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Heavy Minerals LIMITED

And Controlled Entities

ABN: 26 647 831 883

ANNUAL REPORT

For the Year Ended 30 June 2026

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DIRECTORS

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

SECRETARY

Stephen Brockhurst

REGISTERED OFFICE

Level 8, London House
216 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

BUSINESS OFFICE

Unit 2, 106 Robinson Avenue
Belmont WA 6104

WEBSITE & EMAIL

www.heavyminerals.com
info@heavyminerals.com

SHARE REGISTRY

Automic Registry Services Pty Ltd
Level 5
191 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

AUDITORS

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

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: HVY

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The Directors submit the financial report of the Consolidated Entity for the year ended 30 June 2026.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

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

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2026 was $2,838,319 (30 June 2025: $1,482,036).

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

	30 June 2026 $	30 June 2025 $	30 June 2024 $
Other income	37,123	44,135	40,175
EBITDA	(2,736,309)	(1,384,146)	(1,050,886)
EBIT	(2,816,991)	(1,476,147)	(1,136,501)
Loss after income tax	(2,838,319)	(1,482,036)	(1,146,912)

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

	30 June 2026 $	30 June 2025 $	30 June 2024 $
Share price at financial year end	0.395	0.300	0.068

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COMPANY FOCUS AND MISSION

Heavy Minerals Limited (ASX:HVY) is an Australian industrial minerals company focused on garnet, with projects in South Australia, Western Australia and Mozambique. HVY has a focus on commercialising industrial minerals assets with its first Garnet production project planned to be operational H1 2027 in South Australia.

Kanmantoo Garnet Project (South Australia)

The Company's near-term development project is the Kanmantoo Hard Rock Waterjet Garnet Project. Heavy Minerals executed a binding Tailings Processing Agreement with Hillgrove Resources Limited (ASX: HGO) on 27 January 2026, securing the right to recover hard rock almandine waterjet garnet from the live tailings stream at the Kanmantoo Copper-Gold Mine and from the Kanmantoo Tailings Storage Facility.[1] A Garnet Exploration Target for the project was reported to ASX on 9 March 2026.[2] During the year the Company advanced Front End Loading Stage 3 (FEL-3), the engineering study required to support a Final Investment Decision, across both the 50,000 tonne per annum single-train and the 100,000 tonne per annum two-train configurations priced by IHC Mining, with final plant selection subject to that decision.

Port Gregory Garnet Project (Western Australia)

The Port Gregory project has a JORC (2012) Mineral Resource of 166 million tonnes @ 4.0% Total Heavy Minerals (THM), comprising a Measured Mineral Resource of 126 Mt @ 3.8% THM, an Indicated Mineral Resource of 20 Mt @ 6.5% THM and an Inferred Mineral Resource of 20 Mt @ 2.9% THM, and containing 5.9 million tonnes of garnet. Subsequent to year end, the Company delivered the Port Gregory Pre-Feasibility Study, releasing the results to the ASX on 29 July 2026 together with a maiden Probable Ore Reserve of 85.5 Mt at 4.43% THM for 3.3 Mt of contained garnet (effective 8 July 2026). The PFS returned a post-tax NPV of A$322.8 million (real, 8%), an IRR of 47.6% and a 24-year mine life. As both fall after the 30 June 2026 balance date, they are subsequent events.[3]

Red Hill Garnet Project (Western Australia)

An Exploration Target has been defined for Red Hill using cut-off grades for reporting of 3% THM and 1% THM, ranging from 90 to 150 Mt of material @ 5.4% to 4.1% THM and containing between 5 and 6 Mt of THM and 3.8 to 4.5 Mt of garnet During FY26 the project was advanced through analytical work on the 2023 maiden 48-hole, 1,815-metre air core drilling programme, including a 47-sample QXRD assay batch submitted to Bureau Veritas Adelaide with results received during the June 2026 quarter, supporting work toward a maiden Mineral Resource Estimate[4] The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration to determine a Mineral Resource estimate and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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[1] Garnet Tailings Processing Agreement Executed, ASX announcement 27 January 2026. https://heavyminerals.com/announcements/20260126-garnet-tailings-processing-agreement-executed-6A1308451.pdf

[2] Kanmantoo Garnet Exploration Target, ASX announcement 9 March 2026. https://heavyminerals.com/announcements/20260308-kanmantoo-garnet-exploration-target-6A1315298.pdf

[3] Updated Port Gregory JORC Mineral Resource Increased by 23%, ASX announcement 10 July 2023. https://heavyminerals.com/announcements/20230710-updated-port-gregory-jorc-mineral-resource-increased-by-23-6A1157738.pdf

[4] Red Hill Assay Results and Exploration Target - Revised, ASX announcement 4 May 2023. https://heavyminerals.com/announcements/20230504-red-hill-assay-results-exploration-target-revised-6A1148783.pdf

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Inhambane Heavy Mineral Project (Mozambique)

The Company's other project is the Inhambane Heavy Mineral Project in Mozambique, which contains an ilmenite-dominated JORC (2012) Inferred Mineral Resource of 90 million tonnes @ 3.0% THM.[5]

Key highlights

- Binding Tailings Processing Agreement executed with Hillgrove Resources over the Kanmantoo tailings stream (announced 27 January 2026), establishing the Company's near-term entry into garnet production, followed by a maiden Exploration Target (8 March 2026) and FEL-3 study work across both the 50,000 tpa and 100,000 tpa plant configurations priced by IHC Mining.
- Port Gregory Pre-Feasibility Study substantially completed during the year and delivered immediately after year end: maiden Probable Ore Reserve of 85.5 Mt at 4.43% THM effective 8 July 2026, and PFS results released 29 July 2026 - post-tax NPV (real, 8%) of A$322.8M, IRR 47.6%, ~3.1-year payback over a 24-year mine life.
- Red Hill advanced through analytical work: a 47-sample QXRD batch submitted to Bureau Veritas Adelaide with results received in the June quarter, supporting work toward a maiden Mineral Resource estimate.
- Product and market development progressed across the waterjet and abrasive-blast garnet markets, including programmes at Mining Indaba (February 2026) and AMPP Houston (March 2026) and preparation of representative samples for distributor qualification.
- Working capital funded through the Royalty programme, Royalty Option conversions and the Acuity Capital ATM facility; project-build funding discussions progressed across bonds, debt, royalties, prepay and offtake-linked structures, deliberately sequenced behind completion of the technical studies.
- A$1,244,250 remained undrawn under the ATM facility at 30 June 2026, with total available funding of A$947,520.

Commentary from Executive Chairman, Mr Adam Schofield

"The 2026 Financial Year was a great year for Heavy Minerals with the Company becoming a genuinely near-term Garnet producing company with 2 well developed assets. The binding Tailings Processing Agreement at Kanmantoo gives us a real near-term path into production and the Port Gregory Pre-Feasibility Study which was completed immediately after year end confirms the scale and economics of our foundation Garnet asset with its maiden Ore Reserve being delivered.

The Company's primary focus for the beginning of the new financial year is securing build capital for the Kanmantoo Project ahead of making a Final Investment Decision.

The Board would like to thank its shareholders for their demonstrated patience and support during the lengthy PFS study. With the PFS study now complete and Kanmantoo Project build funding options looking positive we believe the rewards to all shareholders will be significant and well worth the wait. "

Adam Schofield, Executive Chairman

[5] Mineral Resource Increased at Inhambane to 90 Mt at 3% THM, ASX announcement 6 December 2021. https://heavyminerals.com/announcements/20211205-mineral-resource-increased-at-inhambane-to-90mt-at-3pc-thm-6A1067130.pdf

PORT GREGORY PROJECT

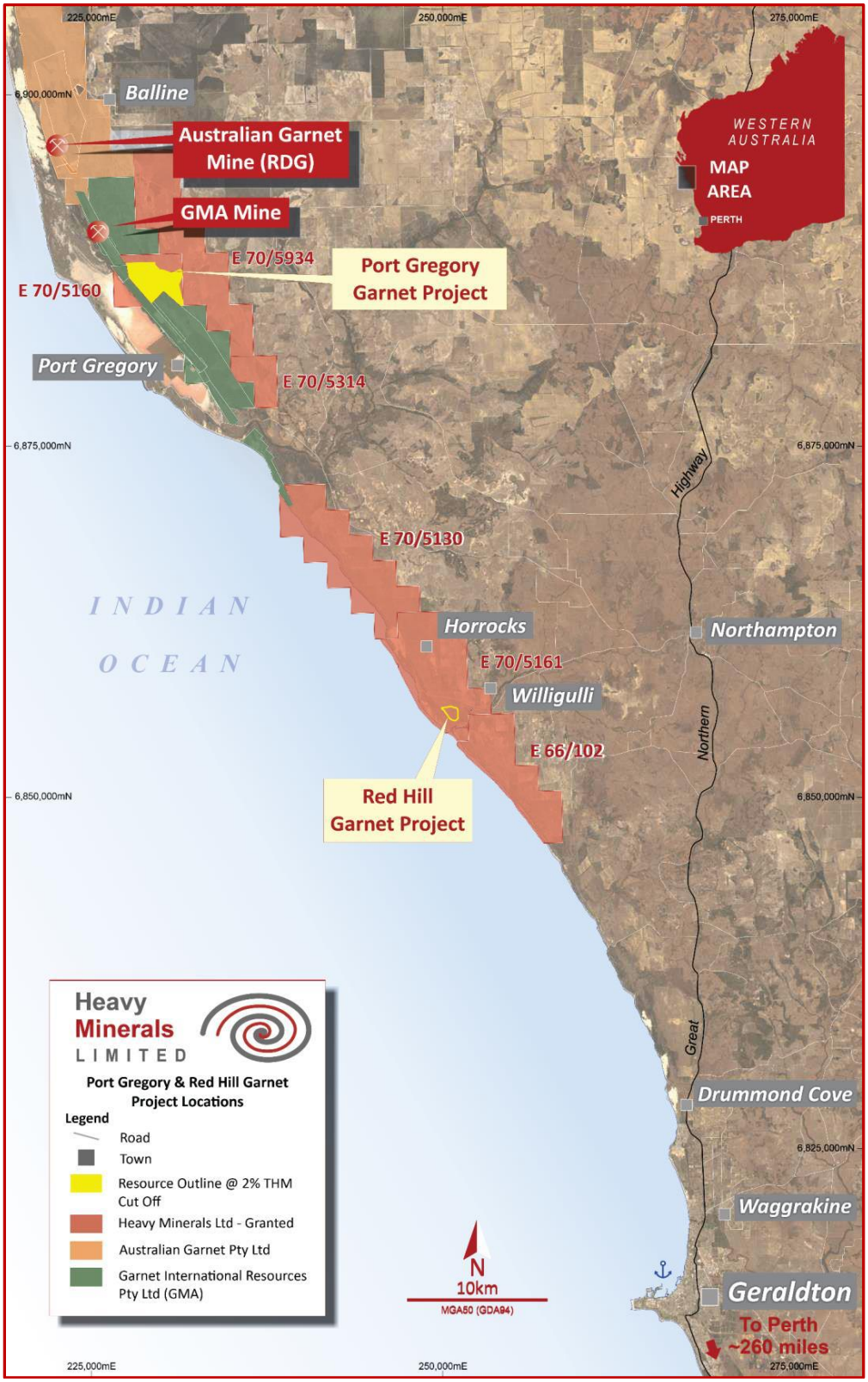


Figure 1: Project locations - Port Gregory and Red Hill garnet projects

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Pre-Feasibility Study

Port Gregory work through FY26 was dominated by the Pre-Feasibility Study, conducted by IHC Mining with AMC Consultants (mining) and Mining Insights (financial model), to the standards of the JORC Code 2012 Edition, the VALMIN Code 2015 Edition and AusIMM Engineering Reporting Study Guidelines, with battery limits from mine production through to delivery of finished product to port. Through the year the study progressed from final modelling (September 2025 quarter) through final review to completion of the consultants' reports.

The Study was not completed within the financial year. The consultants signed their reports in early July 2026, enabling the maiden Ore Reserve to take effect on 8 July 2026 and the Study to be released to the market on 29 July 2026. Both are subsequent events to the 30 June 2026 balance date. The production target and forecast financial information are underpinned by the Ore Reserve and, to a lesser extent, by Inferred Mineral Resources representing approximately 5.7% of mill feed. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that the production target will be realised. Refer to the Material Assumptions section of the 29 July 2026 announcement.

Table 1: Port Gregory PFS outcomes, as released 29 July 2026

Measure	Result
Maiden Ore Reserve (Probable)	85.5 Mt at 4.43% THM for 3.3 Mt contained garnet
Mine life	24 years
Post-tax NPV (real, 8% discount rate)	A$322.8 million
Post-tax IRR	47.6%
Development capital (incl. owner's costs)	A$122.1 million
NPV to development capital	2.64x
EBITDA (life of mine)	A$1.34 billion
Peak funding requirement	Approximately A$89.5 million

Source: ASX announcement 29 July 2026, Port Gregory Garnet Project Pre-Feasibility Study. The production target and the forecast financial information derived from it are underpinned by the Ore Reserve and, to a lesser extent, by Inferred Mineral Resources representing approximately 5.7% of mill feed. Refer to that announcement for the full material assumptions.

Mineral Resource

The Port Gregory Garnet Project hosts a JORC (2012) Mineral Resource of 166 Mt at 4.0% Total Heavy Minerals (Measured 126 Mt at 3.8%, Indicated 20 Mt at 6.5%, Inferred 20 Mt at 2.9%) for 5.9 Mt of contained garnet, reported at a 2% THM cut-off. The estimate is unchanged from that last reported to ASX on 10 July 2023.

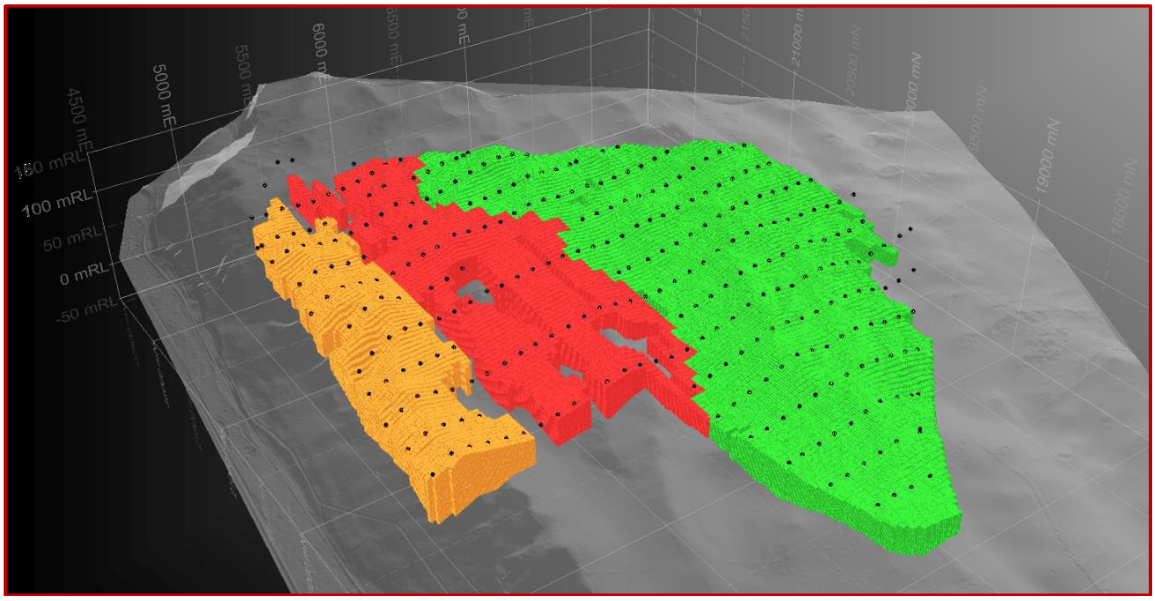


Figure 2: Port Gregory block model showing JORC Mineral Resource classification

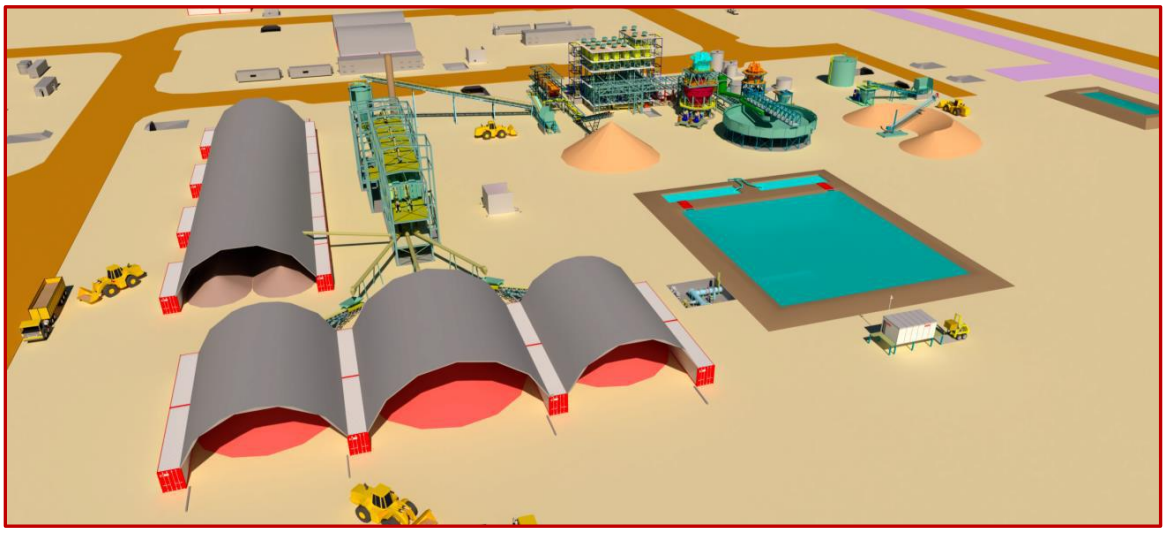


Figure 3: Port Gregory minerals sands modular plant and site layout (IHC Mining)

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KANMANTOO HARD ROCK GARNET PROJECT

Kanmantoo moved during FY26 from an unnamed industrial-minerals opportunity to the Company's principal near-term development. Product testing was completed at CSIRO Pullenvale in the September 2025 quarter, with study work by IHC Mining and Allied Project Developments covering process flow design, plant design, capital requirements, financial modelling, and logistics and distribution. During the December 2025 quarter final legal terms were negotiated with Hillgrove Resources Limited (ASX: HGO) for extraction of hard-rock almandine waterjet garnet from the existing tailings stream at the Kanmantoo Copper Gold Mine, including the permitting structure for initial production and for any future increase; execution of the binding Tailings Processing Agreement was announced on 27 January 2026. A maiden Exploration Target for the garnet inventory addressable under the agreement was announced on 8 March 2026.

Front End Loading Stage 3

The Company received firm pricing and plant designs from IHC Mining for a 50,000 tonne per annum wet and dry garnet processing plant, which the Company may acquire if a Final Investment Decision is made. Front End Loading Stage 3 (FEL-3) study work progressed through the June 2026 quarter, advancing the engineering definition required to support a Final Investment Decision across both the 50,000 tpa and 100,000 tpa (two-train) configurations. Initial production is targeted at 50,000 tonnes per annum, with potential to scale subject to permitting and a Final Investment Decision; no Final Investment Decision had been taken as at the reporting date.



Figure 4: Kanmantoo tailings storage facility - the garnet-bearing tailings the Company will retreat

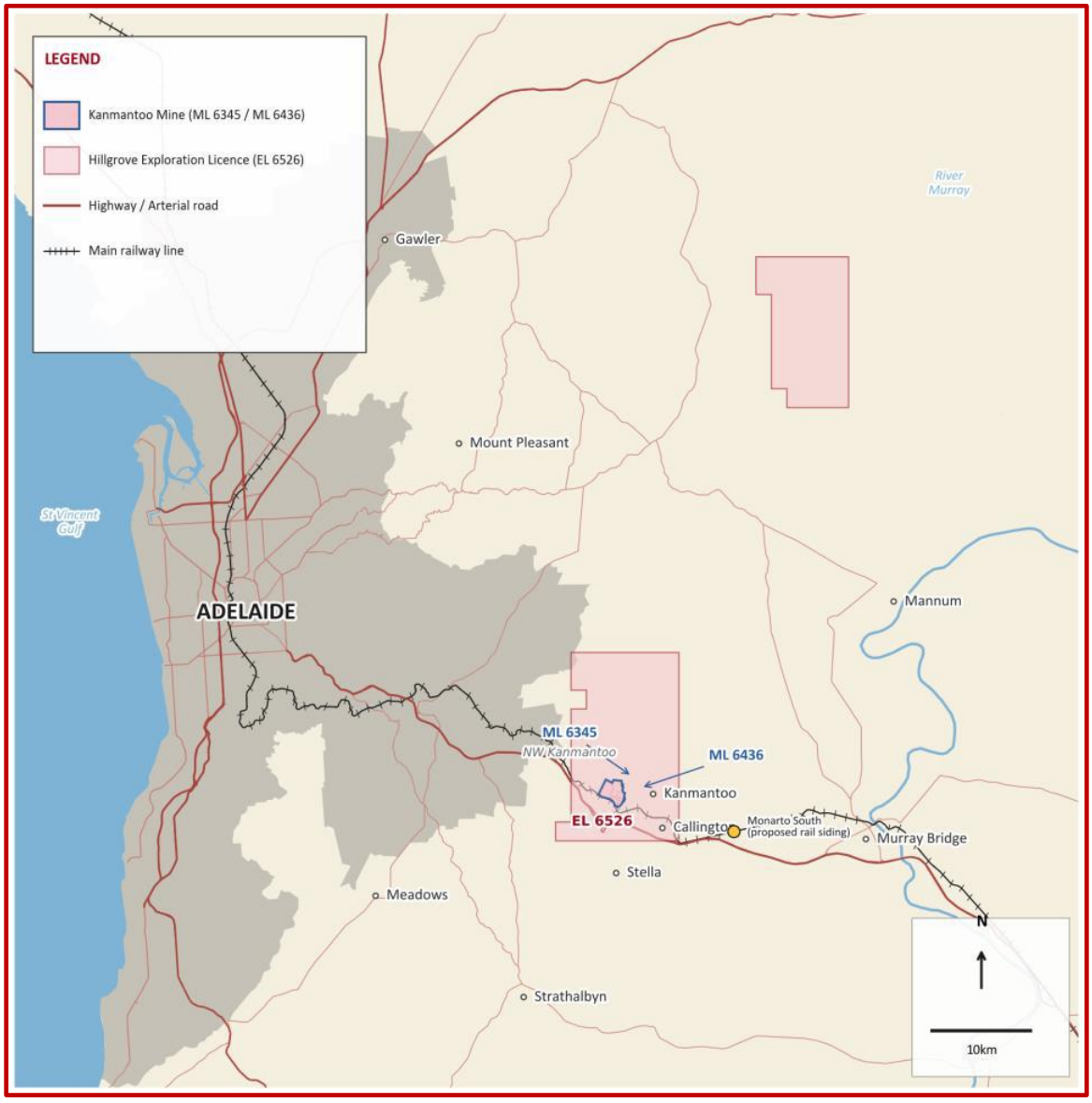


Figure 5: Kanmantoo Copper Mine location, mining leases and EL 6526 (South Australia)

REDHILL GARNET PROJECT

The Red Hill project has a defined Exploration Target of 90 to 150 Mt at 5.4% to 4.1% THM and was advanced during FY26 through analytical work on the 2023 maiden 48-hole, 1,815-metre air core drilling programme. During the March 2026 quarter the Company submitted a 47-sample QXRD assay batch to Bureau Veritas Adelaide, and the results were received during the June 2026 quarter. The Company will look to generate a Mineral Resource estimate under the JORC Code 2012 Edition, with the objective of progressing the project toward at minimum an Inferred Mineral Resource, and potentially an Indicated Mineral Resource, subject to assessment by the Competent Person. No Mineral Resource had been estimated for Red Hill as at the reporting date. The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration to determine a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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Figure 6: Red Hill drill collars and section lines, 2023 air core programme

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Inhambane Heavy Mineral Project (Mozambique)

The Inhambane Heavy Mineral Sands Project in Mozambique consists of a mining concession application containing an ilmenite-dominated JORC (2012) Inferred Mineral Resource of 90 Mt at 3.0% Total Heavy Minerals. The project remained in the portfolio through FY26 with no material field activity during the year.

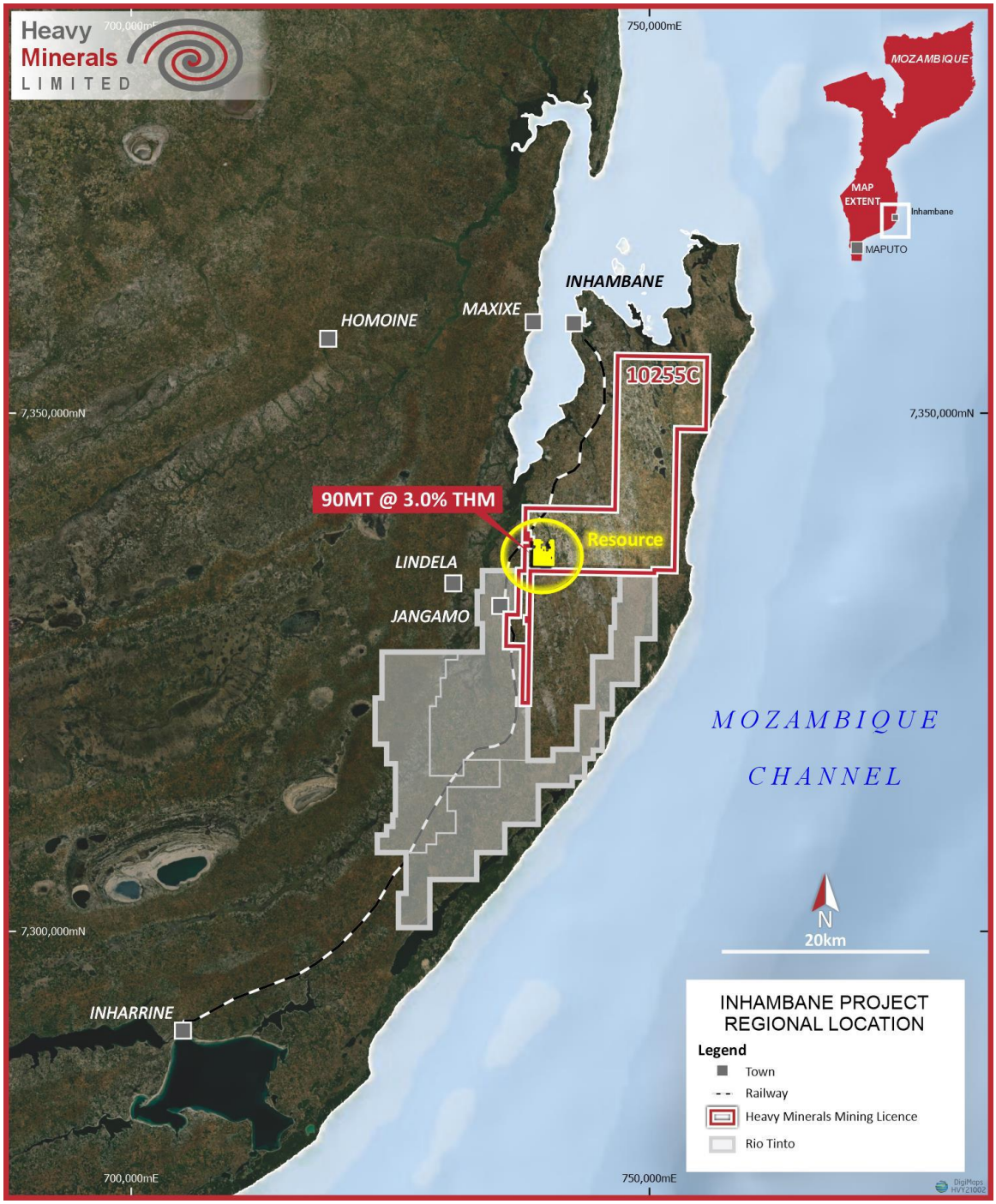


Figure 7: Inhambane mining licence application relative to adjacent Rio Tinto tenure

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CORPORATE

Customer engagement and market development

During the year the Company ran a focused marketing programme, attending Mining Indaba in Cape Town (February 2026) and the AMPP conference in Houston (March 2026), engaging project-finance counterparties and garnet end-users. Through the June quarter, distribution discussions progressed with potential distributors and end-users across the waterjet and abrasive-blast garnet markets, and representative product samples were prepared for despatch for qualification and testing. These discussions are exploratory and non-binding: no commercial terms agreed, no binding offtake quantities or pricing settled, and no counterparty selection made.

Project-build funding

Securing construction funding for the Kanmantoo and Port Gregory projects remained a principal corporate priority through FY26. In order of the Company's stated preference the instruments under evaluation are bonds; debt funding; royalties; prepay and offtake-linked structures; and potentially government grant programmes and equity. Funding was deliberately sequenced behind study completion, as counterparties across each instrument require completed technical studies before terms can be advanced. Discussions remained preliminary and non-binding at the reporting date, with no counterparty selection, no binding terms, and no quantum or closing date disclosable.

Cash and working capital

The Company continued to access previously announced facilities: the Tranche 2 Royalty Funding Program and the Acuity Capital At-the-Market (ATM) facility. The ATM facility had a limit of A$2,000,000 at 30 June 2026, of which A$575,000 was drawn during the year. The limit is the maximum amount Acuity Capital may provide under the facility. It may be increased at any time by agreement, at no fee to the Company, and Acuity Capital's practice is to set the limit at between 10% and 20% of the Company's market capitalisation at the time of extension. During the year the Company raised a further A$680,000 under the Tranche 2 Royalty Funding Program, in consideration for an additional 0.34% gross revenue royalty over the Port Gregory Project. At 30 June 2026 total Tranche 2 subscriptions were A$1,040,000 under 18 agreements, for an aggregate 0.52% gross revenue royalty. Subscribers receive one free-attaching unquoted option for every A$1 subscribed, exercisable at a 50% premium to the volume-weighted average price over the 10 trading days prior to grant.

Outlook for the September 2026 quarter

- Progression toward a Final Investment Decision on Kanmantoo on completion of FEL-3.
- Advancement of Kanmantoo project-build funding discussions and Port Gregory Feasibility Study planning.
- Red Hill Mineral Resource estimation work.
- Continued distributor qualification and market-development activity.

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COMPETENT PERSONS STATEMENTS

Mineral Resources

The information in this report that relates to the Port Gregory Mineral Resource estimate, the Inhambane Inferred Mineral Resource and the Red Hill Exploration Target is based on, and fairly represents, information and supporting documentation prepared, compiled and reviewed by Mr Greg Jones (FAusIMM), who is a Non-Executive Director of the Company and a full-time employee of Mineral Technologies. Mr Jones is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being reported on, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Jones has reviewed this report and consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Ore Reserves

The information in this report that relates to the Port Gregory Ore Reserve estimate is based on, and fairly represents, information prepared under the direction of Mr Adrian Jones, a full-time employee of AMC Consultants Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is the Competent Person for the Port Gregory Ore Reserve estimate and has sufficient experience relevant to the style of mineralisation, type of deposit and open pit mining methods under consideration to qualify as a Competent Person as defined in the JORC Code (2012). Mr Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Exploration Targets

The information in this report that relates to Exploration Target estimates is based on and fairly represents information and supporting documentation prepared, compiled and reviewed by Mr Robert Wason BSc (Hons) Geology, MSc (Mining Geology), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wason is an employee of Mining Insights. Mr Wason has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wason consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Previously reported estimates

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements referred to in the About Heavy Minerals Limited section of this report, and that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed.

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Port Gregory and Red Hill

The information in this report that relates to Exploration Targets. Exploration Results and Mineral Resource estimates is based on and fairly represents information and supporting documentation prepared by Mr. Greg Jones (FAusIMM) who is a Non-Executive Director for Heavy Minerals Limited. Mr. Jones is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Jones has reviewed this report and consents to the inclusion in the report of the matters in the form and context with which it appears.

The Port Gregory Mineral Resource estimate of 166 Mt at 4.0% Total Heavy Minerals for 5.9 Mt of contained garnet was first reported in accordance with ASX Listing Rule 5.7 and released on the ASX market announcements platform on 10 July 2023, and remains unchanged. The Red Hill Exploration Target of 90 to 150 Mt at 5.4% to 4.1% Total Heavy Minerals was reported to the ASX on 4 May 2023. Subsequent to the reporting date, on 29 July 2026 the Company reported a maiden Ore Reserve for the Port Gregory Garnet Project of 85.5 Mt at 4.43% Total Heavy Minerals for 3.3 Mt of contained garnet, classified as Probable, together with the results of the Port Gregory Pre-Feasibility Study. As these occurred after 30 June 2026 they are subsequent events and are not previously reported estimates for the year ended 30 June 2026; the Ore Reserve is the subject of a separate Competent Person's statement (Mr Adrian Jones, AMC Consultants Pty Ltd) included in this report.

Inhambane

The Mineral Resource estimates referred to in this report were first reported in accordance with ASX Listing Rule 5.7 in the Company's prospectus dated 27 July 2021 and released on the ASX market announcements platform on 10 September 2021 and subsequently revised in Heavy Minerals Limited's ASX release dated 6th December 2021. The JORC Mineral Resource report that supports this original Mineral Resource estimate is hosted on the company website at the following link:
https://www.heavyminerals.com/technical-reports/

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

The information in this report that relates to Mineral Resource estimates is based on and fairly represents information and supporting documentation prepared by Mr. Greg Jones (FAusIMM) who is a Non-Executive Director for Heavy Minerals Limited.

Mr. Jones is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Jones has reviewed this report and consents to the inclusion in the report of the matters in the form and context with which it appears.

The information in this report that relates to Metallurgical Test Results was first reported in a release to the ASX on 30 May 2022.

Forward-looking and cautionary statements

The potential quantity and grade of an Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain that further exploration will result in the estimation of a Mineral Resource.

The Port Gregory production target referred to in this report is underpinned by the Company's maiden Ore Reserve and, to a lesser extent, by Inferred Mineral Resources representing approximately 5.7% of mill feed. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources, or that the production target or the forecast financial information derived from it will be realised.

This report contains forward-looking statements concerning the Company's plans for its projects, including the pathway to a Red Hill Mineral Resource estimate, completion of Kanmantoo FEL-3 and progression toward a Final Investment Decision, project-build funding, product distribution and qualification, and the outlook for the September 2026 quarter. Forward-looking statements are based on assumptions and judgements of management regarding future events and results, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Actual results may differ materially. Investors should not place undue reliance on forward-looking statements, which speak only as at the date of this report. The Company does not undertake to update them except as required by law or by the ASX Listing Rules.

Environmental, Social and Governance

Heavy Minerals Limited recognises sound environmental, social and governance practice as a driver of long-term value. The Company has previously completed a baseline assessment against the World Economic Forum's Stakeholder Capitalism Metrics, aligned to the United Nations Sustainable Development Goals, with its most recent disclosures prepared for the 2024 financial year. The Company did not undertake a formal ESG disclosure programme during the year, as its resources were directed to advancing its projects. The Board intends to re-establish ESG reporting at a scale appropriate to the Company as its projects move toward development.

Environmental Regulation

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

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Material Business Risks

The Consolidated Entity's exploration and evaluation operations will be subject to the normal risks of mineral exploration. The material business risks that may affect the Consolidated Entity are summarised below.

Future capital raisings

The Consolidated Entity's ongoing activities may require substantial further financing in the future. The Consolidated Entity will require additional funding to continue its exploration and evaluation operations on its projects with the aim to identify economically mineable reserves and resources. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit the Consolidated Entity's operations and business strategy. 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 or at all. If the Consolidated Entity is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Consolidated Entity's activities and could affect the Consolidated Entity's ability to continue as a going concern.

Exploration risk

The success of the Consolidated Entity depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Consolidated Entity's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Consolidated Entity's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Consolidated Entity and possible relinquishment of the tenements. The exploration costs of the Consolidated Entity are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Consolidated Entity's viability. If the level of operating expenditure required is higher than expected, the financial position of the Consolidated Entity may be adversely affected.

Feasibility and development risks

It may not always be possible for the Consolidated Entity to exploit successful discoveries which may be made in areas in which the Consolidated Entity has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Consolidated Entity's.

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Regulatory risk

The Consolidated Entity's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials.

No assurance can be given that the Consolidated Entity will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Consolidated Entity may be limited or prohibited from continuing or proceeding with exploration. The Consolidated Entity's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Consolidated Entity's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Consolidated Entity.

Mineral resource estimate risk

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Mineral resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Consolidated Entity's future plans and ultimately its financial performance and value. Mineral sands price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental risk

The operations and activities of the Consolidated Entity are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Consolidated Entity's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Consolidated Entity attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Consolidated Entity is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Consolidated Entity's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Consolidated Entity to incur significant expenses and undertake significant investments which could have a material adverse effect on the Consolidated Entity's business, financial condition and performance.

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Availability of equipment and contractors

HVY's projects are subject to the standard market risk associated with securing contractors. Unlike the historical equipment and personnel constraints prior to and during the COVID-19 pandemic the market has improved. Notwithstanding there is a risk that the Consolidated Entity may not be able to source all the equipment and contractors required to fulfil its proposed activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of the Consolidated Entity's activities.

Cyber security is a risk that has emerged in recent years and HVY is taking steps commensurate with its activities to minimise the risk of harm associated with cyber risk. As operations commence these controls will be heightened and as systems are implemented the system design with inherently be designed to minimise the risk of business interruption due to cyber-attacks.

CORPORATE

- On 25 July 2025 the Company drew down on $200,000 of the ATM facility.
- On 8 September 2025 the Company drew down on $200,000 of the ATM facility.
- On 8 September 2025 the following unlisted options were issued:
  - 10,000 unlisted options exercisable at $0.46 each expiring 3 July 2027.
  - 25,000 unlisted options exercisable at $0.4875 each expiring 18 July 2027.
  - 20,000 unlisted options exercisable at $0.5045 each expiring 4 August 2027.
  - 100,000 unlisted options exercisable at $0.4714 each expiring 1 September 2027.
- On 25 September 2025 300,000 unlisted options exercisable at $0.25 each expiring on 20 October 2025 were converted into shares.
- On 6 October 2025 25,000 unlisted options exercisable at $0.4875 each expiring on 18 July 2027 were converted into shares.
- On 9 October 2025:
  - 250,000 unlisted options exercisable at $0.25 each expiring on 20 October 2025 were converted into shares.
  - 50,000 unlisted options exercisable at $0.3176 each expiring on 9 May 2027 were converted into shares.
  - 50,000 unlisted options exercisable at $0.25 each expiring on 22 March 2026 were converted into shares.
- On 3 November 2025 100,000 unlisted options exercisable at $0.25 each expiring on 7 December 2025 were converted into shares.
- On 1 December 2025:
  - 60,000 unlisted options exercisable at $0.4086 each expiring on 30 May 2027 were converted into shares.
  - 9,600,000 unlisted performance rights expiring 1 December 2029 were granted to Directors under the Company's Employee Securities Incentive Plan and as approved at the 27 November 2025 AGM.
- On 12 December 2025:
  - 500,000 unlisted performance rights expiring on 12 December 2025 were converted into shares.
  - 900,000 unlisted options exercisable at $0.7275 each expiring 11 December 2028 were granted under the Company's Employee Securities Incentive Plan.
- On 16 December 2025 50,000 unlisted options exercisable at $0.25 each expiring on 22 March 2026 were converted into shares.

- On 23 January 2026 the Company entered into a Binding Tailings Processing Agreement with Hillgrove Resources for the development of a Garnet Project utilising Hillgrove's Kanmantoo Copper Mine Tailings in South Australia.
- The terms of the agreement required Heavy to pay a $50K fee to Hillgrove on execution of the Agreement with no subsequent payments or expenditure required until Heavy makes a Financial Investment Decision for the development of the project. This Financial Investment decision is primarily based on the Company being able to raise the capital to develop the project. The Company is currently engaged in a number of discussions in regards to this funding.
- On 29 January 2026 the Company drew down on $175,000 of the ATM facility.
- On 24 February 2026 the Company issued 3,300,000 shares in conjunction with the ATM.
- On 20 March 2026, 50,000 unlisted options exercisable at $0.25 each expiring on 22 March 2026 were converted into shares.
- On 17 April 2026
    - 25,000 unlisted options exercisable at $0.25 each expiring on 18 July 2026 and 100,000 unlisted options exercisable at $0.25 each expiring 19 April 2026 were converted into shares.
    - 25,000 unlisted options exercisable at $0.8786 each expiring 31 January 2028 were issued.
    - 100,000 unlisted options exercisable at $0.8585 each expiring 5 February 2028 were issued.
    - 100,000 unlisted options exercisable at $0.8547 each expiring 7 February 2028 were issued.
    - 100,000 unlisted options exercisable at $0.8488 each expiring 17 February 2028 were issued.
- On 30 June 2026 the following unlisted options were issued:
    - 25,000 unlisted options exercisable at $0.7615 each expiring 14 May 2028.
    - 50,000 unlisted options exercisable at $0.7203 each expiring 20 June 2028.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs during the financial year ended 30 June 2026.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company's near-term focus is the Kanmantoo Garnet Project in South Australia, where it is completing front-end engineering and progressing toward a Final Investment Decision and project funding. The Company will also continue product qualification and distribution arrangements for Kanmantoo garnet in parallel.

At Port Gregory, the Company is finalising the Pre-feasibility Study (completed subsequently). Its results will give the Company and investors a clearer technical and financial view of the project and will inform the decision to start a Bankable Feasibility Study. Environmental approvals and the mining lease application for Port Gregory will be advanced alongside the study.

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At Red Hill, the Company intends to work towards a maiden Mineral Resource estimate.
There are no other likely developments of which the Directors are aware of which could be expected to significantly affect the results of the Company's operations in subsequent financial periods not otherwise disclosed in the 'Principal activities' and 'Review of operations' or the 'Significant events after the balance sheet date' sections of the Directors' report.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below.

Current Directors

Director	Details
Adam Schofield	
Qualifications	Dip (MechEng)
Position	Executive Chairman (Non-Independent)
Appointment Date	10 February 2021
Resignation Date	N/A
Length of Service	5 years 7 months (to date)
Biography	Mr Schofield is an Executive Director with over two decades experience in the resources sector in Africa and Australia. He is a Mechanical Engineer with significant experience in conducting feasibility studies and taking projects from feasibility stage into operations. Mr Schofield has an extensive experience in gold, mineral sands, iron ore, REE and copper.
Committee Memberships	N/A as the Board as a whole performs the role of the Audit and Risk, Nomination and Remuneration Committees
Current ASX Listed Directorships	None
Former ASX Listed Directorships within last 3 years	Nelson Resources Limited Kingfisher Mining Limited

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Greg Jones	
Qualifications	B App Sc (Geol) (Hons), FAusIMM
Position	Non-Executive Director (Non-Independent)
Appointment Date	10 February 2021
Resignation Date	N/A
Length of Service	5 years 7 months (to date)
Biography	Mr Jones has over 30 years' experience primarily as a mineral sands Geologist. Most of his career has been with Iluka Resources in senior resource estimation/management roles and in the capacity of Competent Person for the reporting and management of Mineral Resources and Ore Reserves. Mr Jones has helped develop a number of new discoveries into reportable Mineral Resources including Jacinth-Ambrosia. He is a 20 year member of the AusIMM, holding the grade of Fellow, sitting on review committees and has published multiple technical and resource estimation mineral sands papers. For the past seven years, Mr Jones has held various consulting roles, firstly establishing GNJ Consulting Pty Ltd specialising in geological, geometallurgical and resource estimation consulting services to the mineral sands sector, then joining IHC Robbins as the Principal Advisor Geology and Mining and Geological Services Manager. He is currently employed with Mineral Technologies as the Head of Geology & Mining.
Committee Memberships	N/A as the Board as a whole performs the role of the Audit and Risk, Nomination and Remuneration Committees
Current ASX Listed Directorships	None
Former ASX Listed Directorships within last 3 years	None

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Aaron Williams	
Qualifications	BCom, MBA
Position	Non-Executive Director (Independent)
Appointment Date	29 August 2023
Resignation Date	N/A
Length of Service	4 years 1 month (to date)
Biography	Mr Williams is a renowned international expert in the garnet industry and his extensive experience and expertise will be invaluable as the Company works towards developing its industrial garnet mining operations. Mr Williams' career spans over three decades. From 2002 until 2011, he oversaw mining operations, head office functions, and international sales & marketing and distribution operations for GMA, the world's largest garnet producing group based in Western Australia. He also established the group's American business unit in Houston, Texas. From 2012 to 2020, Mr Williams co-founded and managed a Malaysian and later Saudi Arabian based manufacturer and distributor of abrasive blasting equipment, blast media abrasives, and related surface preparation consumables. More recently, he founded a blast media distribution business in Malaysia, looking after Southeast Asian maintenance contractors and fabrication yards. Mr Williams was a Board Director (Global Centre) for the Association for Material Protection and Performance (AMPP), 2022-2024 and is an AMPP Certified Coatings Inspector. Mr Williams was also CEO of Melbourne based Abrasive Blasting Service and Supplies Pty Ltd, that manufacturers abrasive blasting equipment, and sells blast media and related consumables, across Australia, New Zealand and Southeast Asia.
Committee Memberships	N/A as the Board as a whole performs the role of the Audit and Risk, Nomination and Remuneration Committees
Current ASX Listed Directorships	None
Former ASX Listed Directorships within last 3 years	None

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COMPANY SECRETARY

Company Secretary	Details
Stephen Brockhurst	
Qualifications	BCom
Position	Company Secretary
Appointment Date	10 February 2021
Resignation Date	N/A
Biography	Mr Brockhurst has over 20 years' experience in the finance and corporate advisory industry and has been responsible for the due diligence process and preparation of prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements. Mr Brockhurst has served on the board and acted as Company Secretary for numerous ASX listed companies.

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

	Board	Board in the Capacity of Audit & Risk Committee	Board in the Capacity of Remuneration & Nomination Committee
Number of Meetings Held	**5**	**2**	**1**
Number of Meetings Attended:			
Adam Schofield	5	2	1
Greg Jones	5	2	1
Aaron Williams	5	2	1

All Directors were eligible to attend all Board Meetings held when they were in office.

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SHARE OPTIONS

As at the date of this report:

Details	Unlisted
$0.20 unlisted Tranche A options expiring 7 December 2026	750,000
$0.25 unlisted Tranche B options expiring 7 December 2026	750,000
$0.30 unlisted Tranche C options expiring 7 December 2026	1,500,000
$0.1399 unlisted Tranche D options expiring 7 December 2026	1,500,000
$0.25 unlisted options expiring 4 February 2027	10,000
$0.3255 unlisted options expiring 27 April 2027	20,000
$0.3295 unlisted options expiring 28 April 2027	100,000
$0.3295 unlisted options expiring 1 May 2027	20,000
$0.3882 unlisted options expiring 20 May 2027	50,000
$0.4484 unlisted options expiring 24 June 2027	25,000
$0.46 unlisted options expiring 3 July 2027	10,000
$0.5045 unlisted options expiring 4 August 2027	20,000
$0.4714 unlisted options expiring 1 September 2027	100,000
$0.8786 unlisted options expiring 31 January 2028	25,000
$0.8585 unlisted options expiring 5 February 2028	100,000
$0.8547 unlisted options expiring 7 February 2028	100,000
$0.8488 unlisted options expiring 17 February 2028	100,000
$0.7615 unlisted options expiring 14 May 2028	25,000
$0.7203 unlisted options expiring 20 June 2028	50,000
$0.6357 unlisted options expiring 28 July 2028	30,000
$0.7275 unlisted options expiring 11 December 2028	900,000
Total	**6,185,000**

PERFORMANCE RIGHTS

As at the date of this report:

Details	Unlisted
Class C performance rights expiring 12 December 2026	500,000
Class A performance rights expiring 1 December 2029	850,000
Class B performance rights expiring 1 December 2029	850,000
Class C performance rights expiring 1 December 2029	850,000
Class D performance rights expiring 1 December 2029	850,000
Class E performance rights expiring 1 December 2029	850,000
Class F performance rights expiring 1 December 2029	850,000
Class G performance rights expiring 1 December 2029	2,250,000
Class H performance rights expiring 1 December 2029	2,250,000
Total	**10,100,000**

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS AND CONVERSION OF PERFORMANCE RIGHTS

1,060,000 shares were issued as a result of the exercise of the options and 500,000 shares were issued as a result of the conversion of performance rights during the financial year.

DIRECTORS' AND KEY MANAGEMENT PERSONNEL INTERESTS AND BENEFITS

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director / KMP	No. Shares Held at 30 June 2025	Security based Payments	Exercise of Options / Performance Rights	On-market Purchases	No. Shares Held at 30 June 2026	No. Shares Held at Date of this Report
Adam Schofield						
Directly	4,170,323	-	-	-	4,170,323	4,170,323
Indirectly	-	-	-	-	-	-
Greg Jones						
Directly	500,000	-	-	-	500,000	500,000
Indirectly	1,579,078	-	-	-	1,579,078	1,579,078
Aaron Williams						
Directly	-	-	-	-	-	-
Indirectly	452,765	-	-	-	452,765	502,765
Total	**6,702,166**	**-**	**-**	**-**	**6,702,166**	**6,752,166**

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The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director / KMP	No. Options Held at 30 June 2025	Security based Payments	Exercise of Options	Other Changes	No. Options Held at 30 June 2026	No. Options Held at Date of this Report
Adam Schofield						
Directly	1,500,000	-	-	-	1,500,000	1,500,000
Indirectly	-	-	-	-	-	-
Greg Jones						
Directly	-	-	-	-	-	-
Indirectly	1,500,000	-	-	-	1,500,000	1,500,000
Aaron Williams						
Directly	-	-	-	-	-	-
Indirectly	1,550,000	-	-	-	1,550,000	1,500,000
Total	**4,550,000**	**-**	**-**	**-**	**4,550,000**	**4,500,000**

The movement during the reporting period in the number of performance rights of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director / KMP	No. Performance Rights Held at 30 June 2025	Security Based Payments	Cancellation of Performance Rights	No. Performance Rights Held at 30 June 2026	No. Performance Rights Held at Date of this Report
Adam Schofield					
Directly	500,000	5,500,000	-	6,000,000	5,500,000
Indirectly	-	-	-	-	-
Greg Jones					
Directly	500,000	2,050,000	-	2,550,000	2,050,000
Indirectly	-	-	-	-	-
Aaron Williams					
Directly	-	-	-	-	-
Indirectly	-	2,050,000	-	2,050,000	2,050,000
Total	**1,000,000**	**9,600,000**	**-**	**10,600,000**	**9,600,000**

The following terms and conditions apply to each of the Performance Rights:

- (**Vesting Conditions**)**:** The Performance Rights will vest subject to the satisfaction of the following performance milestones within that timeframe (each a **Milestone**):

Class	Performance Milestone	**Milestone Date**	**Number of Performance Rights**
Class B (Director & Consultant)	Delineation of a 250MT Inferred Mineral Resource at 3.0% THM (with a minimum cut-off grade of 2%) at the Inhambane Project	5 years from the date of Admission	1,440,408 (subsequently expired)
Class C (Consultant)	HVY's Share Price achieves a minimum Share Price of 60 cents for a minimum of 7 consecutive days	12 December 2026	500,000
Class A (Director)	The Company achieving a market capitalisation of $40,000,000 on or before the Vesting Date, being 36 months from grant date (Vested)	1 December 2028	850,000
Class B (Director)	The Company achieving a market capitalisation of greater than $40,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date, being 36 months from grant date	1 December 2028	850,000
Class C (Director)	The Company achieving a market capitalisation of $80,000,000 on or before the Vesting Date, being 36 months from grant date	1 December 2028	850,000
Class D (Director)	The Company achieving a market capitalisation of greater than $80,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date, being 36 months from grant date	1 December 2028	850,000
Class E (Director)	The Company achieving a market capitalisation of $120,000,000 on or before the Vesting Date, being 36 months from grant date	1 December 2028	850,000
Class F (Director)	The Company achieving a market capitalisation of greater than $120,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date, being 36 months from grant date	1 December 2028	850,000
Class G (Director)	The Company achieves first Commercial Production on or before the Vesting Date on or before the Vesting Date	31 December 2026	2,250,000
Class H (Director)	The Company achieves second Commercial Production on or before the Vesting Date on or before the Vesting Date	30 June 2028	2,250,000
		Total	**11,540,408**

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- For the avoidance of doubt, both the retention condition and the relevant Milestone (together, the **Vesting Conditions**) must be satisfied before a Performance Right will vest.
- (**Vesting Process**): Provided the Vesting Conditions are met or otherwise waived by the Board, a Vesting Notification will be sent to the holder from the Board, informing them that some or all of the Performance Rights have vested. Unless and until the Vesting Notification is issued by the Company, the Performance Rights will not be considered to have vested.

Transactions with related parties

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

- During the year GNJ Consulting Pty Ltd (a company of which Greg Jones is a director) provided exploration services to the Consolidated Entity to the value of $55,000 (excluding GST) (30 June 2025: $57,000). The amount payable to GNJ Consulting Pty Ltd at 30 June 2026 was $20,000 (excluding GST) (30 June 2025: $5,000).
- During the year, Heavy Minerals Ltd (a company incorporated in England & Wales, related by way of a mutual director, Adam Schofield) was loaned $Nil (30 June 2025: $Nil) to cover corporate costs of which $3,352 was outstanding at the end of the period (30 June 2025: $3,352).
- During the prior year, the Company entered into a non-binding Memorandum of Understanding with Abrasive Blasting Service and Supplies Pty Ltd, a company of which Aaron Williams is the CEO, as announced on 7 March 2024. The non-binding Memorandum of Understanding for the future sales of a minimum of 15,000 tonnes per annum of Garnet to be produced at its Port Gregory Project for an initial 3-year period with Abrasive Blasting Service and Supplies Pty Ltd.

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Consolidated Entity for the year ended 30 June 2026. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Consolidated Entity.

Remuneration Policy

The remuneration policy of the Consolidated Entity has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Consolidated Entity, as well as create goal congruence between Directors, Executives and Shareholders.

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Executive Directors and Key Management Personnel

The Board's policy for determining the nature and amount of remuneration for Executive Directors and Key Management Personnel of the Consolidated Entity was in place for the year ended 30 June 2026.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors based on market practices, duties and accountability. Independent external advice is sought when required. The fees paid to Non-Executive Directors will be reviewed annually. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting ("AGM"). The maximum aggregate amount of fees payable has been set at $500,000pa for all Directors.

Use of Remuneration Consultants

To ensure the Remuneration Committee (of which the function is performed by the Board as a whole at this stage) is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did not engage external remuneration advice in FY2026.

Remuneration Report Approval at FY2026 AGM

The remuneration report for the year ended 30 June 2026 will be put to shareholders for approval at the Consolidated Entity's AGM which will be held during November 2026.

Details of Remuneration

Details of remuneration of the Directors and KMP of the Consolidated Entity (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

		Fixed			STI		LTI	Total		Proportion of Remuneration	
	Year	Salary, fees and leave $	Other Fees $	Superannuation $	Security Based Payments $	Incentive Payments $	Fair value of Security Incentives $	$	Fixed %	STI %	LTI %
Non-Executive Directors											
	2026	**49,687**	**55,000**	**6,025**	**-**	**-**	**104,459**	**215,171**	**51%**	**-**	**49%**
Greg Jones	2025	49,298	57,000	5,689	-	-	21,075	133,062	84%	-	16%
	2026	**49,576**	**-**	**6,074**	**-**	**-**	**104,459**	**160,109**	**35%**	**-**	**65%**
Aaron Williams	2025	49,245	-	5,743	-	-	21,075	76,063	72%	-	28%
	2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-
Steven Flynn[6]	2025	-	-	-	-	-	-	-	-	-	-
	2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Jeet Foolessur[4]	2025	-	-	-	-	-	-	-	-	-	-
Total Non-Executive	**2026**	**99,263**	**55,000**	**12,099**	**-**	**-**	**208,918**	**375,280**	**44%**	**-**	**56%**
Directors	2025	98,543	57,000	11,432	-	-	42,150	209,125	80%	-	20%
Executive Directors											
	2026	**257,000**	**-**	**-**	**-**	**-**	**280,257**	**537,257**	**48%**	**-**	**52%**
Adam Schofield	2025	157,000	-	-	-	-	21,075	178,075	88%	-	12%
	2026	**257,000**	**-**	**-**	**-**	**-**	**280,257**	**537,257**	**48%**	**-**	**52%**
Total Executive Directors	2025	157,000	-	-	-	-	21,075	178,075	88%	-	12%
Key Management Personnel											
	2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Andrew Taplin	2025	182,292	-	21,068	50,000	-	(214,000)	39,360	517%	127%	(544%)
Total Key Management	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Personnel	2025	182,292	-	21,068	50,000	-	(214,000)	39,360	517%	127%	(544%)

[6] Director of (Mozmin Resources Mauritius Ltd).

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Service Agreements

The Company entered into a consultancy agreement with Adam Schofield effective 1 January 2025, pursuant to which Mr Schofield serves as an Executive Director responsible for the overall management and supervision of the activities, operations and affairs of the Company, subject to overall control and direction of the Board. Pursuant to the agreement, Mr Schofield is entitled to receive $200,000 per annum. The agreement was for a three year term, unless terminated by either the Company or Mr Schofield giving not less than three month's written notice of termination to the other party (or shorter period in limited circumstances). The Board have agreed to the deferral of payment of Mr Schofield's Executive Director fees from 1 January 2025 to 30 June 2026 until June 2027.

The Company has entered into agreements with its Non-Executive Directors. The Board have agreed to the deferral of payment of Mr William's Non-Executive Director fees from 1 July 2025 to 30 June 2026 until June 2027.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Security based Compensation

Performance based compensation during the year ended 30 June 2026 has been detailed for the Directors within the Remuneration and Service Agreements sections of the Remuneration Report.

The following securities granted as remuneration (approved by shareholders under ASX Listing Rule 10.11 and 10.14) during the year ended 30 June 2026:

Inputs	Class A Performance Rights [FY25/26]	Class B Performance Rights [FY25/26]	Class C Performance Rights [FY25/26]	Class D Performance Rights [FY25/26]	Class E Performance Rights [FY25/26]	Class F Performance Rights [FY25/26]	Class G Performance Rights [FY25/26]	Class H Performance Rights [FY25/26]
Number of performance rights	850,000	850,000	850,000	850,000	850,000	850,000	2,250,000	2,250,000
Expiry date	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29
Grant date	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25
Vesting condition	The Company achieving a market capitalisation of $40,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $40,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $80,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $80,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $120,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $120,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieves first Commercial Production on or before the Vesting Date	The Company achieves second Commercial Production on or before the Vesting Date

There were no other Director and KMP transactions.

End of Audited Remuneration Report.

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DIVIDENDS

No dividends were paid during the year and no recommendation is made as to payment of dividends.

EVENTS SUBSEQUENT TO REPORTING DATE

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

- On 8 July 2026 the maiden Ore Reserve for the Port Gregory Garnet Project took effect, 85.5 Mt at 4.43% Total Heavy Minerals, estimated in accordance with the JORC Code 2012 Edition
- On 29 July 2026 the Port Gregory Pre-Feasibility Study was released to market
- On 30 July 2026
  - 50,000 unlisted options exercisable at $0.25 each expiring 28 July 2026 were converted into shares raising $12,500
  - 10,000 unlisted options exercisable at $0.25 each expiring 9 August 2026 were converted into shares raising $2,500
  - 20,000 unlisted options exercisable at $0.25 each expired unconverted
- On 11 August 2026
  - 1,250,000 unlisted options exercisable at $0.25 each expiring 7 August 2026 were converted into shares raising $312,500
  - 30,000 unlisted options exercisable at $0.6357 each expiring 28 July 2028 were issued
- On 20 August 2026 300,000 unlisted options exercisable at $0.1399 each expiring 6 December 2026 were converted into shares raising $41,970
- On 14 September 2026 1,440,408 unquoted performance rights expired
- Subsequent to the end of the reporting year, the Company agreed with a royalty funding participant to defer the buy-back of 60% of its royalty, at a buy-back amount of $1,562,500 (125% of its $1,250,000 subscription), under an agreement dated 30 September 2026, payable no later than 31 October 2027 and before then only to the extent the Company has raised funds, with payment targeted in instalments by 31 March 2027 (refer Note 23).

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and officers of the Company for costs incurred, in their capacity as a Director or officer, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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INDEMNITY AND INSURANCE OF AUDITOR

The Consolidated Entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Consolidated Entity or any related entity against a liability incurred by the auditor. During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the Consolidated Entity or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 5 to the financial statements. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 5 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Consolidated Entity, acting as advocates for the Consolidated Entity or jointly sharing economic risks and rewards.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2026 has been received and is included within the financial statements.

AUDITOR

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporation Act 2001.

Signed in accordance on behalf of the Directors.



Adam Schofield
Executive Chairman

2 October 2026

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The Board of Directors is responsible for the corporate governance of Heavy Minerals Limited (the Consolidated Entity). The Board of Directors have established a corporate governance framework which follows the recommendations as set out in the ASX Corporate Governance Council's Principles and Recommendations 4th edition ("Principles and Recommendations"). The Consolidated Entity has followed each recommendation where the Board has considered the recommendation to be appropriate benchmark for the Consolidated Entity's corporate governance practices. Where the Consolidated Entity's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where the Consolidated Entity's corporate governance practices do not follow a recommendation, the Board explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Consolidated Entity has adopted instead of those in the recommendation. The Consolidated Entity's corporate governance framework can be viewed on the Consolidated Entity's website: www.heavyminerals.com/corporate-governance/

Recommendation 1.5

The respective proportions of men and women on the Board, in senior executive positions (including key management personnel) and across the whole organisation:

Details: 2026	Percentage	Number
Board		
Men	100%	3
Women	-%	-
Senior Executive Positions		
Men	-%	-
Women	-%	-
Entire Organisation		
Men	67%	4
Women	33%	2

The Consolidated Entity recognises and respects the value of diversity at all levels of the organisation. The Consolidated Entity recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Consolidated Entity recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Consolidated Entity will seek to identify suitable candidates for positions from a diverse pool.

Recommendation 2.2

The Consolidated Entity has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Consolidated Entity is working towards filling these gaps through engagement of professional advisors where it is deemed necessary.

Recommendation 7.4

The Consolidated Entity has assessed its exposure to economic, environmental and social sustainability risks and has addressed them in its Corporate Governance Statement and can be viewed its website: www.heavyminerals.com/corporate-governance/.

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CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

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

As lead audit director for the audit of the financial statements of Heavy Minerals Limited and its controlled entities for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



ELIZABETH LOUWRENS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 2nd day of October 2026

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Income	3	**37,123**	44,135
Accounting fees		**(62,795)**	(64,613)
Compliance fees		**(160,372)**	(135,985)
Consultancy fees		**(6,520)**	-
Depreciation: plant & equipment	10	**(23,987)**	(21,654)
Depreciation: right of use asset		**(56,695)**	(70,346)
Directors' & employee remuneration		**(375,909)**	(344,567)
Exploration expenditure expensed	11	**(314,352)**	(1,216)
Foreign exchange loss		**(188)**	(395)
Impairment expense	11	**(377,465)**	-
Insurance expense		**(31,309)**	(39,282)
Interest expense		**(22,451)**	(8,024)
IT expenses		**(2,505)**	(2,034)
Legal fees		**(28,643)**	(24,026)
Marketing		**(170,379)**	(186,048)
Occupancy expenses		**(31,751)**	(30,596)
Other expenses		**(105,371)**	(133,725)
Royalty funding expense		**(312,500)**	-
Security based payments expense	16	**(734,842)**	(413,590)
Travel expenses		**(57,408)**	(50,070)
Loss before tax		**(2,838,319)**	(1,482,036)
Income tax benefit/(expense)	4	**-**	-
Net loss for the year from operations		**(2,838,319)**	(1,482,036)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(4,333)**	(1,644)
Total comprehensive loss for the year		**(2,842,652)**	(1,483,680)
Attributable to owners of the Consolidated Entity		**(2,842,652)**	(1,483,680)
Attributable to non-controlling interest		**-**	-
		(2,842,652)	(1,483,680)
Basic and diluted loss per share (cents)	6	**(4.08)c**	(2.22)c

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**35,715**	33,170
Trade and other receivables	8	**27,331**	30,567
Other assets	9	**45,853**	208,079
Total Current Assets		**108,899**	271,816
Non-Current Assets			
Plant and equipment	10	**37,206**	52,389
Right of use asset	11	**271,103**	13,449
Exploration and evaluation assets	12	**4,938,954**	4,967,730
Total Non-Current Assets		**5,247,263**	5,033,568
Total Assets		**5,356,162**	5,305,384
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**755,762**	567,858
Borrowings	14	**2,507,300**	23,988
Provisions	15	**-**	42,740
Total Current Liabilities		**3,263,062**	634,586
Non-Current Liabilities			
Borrowings	14	**1,080,836**	2,340,000
Total Non-Current Liabilities		**1,080,836**	2,340,000
Total Liabilities		**4,343,898**	2,974,586
Net Assets		**1,012,264**	2,330,798
EQUITY			
Contributed equity	16	**10,762,044**	9,387,917
Reserves	17	**1,427,661**	1,715,856
Accumulated losses		**(11,133,946)**	(8,729,480)
Attributable to owners of the Consolidated Entity		**1,055,759**	2,374,293
Attributable to non-controlling interest		**(43,495)**	(43,495)
Total Equity		**1,012,264**	2,330,798

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

Consolidated Entity	Contributed Equity	Foreign Currency Translation Reserve	Security based Payments Reserve	Accumulated Losses	Attributable to Owners of the Consolidated Entity	Attributable to Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2025	**9,387,917**	**33,671**	**1,682,185**	**(8,729,480)**	**2,374,293**	**(43,495)**	**2,330,798**
Equity issues	1,226,184	-	-	-	1,226,184	-	1,226,184
Cost of equity issues	(72,057)	-	-	-	(72,057)	-	(72,057)
Adjustments to cost of equity issues	220,000	-	-	-	220,000	-	220,000
Security based payments (net)	-	-	492,491	-	492,491	-	492,491
Adjustments[7]	-	-	(776,353)	433,853	(342,500)	-	(342,500)
Foreign exchange on translation of operations	-	(4,333)	-	-	(4,333)	-	(4,333)
Loss for the year	-	-	-	(2,838,319)	(2,838,319)	-	(2,838,319)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	(4,333)	-	(2,838,319)	(2,842,652)	-	(2,842,652)
Balance at 30 June 2026	**10,762,044**	**29,338**	**1,398,323**	**(11,133,946)**	**1,055,759**	**(43,495)**	**1,012,264**
Balance at 1 July 2024	**9,149,631**	**35,315**	**1,318,595**	**(7,247,444)**	**3,256,097**	**(43,495)**	**3,212,602**
Equity issues	266,250	-	-	-	266,250	-	266,250
Cost of equity issues	(27,964)	-	-	-	(27,964)	-	(27,964)
Adjustments to cost of equity issues	-	-	-	-	-	-	-
Security based payments (net)	-	-	584,390	-	584,390	-	584,390
Adjustments	-	-	(220,800)	-	(220,800)	-	(220,800)
Foreign exchange on translation of operations	-	(1,644)	-	-	(1,644)	-	(1,644)
Loss for the year	-	-	-	(1,482,036)	(1,482,036)	-	(1,482,036)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	(1,644)	-	(1,482,036)	(1,483,680)	-	(1,483,680)
Balance at 30 June 2025	**9,387,917**	**33,671**	**1,682,185**	**(8,729,480)**	**2,374,293**	**(43,495)**	**2,330,798**

The accompanying notes form part of these financial statements.

[7] Relating to options granted in prior financial years, expired in prior years being reversed during current financial year.

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	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		**(646,196)**	(715,805)
Interest received		**1,966**	2,127
Interest paid		**(22,451)**	(8,024)
Net cash used in operating activities	19	**(666,681)**	(721,702)
Cash flows from investing activities			
Payment for plant and equipment		**(8,804)**	(9,000)
Payment for exploration and evaluation		**(761,605)**	(982,529)
Net cash used in investing activities		**(770,409)**	(991,529)
Cash flows from financing activities			
Proceeds from equity issues		**858,834**	216,250
Payment for costs of equity issues		**(16,309)**	(27,530)
Proceeds from borrowings		**655,000**	1,590,000
Repayment of borrowings		**(57,702)**	(79,408)
Net cash provided/(used in) from financing activities		**1,439,823**	1,699,312
Net increase / (decrease) in cash held		**2,733**	(13,919)
Cash and cash equivalents at beginning of the year		**33,170**	47,484
Foreign exchange effect on cash and cash equivalents		**(188)**	(395)
Cash and cash equivalents at year end	7	**35,715**	33,170

The accompanying notes form part of these financial statements.

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1. *Corporate information*

This annual report covers Heavy Minerals Limited (parent entity) and subsidiaries (the "Consolidated Entity"), a company incorporated in Australia for the year ended 30 June 2026. The presentation currency of the Consolidated Entity is Australian Dollars ("$"). A description of the Consolidated Entity's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Consolidated Entity is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "HVY". The financial statements were authorised for issue on 2 October by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. *Accounting policies*

a. Basis of preparation

The general purpose financial statements of the Consolidated Entity have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

b. Going concern

The annual financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of $2,838,319 for the year ended 30 June 2026 (30 June 2025: loss $1,482,036) and net cash outflows from operating activities of $666,681 (30 June 2025: $721,702). The net working capital deficit position of the Consolidated Entity at 30 June 2026 was $3,154,163 (30 June 2025: $362,770 deficit). The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Consolidated Entity to secure funds by raising additional capital from equity markets and managing cashflows in line with available funds. These factors indicate a material uncertainty, which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors have considered the above and believe that there are reasonable grounds that the Consolidated Entity will continue as a going concern based on the following assumptions:

- the Company successfully raising funding via the remaining funds from the Tranche 1 Royalty and the Tranche 2 Royalty. As at 30 June 2026 Royalty funding has raised $3,045,000 of which $30,000 was collected during July to September 2026. If the Company elects to buyback 60% of the Royalties sold these will need to occur within 24 months of the agreement date (36 months where the holder has agreed to extend the Company's election period), with 90 days allowed for settlement. If the Company elects to not initiate the buybacks, the holders can force a buyback; there is also the potential for the associated royalty options to be converted, which could allow up to an additional $520,960 in funds being received;

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2. *Accounting policies (continued)*

- the Company intends to continue utilising the same royalty raising method to secure an additional nominal $2,000,000 to complete the feasibility study (bankable or definitive). The Company has had significant interest in its Tranche 2 Royalty from existing Royalty Funds and Individuals and has currently raised $945,000 with $195,000 still to be received;
- the prepaid syndicated royalty deed entitles the Company to buyback 60% of the royalty within the second anniversary however, subscribers can force a buyback (60%) by the Company. The Company will take measures to fund a buyback(s) where subscribers wish to do so if a buyback is not initiated by the Company. The prepaid royalty subscriptions are reflected as a current liability where the buy-back could be required within 12 months of the reporting date;
- current liabilities at 30 June 2026 include a royalty buy-back of $1,562,500. After year end the holder agreed to defer this buy-back, under an agreement dated 30 September 2026, to no later than 31 October 2027 and before then only to the extent the Company has raised funds, as disclosed at Note 23. The Directors expect to fund this and the Company's other commitments from one or more of a share placement under ASX Listing Rules 7.1 and 7.1A, the Company's at-the-market (ATM) facility and royalty funding;
- the ability to raise equity funding under the Company's ASX allowed existing capacities;
- the At-the-Market (ATM) Subscription Agreement which provides the Company with up to $2,000,000 of standby equity capital over the coming 5 years to 31 July 2029 with the option to top up at any time. The ATM Subscription Agreement is provided by Acuity Capital. During the financial year, the Company has drawn down on $575,000 of the ATM with a subsequent drawdown of $80,000;
- importantly, the Company has full discretion as to whether it utilises the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on the Company to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on the Company's ability to raise capital via other methods. If the Company does decide to utilise the ATM, the Company sets the issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of the Company's choosing (again at its sole discretion). As security for the ATM, the Company has placed 3,500,000 fully paid ordinary HVY.ASX shares from its LR7.1 capacity and as pre-approved by shareholders at the 27 November 2025 annual general meeting at nil cash consideration to Acuity Capital. Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval). As at 30 June 2026, the Company had drawn down on 2,355,000 shares, leaving a balance of 3,290,000 shares. Subsequent to year end, the Company had drawn down on 210,000 shares, topped up the shares, leaving a balance of 3,290,000 shares equating to a value of $947,520;
- the ability to reduce planned expenditure with two of the Directors agreeing to defer their remuneration payments; and
- the reduction of discretionary exploration expenditure for the Inhambane project.

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2. *Accounting policies (continued)*

The Directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report based on the assumptions above. In the event that the Consolidated Entity is not able to raise additional funds and / or reduce discretionary costs it may be required to realise it's assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in financial statements. The financial statements do not include any adjustments relating to the amount or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Heavy Minerals Limited (Company or parent entity) as at 30 June 2026 and the results of all subsidiaries for the year then ended. Heavy Minerals Limited and its subsidiaries together are referred to in these financial statements as the Consolidated Entity. Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

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

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2. *Accounting policies (continued)*

d. Current and non-current classification

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

e. Comparatives

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

f. Significant management judgement in applying accounting policies and estimate uncertainty

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

i. Exploration and evaluation expenditure

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

ii. Security based payment transactions

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

2. *Accounting policies (continued)*

g. Accounting Standards that are mandatorily effective for the current reporting year

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2025. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

h. Standards and Interpretations in issue not yet adopted

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

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	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $

3. *Income*

Interest income	**1,123**	2,135
Sub-lease income	**36,000**	42,000
	37,123	44,135

Accounting policy
Interest revenue is recognised as interest accrues using the effective interest method. Rent revenue is recognised as accrued.

4. *Income tax benefit/(expense)*

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:

Loss before tax	**(2,838,319)**	(1,482,036)
Statutory income tax rate for the Consolidated Entity at 30% (30 June 2025: 30%)	**(851,496)**	(444,611)
Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:		
Other non-deductible expenses	**221,765**	127,431
Unrecognised tax losses and timing differences	**626,262**	313,367
Differences in tax rate of subsidiaries operating in other jurisdictions	**3,469**	3,813
Income tax expense	**-**	-
Deferred tax balances not recognised		
Tax losses	**2,882,706**	3,235,555
Other	**(251,141)**	(1,205,215)
	2,631,565	2,030,340

4. *Income tax benefit/(expense) (continued)*

Accounting policy

Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction. Income tax on profit or loss for the year comprises current and deferred tax. Current and deferred tax is recognised in statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Consolidated Entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and services and sales tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other assets or liabilities in the consolidated statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

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	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
5. *Auditor's remuneration*		
Audit of the financial statements	**30,000**	28,000
	30,000	28,000

	Consolidated Entity 30 June 2026	Consolidated Entity 30 June 2025
6. *Loss per share*		
The following reflects the loss and number of shares used in the calculation of the basic and diluted loss per share.		
Basic and diluted loss per share (cents per share)	**(4.08)c**	(2.22)c
Net loss attributable to ordinary shareholders ($)	**$(2,838,319)**	$(1,482,036)
	Shares	**Shares**
Weighted average number of ordinary shares used in the calculation of basic loss per share	**69,497,189**	66,656,493

Accounting policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), dividend by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting year. The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in income or expenses during the year that would result from the dilution of potential ordinary shares.

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	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $

7. *Cash and cash equivalents*

Cash at bank	**5,915**	9,259
Cash on hand	**-**	1,199
Term deposits	**29,800**	22,712
	35,715	33,170

Accounting policy

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. *Trade and other receivables (current)*

Accrued interest income	**239**	1,081
GST refunds	**27,092**	29,486
	27,331	30,567

9. *Other assets*

Other assets	**5,002**	4,452
Prepaid expenses	**40,851**	203,627
	45,853	208,079

10. *Plant and equipment*

Opening written down value at beginning of year	**52,389**	65,043
Additions	**8,804**	9,000
Depreciation	**(23,987)**	(21,654)
Closing written down value at end of year	**37,206**	52,389

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10. *Plant and equipment (continued)*

Accounting policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives, being 5 years. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
11. *Right of use asset*		
Balance at beginning of year	**13,449**	83,795
Recognition	**314,349**	-
Depreciation	**(56,695)**	(70,346)
Closing written down value at end of year	**271,103**	13,449

Accounting policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

12. *Exploration and evaluation assets*		
Balance at beginning of year	**4,967,730**	3,852,475
Exploration and evaluation expenditure incurred during the year	**663,041**	1,116,471
Exploration and evaluation expenditure written off	**(314,352)**	(1,216)
Exploration and evaluation expenditure impaired	**(377,465)**	-
Balance at end of year	**4,938,954**	4,967,730

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12. *Exploration and evaluation assets (continued)*

Accounting policy

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditure are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Indirect costs that are included in the cost of an exploration and evaluation asset include, among other things, charges for depreciation of equipment used in exploration and evaluation activities. If an area of interest is abandoned or is considered to be of no further commercial interest, the accumulated exploration costs relating to the area are written off against income in the year of abandonment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

13. *Trade and other payables*

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Accrued expenses	**404,811**	200,791
Trade creditors	**350,951**	367,067
	755,762	567,858

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13. *Trade and other payables (continued)*

Accounting policy

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
14. *Borrowings*		
Current		
Royalty funding[8]	**2,452,500**	-
Lease liability	**54,800**	23,988
	2,507,300	23,988
Non-Current		
Royalty funding[8]	**825,000**	2,340,000
Lease liability	**225,836**	-
	1,080,836	2,340,000
Royalty funding repayable within:		
<12 months (buyback at 125.0%)	**1,772,500**	-
<12 months (buyback at 137.5%)	**650,000**	-
12-18 months (buyback at 125.0%)	**380,000**	1,480,000
12-18 months (buyback at 137.5%)	**-**	650,000
18-24 months (buyback at 125.0%)	**475,000**	10,000
24-30 months (buyback at 125.0%)	**-**	200,000
	3,277,500	2,340,000

[8] The Company has raised A$3,045,000 through a syndicated royalty over the Port Gregory Project (35 agreements). Under each agreement the Company may elect to buy back 60% of the royalty at 125% of the subscription amount (137.5% where the holder agreed to extend the Company's election period). If the Company does not elect, the holder may require the buy-back within a set period after the election period ends. Nothing is payable unless an election is made. Thirteen holders have extended the Company's election period by 12 months in return for the higher price. Refer to the Contingent Liabilities Note 23 and Note 20.

14. *Borrowings (continued)*

Current borrowings include a royalty buy-back of $1,562,500 that was deferred after year end to no later than 31 October 2027 and is payable before then only to the extent the Company has raised funds (refer Note 23). Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
15. *Provisions*		
Current		
Provision for annual leave	-	42,740
	-	42,740

Accounting policy

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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	Consolidated Entity 30 June 2026		Consolidated Entity 30 June 2025	
	No.	$	No.	$
16. *Contributed equity*				
Balance at beginning of year	**67,668,692**	**9,387,917**	62,966,087	9,149,631
Share issue: 08-Aug-24 (ATM Facility)	**-**	**-**	3,300,000	-
Share issue: 30-Sep-24	**-**	**-**	777,605	50,000
Share issue: 12-Mar-25	**-**	**-**	500,000	-
Use of ATM Facility: 21-Mar-25	**-**	**-**	-	110,000
Share issue: 26-Mar-25	**-**	**-**	25,000	6,250
Use of ATM Facility: 24-Jun-25	**-**	**-**	-	93,500
Share issue: 25-Jun-25	**-**	**-**	100,000	25,000
Use of ATM Facility: 25-Jul-25	**-**	**220,000**	-	-
Use of ATM Facility: 08-Sep-25	**-**	**220,000**	-	-
Share issue: 25-Sep-25	**300,000**	**75,000**	-	-
Share issue: 06-Oct-25	**25,000**	**12,188**	-	-
Share issue: 09-Oct-25	**250,000**	**62,500**	-	-
Share issue: 09-Oct-25	**50,000**	**15,880**	-	-
Share issue: 09-Oct-25	**50,000**	**12,500**	-	-
Share issue: 03-Nov-25	**100,000**	**25,000**	-	-
Share issue: 01-Dec-25	**60,000**	**24,516**	-	-
Share issue: 12-Dec-25	**500,000**	**76,500**	-	-
Share issue: 16-Dec-25	**50,000**	**12,500**	-	-
Use of ATM Facility: 29-Jan-26	**-**	**192,500**		
Share issue: 24-Feb-26 (ATM Facility)	**2,555,000**	**-**	-	-
Share issue: 20-Mar-26	**50,000**	**14,650**	-	-
Share issue: 17-Apr-26	**125,000**	**39,650**	-	-
Adjustments[9]	**-**	**222,800**	-	-
Capital raising costs	**-**	**147,943**	-	(46,464)
Balance at end of year	**71,783,692**	**10,762,044**	67,668,692	9,387,917

Ordinary shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Consolidated Entity, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Consolidated Entity. Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

[9] Relating to options granted in prior financial years, expired in prior years being reversed during current financial year.

16. *Contributed equity (continued)*

Capital management

Management controlled the capital of the Consolidated Entity in order to maintain a capital structure that ensured the lowest cost of capital available to the Consolidated Entity. Management's objective is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. Refer to Note 2(b).

17. *Reserves*

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Foreign currency translation reserve		
Balance at beginning of year	**33,671**	35,315
Foreign exchange on translation of operations	**(4,333)**	(1,644)
Balance at end of year	**29,338**	33,671
Security based payments reserve		
Balance at beginning of year	**1,682,185**	1,318,595
Options exercised	**(105,850)**	-
Options expired	**(708,852)**	-
Options granted[11]	**313,165**	482,390
Performance rights converted	**(204,000)**	-
Performance rights expired	**(67,500)**	-
Performance rights granted[12]	**489,175**	102,000
Performance rights cancelled[10]	**-**	(220,800)
Balance at end of year	**1,398,323**	1,682,185

[10] Cancellation of former Director performance rights in FY24. Cancellation of CEO performance rights in FY25.

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17. *Reserves (continued)*

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

Inputs	Director Tranche A Options [FY23/24]	Director Tranche B Options [FY23/24]	Director Tranche C Options [FY23/24]	Director Tranche D Options [FY23/24]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]
Number of options	750,000	750,000	1,500,000	1,500,000	100,000	25,000	500,000	10,000	50,000	375,000
Exercise price	$0.20	$0.25	$0.30	$0.1399	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25
Expiry date	07-Dec-26	07-Dec-26	07-Dec-26	07-Dec-26	19-Apr-26	18-Jul-26	07-Aug-26	09-Aug-26	28-Jul-26	07-Aug-26
Grant date	07-Dec-23	07-Dec-23	07-Dec-23	07-Dec-23	19-Aug-24	19-Aug-24	19-Aug-24	30-Sep-24	29-Nov-24	29-Nov-24
Share price at grant date	$0.096	$0.096	$0.096	$0.096	$0.12	$0.12	$0.12	$0.09	$0.12	$0.12
Risk free interest rate	3.92%	3.92%	3.92%	3.92%	3.59%	3.59%	3.59%	3.51%	3.99%	3.99%
Volatility	120%	120%	120%	120%	151%	151%	151%	272%	272%	272%
Option value	$0.061	$0.057	$0.054	$0.067	$0.066	$0.072	$0.073	$0.081	$0.107	$0.107
Probability	60%	50%	75%	60%	N/A	N/A	N/A	N/A	N/A	N/A
Value in current period accounts	$27,450	$21,375	$60,750	$60,300	$6,600	$1,800	$36,000	$810	$5,350	$40,125
Vesting condition	Upon the Company announcing a positive Preliminary Feasibility Study evidencing a ratio of net present value (NPV-8%) to capital of greater than 2.5 at the Port Gregory Project.	Upon the Company announcing a positive Bankable Feasibility Study evidencing a ratio of net present value (NPV-8%) to capital of greater than 2.5 at the Port Gregory Project.	The Company raising a minimum $3,000,000 via the grant of a Royalties at the Company's Port Gregory Project prior to a final investment decision at the Port Gregory Project.	Upon the Company announcing a JORC Code 2012 compliant Mineral Resource at the Company's Red Hill Garnet Project of at least an inferred classification of >3mt contained garnet at a minimum grade of not less than 4% total heavy mineral.	N/A	N/A	N/A	N/A	N/A	N/A
Vested at balance date	No	No	No	No	N/A	N/A	N/A	N/A	N/A	N/A

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17. *Reserves (continued)*

Inputs	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY24/25]	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]
Number of options	375,000	10,000	20,000	20,000	100,000	20,000	50,000	60,000	25,000	10,000	25,000	20,000	100,000
Exercise price	$0.25	$0.25	$0.25	$0.3255	$0.3255	$0.3295	$0.3882	$0.4086	$0.4484	$0.46	$0.4875	$0.5045	$0.4714
Expiry date	07-Aug-26	04-Feb-27	30-Jun-26	27-Apr-27	28-Apr-27	01-May-27	20-May-27	30-May-27	24-Jun-27	03-Jul-27	18-Jul-27	04-Aug-27	01-Sep-27
Grant date	17-Feb-25	17-Feb-25	06-Mar-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	08-Sep-25	08-Sep-25	08-Sep-25	08-Sep-25
Share price at grant date	$0.24	$0.25	$0.27	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.31	$0.31	$0.31	$0.31
Risk free interest rate	3.85%	3.85%	3.80%	3.19%	3.19%	3.19%	3.19%	3.19%	3.19%	3.44%	3.44%	3.44%	3.44%
Volatility	483%	483%	483%	471%	471%	471%	471%	471%	471%	465%	465%	465%	465%
Option value	$0.239	$0.240	$0.269	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.309	$0.309	$0.309	$0.310
Probability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Value in current period accounts	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$3,090	$7,725	$6,180	$31,000
Vesting condition	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vested at balance date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Inputs	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]	Royalty Options [FY25/26]
Number of options	25,000	100,000	100,000	100,000	25,000	50,000
Exercise price	$0.8786	$0.8585	$0.8547	$0.8488	$0.7615	$0.7203
Expiry date	31-Jan-28	05-Feb-28	07-Feb-28	17-Feb-28	14-May-28	20-Jun-28
Grant date	17-Apr-26	17-Apr-26	17-Apr-26	17-Apr-26	30-Jun-26	30-Jun-26
Share price at grant date	$0.53	$0.53	$0.53	$0.53	$0.395	$0.395
Risk free interest rate	4.67%	4.67%	4.67%	4.67%	4.41%	4.41%
Volatility	487%	487%	487%	487%	478%	478%
Option value	$0.529	$0.529	$0.529	$0.529	$0.399	$0.400
Probability	N/A	N/A	N/A	N/A	N/A	N/A
Value in current period accounts	$13,225	$52,900	$52,900	$52,900	$9,975	$20,000
Vesting condition	N/A	N/A	N/A	N/A	N/A	N/A
Vested at balance date	N/A	N/A	N/A	N/A	N/A	N/A

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17. *Reserves (continued)*

Inputs	Class A Options [FY25/26]	Class B Options [FY25/26]	Class C Options [FY25/26]	Class D Options [FY25/26]	Class E Options [FY25/26]	Class F Options [FY25/26]	Class G Options [FY25/26]	Class H Options [FY25/26]
Number of options	150,000	50,000	150,000	50,000	150,000	50,000	150,000	150,000
Exercise price	$0.7275	$0.7275	$0.7275	$0.7275	$0.7275	$0.7275	$0.7275	$0.7275
Expiry date	11-Dec-28	11-Dec-28	11-Dec-28	11-Dec-28	11-Dec-28	11-Dec-28	11-Dec-28	11-Dec-28
Grant date	12-Dec-25	12-Dec-25	12-Dec-25	12-Dec-25	12-Dec-25	12-Dec-25	12-Dec-25	12-Dec-25
Share price at grant date	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50
Risk free interest rate	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%
Volatility	477%	477%	477%	477%	477%	477%	477%	477%
Option value	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50
Probability	50%	50%	50%	50%	50%	50%	30%	30%
Value in current period accounts	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50	$0.50
Vesting condition	The Company achieving a market capitalisation of $40,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $40,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $80,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $80,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $120,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $120,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieves first Commercial Production on or before the Vesting Date	The Company achieves second Commercial Production on or before the Vesting Date
Vested at balance date	Yes	No	No	No	No	No	No	No

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17. *Reserves (continued)*

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

Inputs	Director & Consultant Class B Performance Rights [FY20/21]	CEO Employee Class A Performance Rights [FY22/23]	Class B Performance Rights [FY24/25]	Class C Performance Rights [FY24/25]	Class A Performance Rights [FY25/26]	Class B Performance Rights [FY25/26]	Class C Performance Rights [FY25/26]	Class D Performance Rights [FY25/26]	Class E Performance Rights [FY25/26]	Class F Performance Rights [FY25/26]	Class G Performance Rights [FY25/26]	Class H Performance Rights [FY25/26]
Number of performance rights	1,440,408	500,000	500,000	500,000	850,000	850,000	850,000	850,000	850,000	850,000	2,250,000	2,250,000
Expiry date	14-Sep-26	03-Apr-26	12-Dec-25	12-Dec-26	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29	01-Dec-29
Grant date	07-May-21	03-Apr-23	12-Mar-25	12-Mar-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25	01-Dec-25
Share price at grant date	$0.20	$0.15	$0.255	$0.255	$0.61	$0.61	$0.61	$0.61	$0.61	$0.61	$0.61	$0.61
Performance right value	$0.10	$0.135	$0.153	$0.051	$0.4453	$0.3901	$0.3755	$0.3054	$0.3262	$0.2592	$0.55	$0.55
Value in prior period accounts	$144,041	$67,500	$76,500	$25,500	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Value in current period accounts	$Nil	$Nil	$Nil	$Nil	$0.4453	$0.3901	$0.3755	$0.3054	$0.3262	$0.2592	$0.55	$0.55
Vesting condition	Delineation of a 250MT Inferred Mineral Resource at 3.0% THM (with a minimum cut-off grade of 2%) at the Inhambane Project	Upon the announcement of a positive and completed pre-feasibility study for the Port Gregory Project.	HVY's Share Price achieves a minimum Share Price of 30 cents for a minimum of 7 consecutive days	HVY's Share Price achieves a minimum Share Price of 60 cents for a minimum of 7 consecutive days	The Company achieving a market capitalisation of $40,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $40,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $80,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $80,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieving a market capitalisation of $120,000,000 on or before the Vesting Date	The Company achieving a market capitalisation of greater than $120,000,000 for 12 months (whether continuous or non-continuous) on or before the Vesting Date	The Company achieves first Commercial Production on or before the Vesting Date	The Company achieves second Commercial Production on or before the Vesting Date
Vested at balance date	No	No & expired	Yes	No	Yes	No	No	No	No	No	No	No

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	Consolidated Entity 30 June 2026 No.	Consolidated Entity 30 June 2025 No.
17. *Reserves (continued)*		
Unlisted options		
Balance at beginning of year	**7,390,000**	17,200,000
Options granted[11]	**1,455,000**	1,915,000
Options expired	**-**	(10,000,000)
Options cancelled	**-**	(1,600,000)
Options converted	**(1,060,000)**	(125,000)
Balance at end of year	**7,785,000**	7,390,000

Accounting policy

Each entity within the Consolidated Entity determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates, being Australian dollars. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

18. *Operating segments*

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

18. *Operating segments (continued)*

	Australia Exploration & Corporate	Mauritius Exploration & Corporate	Mozambique Exploration & Corporate	Total
30 June 2026				
Segment other income	37,123	-	-	**37,123**
Segment loss	(2,496,508)	(341,811)	-	**(2,838,319)**
Segment assets	5,355,816	-	447	**5,356,263**
Segment liabilities	(4,316,630)	(2,009)	(25,259)	**(4,343,898)**
30 June 2025				
Segment other income	44,135	-	-	**44,135**
Segment loss	(1,443,965)	(29,629)	(10,086)	**(1,483,680)**
Segment assets	4,969,741	2,977	332,666	**5,305,384**
Segment liabilities	(2,953,215)	(1,931)	(19,440)	**(2,974,586)**

Accounting policy

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
19. *Reconciliation of cashflows from operating activities*		
Loss before tax	**(2,838,319)**	(1,482,036)
Depreciation	**80,682**	92,000
Exploration expenditure expensed	**314,352**	1,216
Exploration expenditure impaired	**377,465**	-
Royalty funding expense	**312,500**	-
Security based payments	**734,842**	413,590
Foreign exchange	**4,333**	33,672
Change in trade & other receivables	**3,236**	(11,217)
Change in other assets	**162,226**	125,862
Change in trade & other payables	**224,742**	87,281
Change in provisions	**(42,740)**	17,930
Net cash used in operating activities	**(666,681)**	(721,702)

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20. *Events after the end of the reporting year*

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

- On 8 July 2026 the maiden Ore Reserve for the Port Gregory Garnet Project took effect, 85.5 Mt at 4.43% Total Heavy Minerals, estimated in accordance with the JORC Code 2012 Edition
- On 29 July 2026 the Port Gregory Pre-Feasibility Study was released to market
- On 30 July 2026
  - 50,000 unlisted options exercisable at $0.25 each expiring 28 July 2026 were converted into shares raising $12,500
  - 10,000 unlisted options exercisable at $0.25 each expiring 9 August 2026 were converted into shares raising $2,500
  - 20,000 unlisted options exercisable at $0.25 each expired unconverted
- On 11 August 2026
  - 1,250,000 unlisted options exercisable at $0.25 each expiring 7 August 2026 were converted into shares raising $312,500
  - 30,000 unlisted options exercisable at $0.6357 each expiring 28 July 2028 were issued
- On 20 August 2026 300,000 unlisted options exercisable at $0.1399 each expiring 6 December 2026 were converted into shares raising $41,970
- On 14 September 2026 1,440,408 unquoted performance rights expired
- Subsequent to the end of the reporting year, the Company agreed with a royalty funding participant to defer the buy-back of 60% of its royalty, at a buy-back amount of $1,562,500 (125% of its $1,250,000 subscription), under an agreement dated 30 September 2026, payable no later than 31 October 2027 and before then only to the extent the Company has raised funds, with payment targeted in instalments by 31 March 2027 (refer Note 23).

21. *Related party transactions*

a. KMP compensation

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Short-term employee benefits	**411,263**	565,903
Security incentives	**489,175**	(150,775)
Post employment benefits	**12,099**	11,432
Total	**912,537**	426,560

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21. *Related party transactions (continued)*

Detailed remuneration disclosures are provided in the remuneration report included in the Directors' Report.

- Transactions with related parties
  During the reporting year, there were the following related party transactions:

- During the year GNJ Consulting Pty Ltd (a company of which Greg Jones is a director) provided exploration services to the Consolidated Entity to the value of $55,000 (excluding GST) (30 June 2025: $57,000). The amount payable to GNJ Consulting Pty Ltd at 30 June 2026 was $20,000 (excluding GST) (30 June 2025: $5,000).
- During the year, Heavy Minerals Ltd (a company incorporated in England & Wales, related by way of a mutual director, Adam Schofield) was loaned $Nil (30 June 2025: $Nil) to cover corporate costs of which $3,352 was outstanding at the end of the period (30 June 2025: $3,352).
- During the prior year, the Company entered into a non-binding Memorandum of Understanding with Abrasive Blasting Service and Supplies Pty Ltd, a company of which Aaron Williams is the CEO, as announced on 7 March 2024. The non-binding Memorandum of Understanding for the future sales of a minimum of 15,000 tonnes per annum of Garnet to be produced at its Port Gregory Project for an initial 3-year period with Abrasive Blasting Service and Supplies Pty Ltd.

22. *Financial risk management*

The Consolidated Entity's overall financial risk management strategy is to ensure that the Consolidated Entity is able to fund its business operations and expansion plans. Exposure to credit risk, liquidity risk, foreign currency risk, interest rate risk and commodity price risk arises in the normal course of the Consolidated Entity's business. The Consolidated Entity's risk management strategy is set by and performed in the close co-operation with the Board and focuses on actively securing the Consolidated Entity's short to medium-term cash flows by regular review of its working capital and minimising the exposure to financial markets. The Consolidated Entity does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Consolidated Entity is exposed are described below.

Financial assets and liabilities

The financial assets and liabilities as at 30 June 2026 are reflected at cost, fair valued through the statement of comprehensive income. The Directors consider that the carrying amounts of the financial assets and liabilities approximate their fair values.

Specific financial risk exposures and management

The main risks the Consolidated Entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk, including in interest rates, foreign currency, commodity and equity prices.

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22. *Financial risk management (continued)*

a) Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Consolidated Entity. Credit risk is managed through the maintenance of credit assessment and monitoring procedures.

b) Liquidity risk

Liquidity risk is the risk that there will be inadequate funds available to meet financial commitments as they fall due. Refer to disclosure at Note 2(b). The Consolidated Entity recognises the on-going requirements to have committed funds in place to cover both existing business cash flows and provide reasonable headroom for capital expenditure programs. The key funding objective is to ensure the availability of flexible and competitively priced funding from alternative sources to meet the Consolidated Entity's current and future requirements. The Consolidated Entity utilises a detailed cash flow model to manage its liquidity risk. This analysis shows that available sources of funds are expected to be sufficient over the lookout period. The Consolidated Entity attempts to accurately project the sources and uses of funds which provide an effective framework for decision making and budgeting. The table below summarises the maturity profile of the Consolidated Entity's contractual cash flow financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

	0-30 Days $	31-90 Days $	91+ Days $	Total $
30 June 2026				
Financial liabilities				
Trade and other payables	755,762	-	-	755,762
Borrowings	4,368	8,842	3,574,926	3,588,136
Total	**760,130**	**8,842**	**3,574,926**	**4,376,673**
30 June 2025				
Financial liabilities				
Trade and other payables	567,858	-	-	567,858
Borrowings	6,070	2,868	2,355,050	2,363,988
Total	**573,928**	**2,868**	**2,355,050**	**2,931,846**

c) Foreign currency risk

Foreign currency risk is considered to be immaterial.

22. *Financial risk management (continued)*

d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Consolidated Entity is not exposed to interest rate movement through borrowings as there are no borrowings that are exposed to interest rates. The following table sets out the variable interest bearing and fixed interest bearing financial instruments of the Consolidated Entity:

	Variable interest $	Fixed interest $
30 June 2026		
Financial assets		
Cash and cash equivalents	35,715	-
Total	**35,715**	**-**
30 June 2025		
Financial assets		
Cash and cash equivalents	33,170	-
Total	**33,170**	**-**

Interest rate risk is considered to be immaterial.

Accounting policy

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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22. *Financial risk management (continued)*

Classification and measurement of financial assets:
Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There was one financial asset classified in this category at reporting year end date. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:
Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

	Consolidated Entity 30 June 2026 $	**Consolidated Entity 30 June 2025 $**
23. *Commitments and contingencies*		
a. Commitments relating to operating and exploration expenditures		
Not longer than 1 year	**305,538**	326,655
More than 1 year but not longer than 5 years	**429,360**	699,436
More than 5 years	**-**	-
	734,898	1,026,091

There are no other material commitments as at 30 June 2026.

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23. *Commitments and contingencies (continued)*

b. Contingent assets

Contingent assets as at 30 June 2026 consist of the following:

The At-the-Market (ATM) Subscription Agreement which provides the Company with up to $2,000,000 of standby equity capital over the coming 5 years to 31 July 2029 (This can be topped up at any time). The ATM Subscription Agreement is provided by Acuity Capital. Importantly, the Company has full discretion as to whether it utilises the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on the Company to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on the Company's ability to raise capital via other methods. If the Company does decide to utilise the ATM, the Company sets the issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of the Company's choosing (again at its sole discretion). As security for the ATM, the Company has placed 3,500,000 fully paid ordinary HVY.ASX shares from its LR7.1 capacity at nil cash consideration to Acuity Capital (subsequently 210,000 drawn down). Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval).

c. Contingent liabilities

Contingent liabilities as at 30 June 2026 consist of the following in Mozambique:

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

Royalty arrangements

At 30 June 2026 the Consolidated Entity had entered into 35 royalty subscription agreements over the Port Gregory Project, under which subscription funds of A$3,045,000 were received in total. Each agreement grants the holder a royalty of 1% for every A$2,000,000 subscribed, calculated on gross revenue from the sale of product from the Port Gregory tenement less agreed deductions (export taxes and post-loading freight, insurance and port costs). At 30 June 2026 the royalty agreements commit a total royalty of 1.5975% ($3,045,000 subscribed at 1% per $2,000,000). If no buy-backs are made, the total royalty remains 1.5975%. If every buy-back is made, holders keep 40% of their royalty and the total reduces to 0.639%.

23. *Commitments and contingencies (continued)*

Royalties are payable only once production commences. The Consolidated Entity has no obligation to develop or mine the tenement. As no royalty is payable unless and until production occurs, no liability has been recognised for future royalty payments.

Buy-back arrangements

Each agreement contains a buy-back mechanism that depends on an election by one of the parties. The Company may elect, before the end of its election period, to buy back 60% of the royalty by issuing an extinguishment notice. It may also choose not to do so. If the Company has not issued a notice, the holder may elect, within the period after the end of that election period set out in the agreement, to require the buy-back. The holder may also choose not to exercise that right. Nothing is payable unless one of those elections is made. Where a buy-back occurs, the holder keeps 40% of its royalty. The price is 125% of the subscription amount, or 137.5% where the holder has agreed to extend the Company's election period. At 30 June 2026 no election had been made. Other than as disclosed in Note 20, the Board does not expect any buy-back to be made before a final investment decision on the Port Gregory Project. Thirteen holders have agreed in writing to extend the Company's election period in return for a higher buy-back price of 137.5% of the subscription amount. Ten of those extensions end within the year ending 30 June 2027. The other three extensions, agreed in July 2026, move those holders' election periods to July 2027, in the year ending 30 June 2028. The arrangements with one of the royalty participants are described in Note 20.

The buy-back of $1,562,500 owed to one royalty participant, which is included in current liabilities at 30 June 2026, was negotiated after year end. Under an agreement dated 30 September 2026, the participant agreed to defer the buy-back to no later than 31 October 2027. Before that date it is payable only to the extent the Company has completed a capital raising or other funding, with payment targeted in three instalments: 50% by 30 November 2026, 25% plus interest by 31 January 2027 and 25% plus interest by 31 March 2027. Interest accrues at 12.5% per annum from 30 November 2026. The Company has agreed to issue the participant 1,000,000 unlisted options exercisable at $0.368 each, expiring 3 years from issue and subject to 12 months' escrow, by 30 November 2026. A payment not made by its target date is not a breach. In that event the Company will issue the participant 500,000 fully paid ordinary shares for each missed payment, within one month of the missed date, plus accrued interest. The agreements whose buy-back window falls within the year ending 30 June 2027 total $2,040,000 (buy-back amount $2,643,750), including this participant.

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23. *Commitments and contingencies (continued)*

Subscription (A$)	Buy-back rate	Buy-back amount (A$)	Company election period ends	Holder window closes (1)
50,000	137.5%	68,750	27 Sep 2026	26 Dec 2026
50,000	137.5%	68,750	27 Sep 2026	26 Dec 2026
100,000	137.5%	137,500	27 Sep 2026	26 Dec 2026
100,000	137.5%	137,500	27 Sep 2026	26 Dec 2026
100,000	137.5%	137,500	27 Sep 2026	26 Dec 2026
50,000	137.5%	68,750	20 Nov 2026	18 Feb 2027
50,000	137.5%	68,750	6 Dec 2026	6 Mar 2027
100,000	137.5%	137,500	7 Dec 2026	7 Mar 2027
50,000	137.5%	68,750	17 Dec 2026	17 Mar 2027
100,000	137.5%	137,500	18 Apr 2027	17 Jul 2027
20,000	125%	25,000	30 Jul 2026	28 Oct 2026
10,000	125%	12,500	9 Aug 2026	7 Nov 2026
10,000	125%	12,500	4 Feb 2027	5 May 2027
1,250,000	125%	1,562,500	Deferred to 31 Oct 2027, subject to funds; target instalments to 31 Mar 2027 - see Note 20	Not applicable - deferred; deed holder period is 60 days (2)
2,040,000		**2,643,750**		

(1) Holder window: 90 days after the end of the Company's election period, under clause 8.2 of the 2023-24 royalty deeds as recited in each holder's extension letter. (2) One of the royalty participants' deed provides a 60-day holder period (clause 8.2).

The buy-back windows under the remaining 21 agreements, including the three July 2026 extensions and the remaining Tranche 2 agreements, fall after 30 June 2027.

Mr Aaron Williams, a Non-Executive Director, is a related party of the Company through the Williams Family Trust agreement, whose extended election period ends on 18 July 2027.

Other than the matters described above, the directors are not aware of any contingent liabilities at 30 June 2026.

24. *Interests in controlled entities*

Company Name	Entity Type	Place of Incorporation	Place of Tax Residency	30 June 2026 % Ownership	30 June 2025 % Ownership
Mozmin Resources Pty Ltd	Company	Australia	Australia	100%	100%
Mozmin Resources (Mauritius) Ltd	Company	Mauritius	Mauritius	100%	100%
+258 Limitada	Company	Mozambique	Mozambique	70%	70%
ATM Limitada	Company	Mozambique	Mozambique	70%	70%

Heavy Minerals Limited (the “parent entity”) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

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	Parent Entity 30 June 2026 $	Parent Entity 30 June 2025 $
25. *Parent entity information*		
The individual financial statements for the parent entity, Heavy Minerals Limited, show the following aggregate amounts.		
Statement of profit or loss and other comprehensive income		
Net (loss) for the year from operations	**(1,520,331)**	(1,476,708)
Other comprehensive income	**-**	-
Total comprehensive (loss) for the year	**(1,520,331)**	(1,476,708)
Statement of financial position		
Total Current Assets	**89,380**	235,610
Total Non-Current Assets	**281,361**	26,563
Total Current Liabilities	**(605,406)**	(408,524)
Total Non-Current Liabilities	**(225,835)**	-
Net (Deficiency) / Assets	**(460,500)**	(146,351)
Contributed equity	**9,538,119**	8,163,993
Reserves	**1,254,281**	1,263,143
Accumulated losses	**(11,252,900)**	(9,573,487)
	(460,500)	(146,351)

Subsection 295(3A)(a) of the Corporations Act 2001 applies to the Company as follows:

Company Name	Entity Type	Place of Incorporation	Place of Tax Residency	30 June 2026 % Ownership	30 June 2025 % Ownership
Heavy Minerals Limited	Company	Australia	Australia	100%	100%
Mozmin Resources Pty Ltd	Company	Australia	Australia	100%	100%
Mozmin Resources (Mauritius) Ltd	Company	Mauritius	Mauritius	100%	100%
+258 Limitada	Company	Mozambique	Mozambique	70%	70%
ATM Limitada	Company	Mozambique	Mozambique	70%	70%

Heavy Minerals Limited (the "parent entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

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The Directors of the Consolidated Entity declare that:

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

- comply with Australian Accounting Standards;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
- give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of the performance for the year ended 30 June 2026;

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

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

The consolidated entity disclosure statement is true and correct.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Adam Schofield
Executive Chairman

2 October 2026

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CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

Independent Auditor's Report

To the Members of Heavy Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Heavy Minerals Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosures statement and the directors' declaration.

In our opinion:

a. the accompanying financial report of Heavy Minerals Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 2(b) to the annual report, which indicates that the Consolidated Entity incurred a net loss of $2,838,319 and as of that date, the Consolidated Entity had net operating cash outflows of $666,681. The net working capital deficit position of the Consolidated Entity at 30 June 2026 was $3,154,163. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Exploration and Evaluation Expenditure – $4,938,954
(Refer to Note 12)
 	
Exploration and evaluation is a key audit matter due to:
• The significance of the balance to the Consolidated Entity's financial position.
• The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
• The assessment of impairment of exploration and evaluation expenditure being inherently difficult.
	Our procedures included, amongst others:
	
	• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements.
	• For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;
	• We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
	• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.
	• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	  • the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	  • substantive expenditure for further exploration in the specific area is neither budgeted or planned
	  • decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and

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	• data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. • We assessed the appropriateness of the related disclosures in the financial statements.
Share-based payments (Refer to Note 17) Share-based payments is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial performance and position. • The level of judgement required in evaluating management's application of the requirements of AASB 2 *Share-based Payment* which requires the application of significant judgements and estimates.	Our procedures included, amongst others: • Verified the key terms and conditions of the equity settled share-based payments including number of equity instruments granted, exercise price and vesting conditions to the relevant agreements, contracts and award letters. • Assessed the fair value of the share-based payments by testing the key inputs used in option pricing model. This included checking key assumptions including the share price on grant date, exercise price, option life, volatility and risk-free rate to supporting documentation and market information. • Checked the qualifications, expertise and independence of the independent expert in relation to the valuation of the performance rights. • Tested the accuracy of the share-based payments amortisation over the relevant vesting periods. • Verified the vesting of performance rights to notifications sent by the Company to the relevant employees. • Assessed the Group's accounting treatment and disclosure in the financial statements in accordance with AASB 2 Share Based Payments.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Heavy Minerals Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Criterion Audit Pty Ltd

CRITERION AUDIT PTY LTD

Louwrens.

ELIZABETH LOUWRENS CA
Director

DATED at PERTH this 2nd day of October 2026

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As at 23 September 2026

Issued Securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	73,393,692	-	73,393,692
$0.20 unlisted Tranche A options expiring 7 December 2026	-	750,000	750,000
$0.25 unlisted Tranche B options expiring 7 December 2026	-	750,000	750,000
$0.30 unlisted Tranche C options expiring 7 December 2026	-	1,500,000	1,500,000
$0.1399 unlisted Tranche D options expiring 7 December 2026	-	1,500,000	1,500,000
$0.25 unlisted options expiring 4 February 2027	-	10,000	10,000
$0.3255 unlisted options expiring 27 April 2027	-	20,000	20,000
$0.3295 unlisted options expiring 28 April 2027	-	100,000	100,000
$0.3295 unlisted options expiring 1 May 2027	-	20,000	20,000
$0.3882 unlisted options expiring 20 May 2027	-	50,000	50,000
$0.4484 unlisted options expiring 24 June 2027	-	25,000	25,000
$0.46 unlisted options expiring 3 July 2027	-	10,000	10,000
$0.5045 unlisted options expiring 4 August 2027	-	20,000	20,000
$0.4714 unlisted options expiring 1 September 2027	-	100,000	100,000
$0.8786 unlisted options expiring 31 January 2028	-	25,000	25,000
$0.8585 unlisted options expiring 5 February 2028	-	100,000	100,000
$0.8547 unlisted options expiring 7 February 2028	-	100,000	100,000
$0.8488 unlisted options expiring 17 February 2028	-	100,000	100,000
$0.7615 unlisted options expiring 14 May 2028	-	25,000	25,000
$0.7203 unlisted options expiring 20 June 2028		50,000	50,000
$0.6357 unlisted options expiring 28 July 2028		30,000	30,000
$0.7275 unlisted options expiring 11 December 2028	-	900,000	900,000
Class C performance rights expiring 12 December 2026	-	500,000	500,000
Class A performance rights expiring 1 December 2029	-	850,000	850,000
Class B performance rights expiring 1 December 2029	-	850,000	850,000
Class C performance rights expiring 1 December 2029	-	850,000	850,000
Class D performance rights expiring 1 December 2029	-	850,000	850,000
Class E performance rights expiring 1 December 2029	-	850,000	850,000
Class F performance rights expiring 1 December 2029	-	850,000	850,000
Class G performance rights expiring 1 December 2029	-	2,250,000	2,250,000
Class H performance rights expiring 1 December 2029	-	2,250,000	2,250,000
Total	**73,393,692**	**16,285,000**	**89,678,692**

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	60	19,992	0.03%
1,001 - 5,000	242	694,121	0.95%
5,001 - 10,000	134	1,075,349	1.47%
10,001 - 100,000	282	10,559,597	14.39%
100,001 - and over	101	61,044,633	83.17%
Total	**819**	**73,393,692**	**100.00%**

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Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,309,493	9.96%
2.	MR KENNETH JOSEPH HALL <HALL PARK A/C>	5,704,022	7.77%
3.	S3 CONSORTIUM PTY LTD	3,745,000	5.10%
4.	CHRISTOPHER ADAM SCHOFIELD	3,604,283	4.91%
5.	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	3,290,000	4.48%
6.	MRS AMBER LESLEY MASTRANGELI	1,941,724	2.65%
7.	CUMBAK PTY LTD <J ALOIZOS FAMILY DISC A/C>	1,800,000	2.45%
8.	CITICORP NOMINEES PTY LIMITED	1,788,550	2.44%
9.	GNJ CONSULTING PTY LTD <GNJ CONSULTING A/C>	1,579,078	2.15%
10.	MR GEORGE COLLINGS	1,080,100	1.47%
11.	MR GREGORY CLIFFORD	1,000,000	1.36%
12.	NEIL GAWTHORPE	978,925	1.33%
13.	CK KNOTT PTY LTD	950,000	1.29%
14.	APOLINARIO JOSE PATEGUANA	937,736	1.28%
15.	MR DANA BRADLEY	900,000	1.23%
16.	ECHO SLAM INVESTMENTS PTY LTD <ECHO SLAM INVESTMENTS A/C>	855,000	1.17%
17.	ESM LIMITED	843,098	1.15%
18.	BARBICAN HOLDINGS PTY LTD <SORENSEN DISCRETIONARY A/C>	800,000	1.09%
19.	MR SIMON JAMES HENDERSON	785,500	1.07%
20.	ANDREW TAPLIN	777,605	1.06%
Total		**40,670,114**	**55.41%**

♓ The number of shareholdings held in less than marketable parcels is 91.

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The Company has the following unlisted security holders with >20% holding listed in its register as at 23 September 2026:

Rank	Security Holder	Security Details	Securities Held	% Issued Capital
1.	GNJ CONSULTING PTY LTD <GNJ CONSULTING A/C>	$0.20 unlisted Tranche A options expiring 7 December 2026	250,000	33.33%
2.	CHRISTOPHER ADAM SCHOFIELD	$0.20 unlisted Tranche A options expiring 7 December 2026	250,000	33.33%
3.	AARON JAMES WILLIAMS <WILLIAMS FAMILY A/C>	$0.20 unlisted Tranche A options expiring 7 December 2026	250,000	33.33%
Total			**750,000**	**100.00%**
1.	GNJ CONSULTING PTY LTD <GNJ CONSULTING A/C>	$0.25 unlisted Tranche B options expiring 7 December 2026	250,000	33.33%
2.	CHRISTOPHER ADAM SCHOFIELD	$0.25 unlisted Tranche B options expiring 7 December 2026	250,000	33.33%
3.	AARON JAMES WILLIAMS <WILLIAMS FAMILY A/C>	$0.25 unlisted Tranche B options expiring 7 December 2026	250,000	33.33%
Total			**750,000**	**100.00%**
1.	GNJ CONSULTING PTY LTD <GNJ CONSULTING A/C>	$0.30 unlisted Tranche C options expiring 7 December 2026	500,000	33.33%
2.	CHRISTOPHER ADAM SCHOFIELD	$0.30 unlisted Tranche C options expiring 7 December 2026	500,000	33.33%
3.	AARON JAMES WILLIAMS <WILLIAMS FAMILY A/C>	$0.30 unlisted Tranche C options expiring 7 December 2026	500,000	33.33%
Total			**1,500,000**	**100.00%**
1.	GNJ CONSULTING PTY LTD <GNJ CONSULTING A/C>	$0.1399 unlisted Tranche D options expiring 7 December 2026	500,000	33.33%
2.	CHRISTOPHER ADAM SCHOFIELD	$0.1399 unlisted Tranche D options expiring 7 December 2026	500,000	33.33%
3.	AARON JAMES WILLIAMS <WILLIAMS FAMILY A/C>	$0.1399 unlisted Tranche D options expiring 7 December 2026	500,000	33.33%
Total			**1,500,000**	**100.00%**
1.	CRAIG DAVID BARRY	$0.25 unlisted options expiring 4 February 2027	10,000	100.00%
Total			**10,000**	**100.00%**
1.	TONY MARTIN	$0.3255 unlisted options expiring 27 April 2027	20,000	100.00%
Total			**20,000**	**100.00%**
1.	MRS AMBER LESLEY MASTRANGELI	$0.3295 unlisted options expiring 28 April 2027	100,000	100.00%
Total			**100,000**	**100.00%**
1.	DANA BRADLEY	$0.3295 unlisted options expiring 1 May 2027	20,000	100.00%
Total			**20,000**	**100.00%**

1.	BIG BARRA PROPERTIES PTY LTD	$0.3882 unlisted options expiring 20 May 2027	50,000	100.00%
Total			**50,000**	**100.00%**
1.	HF CONSORTIUM PTY LTD <THE HF FUND A/C>	$0.4484 unlisted options expiring 24 June 2027	25,000	100.00%
Total			**25,000**	**100.00%**
1.	DANA BRADLEY	$0.46 unlisted options expiring 3 July 2027	10,000	100.00%
Total			**10,000**	**100.00%**
1.	ANTHONY LOTANE	$0.5045 unlisted options expiring 4 August 2027	20,000	100.00%
Total			**20,000**	**100.00%**
1.	CRW NO 1 PTY LTD <CRW FAMILY A/C>	$0.4714 unlisted options expiring 1 September 2027	100,000	100.00%
Total			**100,000**	**100.00%**
1.	MICHAEL ROBERT MASSEY	$0.8786 unlisted options expiring 31 January 2028	25,000	100.00%
Total			**25,000**	**100.00%**
1.	BOUNTIFUL WELLS PTY LTD <THE EVAN WELLS FAMILY A/C>	$0.8585 unlisted options expiring 5 February 2028	100,000	100.00%
Total			**100,000**	**100.00%**
1.	OSMOND DENZIL PEREIRA & DAWN SHIRLEY PEREIRA	$0.8547 unlisted options expiring 7 February 2028	100,000	100.00%
Total			**100,000**	**100.00%**
1.	SEAN JAMES SHEPPARD & TAMARA JANE SHEPPARD	$0.8488 unlisted options expiring 17 February 2028	50,000	50.00%
2.	SEAN JAMES SHEPPARD	$0.8488 unlisted options expiring 17 February 2028	50,000	50.00%
Total			**100,000**	**100.00%**
1.	ECHO SLAM INVESTMENT PTY LTD <ECHO SLAM INVESTMENTS A/C>	$0.7615 unlisted options expiring 14 May 2028	25,000	100.00%
Total			**25,000**	**100.00%**
1.	NATHAN LUKE ROSS	$0.7203 unlisted options expiring 20 June 2028	50,000	100.00%
Total			**50,000**	**100.00%**
1.	STEPHEN BATTAGLIA	$0.6357 unlisted options expiring 28 July 2028	30,000	100.00%
Total			**30,000**	**100.00%**
1.	STEPHEN BROCKHURST <SM BROCKHURST FAMILY A/C>	$0.7275 unlisted options expiring 11 December 2028	450,000	50.00%
2.	AMANDA WILTON-HEALD	$0.7275 unlisted options expiring 11 December 2028	450,000	50.00%
Total			**900,000**	**100.00%**
1.	MR KHESHAVAN SELVAGANAPATHI	Class C performance rights expiring 12 December 2026	500,000	100.00%
Total			**500,000**	**100.00%**
1.	CHRISTOPHER ADAM SCHOFIELD	Class A-H performance rights expiring 1 December 2029	5,500,000	57.30%
2.	GREG JONES	Class A-H performance rights expiring 1 December 2029	2,050,000	21.35%
3.	AARON JAMES WILLIAMS <WILLIAMS FAMILY A/C>	Class A-H performance rights expiring 1 December 2029	2,050,000	21.35%
Total			**9,600,000**	**100.00%**

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The Company has the following substantial shareholders listed in its register as at 23 September 2026:

Rank	Shareholder	Shares Held	% Issued Capital
1.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,309,493	9.96%
2.	MR KENNETH JOSEPH HALL <HALL PARK A/C>	5,971,057	8.14%
3.	CHRISTOPHER ADAM SCHOFIELD	4,170,323	5.68%
4.	S3 CONSORTIUM PTY LTD	3,745,000	5.10%

Ordinary Shares 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:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- 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
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

The Company has no restricted securities on issue as at 23 September 2026.

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Schedule of Exploration Tenements

Project	Tenement Number	Interest Held
Port Gregory	E66/102	100%
Port Gregory	E70/5130	100%
Port Gregory	E70/5160	100%
Port Gregory	E70/5161	100%
Port Gregory	E70/5934	100%
Port Gregory	E70/6680	100%

Project	Licence Number	Interest Held
Inhambane	10255C	70%

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