

December 2025 Quarterly Activities Report

Highlights

- All Minerals Rights Agreement at Prospect Hill opens pathway to maiden Tin MRE
- Prospect Hill: Review of data reveals additional base metals and silver prospectivity
- Radium Hill: New assays and historic data reveals 8km Critical Minerals Corridor, hosting high-grade uranium, REE's, scandium, yttrium and vanadium
- Board refreshed with experienced directors ready to accelerate exploration

Heavy Rare Earths Limited (“HRE” or “the Company”) is pleased to provide the Quarterly Activities Report for the period ending 31 December 2025. HRE’s total South Australian portfolio covers 2,949km² and includes the Prospect Hill Project, the Radium Hill Project, and the Lake Namba-Billeroo Project (Figure 1).

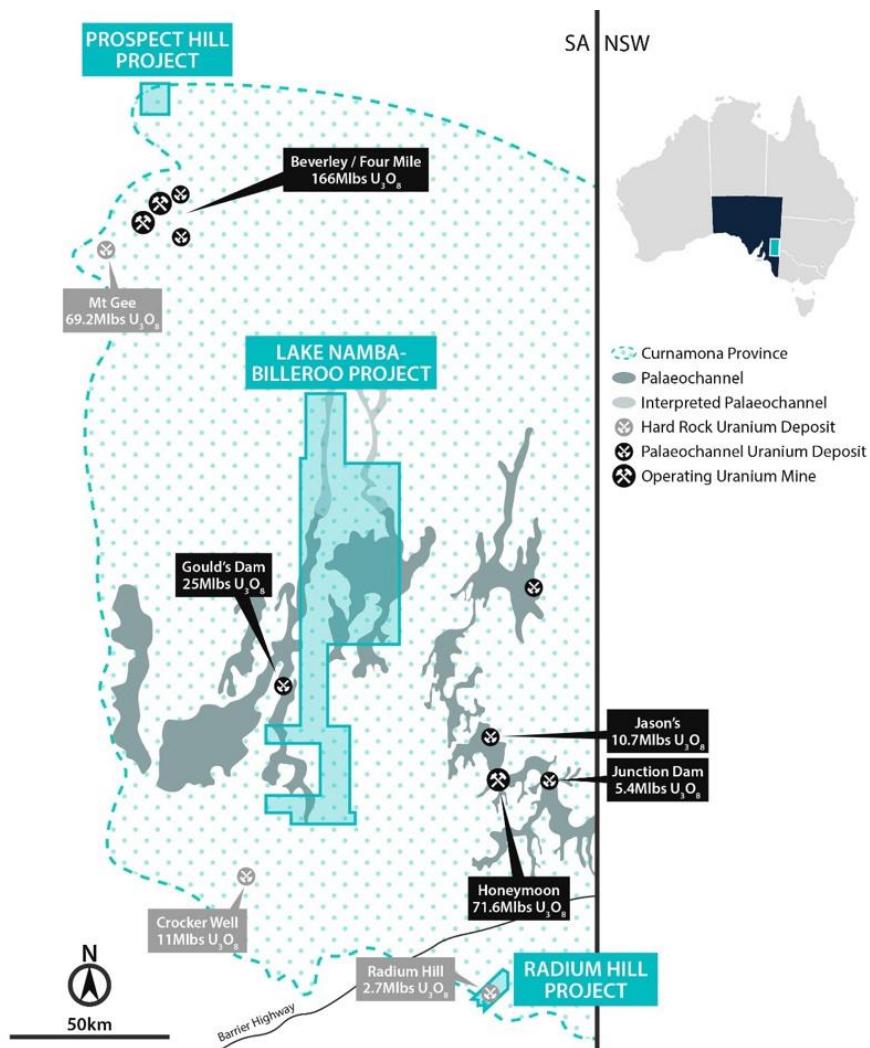


Figure 1. Location of HRE's project areas and uranium deposits in the Curnamona Province.

Prospect Hill: All Mineral rights opens pathway to Maiden Tin Resource

The Company was pleased to announce during the period the completion of the transaction with Havilah Resources Limited (ASX: HAV; “Havilah”) to expand its existing uranium-only mineral rights to an **all minerals rights agreement** on the Prospect Hill project.

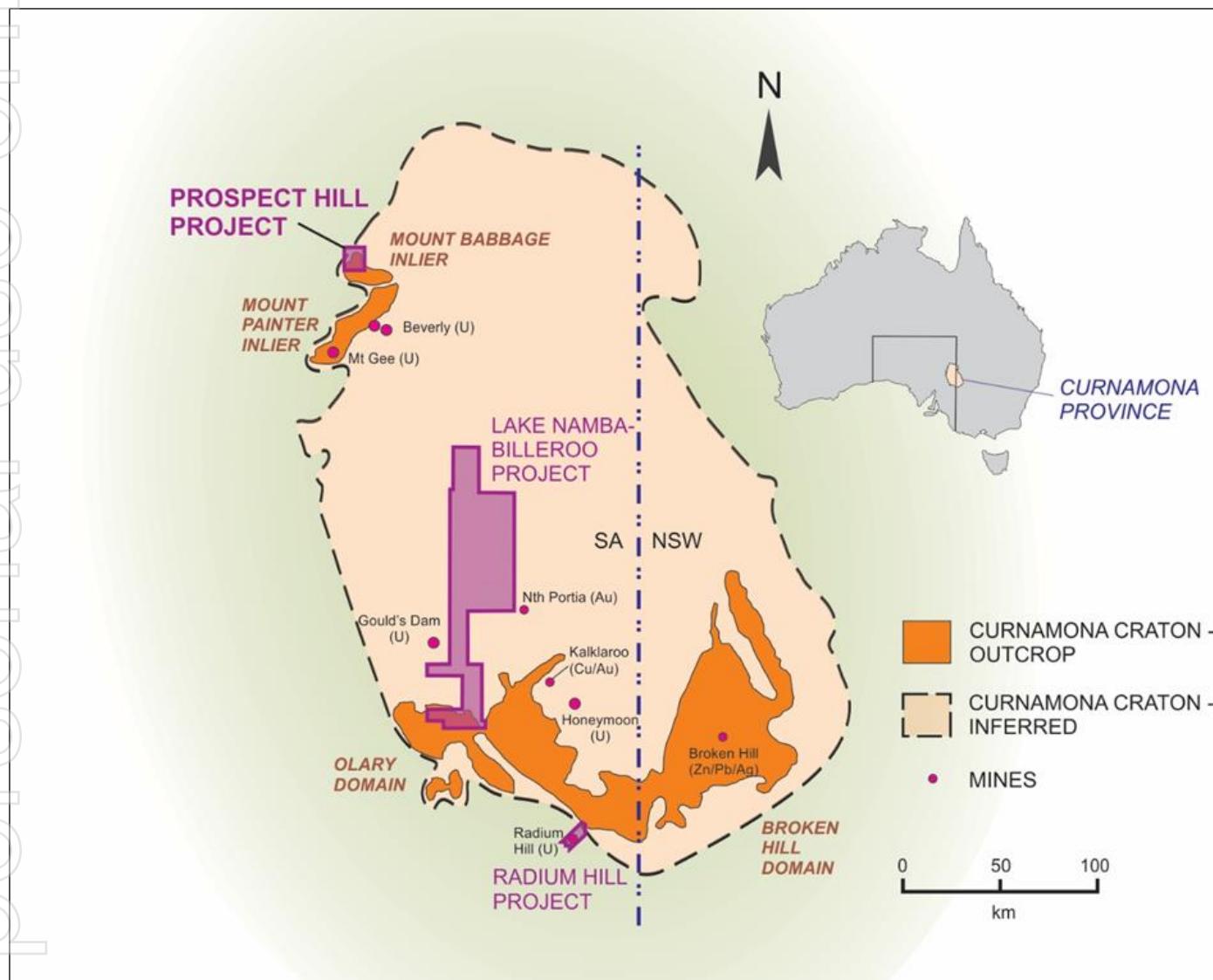


Figure 2: Location of HRE projects in the Curnamona Craton, South Australia.

The Prospect Hill project is the largest and most advanced tin (Sn) project in South Australia and represents a significant and rare opportunity for the Company to become a key player in a high-value commodity. Tin is classified as a critical mineral by major governments including the US, Canada, and the UK.

The acquisition comes with an unusually large and rich data set accumulated over time by several operators. The aggregate picture makes it clear that the project is highly prospective for tin mineralisation, specifically cassiterite (tin oxide).

The Prospect Hill project offers a number of priority targets, as well as one prospect, South Ridge, where the Company anticipates being able to declare a maiden Mineral Resource Estimate (MRE) quickly given the advanced nature of exploration here, including assays from 56 drill holes, with material mineralised intersections.

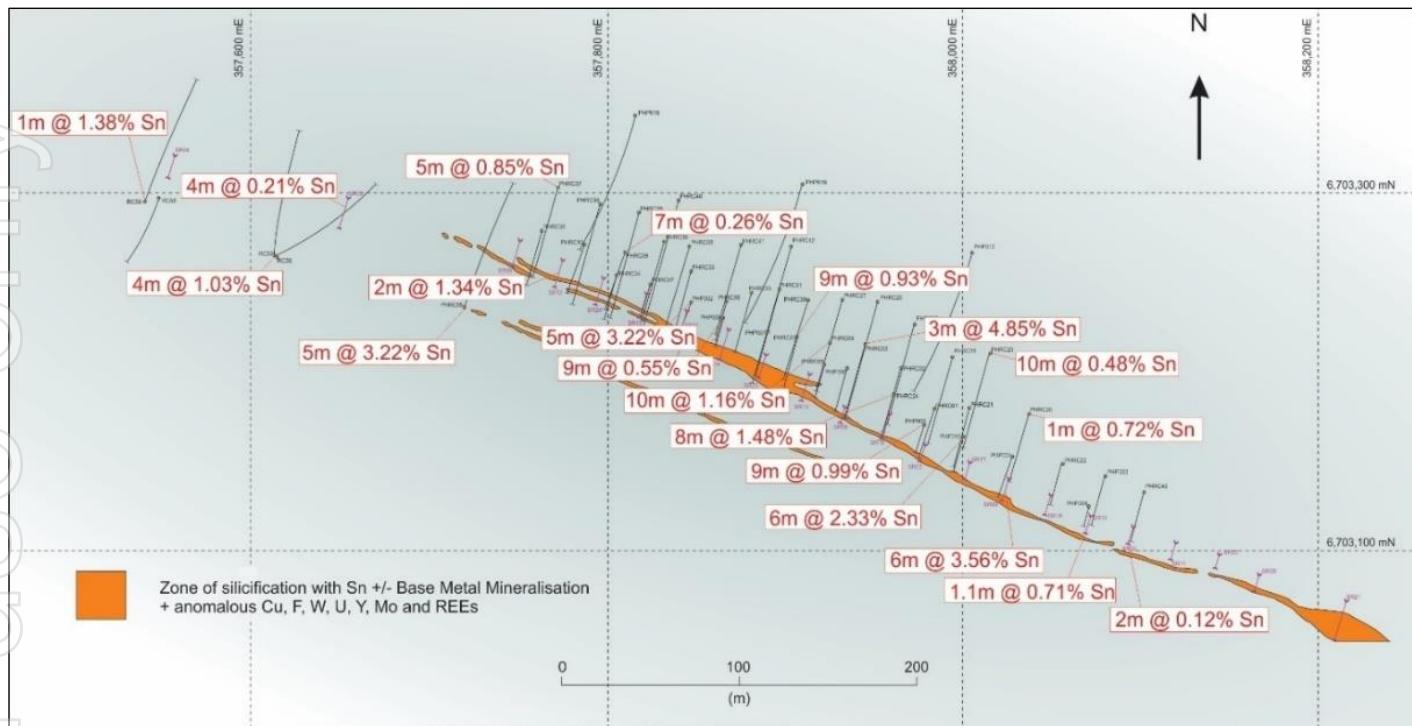


Figure 3: Plan view of South Ridge prospect with selected drill and trench intersections

Highly mineralised drill intercepts from South Ridge include:

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

Prospect Hill: Review of data reveals additional base metal and silver prospectivity

Following the finalisation of the all-minerals' rights agreement, the Company systematically reviewed the extensive geological database for the Prospect Hill project, collected over four decades from several previous operators, and it became apparent from this data that although tin had been the focus of previous work at South Ridge, there are significant intervals of highly anomalous Copper, Lead, Zinc and Silver associated with the structurally controlled tin mineralisation.

This historic data includes **8m @ 80 g/t Ag, 0.45% Cu, 0.87% Zn, and 0.84% Pb**, in addition to 0.51% Sn (with a 1m section @ 282 g/t Ag 1.87% Cu, 3.48% Zn, and 3.16% Pb in addition to 2.9% Sn).

The relationship of base metal and silver mineralisation to tin mineralisation at South Ridge is not yet clear from the available data, but field investigations are planned as part of ongoing work.

Other significant intersections uncovered from the historic database are shown in Table 1 with all intervals returning grades of more than 1 Oz/t.

Hole No.	Year	from (m)	to (m)	width (m)	Sn %	Cu %	Pb %	Zn %	Ag g/t
PHRC04	2007	31	36	5	0.44	0.27	0.68	1.19	40
PHRC05	2007	13	21	8	0.51	0.45	0.84	0.76	80
	incl.	13	16	3	1.35	0.99	2.20	1.76	200
	Incl.	14	15	1	2.90	1.87	3.16	3.48	282
PHP006	1994	16	19	3	0.99	0.49	1.24	0.14	64
PHP007	1994	22	23	1	0.23	1.12	1.92	1.8	76
PHP008	1994	17	25	8	0.30	0.49	0.11	0.14	35
PHRC023	2008	29	36	7	1.07	0.68	0.91	1.02	41
	incl.	34	35	1	0.09	0.99	1.29	0.70	78

Table 1. Significant intervals of base metal (Cu+Zn+Pb) + Ag mineralisation from historic South Ridge Sn prospect data (using 0.1% Cu cutoff – no internal dilution). Data from historic company reports 2

Given this rich data set and high-grade historical results, the Company will seek to fast-track drilling at South Ridge with the aim of quickly estimating a maiden tin Mineral Resource Estimate, understanding the relationship with other base metals and silver, and to acquire material for metallurgical testwork.

Radium Hill: New assays and historic data reveals 8km Critical Minerals Corridor, hosting high-grade uranium, REE's, scandium, yttrium and vanadium

The company was pleased to announce very encouraging assay results late in the quarter from the Radium Hill reconnaissance rock chip sampling program. Rock samples had been collected across the 8km-long linear SW to NE extension from the historic Radium hill mine and assessed with a multi-element analysis.

While the assayed uranium grades were strong as expected, the consistent presence of high-grade Scandium (up to 969ppm Sc_2O_3) and Yttrium (up to 2236ppm Y_2O_3) close to the historic mine and up to 5km from the mine, is of particular significance for HRE's future critical minerals exploration program.

This data, in conjunction with reinterpretation of aerial geophysical data and intense investigation of historical data, is refining our knowledge of this 8km Critical Mineral Corridor ("CMC").

It is important to note that this corridor, corresponding to the axial plane of a regional fold, outcrops for only half of its interpreted extent. Where it does outcrop, there are numerous examples of historical mining efforts dating back more than a century.

In addition to the anomalous uranium that we anticipated, Scandium and Yttrium were detected at multiple prospects along the length of the sample area, with significant grades particularly concentrated on two main targets - Bristowe's/Railway (<1km from Radium Hill Mine) and Bonython Hill (5km from Radium Hill Mine). Refer to Figure 4.

- Sampling at Bristowe's Prospect confirmed multiple lodes of high-grade U-REE-Y-Sc mineralisation with up to 721ppm Sc_2O_3 , 1728ppm Y_2O_3 and 0.36% U_3O_8 .
- Perhaps of greater significance were samples from Bonython Hill showing the strongly anomalous nature of U-REE-Y-Sc mineralisation continues for up to 5km along strike from Radium Hill mine, with up to 284ppm Sc_2O_3 , 1309ppm Y_2O_3 and 0.15% U_3O_8 .

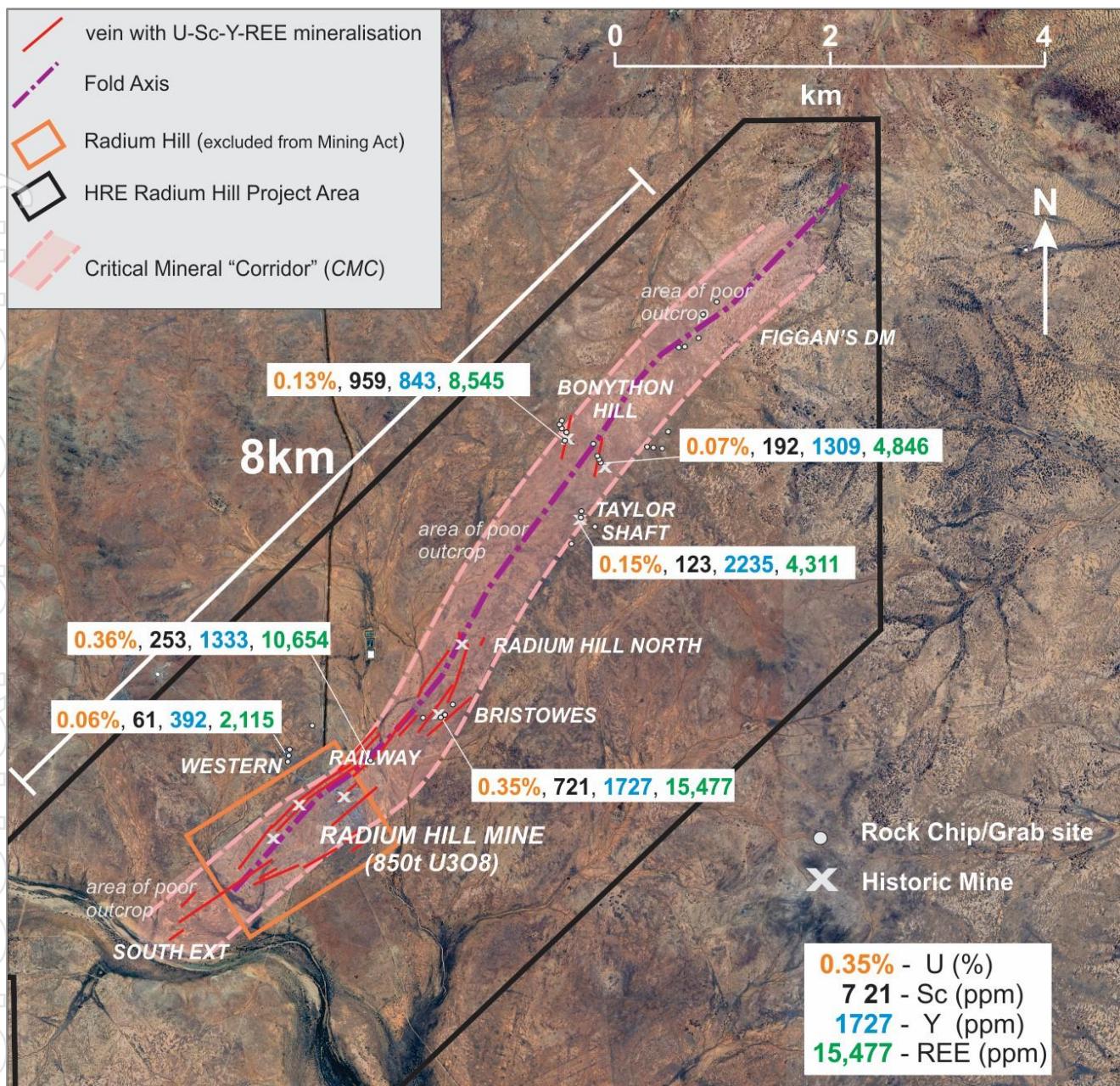


Figure 4. Radium Hill project showing Critical Mineral Corridor with selected high-grade rock samples from recent mapping program.

Analysis of the findings has been led by Bob Johnson, the highly experienced founder of Maptek, an innovative and industry leading provider of 3D geological modelling software.

Concurrent with this work, a geological consultant has been systematically searching through historical data looking for evidence of mineralisation along the CMC. This study has been time-consuming due to the variable state of preservation of the data after so many decades.

Results from two previous reconnaissance sampling programs at Radium Hill were released before the spectacular rise in yttrium oxide prices in mid-July 2025 (Y values were not included in these announcements). Re-evaluation of the data makes it clear that scandium has the potential to significantly add value to the Radium Hill critical mineral inventory. Several of the more significant results from the May 2025 sampling include:

SAMPLE	EAST	NORTH	PROSPECT	U3O8*	Sc ₂ O ₃ *	Y ₂ O ₃	V ₂ O ₅	TREO**
				%	ppm	ppm	ppm	%
RHR006	467333	6422633	Radium Hill Nth	0.36	644	2997	5106	1.54
RHR007	467333	6422633	Radium Hill Nth	0.37	936	2794	5641	0.72
RHR002	467070	6421962	Bristowes	0.60	882	2426	8319	1.64
RHR003	467080	6421956	Bristowes	0.41	521	1918	5391	1.22
RHR018	466971	6422088	Intermediate	0.47	445	1537	7141	0.77

* U3O8 and Sc₂O₃ previously reported in ASX announcement 19 May 2025 ** TREO (Total Rare Earth Oxides) = La₂O₃ + CeO₂ + Pr₆O₁₁ + Nd₂O₃ + Sm₂O₃ + Eu₂O₃ + Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃

Corporate

During the quarter, the company announced a number of board appointments in line with its strategy to accelerate the exploration program across its prospective Uranium and Critical Minerals portfolio.

Gabriel Chiappini: Non-Executive Chair

Gabriel had served as a Non-Executive Director for HRE since February 2025. Mr Chiappini is a Chartered Accountant with over 25 years' experience as a director, capital markets participant, private equity, investment banking and a governance professional. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia).

Gabriel manages his own consulting firm offering Corporate Advisory and professional Director services into the ASX small to mid-cap markets, and currently serves as a Non-Executive Director of Black Dragon Gold Corporation (ASX:BDG) and Non-Executive Director and Governance Chair of Invictus Energy Limited (ASX:IVZ), and was recently appointed as an officer of Voltaic Strategic Resources (ASX:VSR) to assist with VSR's corporate restructure. Gabriel also acts as the Governance Chair of Middle Island Resources (ASX:MDI) and until recently, also served as the Governance Chair (Australia) at Adriatic Metals plc from pre-IPO in 2017 through to its USD\$1.3bn takeover by DPM Metals (formerly Dundee Precious Metals) in September 2025.

Dr Amanda Buckingham: Non-Executive Director

Dr Buckingham is a geophysicist with over 30 years' experience in mineral exploration. Amanda co-founded Fathom Geophysics in late 2007, providing exploration targeting services to junior, mid-tier and major mining companies across multiple jurisdictions. She has extensive exploration experience globally.

Amanda's early career included working at majors such as Rio Tinto, as well as listed juniors in both Canada and Australia, and several years of consulting at SRK. Amanda co-founded Cygnus Metals Limited (ASX: CY5) and Desert Minerals Limited (ASX: DM1). She is currently a director of several private companies, including Plutonic Limited, and an Adjunct Research Fellow at the University of Western Australia. Amanda was the Managing Director of Warriedar Resources Limited (ASX: WA8) for 3.5 years, focused on the discovery and expansion of gold and antimony Resources in Western Australia, prior to Warriedar's acquisition by Capricorn Metals (ASX: CMM).

Graeme Morissey: Non-Executive Director

This appointment builds upon recent changes to the board and is in line with the Company's corporate strategy to transition its board to focus on and accelerate its exploration program across its prospective Uranium, Tin, Heavy Rare Earths and Critical Minerals portfolio. Mr Morissey served as the Chief Financial Officer for Warriedar Resources Limited (ASX: WA8) alongside fellow HRE Director Amanda Buckingham.

Concurrent with these board appointments, John Byrne and Richard Brescianini agreed to retire from the board, and focus on other business activities. The Board would like to take this opportunity to thank them again for their contributions to the Company.

Appendix 5B related party payments

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

Expenditure during the quarter

Exploration and evaluation expenditure during the quarter totalled \$171,000 as disclosed in the accompanying Appendix 5B. The majority of the expenditure related to geological consulting and labour costs at the Radium Hill and Lake Namba-Billeroo tenements.

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%	-
EL33101 – Duke Project	NT, Australia	100%	-
EL33194 – Duke Project	NT, Australia	100%	-
EL 6041 – Radium Hill	SA, Australia	80%*	-
EL 6594 – Radium Hill	SA, Australia	80%*	-
EL 5831 – Radium Hill	SA, Australia	80%*	-
EL 5848 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 5785 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 5824 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 5915 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 5940 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6056 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6356 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6358 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6408 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6409 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6410 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6411 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6434 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6546 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6661 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 6662 – Lake Namba-Billeroo	SA, Australia	80%**	-
EL 5891 – Prospect Hill	SA, Australia	80%**	-
EL 6271 – Prospect Hill	SA, Australia	80%**	-
EL 6933 – Prospect Hill	SA, Australia	80%**	-

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

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

Grant of performance rights

The Board has agreed to grant 3 million performance rights to Non-executive Director, Mr Graeme Morissey, and 1.5 million performance rights to Company Secretary, Justin Mouchacca, subject to any shareholder approval requirements and in accordance with the Company's Long Term Incentive Plan (LTIP) at the next general meeting of shareholders. The performance rights will be issued with the following vesting conditions:

- (a) 1,500,000 Performance Rights with a vesting condition of the Company achieving greater than a \$0.075 VWAP of Shares over 20 consecutive trading days within 3 years of the issue date. (Class A Performance Rights)
- (b) 1,500,000 Performance Rights with a vesting condition of the Company achieving greater than a \$0.10 VWAP of Shares over 20 consecutive trading days within 3 years of the issue date. (Class B Performance Rights)
- (c) 1,500,000 Performance Rights with a vesting condition of the Company achieving greater than a \$0.15 VWAP of Shares over 20 consecutive trading days within 3 years of the issue date. (Class C Performance Rights)

— ENDS —

This announcement has been approved by the Board of HRE

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About Heavy Rare Earths Limited

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

Competent Person's Statement

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

Forward Looking Statement

This announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond HRE's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding HRE's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks,

uncertainties and other factors may cause HRE's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). Readers are cautioned not to place undue reliance on forward-looking statements. Although HRE believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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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 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(171)	(335)
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(46)
(e) administration and corporate costs	(99)	(204)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(273)	(551)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(58)	(58)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(58)	(58)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,657	1,935
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(273)	(551)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(58)	(58)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Appendix 5B

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 (6 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,326	1,326
 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	1,326	1,657
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)	1,326	1,657
 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	23	
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>		

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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>		
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)		(273)
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)		(273)
8.4	Cash and cash equivalents at quarter end (item 4.6)		1,326
8.5	Unused finance facilities available at quarter end (item 7.5)		-
8.6	Total available funding (item 8.4 + item 8.5)		1,326
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)		4.86
	<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: 29 January 2026

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.