

ASX ANNOUNCEMENT

Heavy Rare Earths Limited (ASX:HRE)
30 April 2025

MARCH 2025 QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B

- Acquisition of uranium exploration assets in South Australia complete
- Passive seismic surveys to map uranium-bearing structures at Lake Namba-Billeroo and Prospect Hill projects complete with analysis in progress
- High-resolution airborne geophysical survey at Radium Hill project reveals geological detail not previously evident
- Assays pending from soil surveys over Perenjori palaeochannel system

Heavy Rare Earths Limited (“HRE” or “the Company”) is pleased to announce its March 2025 quarterly activities report for the eleventh quarter since listing on the Australian Securities Exchange (ASX).

Acquisition of Uranium Exploration Assets in South Australia

During the quarter, the Company completed the transaction with Havilah Resources Limited (ASX: HAV; “Havilah”) to acquire a significant portfolio of uranium (U) exploration assets in eastern South Australia (*refer to ASX announcement 07/01/2025*). The transaction involves HRE earning an 80% initial interest in the U rights on three projects by spending \$3 million over three years, including a minimum of \$1 million in the first year, on exploration and development activities. At completion, the Company issued Havilah 38 million fully paid ordinary shares and 17.5 million unlisted options exercisable at \$0.06 (6 cents) on or before 7 January 2028.

The portfolio comprises highly prospective U targets on the Radium Hill, Lake Namba-Billeroo and Prospect Hill projects that together comprise a total area of 2,949 km². They are located in South Australia’s Curnamona Province and overlying sedimentary basins which host two operating in-situ recovery (ISR) U mines at Four Mile (Heathgate Resources Pty Ltd) and Honeymoon (Boss Energy Ltd; ASX: BOE; “Boss”), with another on care and maintenance at Beverley, an historic hard-rock U operation at Radium Hill, and significant undeveloped U resources at several other sites (Figure 1).

Initial targets for HRE include extensions of the historic Radium Hill U deposit, the southern and northern extensions of the Billeroo Palaeochannel, the southern Namba Palaeochannel and potential palaeochannels north and east of Prospect Hill.

Lake Namba-Billeroo Uranium Project and Prospect Hill Uranium Project, South Australia

During the quarter, HRE completed first-pass passive seismic/gravity surveys at its Lake Namba-Billeroo and Prospect Hill projects (*refer to ASX announcement 19/12/2024*). Data has been delivered to HRE and is undergoing advanced processing and detailed analysis by Perth-based Resource Potentials who have substantial experience in acquiring, processing and interpreting passive seismic data from this region. This will provide a framework for HRE’s planned H2 2025 drill targeting of both the Billeroo Palaeochannel, which hosts Boss’s Gould’s Dam U resource

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(25 Mlbs U_3O_8), and where prospective Mesozoic/Cenozoic sediments have been intersected by re-activated basement faults at Prospect Hill.

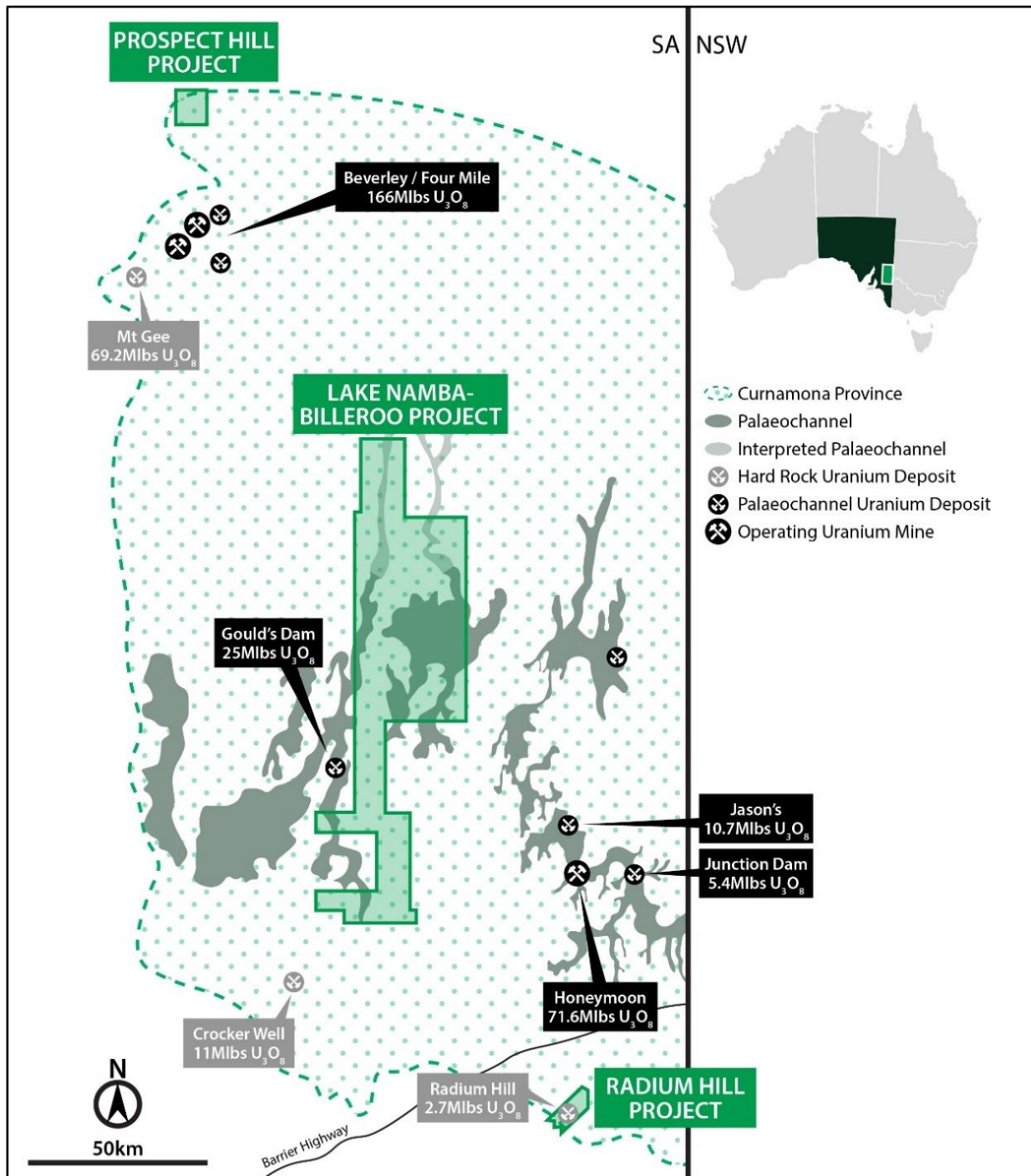


Figure 1: Location of HRE project areas and uranium deposits¹ in the Curnamona Province of eastern South Australia

¹ Data sources:

- Boss Energy Ltd (ASX: BOE) Annual Report 2024.
- Marmota Limited (ASX: MEU) ASX announcement 26/10/2023: "Marmota to grow Junction Dam uranium resource".
- SARIG SA Geodata MINDEP Database https://drillhole.pir.sa.gov.au/MineralDepositDetails.aspx?DEPOSIT_NO=962.
- Wilson T 2015. Uranium and uranium mineral systems in South Australia – Third edition, Report Book 2015/00011. Department of State Development, South Australia, Adelaide.
- World Nuclear Association: <https://world-nuclear.org/information-library/appendices/australia-s-uranium-mines>.

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Radium Hill Uranium-Rare Earths-Scandium Project, South Australia

At HRE's Radium Hill project, there is considerable potential to discover extensions of mineralization north-east of the main mine lode system. In addition to earning an initial 80% interest in the U rights at Radium Hill, HRE's transaction with Havilah includes said rights to rare earths (REE) and scandium (Sc).

During the quarter, a detailed airborne magnetic-radiometric survey was flown over a large part of the Radium Hill project area focusing on the 'line of lode' NE-SW structural corridor. Final data has been received and a comparison between the area's existing magnetic coverage (flown in 1995; 100 m line spacing; 60 m height) and the new survey (25 m line spacing; 30 m height) is shown in Figure 2. Geological and structural interpretation of this data set, incorporating field mapping and the now-underway digital capture and analysis of historic mining/drilling/trenching data from mid-1940s to the early-1960s, will commence shortly, providing the foundation for HRE's drill targeting at Radium Hill planned for H2 2025.

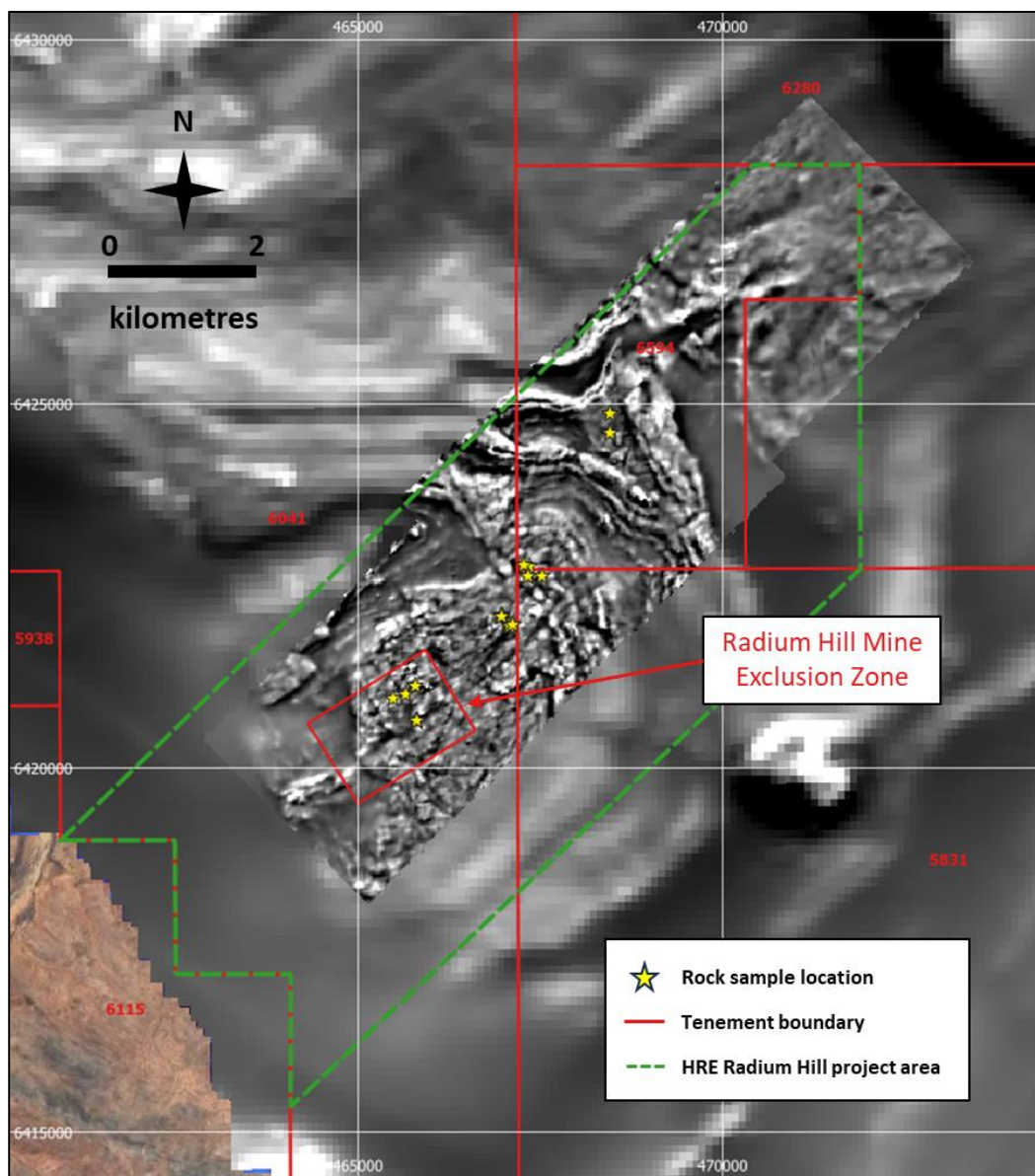


Figure 2: Radium Hill airborne survey showing major improvement in magnetic detail.
Background magnetic image: 1995 Broken Hill Exploration Initiative airborne survey.

The Company also completed a limited program of sampling of davidite-bearing mineralization during the quarter. Eighteen samples were collected from a number of historic U prospects (Radium Hill, Radium Hill North, Bristowe's, Bonython North, Bonython South) and from drill core drilled in 1961 at the Intermediate U prospect. Final assays and petrology are awaited.

Perenjori Uranium Project, Western Australia

The Company's 100 per cent-owned Perenjori project is located 190 kilometres east-south-east of the port city of Geraldton. The project shows potential to host "calcrete-type" U and ion adsorption-type REEs in palaeochannels on Archaean granitic basement. Virtually no exploration for these deposit types is evident from historic reports.

Work in 2024 by HRE successfully delineated the location and depth of an inferred major palaeochannel system on E70/6397 and E70/6398, and soil sampling on E70/6397 verified previously-reported surface uranium anomalism associated with an 8-kilometre-long airborne radiometric anomaly (refer to ASX announcement 19/06/2024).

During the quarter, three passive seismic lines were completed on newly-granted E59/2905. This work was successful in adding 13.5 km to the project's easternmost palaeochannel (Figure 3). The Company subsequently contracted Perth-based XM Logistics to collect 232 soil samples across the palaeochannel system on all project tenements. Samples have been submitted for analysis using the Ultrafine+™ method at LabWest Minerals Analysis in Perth. Final assays are expected in May.

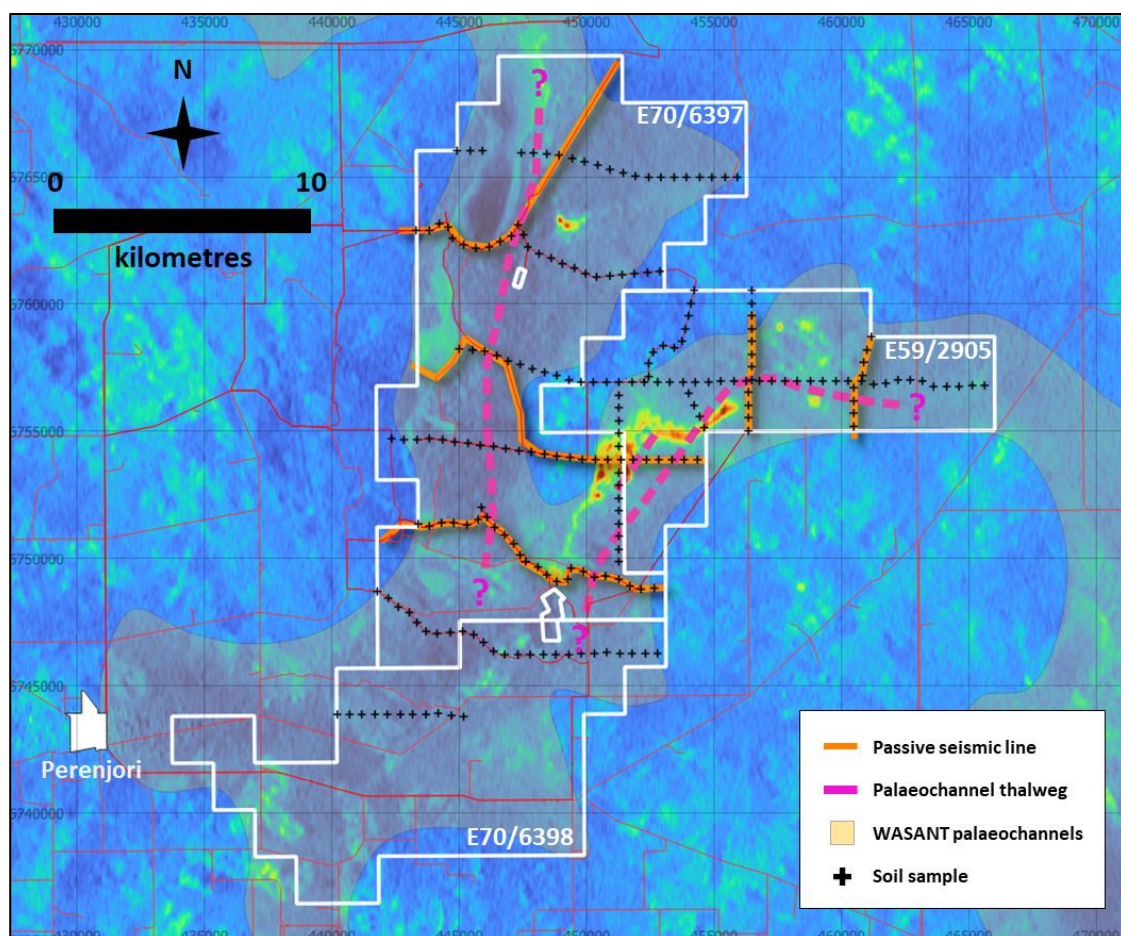


Figure 3: Perenjori Project showing location of passive seismic lines and soil samples.
Background image: airborne radiometric uranium channel.

Appendix 5B related party payments

Amounts included in section 6.1 of the Appendix 5B relate to Director's fees paid for the March 2025 quarter.

Interests in Mining Tenements

Below is a summary of the mining tenements held by the Company at the end of the quarter:

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in or (disposed)/farm-out during the quarter
E63/1972 – Cowalinya Project	WA, Australia	100%	-
E63/2144 – Cowalinya Project	WA, Australia	100%	-
E70/6397 – Perenjori Project	WA, Australia	100%	-
E70/6398 – Perenjori Project	WA, Australia	100%	-
E59/2905 – Perenjori Project	WA, Australia	100%	-
E59/2844 – Merino Project	WA, Australia	-	(100%)
EL33101 – Duke Project	NT, Australia	100%	-
EL33194 – Duke Project	NT, Australia	100%	-
EL 6041 – Radium Hill	SA, Australia	80%*	80%
EL 6594 – Radium Hill	SA, Australia	80%*	80%
EL 5831 – Radium Hill	SA, Australia	80%*	80%
EL 5848 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 5785 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 5824 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 5915 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 5940 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6056 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6356 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6358 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6408 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6409 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6410 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6411 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6434 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6546 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6661 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 6662 – Lake Namba-Billeroo	SA, Australia	80%**	80%
EL 5891 – Prospect Hill	SA, Australia	80%**	80%
EL 6271 – Prospect Hill	SA, Australia	80%**	80%
EL 6933 – Prospect Hill	SA, Australia	80%**	80%

* U, REE and Sc rights only. Subject to meeting earn-in expenditure obligations.

** U rights only. Subject to meeting earn-in expenditure obligations.

Research and Development Tax Incentive Claim

During the quarter, the Company received a tax offset refund of \$89,735 for eligible research and development activities undertaken by HRE on the Cowalinya rare earth project during FY2024.

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These funds were received from the Department of Industry, Science, Energy and Resources (AusIndustry) under the Australian Government's Research and Development (R&D) Tax Incentive program.

-- Ends --

This announcement has been approved by the Board of HRE.

For more information, please contact:

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About Heavy Rare Earths Limited

Heavy Rare Earths Limited (ASX: HRE) is an Australian uranium and rare earth exploration and development company. HRE's uranium exploration projects are in the uranium-rich Curnamona Province of eastern South Australia and in the Mid West region of Western Australia. The Company's key rare earth exploration project is Cowalinya, near Esperance in Western Australia.

Competent Persons Statement

The Exploration Results contained in this announcement were compiled by Mr. Richard Brescianini. Mr. Brescianini is a Member of the Australian Institute of Geoscientists (MAIG). He is a director and full-time employee of Heavy Rare Earths Limited. Mr. Brescianini has more than 35 years' experience in mineral exploration and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 JORC Code.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HEAVY RARE EARTHS LIMITED

ABN

35 648 991 039

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(187)	(536)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(28)	(39)
	(e) administration and corporate costs	(130)	(381)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	90	90
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(255)	(855)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,426
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(122)	(123)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(122)	2,303

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,783	958
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(255)	(855)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(122)	2,303

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,406	2,406

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,406	2,783
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,406	2,783

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(255)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(255)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,406
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,406
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.43
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.