised Application Form. To do this, make a payment for more than your Entitlement via BPAY® or EFT. The excess will be taken to be an Application for as many Top-Up Securities as your Application Monies will pay for in full. Any Top-Up Securities applied for pursuant to the Top-Up Facility will be issued in accordance with the allocation policy described in Sections 1.2 and 1.6. Payment is due by no later than 5.00pm (AEST) on the Closing Date. Note that when paying by BPAY® you are not required to submit the personalised Application Form but are taken to make the statements on that form.

2.4 Eligible Shareholders wishing to take up only part of their Entitlement

If you only wish to take up part of your Entitlement you are required to make payment via BPAY® or EFT. Payment must be made by following the instructions on the personalised Application Form for the number of New Shares you wish to take up. If the Company receives an amount that is less than the offer price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

Payment is due by no later than 5.00pm (AEST) on the Closing Date. Note that when paying by BPAY® you are not required to submit the personalised Application Form but are taken to make the statements on that form.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.6 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Securities for which you would have otherwise been entitled under the Entitlement Offer (including New Shares and New Options that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Shareholders under the Top-Up Facility, and may be placed by the Company under the Shortfall Offer.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Securities had you taken up your Entitlement and you will not receive any payment or value for all or that part of your Entitlement. Your interest in the Company will also be diluted.

2.7 Placement Options Offer

Only the Placement Participants, or their respective nominees, may accept the Placement Options Offer.

Application forms in relation to the Placement Options Offer will be issued to the Placement Participants, or their respective nominees, together with a copy of this Prospectus. The Placement Options Offer is conditional on Shareholder approval being obtained at the Company's General Meeting.

2.8 Lead Manager Offer

Only the Lead Manager or its nominee/s may accept the Lead Manager Offer.

An application form in relation to the Lead Manager Offer will be issued to the Lead Manager or its nominees, together with a copy of this Prospectus. The Lead Manager Offer is conditional on Shareholder approval being obtained at the Company's General Meeting.

2.9 How to Pay (Via BPAY® or EFT)

The price of $0.028 per New Share is payable on acceptance of your Application.

If you wish to participate in the Entitlement Offer and are resident in Australia, you must make your payment by BPAY® using the payment details in your Application Form.

If you are an Eligible Shareholder and are resident in a jurisdiction other than Australia, your application may be made through Electronic Funds Transfer using the payment details in the separate letter accompanying your Application Form.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

The Company will treat Applicants as applying for as many New Shares (and free-attaching New Options) as their payment will pay for in full. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and the excess will be taken to be an application for Top-Up Securities pursuant to the Top-Up Facility. Any Application Monies received from Eligible

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Shareholders for more than their final allocation of New Shares (and free-attaching New Options) will be refunded except for where the amount is less than $1.00. No interest will be paid on any Application Monies received or refunded.

Application Monies received from Eligible Shareholders will be held on trust until such time as the relevant New Shares (and free-attaching New Options) are issued or the Application Monies are refunded.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if any Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

For Eligible Shareholders who are resident in Australia, payment by BPAY® should be made according to the instructions set out on the Application Form using the BPAY® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPAY® if you are a holder of an account with an Australian financial institution that supports BPAY® transactions.

For Eligible Shareholders who reside in a jurisdiction outside Australia. payment by EFT should be made according to the instructions set out in the separate letter accompanying your Application Form.

The reference number shown on each Application Form (Reference Number) is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding separately. Failure to do so may result in an underpayment. If you pay by BPAY® or EFT and do not pay for your full Entitlement, the remaining Entitlement will be available for subscription under the Top-Up Facility and, subject to any remaining Shortfall, under the Shortfall Offer.

If you pay by BPAY® or EFT and do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares (and free-attaching New Options) which is covered by your Application Monies.

You must ensure that your payment by BPAY® or EFT is received by 5.00pm (AEST) on the Entitlement Offer Closing Date. Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company is not responsible for any delay in the receipt of BPAY® or EFT payment. If Eligible Shareholders have more than one holding, they must login separately for each holding and use the Reference Number specific to the relevant holding. Alternatively, if Eligible Shareholders have requested a personalised Application Form and have more than one holding, they will receive separate forms for each holding. If Eligible Shareholders do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their application will be recorded against the holding associated with Reference Number they use.

You should be aware that your financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than the relevant date by which funds are required to have been received.

Your BPAY® or EFT application cannot be withdrawn once received, except for in the limited circumstances provided for under the Corporations Act. No cooling off period applies.

2.10 Application Form

The Company will make a copy of this Prospectus, together with the relevant Application Form, available to all Eligible Shareholders.

Completing and returning your Application Form with the requisite Application Monies (if applicable), or making a payment via BPAY® or EFT will create a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company, and you will be deemed to have:

(a) represented and warranted that you are an Eligible Shareholder, if your Application Form is in respect of the Entitlement Offer;

(b) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;

(c) agreed to be bound by the terms of the relevant Offer;

(d) declared that all details and statements in the Application Form are complete and accurate;

(e) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;

(f) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;

(g) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the New Securities are suitable for you given your investment objectives, financial situation or particular needs; and

(h) acknowledged that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

2.11 Enquiries concerning your Entitlement

For enquiries relating to this Prospectus and general shareholder enquiries, please contact the Company via the Company's contact details contained in the Corporate Directory.

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3. Effect of the Offers

3.1 Capital structure on completion of the Offers

The following table sets out the Company's current capital structure and its diluted capital structure immediately following the successful completion of the Offers (subject to rounding):

	Shares	Quoted Options	Unquoted Options[2]	Performance Rights[3]
Existing Securities on issue	208,033,882	-	32,500,000	10,000,000
Entitlement Offer	26,004,235	13,002,118	-	-
Placement Shares[4]	46,428,571	-	-	-
Placement Options Offer[5]		23,214,286		
Lead Manager Offer[5]	-	5,000,000	-	-
Board Performance Rights[5]	-	-	-	13,500,000
Incentive Performance Rights[6]	-	-	-	1,500,000
Total[1]	**280,466,688**	**41,216,404**	**32,500,000**	**25,000,000**

Notes:

(1) The figures in the table assume that the Offers are fully subscribed and that no other Securities are issued except for the Shares to be issued pursuant to the Placement, the Board Performance Rights and the Incentive Performance Rights and that no Shares are issued on the conversion or exercise of any existing Options or Performance Rights.

(2) The Unquoted Options comprise:

(a) 17,500,000 Unquoted Options exercisable at $0.06 each and expiring on 7 January 2028;

(b) 12,500,000 Unquoted Options exercisable at $0.06 each and expiring on 26 February 2028; and

(c) 2,500,000 Unquoted Options exercisable at $0.06 each and expiring on 11 August 2028.

(3) The Performance Rights are subject to various vesting conditions and expire on 22 December 2028.

(4) The Placement Shares comprise:

(a) 31,000,000 Tranche 1 Placement Shares to be issued under the Company's placement capacity under Listing Rule 7.1 without the need for Shareholder approval; and

(b) 15,428,571 Tranche 2 Placement Shares to be issued subject to Shareholder approval at the Company's upcoming General Meeting.

(5) The issue of the Placement Options under the Placement Options Offer, Lead Manager Options under the Lead Manager Offer and:

- 10,500,000 Board Performance Rights to Managing Director Jason Barnett; and
- 3,000,000 Board Performance Rights to Director Graeme Morissey,

are all subject to and conditional upon receipt of Shareholder approval at the Company's upcoming General Meeting.

(6) As announced on 29 January 2026, the Company intends to issue up to 1,500,000 Performance Rights to Company Secretary Justin Mouchacca pursuant to the Company's employee securities incentive plan (**Incentive Performance Rights**). The issue of the Incentive Performance Rights is not subject to Shareholder approval, and is expected to occur prior to the Closing Date.

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3.2 Pro forma consolidated statement of financial position

Set out below is:

(a) the reviewed consolidated statement of financial position of the Company as at 31 December 2025 (**Balance Date**);

(b) the unaudited effects of the Offers and the Placement (assuming the Entitlement Offer is fully subscribed and the Placement is completed in full); and

(c) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraph 3.2(b).

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form and does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	31 December 2025 $	Effect of Offers and the Placement $	Pro Forma $
Current assets			
Cash and cash equivalents	1,326,010	1,718,439	3,044,449
Trade and other receivables	71,841	-	71,841
Prepayments	15,306	-	15,306
Total current assets	**1,413,157**	**1,718,439**	**3,131,596**
Non-current assets			
Plant & Equipment	62,381	-	62,381
Total non-current assets	**62,381**	-	62,381
Total assets	**1,475,538**	**1,718,439**	3,193,977
Current liabilities			
Trade and other payables	428,464	-	428,464
Employee benefits	13,915	-	13,915
Total current liabilities	**442,379**	-	**442,379**
Total liabilities	**442,379**	-	**442,379**
Net Assets	**1,033,159**	**1,718,439**	**2,751,598**
Issued Capital	10,705,174	1,644,189	12,349,363
Reserves	345,405	74,250	419,655
Accumulated losses	(10,017,420)	-	(10,017,420)
Total Equity	**1,033,159**	**1,718,439**	**2,751,598**

3.3 Basis of Preparation

The pro forma balance sheet has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the reviewed financial position as at 31 December 2025 and is adjusted to reflect the following assumptions:

(a) the Entitlement Offer is fully subscribed and $728,119 is raised (before costs);

(b) 5,000,000 Lead Manager Options are issued under the Lead Manager Offer which are recognised in share-based payment reserve, valued at $74,250 using the Black-Scholes model with inputs of a volatility of 100% and risk-free rate of 3.94%; and

(c) the estimated expenses of the Offers are $187,993.

Other than in the ordinary course of business or as described above, there have been no other material changes to the Company's financial position between 31 December 2025 and the date of this Prospectus.

3.4 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest:	$0.041, most recently on 13 August 2026
Lowest:	$0.019 on 22 June 2026

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was $0.038 per Share on 18 August 2026.

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4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) Future capital and funding requirements

The Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its exploration activities.

In the event that all of the funding options available to the Company do not transpire or there is no change to the Company's forecasted spending pattern, there may be material uncertainty about whether it would be able to continue as a going concern and, therefore, realise its assets and discharge its liabilities in the normal course of business. The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Going concern risk

The Company's reviewed financial report for the half-year ended 31 December 2025 includes the following material uncertainty relating to going concern:

> *'We draw attention to Note 2 in the half-year financial report, which indicates that the Company incurred a net loss of $847,844 and net operating cash outflows of $551,839 during the half-year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.'*

The Board believes that the Company will have sufficient funds to adequately meet the Company's current commitments and working capital requirements. However, there remains a risk that further funding will be required by the Company in the medium to long term. An inability to obtain additional funding would have a materially adverse effect on the Company's business, and may give rise to significant

uncertainty on the Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(c) **Shareholder approval risk**

The Company will seek Shareholder approval at the General Meeting expected to be held on 30 September 2026 for the issue of the Tranche 2 Placement Shares, the Placement Options, the Lead Manager Options and the Board Performance Rights.

If Shareholder approval is not obtained in respect of the Tranche 2 Placement Shares, the Company will not be able to issue those Shares and will raise approximately $432,000 less than the amount contemplated by this Prospectus. If this were to occur, the Company may be required to reduce or defer the expenditure described in Section 1.8 or to seek alternative funding.

(d) **Acquisition and disposal of projects and additional capital**

The Company is currently considering a number of options to most effectively fund its ongoing exploration programs at its existing projects, including additional capital raises. To this end, the Company may acquire new projects or divest some or all of its interest in existing projects in the future. There can be no guarantee that any new project acquisition will eventuate from these pursuits, or that any strategic partnerships or acquisitions will result in a return for Shareholders. The Directors will use their expertise and experience in the energy and resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders, however, Shareholders should be aware that future acquisitions and the cost of funding exploration on future projects will likely contribute directly or indirectly to the issue of further Shares, which in turn will further dilute Shareholders' interest in the Company and deplete the Company's cash.

4.2 Mining industry risks

(a) **Permitting and regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, first nation groups and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's permits.

(b) **Tenure, access and grant of licences / permits**

The Company's current and future operations are subject to receiving and maintaining licences, permits and approvals from appropriate governmental authorities. In particular, the Company may require exploration, processing, exploitation, and environmental permits in Australia from time to time in connection with exploration, mining and processing. There is no assurance that any required licences, permits or

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approvals will be granted or that delays will not occur in connection with obtaining or renewing the licences, permits or approvals necessary for the Company's proposed operations.

Notwithstanding that Australia has an established mining industry with a structured permitting process, delays in the permitting and approvals process are an inherent risk to all mining and industrial manufacturing projects. At the Prospectus Date, all mining and exploration permits and licenses are in good standing, however, failure to obtain or renew one or more required licences, permits or approvals on a timely basis may adversely affect the Company's operations.

(c) **Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may be required to pay compensation to landowners, local authorities, traditional land users and others who may have an interest in the area covered by the licenses. The Company's ability to resolve such compensation issues and compensation costs may have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company.

In addition to the above, access to and from a number of such tenements may be limited due to seasonal weather conditions. Unexpected weather, such as high rainfall, flooding, cyclones, extreme heat or bushfire may delay or adversely impact the Company's exploration and operational activities. A number of the Company's tenements overlap with private land and Crown nature reserves, both of which require consent prior to access and the conduct of exploration activities on the areas affected. Should such consents not be forthcoming or be withdrawn this may have a materially adverse impact or delay to the Company's exploration activities.

(d) **Exploration and development risks**

The prospects of the Company's projects must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities and, accordingly, carries significant exploration risk. Potential investors should understand that mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

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(e) **Operational risk**

The operations of the Company may be affected by various factors, including:

(i) failure to locate or identify mineral deposits;

(ii) failure to achieve predicted grades in exploration and mining;

(iii) operational and technical difficulties encountered in exploration and mining;

(iv) insufficient or unreliable infrastructure, such as power, water and transport;

(v) difficulties in commissioning and operating plant and equipment;

(vi) mechanical failure or plant breakdown;

(vii) unanticipated metallurgical problems which may affect extraction costs; and

(viii) adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(f) **Joint Venture risk**

The Company's interests in certain Projects are subject to joint venture arrangements. As with any joint venture, it is subject to various counterparty risks including failure by the joint venture counterparty, to act in the best interests of the joint venture. Any failure by the counterparty to act in the best interests of the joint venture may or may not give the Company contractual remedies, however, even if such remedies are available, they may be costly and time consuming to pursue.

(g) **Contract risk**

Any failure by counterparties to perform their obligations may have a material adverse effect on the Company and there can be no assurance that it would be successful in enforcing any of its contractual rights through legal action. In addition, any insolvency of a counterparty to any contracts may have a material adverse effect on the Company and there can be no assurance that it would be successful in enforcing any of its contractual rights through legal action or recovering all or any monies owed by that counterparty (including under any claim for damages).

(h) **Environmental risks**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The existence of these environmentally sensitive areas and requirements for the Company to prepare necessary management plans and obtain additional approvals may impact or delay the Company's ability to carry out exploration or mining activities within the affected areas. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

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(i) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the ability of the Company to access and utilise its tenements and therefore the Company's ability to carry out operations. Changes in policy, technological innovation, and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(j) **Indigenous claims risk**

The Company's existing projects may now or in the future be the subject of indigenous land claims, treaty land entitlement selections, or claims for breach or infringement of treaty rights. This may affect the ability to acquire effective mineral titles within a reasonable timeframe and may affect the development schedule and costs of mineral properties.

The Company's current or future operations are also subject to a risk that indigenous groups may oppose continued operation, further development, or new development on its existing projects. Opposition by indigenous groups to such activities may require modification of or preclude operation or development of the Company's existing projects or may require the entering into of agreements with indigenous groups. Opposition by indigenous groups to the conduct of the Company's operations, development or exploratory activities in any of the jurisdictions in which the Company conducts business may negatively impact it in terms of public perception, diversion of management's time and resources, and legal and other advisory expenses, and could adversely impact the Company's progress and ability to explore and develop properties.

(k) **Native title and Aboriginal heritage**

Native title may exist, or may be determined to exist, over land the subject of the Company's Tenements. The grant of certain tenements, and the conduct of certain activities, requires compliance with the future act regime under the Native Title Act 1993 (Cth), including the issue of notices, the operation of the expedited procedure and, where that procedure does not apply, the right to negotiate. Objections to the application of the expedited procedure, and negotiations with native title parties, may materially delay the grant of tenements or the commencement of activities and may result in the Company incurring additional costs. In South Australia, the Company must in addition comply with Part 9B of the Mining Act 1971 (SA), which prevents exploration operations affecting native title unless authorised by a native title mining agreement, a determination of the Environment, Resources and Development Court, a registered indigenous land use agreement or a relevant declaration.

Separately from native title, the Company must comply with legislation protecting Aboriginal heritage, including the Aboriginal Heritage Act 1972 (WA) (under which ministerial consent under section 18 is required to use land in a manner which may impact an Aboriginal site, and under which a consent may be amended or revoked where new information about a site comes to light), the Aboriginal Heritage Act 1988 (SA) (under which it is an offence to damage, disturb or interfere with an Aboriginal site or object without authorisation), the Northern Territory Aboriginal Sacred Sites Act 1989 (NT), and the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth). These obligations apply in respect of both registered and unregistered sites and objects.

In practice, the Company's ability to conduct exploration activities depends on obtaining heritage clearances from the relevant Aboriginal representative bodies,

which are typically granted on a program-by-program basis following a heritage survey. The scheduling and completion of heritage surveys depends on the availability of third parties and on weather and access conditions, and clearance obtained for one program does not extend to another. Delay in obtaining, or a failure to obtain, heritage clearance may delay or prevent the Company's planned exploration programs.

The Company's current or future operations are also subject to a risk that native title parties or other Aboriginal groups may oppose continued operation, further development, or new development on its existing projects. Opposition to such activities may require modification of, or preclude, operation or development of the Company's existing projects, or may require the entering into of agreements with those groups. Such opposition may negatively impact the Company in terms of public perception, diversion of management's time and resources, and legal and other advisory expenses, and could adversely impact the Company's progress and ability to explore and develop properties.

(l) **Currency and commodity price risks**

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices and available markets of these commodities. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres as well as macroeconomic conditions such as inflation and interest rates.

(m) **Reliance on key personnel**

The Company is currently reliant on the Board and key management personnel and expects in the future to continue to rely on those personnel. The loss of one or more of these current key contributors or an inability to source a sufficient number of appropriately experienced consultants could have an adverse impact on the business of the Company. The intention of the Company's remuneration framework is to ensure remuneration and reward structures are aligned with Shareholders' interests by being market competitive to attract and retain high calibre individuals, rewarding superior individual performance, recognising the contribution of each executive to the continued growth and success of the Company, and linking long-term incentives to Shareholder value.

(n) **Option risk**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the New Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares. There is a risk that the New Options may expire at a time when they have little or no value.

4.3 General risks

(a) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

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(b) **Litigation risk**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any material litigation.

(c) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(d) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(e) **Government and legal risks**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine. The Company is not aware of any reviews or changes that would affect the Company's existing projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its business. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for New Securities under the Offers.

(g) **Share market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(i) **Infectious diseases**

The price of the Company's securities may be adversely affected by the economic uncertainty caused by infectious diseases. Measures to limit the transmission of infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

(j) **Data management**

The risk of retaining or managing the Company's corporate data in a way that is inconsistent with the Company's regulatory obligations. This is considered to be a growing risk as the Company and related data volumes grow and cyber-security threats become more sophisticated. Failure to properly manage the Company's corporate data could result in significant financial and regulatory implications. The Company has implemented a number of company-wide controls to manage this risk, including the continuous review and updating of security controls on the Company's network based on known security threats and the latest intelligence.

(k) **Global conflict**

The ongoing Russia-Ukraine and Israel-Palestine conflicts, as well as the developing conflict with the US, Israel and Iran, have had and will continue to have a significant impact on global economic markets. Although the Company considers the current impact of the conflicts on the Company to be limited, given that the conflicts are ongoing and volatile in nature, the future effect of the conflicts on the Company is uncertain. The conflicts may have an adverse effect on the Company's Share price or operations which will likely be out of the Company's control.

4.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued under the Offers carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

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Potential investors should consider that the investment in the Company is highly speculative and should consult their suitably qualified professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General meeting and notices**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(c) **Further increase in capital**

The issue of any Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(d) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(e) **Dividends**

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the Shares.

No dividend carries interest against the Company.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(f) **Winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(g) **Alterations of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and conditions of New Options

The terms and conditions of the New Options (including the Lead Manager Options and Placement Options) (referred to in this Section 5.2 as "**Options**") are as follows:

(a) (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) (**Exercise Price**): The amount payable upon exercise of each Option is $0.06 (**Exercise Price**).

(c) (**Expiry Date**): Each Option will expire at 5:00pm (AEDT) on 26 February 2028 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(e) (**Quotation**): It is the Company's current intention to seek quotation of the Options. There is no certainty that quotation of the Options will be granted. The quotation of the Options will be subject to the Company offering the Options under a prospectus prepared in accordance with Chapter 6D of the Corporations Act and lodged with ASIC and satisfying the quotation conditions set out in the Listing Rules.

(f) (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and

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payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) (**Exercise Date**): A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) (**Shares issued on exercise**): Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

(i) (**Takeovers prohibition**): The issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act.

(j) (**Reconstruction of capital**): If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) (**Entitlement to dividends**): The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.

(m) (**Entitlement to capital return**): The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.

(n) (**Adjustment for reorganisation**): If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.

(o) (**Change in exercise price**): Except as expressly provided in these terms, an Option does not confer the right to a change in the Exercise Price, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(p) (**Adjustment for bonus issue**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

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(q) (**Voting rights**): The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.

5.3 Lead Manager Mandate

The Company has signed a mandate letter dated 31 July 2026 to engage Cygnet Capital to act as Lead Manager of the Entitlement Offer and Placement (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

(a) (**Fees**): In accordance with the Lead Manager Mandate, the Company will pay the following fees to the Lead Manager:

(i) a selling fee of 4% of the gross proceeds raised under the Entitlement Offer and Placement;

(ii) a management fee of 2% of the gross proceeds raised under the Entitlement Offer and Placement; and

(iii) the Lead Manager Options.

(b) (**Reimbursement**): The Company has agreed to reimburse the Lead Manager for all reasonable out of pocket expenses incurred by the Lead Manager in connection with the Entitlement Offer and Placement, up to a maximum of $5,000.

The Lead Manager Mandate contains additional provisions considered standard for agreements of this nature.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Securities.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found on the Company's website.

5.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

(a) the annual report of the Company for the financial year ended 30 June 2025 lodged with ASX on 30 September 2025;

(b) the half year report of the Company for the half year ended 31 December 2025 lodged with ASX on 16 March 2026; and

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(c) the following notice was given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (a) above until directly prior to the lodgement of this Prospectus:

Date lodged	Subject of Announcement
18 August 2026	Expanded Footprint Extends Subron High-Grade HREO Targets
14 August 2026	Update – Proposed issue of securities - HRE
14 August 2026	Non-renounceable Entitlement Offer – Amended Timetable
12 August 2026	HRE August 2026 Investor Presentation
5 August 2026	Proposed issue of securities – HRE
5 August 2026	Proposed issue of securities – HRE
5 August 2026	Capital Raising of up to $2.028 million
3 August 2026	Trading Halt
31 July 2026	HRE June 2026 Quarterly Activities Report & Appendix 5B
31 July 2026	ANSTO Collaboration Advances Radium Hill Project
27 July 2026	Strategic Review Highlights Heavy Rare Earths at Subron (Updated)
20 July 2026	Strategic Review Highlights Heavy Rare Earths at Subron
9 July 2026	South Ridge Tin Drilling Approved, Host Structure Extended
30 June 2026	Strategic Review of Cowalinya Rare Earth Project
12 June 2026	Initial Director's Notice
9 June 2026	Appointment of Managing Director
20 May 2026	Heritage Clearance Received for South Ridge Maiden Drilling
24 April 2026	HRE March 2026 Quarterly Activities Report & Appendix 5B
16 April 2026	HRE's Maiden Drilling approaches SA's largest Tin Project
1 April 2026	NWR Communications Critical Minerals Webinar Presentation
27 March 2026	Heavy Rare Earths partners with Investor Hub
26 March 2026	Research confirms REE Monazite & Xenotime at Radium Hill
16 March 2026	Half Year Financial Report – 31 December 2025
27 February 2026	Change of Director's Interest Notice
18 February 2026	2,500m Drill Program planned at Tin Prospect – Prospect Hill
4 February 2026	Radium Hill Agreement Expanded to Include All Mineral Rights
29 January 2026	HRE December 2025 Quarterly Activities Report & Appendix 5B
30 December 2025	Release of Securities from escrow
22 December 2025	Change of Director's Interest Notice x2
22 December 2025	Notification regarding unquoted securities – HRE
16 December 2025	Change in substantial holding

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Date lodged	Subject of Announcement
16 December 2025	Change in substantial holding
12 December 2025	8km Critical Mineral Corridor Confirmed at Radium Hill
4 December 2025	High-Grade Silver & Base Metals confirmed at Prospect Hill
27 November 2025	Results of Annual General Meeting
11 November 2025	Addendum to 2025 Notice of Annual General Meeting & Proxy
11 November 2025	Initial Director's Interest Notice
11 November 2025	Final Director's Interest Notice
7 November 2025	Director Resignation
5 November 2025	Board Transition Continues Exploration Strategy Acceleration
30 October 2025	HRE September 2025 Quarterly Activities Report & Appendix 5B
28 October 2025	2025 AGM – Letter to Shareholders & Proxy Form
28 October 2025	Notice of Annual General Meeting/Proxy Form
28 October 2025	Acquisition of Prospect Hill Tin Project, All Mineral Rights
27 October 2025	Results of General Meeting
24 October 2025	Release of Securities from Escrow
17 October 2025	Chair Appointment
16 October 2025	Initial Director's Interest Notice
16 October 2025	Final Director's Interest Notice
10 October 2025	Board Changes to Drive Accelerated Strategy
9 October 2025	Date of Annual General Meeting
30 September 2025	Appendix 4G & Corporate Governance Statement

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

5.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out below and elsewhere in this Prospectus.

As part of its ordinary course of business the Company is continually looking for assets that are complementary to its existing operations or assessing transactions that will otherwise provide value to Shareholders, including the potential disposal of non-core assets.

As previously announced on 12 August 2026, as at the Prospectus Date the Company is undertaking a range of work at its Projects, including mineralisation characterisation / SEM work at Subron, drilling at Prospect Hill and ANSTO work at Radium Hill, some of which may

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be completed prior to the Closing Date. The Company will provide updates in accordance with its continuous disclosure obligations. The Company is unable to provide any certainty as to the potential results of these works or whether any resource update will follow as a result of these works. The market price may rise or fall following the announcement of the results of these works.

5.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in offering and issuing the Securities under this Prospectus.

5.9 Interests of Directors

(a) **Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(i) the formation or promotion of the Company;

(ii) any property acquired or proposed to be acquired by the Company in connection with:

(A) its formation or promotion; or

(B) the Offers; or

(iii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

(iv) as an inducement to become, or to qualify as, a Director; or

(v) for services provided in connection with:

(A) the formation or promotion of the Company; or

(B) the Offers.

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(b) **Security holdings**

The relevant interests of each of the Directors (together with their associates) in Securities as at the date of this Prospectus is set out below.

Director	Shares	Voting power (%)[1]	Performance Rights	Entitlement (New Shares)	Entitlement (New Options)[2]
Jason Barnett	-	-	-[5]	-	-
Gabriel Chiappini[3]	732,558[6]	0.35%	5,000,000	91,570	45,785
Amanda Buckingham[4]	-	-	5,000,000	-	-
Graeme Morissey	-[6]	-	-[5]	-	-

Notes:

(1) Based on 208,033,882 Shares on issue at the Prospectus Date.

(2) Comprising 1 New Option for every 2 New Shares subscribed for and issued under the Entitlement Offer.

(3) Mr Chiappini's Securities are held as follows:

(a) 732,558 Shares held indirectly via Mrs Rosa Chiappini + Mr Gabriel Chiappini <Gran Sasso Family A/C>; and

(b) 5,000,000 Performance Rights held directly by Mr Chiappini.

(4) Dr Buckingham's Securities are held directly.

(5) Subject to receipt of Shareholder approval at the upcoming General Meeting, the Company intends to issue:.

(a) 10,500,000 Board Performance Rights to Mr Jason Barnett; and

(b) 3,000,000 Board Performance Rights to Mr Graeme Morissey.

(6) Subject to receipt of Shareholder approval at the General Meeting pursuant to Listing Rule 10.11, the Company will issue (subject to rounding):

(a) 892,857 Placement Shares and 446,428 Placement Options to Mr Chiappini (or his nominee/s); and

(b) 714,286 Placement Shares and 357,143 Placement Options to Mr Morissey (or his nominee/s).

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The remuneration of the non-executive directors must not be calculated as a commission on, or percentage of, profits or operating revenue. The aggregate amount of compensation for non-executive directors is currently set at $350,000. This aggregate amount is to be allocated among the non-executive directors in the proportion and manner they agree or, in default of agreement, among them equally.

The Constitution also provides that:

(i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and

(ii) if any of the Directors being willing are called upon to perform additional or special duties for the Company, the Company may pay additional remuneration or provide benefits to that Director as the Directors resolve.

The remuneration of executive directors is to be fixed by the Board and must not be calculated as a commission on, or percentage of, operating revenue. As at the Prospectus Date, the Company has one Executive Director, Jason Barnett. Mr Barnett is the Managing Director and Chief Executive Officer of the Company and the Company has agreed to pay Mr Barnett a base salary of $250,000 per annum (exclusive of superannuation).

The table below sets out the remuneration provided to the current Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors' fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

Director	FY ended 30 June 2026 ($)	FY ended 30 June 2025 ($)
Jason Barnett(1)	$45,958	-
Gabriel Chiappini(2)	$48,000	$20,000
Amanda Buckingham(3)	$34,710	-
Graeme Morissey(4)	$31,333	-

Notes:

(1) Mr Barnett was appointed as Managing Director and Chief Executive Officer of the Company effective on and from 9 June 2026 and is entitled to a fixed remuneration of $250,000 per annum (exclusive of superannuation). The table above includes $25,125 paid to Mr Barnett for consulting services provided to the Company during the FY ended 30 June 2026.

(2) Mr Chiappini was appointed as a Non-Executive Director of the Company on and from 31 January 2025. Mr Chiappini was appointed as Non-Executive Chair effective on and from 17 October 2025.

(3) Dr Buckingham was appointed as a Non-Executive Director effective on and from 10 October 2025 and is entitled to a fixed remuneration of $48,000 per annum (exclusive of superannuation).

(4) Mr Morissey was appointed as a Non-Executive Director of the Company on and from 5 November 2025 and is entitled to a fixed remuneration of $48,000 per annum (exclusive of superannuation).

5.10 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

(a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or

(b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

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5.11 Expenses of the Offers

The estimated expenses of the Offers are approximately as follows (excluding GST and subject to rounding):

Estimated expense	$
ASIC fees	3,206
ASX quotation fees	10,600
Lead Manager fees	121,687
Legal and preparation expenses	35,000
Printing, mailing, registry and other expenses	17,500
Total	**187,993**

5.12 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Cygnet Capital has given its written consent to being named as the Lead Manager to the Entitlement Offer in this Prospectus. Cygnet Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Hamilton Locke has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Boardroom has given its written consent to being named as the share registry to the Company in this Prospectus. Boardroom has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

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6. Directors' authorisation

The issue of this Prospectus has been authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of the Company by:



Gabriel Chiappini
Non-Executive Chair
Heavy Rare Earths Limited

Dated: 19 August 2026

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7. Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

AEST means Australian Eastern Standard Time.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities made on an Application Form.

Application Form means an application form provided by the Company with a copy of this Prospectus pursuant to an Offer.

Application Monies means application monies for Securities received by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Balance Date has the meaning given in Section 3.2.

Board means the Directors meeting as a board.

Board Performance Rights has the meaning given in the Investment Overview.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

Boardroom or **Share Registry** means Boardroom Pty Limited (ACN 003 209 836).

CHESS means ASX Clearing House Electronic Sub-Register System.

Closing Date or **Entitlement Offer Closing Date** has the meaning given to it in Section 1.9.

Company means Heavy Rare Earths Limited (ACN 648 991 039).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Cygnet Capital or **Lead Manager** means Cygnet Capital Pty Limited (ACN 103 488 606).

Directors means the directors of the Company.

EFT means electronic funds transfer.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or, subject to Section 1.21, New Zealand.

Entitlement means the number of new Securities for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one (1) New Share for every existing eight (8) Shares held on the Record Date and one (1) free attaching New Option for every 2 New Shares subscribed for and issued.

Entitlement Offer means the offer under this Prospectus of New Shares to Eligible Shareholders in the proportion of one (1) New Share for every eight (8) existing Shares held

on the Record Date and one (1) free attaching New Option for every two (2) New Shares subscribed for and issued.

FY means financial year.

Group means the Company and each of its Subsidiaries or entities deemed to be controlled by the Company (and **Group Member** means any one or more of them).

Ineligible Foreign Shareholder means a person registered as the holder of Shares on the Record Date who is not an Eligible Shareholder.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager Mandate has the meaning given in Section 5.3.

Lead Manager Offer has the meaning given in Section 1.5.

Lead Manager Options has the meaning given in Section 1.5.

Listing Rules means the listing rules of ASX.

New Options means the Options offered under the Entitlement Offer, the Top-Up Facility and the Shortfall Offer.

New Securities means the New Shares and New Options offered under the Offers.

New Shares means the Shares offered under the Entitlement Offer, Top-Up Facility and Shortfall Offer.

Offers means the offers under this Prospectus to subscribe for Securities, namely, the Entitlement Offer and the Secondary Offers, and **Offer** means any one of those Offers, as applicable.

Option means the right to acquire one Share in the capital of the Company.

Performance Right means a right to acquire one Share in the capital of the Company, subject to the satisfaction (or where permitted, waiver by the Company) of certain performance conditions.

Placement has the meaning given in the '*Letter from the Chair*'.

Placement Option has the meaning given in the Letter from the Chair.

Placement Options Offer means the offer of Placement Options under this Prospectus as described in Section 1.4.

Placement Participants has the meaning given in the Letter from the Chair.

Placement Share has the meaning given in the Letter from the Chair.

Prospectus means this prospectus dated 19 August 2026.

Prospectus Date means the date of this Prospectus.

Record Date means 5.00pm (AEST) on the date identified in the Timetable as the record date.

Secondary Offers means the Top-Up Facility, Shortfall Offer, Placement Options Offer and Lead Manager Offer and **Secondary Offer** means any one of those Secondary Offers, as applicable.

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Section means a section of this Prospectus.

Securities mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Securities** means the New Securities not applied for under the Entitlement Offer and Top-Up Facility (if any).

Shortfall Offer means the offer under this Prospectus to investors identified by the Company to subscribe for Shortfall

Supplementary Prospectus means any supplementary or replacement prospectus lodged with ASIC in connection with the Offers.

Timetable means the proposed timetable on page 2.

Top-Up Facility means the offer to Eligible Shareholders to subscribe for Top-Up Securities.

Top-Up Securities means those New Shares and New Options made available for subscription by Eligible Shareholders in excess of their Entitlement.

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