ASX Announcement

5 August 2026

HEAVY RARE EARTHS LIMITED

Capital Raising of up to $2.028 million

Highlights

- **Firm commitments for $1.3 million Placement managed by Cygnet Capital with support from Australian Institutional and High Net Worth investors**
- **$728,119 Non-Renounceable Entitlement Offer (1 for 8) at $0.028 per share with One (1) free attaching option for every two (2) New Shares issued under the Entitlement Offer, exercisable at $0.06 expiring 26 February 2028**
- **Attaching option to be issued to placement participants with the Company applying to the ASX to have the options quoted on the ASX**
- **Funds raised through the Placement and Entitlement Offer will be used for the maiden drilling program at the Company's Prospect Hill Tin project and Radium Hill Critical Minerals project together with progressing the Subron REE project strategic review**

Heavy Rare Earths Limited ("**HRE**" or "**the Company**") is pleased to announce strong support from existing and new shareholders and high net worth investors for a $1,300,000 (before costs) Share Placement of 46,428,571 shares at an issue price of $0.028 per share, together with 1 free attaching option (with an exercise price of $0.06 and expiring on 26 February 2028) (**Attaching Option**) for every 2 shares subscribed for under the placement (**Placement**).

The Company is also pleased to announce a 1 for 8 non-renounceable entitlement offer (**Entitlement Offer**) to raise up to approximately $728,119.

In line with the Placement, 1 Attaching Option will be offered for every 2 new shares subscribed under the Entitlement Offer.

Chief Executive Officer and Managing Director, Jason Barnett commented:

> *"The Company is grateful for the strong support shown by both existing and new shareholders in this raise. This capital will drive significant activity and newsflow across the portfolio, and unlock significant value at the Subron Heavy Rare Earths project. We're also excited about the upcoming 3,200m drilling program at the Prospect Hill Tin Project alongside progressing plans for a maiden drilling program at the Radium Hill Critical Minerals Project. We look forward to keeping the market informed as we deliver results across the portfolio."*

Details of the Placement

The Company intends to raise $1,300,000 (before costs) via the Placement to sophisticated and Wholesale Investors of 46,428,571 shares at an issue price of $0.028 per share with a free Attaching Option for every 2 shares subscribed for under the Placement. The Shares will be issued through a two-tranche Placement with 31,000,000 shares being issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1 and the remaining 15,428,571 shares being subject to shareholder approval. The issue of the

23,214,286 Attaching Options under the Placement remains subject to the Company obtaining shareholder approval under Listing Rule 7.1.

The Offer Price of $0.028 represents a 15.15% discount to the closing price of $0.033 on ASX on Friday, 31 July 2026, being the last trading day prior to the trading halt.

Details of the Entitlement Offer

The Company is undertaking a non-renounceable entitlement offer to eligible shareholders of one (1) new Share for every eight (8) Shares held. The Company aims to raise approximately $728,119 through the issue of approximately 26,004,235 Shares at $0.028 each. For every two new Shares subscribed for, investors will receive one free Attaching Option (on the same terms as the Attaching Options under the Placement).

The Company has appointed Cygnet Capital Pty Ltd (**Cygnet**) as Lead Manager of the Placement and Entitlement Offer.

The Company intends to lodge a prospectus with ASIC in respect of the Entitlement Offer on or about 14 August 2026 (**Prospectus**).

Any securities not taken up under the Entitlement Offer (**Shortfall**) may be placed by the Company, in consultation with Cygnet, to investors procured by Cygnet and other invitees on the same terms as the Entitlement Offer, within three months of the Closing Date in reliance on ASX Listing Rule 7.2 Exception 3 (**Shortfall Offer**). The allocation of Shortfall will be conducted in accordance with the allocation policy set out in the Prospectus.

The Company will use the proceeds from the Entitlement Offer and Placement (together, the **Capital Raising**) as follows:

- Subron Heavy Rare Earths project strategic review – Heavy Rare Earths
- Prospect Hill HRE maiden drilling program – Tin
- Radium Hill ANSTO testwork and HRE maiden drilling program– Critical minerals, Uranium, REE;
- Working capital and costs of the offer.

The new Shares issued under the Capital Raising will rank equally with existing HRE Shares on issue.

The Company intends to apply for the quotation of all Lead Manager Options (defined below) and Attaching Options offered under the Capital Raising.

Timetable

Event	Date
Announcement of the Entitlement Offer and lodgement of Appendix 3B	Wednesday, 5 August 2026
Lodgement of Prospectus with ASIC and ASX (prior to market open)	Friday, 14 August 2026
Ex date	Tuesday, 18 August 2026
Record date for determining Entitlements	Wednesday, 19 August 2026

Event	Date
Issue of Tranche 1 Placement Shares	Friday, 21 August 2026
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 24 August 2026
Last day to extend the Closing Date	Friday, 11 September 2026
Closing Date as at 5:00pm (Melbourne time)	Wednesday, 16 September 2026
Securities quoted on a deferred settlement basis	Thursday, 17 September 2026
ASX notified of under subscriptions	Friday, 18 September 2026
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Friday, 18 September 2026
Deferred settlement trading ends	Friday, 18 September 2026
Normal (T+2) trading starts	Monday, 21 September 2026
First settlement date of trades conducted on a deferred settlement basis and on a normal T+2 basis	Wednesday, 23 September 2026
Shareholder meeting for Tranche 2 and approval to issue Placement Attaching Options and Lead Manager Options	Late September 2026
Issue of Tranche 2 Placement, Attaching Options and Lead Manager Options	Late September 2026

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST).

Additional Information

Cygnet is acting as sole lead manager to the Capital Raising. Cygnet will be paid the following cash fees (excluding GST) for providing this service:

- 2% management fee on all funds raised under the Capital Raising;
- 4% selling fee on all funds raised under the Capital Raising; and
- Subject to shareholder approval, issue of 5,000,000 Options at an issue price of $0.00001 per option on the same terms as the free Attaching Options (**Lead Manager Options**).

Additional information about the Capital Raising is set out in the accompanying ASX Appendix 3Bs that were also released today.

HRE Projects

Subron (REE)

Subron is a Heavy Rare Earth Project, 110km north-east of Esperance WA. A strategic review has recently identified high-grade mineralised domains of 38% TREO:HREO. The company will expedite the progress of Subron utilising the existing drill database and stored mineralised material suitable for testwork.

The characteristics of some of the high grade domains are presented in the table Table 1 below. The Seawolf Prospect is a priority target, it has the highest-grade intersections at Subron recording **8m @ 3057ppm TREO, 1344ppm HREO average, with a 42% HREO ratio**[1]. The high HREO ratio is a compelling point of difference.

Table 1. Interpreted high grade domains and significant intercepts at Subron

HRE HEAVY RARE EARTHS LIMITED **Subron Significant Intercepts**

Structural Corridor	HG Domain	Strike (Km)	Width (Km)	Significant Intercept	HREO Ratio
BERING	Nordenfelt	1.7	0.15	11m @ 4606ppm TREO (from 24m AC225) inc 1365ppm HREO	31%
				4m @ 1936ppm TREO (from 27m AC275) inc 1065ppm HREO	55%
	Oberon	1.5	0.15	10m @ 1782ppm TREO (from 14m AC28) inc 343ppm HREO	36%
				6m @ 1434ppm TREO (from 24m AC16) inc 454ppm HREO	31%
	Narval	1.0	0.10	4m @ 2487ppm TREO (from 31m AC279) inc 975ppm HREO	39%
	Tunny	0.5	0.20	2m @ 2753ppm TREO (from 26m AC343) inc 1019ppm HREO	37%
BISMARCK	Virginia	2.5	0.20	2m @ 3068ppm TREO (from 32m AC201) inc 1002ppm HREO	33%
				4m @ 2593ppm TREO (from 20m AC200) inc 1453ppm HREO	57%
				4m @ 2360ppm TREO (from 30m AC356) inc 1237ppm HREO	52%
	Seawolf	1.5	0.20	2m @ 3795ppm TREO (from 24m AC361) inc 1918ppm HREO	51%
				8m @ 3057ppm TREO (from 27m AC360) inc 1344ppm HREO	42%
	Hunley	1.5	0.15	2m @ 3196ppm TREO (from 34m AC326) inc 1236ppm HREO	39%
				2m @ 3611ppm TREO (from 36m AC363) inc 1751ppm HREO	48%
	Blume	0.9	0.10	3m @ 2246ppm TREO (from 38m AC321) inc 1481ppm HREO	66%
	Flach	0.8	0.10	2m @ 4087ppm TREO (from 18m AC412) inc 1210ppm HREO	30%
REGIONAL	Garrett	1.0	0.15	6m @ 2383ppm TREO (from 16m AC440) inc 911ppm HREO	39%

Prospect Hill (Sn)

Prospect Hill is located within the Curnamona Province in South Australia. The company has all regulatory approvals in place to undertake up to 3,200m of reverse circulation (RC) and diamond drilling (DD) at the South Ridge prospect within the Prospect Hill Project.

South Ridge is a shear zone hosted system, where historical drilling outlined steep-dipping tin mineralisation over 500 metres of strike, up to 120 metres depth and still open down-dip and along strike.

[1] Refer to ASX Announcement dated 24th July 2026

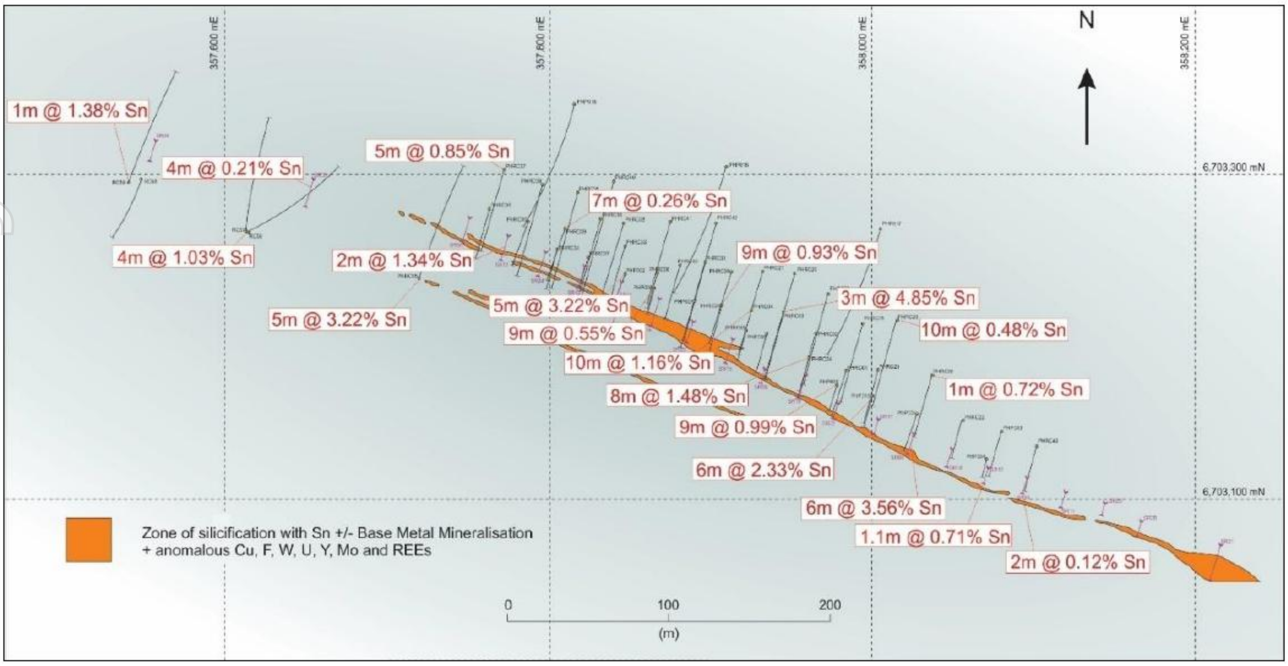

Figure 1. Plan view of South Ridge prospect with selected drill and trench intersections.

An example of the high-grade tin intersections along the 500-metre strike at South Ridge include[2];

- 3 metres @ 4.85% Sn from 44 metres (PHRC03)
- 5 metres @ 3.32% Sn from 84 metres (PHRC55)
- 6 metres @ 2.33% Sn from 14 metres (PHP-15)

Radium Hill (U, REE, Critical Minerals)

The Company's Radium Hill Project is located on the edge of the Curnamona Province in South Australia, and adjoins Australia's first uranium mine, – the Radium Hill Mine. Recently the company announced[3] a collaboration with the Australian Nuclear Science and Technology Organisation (ANSTO) to draw on their expertise and knowledge of the historical processing of the mineralisation.

Preparations are underway to prepare for the company's maiden drill program, where drill intervals will be assayed for rare earths and critical minerals for the first time in its history.

This announcement has been approved by the Board of HRE

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[2] Refer to ASX Announcement dated 28th October 2025
[3] Refer to ASX Announcement dated 31st July 2026

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. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company's directors, employees, advisers or agents, nor any other person, accepts any liability for any loss arising from the use of this announcement or its contents. This announcement does not constitute investment advice and does not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction in which such offer or solicitation would be unlawful.