

HEAVY RARE EARTHS LIMITED
ABN 35 648 991 039

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 27 November 2025

Time of Meeting:
1:30PM (WST)

Location:
**The offices of the Australian Institute of Company Directors
Allendale Square, Level 1,
77 St Georges Terrace Perth WA 6000
and as a virtual meeting**

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay.*

HEAVY RARE EARTHS LIMITED

ABN 35 648 991 039

Registered office: Level 21, 459 Collins Street, Melbourne Victoria 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Heavy Rare Earths Limited (the “Company”) will be held at the offices of the Australian institute of Company Directors, Allendale Square, Level 1, 77 St Georges Terrace Perth WA 6000 and as a virtual meeting on Thursday, 27 November 2025 at 1:30pm (WST) (“Annual General Meeting” or “Meeting”).

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form.

As permitted by section 110D of the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link: <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.hre>.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM.

The virtual meeting can be attended using the following details:

When: Thursday, 27 November 2025 at 1.30pm (WST)

Topic: Heavy Rare Earths Limited - Annual General Meeting

Register in advance for the virtual meeting:

<https://us06web.zoom.us/j/84225786822?pwd=8baAxxaulpZFglbd0tFBSONLojCR4.1>

After registering, you will receive a confirmation email containing information about joining the meeting. As noted previously, the Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online. The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally.

The Company is happy to accept and answer questions submitted at least two business days prior to the meeting by email to info@hreltd.com.au. The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the AGM should monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: HRE) and on its website at www.hreltd.com.au.

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

Financial Statements and Reports - Period July 2024 – June 2025

To receive and consider the Annual Financial Statements, the Directors' Report and the audit report of the Company for the financial year ended 30 June 2025.

Note: there is no requirement for Shareholders to approve these reports.

RESOLUTIONS

Resolution 1: Adoption of Remuneration Report (non-binding Resolution)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding** resolution:

"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2025 be adopted."

Voting Exclusion: A vote must not be cast on this Resolution by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, such a person may cast a vote on this Resolution if:

- (a) the person is appointed as proxy by writing that specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Resolution 2: Election of Director – Mr Gabriel Chiappini

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That for the purposes of Article 57(2) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Gabriel Chiappini, having been appointed as an additional Director on 31 January 2025 is elected as a Director of the Company."

Resolution 3: Election of Director – Dr Amanda Buckingham

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That for the purposes of Article 57(2) of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Amanda Buckingham, having been appointed as an additional Director on 10 October 2025 is elected as a Director of the Company."

Resolution 4: Re-Election of Director – Mr Richard Brescianini

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

“That for the purposes of Article 59(1) of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Richard Brescianini, retires by rotation and, being eligible, be re-elected as a Director of the Company.”

Resolution 5: Approval to issue Performance Rights to Mr Gabriel Chiappini

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Performance Rights to Mr Gabriel Chiappini (and/or his nominee(s)), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Gabriel Chiappini, and any other person referred to in Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates:

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 6: Approval to issue Performance Rights to Dr Amanda Buckingham

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Performance Rights to Dr Amanda Buckingham (and/or her nominee(s)), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Dr Amanda Buckingham, and any other person referred to in Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates:

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 7: Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed for in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement which accompanied and formed part of this Notice of Meeting.”

Note: If at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under rule 7.1A.2, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this resolution is not required by Listing Rule 7.3A.7.

By order of the Board

Justin Mouchacca
Company Secretary

Dated: 28 October 2025

Important Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

3. **Proxies**

All voting will be conducted by poll.

The Directors instruct all Shareholders who would like to appoint a proxy to lodge a proxy form prior to Tuesday, 25 November 2025 at 1:30pm (WST) (**Proxy Cut-Off Time**). Please refer to the accompanying proxy form for further details on how to appoint a proxy.

Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. **How the Chairman will vote undirected proxies**

Subject to the restrictions set out below, the Chairman of the Meeting intends to vote all undirected proxies on, and in favour of, all of the proposed Resolutions.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

6. **Enquiries**

Shareholders are invited to contact the Company Secretary, Mr Justin Mouchacca, on (03) 8630 3321 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held on Thursday, 27 November 2025 at the offices of the Australian Institute of Company Directors, Allendale Square, Level 1, 77 St Georges Terrace Perth WA 6000 and as a virtual meeting commencing at 1.30pm (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting.

Section 317 of the Corporations Act requires the directors to lay before the Annual General Meeting the Annual Financial Statements for the last financial year ended 30 June 2025.

The Company will not provide a hard copy of the Company's Annual Financial Statements to Shareholders unless specifically requested to do so. The Company's Annual Financial Statements are available on its website at www.hreltd.com.au.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at info@hreltd.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the financial year ended 30 June 2025 (**Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (**Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2025 Annual Report. The Annual Report is available on the Company's website at <https://hreltd.com.au/investors/financial-reports/>.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2025.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's 2024 annual general meeting, less than 25% of the eligible votes cast in respect of the 2024 Remuneration Report were cast against the adoption of 2024 Remuneration Report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2025 Remuneration Report are against the adoption of the 2025 Remuneration Report.

2.3 Board recommendation

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR GABRIEL CHIAPPINI

3.1 Background

The Constitution of the Company requires that any Director appointed by the Board in addition to the existing Directors or to fill a casual vacancy holds office until the conclusion of the next Annual General Meeting and may stand for election. Mr Gabriel Chiappini was appointed to the Board on 31 January 2025 as an additional Director and accordingly submits himself for election as a Director of the Company under Resolution 2.

Gabriel is a Chartered Accountant with over 20 years' experience as a director, capital markets participant and a governance professional. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia). Gabriel's professional foundation was laid with Ernst & Young (EY) Perth. Following EY, he moved onto various corporate roles in London and Perth as detailed below.

For the last 20 years Mr Chiappini has been managing his own Consulting Firm offering Corporate Advisory, Governance Services, and Non-executive Director services to a variety of ASX and start-up companies. He has provided advice and services on equity raisings exceeding AUD\$850m, debt financing in excess of AUD\$350m and assisted his clients with both divestment and acquisition strategies.

Recently he managed and assisted with the vending in of seven ASX IPO's and RTO's.

Gabriel has had a diverse and successful career as an ASX/public company director inclusive of Chairman, Non-executive Director and Finance/Chief Financial Officer roles, and Chair of Governance. He has a wide range of offshore corporate structuring experience in the USA, Europe and in the Middle East and is a current director of Black Dragon Gold Corporation and Invictus Energy Limited, as well as Head of Governance (Australia) for Adriatic Metals plc.

Mr Chiappini does not hold any material directorships other than as disclosed in this Notice.

If elected, the Board (with Mr Chiappini abstaining) considers Mr Chiappini to be an independent Director. Mr Chiappini is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. The Company confirms that it took appropriate checks into Mr Chiappini's background and experience prior to his appointment and that these checks did not identify any information of concern.

Mr Chiappini has acknowledged to the Company that he will have sufficient time to fulfill his responsibilities as a director.

3.2 Voting consequences

If Shareholders do not vote in favour of Resolution 2, Mr Chiappini will not be elected as a Director and will retire at the conclusion of the Annual General Meeting.

If Shareholders vote in favour of Resolution 2, Mr Chiappini will retire at the conclusion of the Annual General Meeting and will be immediately elected as a Director.

3.3 Board recommendation

The Board (with Mr Chiappini abstaining from voting), recommends that Shareholders vote in favour of resolution 2 for the election of Mr Chiappini. Mr Chiappini has significant board and corporate experience which enhances the Board's skills and will assist the Company in achieving its strategic objectives in the short and medium term.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR AMANDA BUCKINGHAM

4.1 Background

The Constitution of the Company requires that any Director appointed by the Board in addition to the existing Directors or to fill a casual vacancy holds office until the conclusion of the next Annual General Meeting and may stand for election. Dr Amanda Buckingham was appointed to the Board on 10 October 2025 as an additional Director and accordingly submits herself for election as a Director of the Company under Resolution 3.

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 and Desert Minerals Limited. She is currently a director of several private companies, including Plutonic Limited, and an Adjunct Research Fellow at the University of Western Australia. Amanda has been the Managing Director of Warriedar Resources Limited for the past 3 years, focused on the discovery and expansion of gold and antimony Resources in Western Australia. Warriedar is progressing through a takeover (Scheme of Arrangement) by Capricorn Metals (ASX: CMM); a deal valued at over \$300m.

Dr Buckingham does not hold any material directorships other than as disclosed in this Notice.

If elected, the Board (with Dr Buckingham abstaining) considers Dr Buckingham to be an independent Director. Dr Buckingham is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

The Company confirms that it took appropriate checks into Dr Buckingham's background and experience prior to her appointment and that these checks did not identify any information of concern.

Dr Buckingham has acknowledged to the Company that she will have sufficient time to fulfill her responsibilities as a director.

4.2 Voting consequences

If Shareholders do not vote in favour of Resolution 3, Dr Buckingham will not be elected as a Director and will retire at the conclusion of the Annual General Meeting.

If Shareholders vote in favour of Resolution 3, Dr Buckingham will retire at the conclusion of the Annual General Meeting and will be immediately elected as a Director.

4.3 Board recommendation

The Board (with Dr Buckingham abstaining from voting), recommends that Shareholders vote in favour of resolution 3 for the election of Dr Buckingham. Dr Buckingham's extensive experience in minerals exploration and development as a geophysicist enhances the Board's skills and will assist the Company in achieving its strategic objectives in the short and medium term.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 3.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR RICHARD BRESCIANINI

5.1 Background

The Constitution of the Company requires that at the close of every Annual General Meeting a number of the Directors must retire from office (being one-third of the Directors other than the Managing Director) and any Director appointed by the Board in addition to the existing Directors or to fill a casual vacancy holds office until the conclusion of the next Annual General Meeting and may stand for election. A Director appointed as an additional Director or to fill a casual vacancy is not to be taken into account in determining the Director(s) who must retire by rotation.

Mr Richard Brescianini was last elected by shareholders at the Annual General Meeting held on 29 November 2023. Mr Richard Brescianini now retires and, being eligible, submits himself for re-election as a Director of the Company under Resolution 4. Mr Brescianini was first appointed to the Board on 2 February 2022.

The relevant professional experience and skills of Mr Brescianini are provided below.

Mr Brescianini is a qualified geoscientist with an Honours degree from the University of Tasmania and is a member of the Australian Institute of Geoscientists and Australian Society of Exploration Geophysicists. Richard commenced his career in mineral exploration with BHP

Minerals in 1987 working in teams focused on the discovery of base and precious metal deposits across Australia and North America. His experience includes working as the Director of the Northern Territory Government's Geological Survey and working for rare earths developer Arafura Rare Earths Limited for 14 years in its executive management team.

Mr Brescianini does not hold any material directorships other than as disclosed in this Notice.

If re-elected, the Board (with Mr Brescianini abstaining) considers Mr Brescianini not to be an independent Director by virtue of his recent executive position with the Company.

Mr Brescianini has acknowledged to the Company that he will have sufficient time to fulfill his responsibilities as a director.

Voting consequences

If Shareholders do not vote in favour of Resolution 4, Mr Brescianini will not be re-elected as a Director and will retire at the conclusion of the Annual General Meeting.

If Shareholders vote in favour of Resolution 4, Mr Brescianini will retire at the conclusion of the Annual General Meeting and will be immediately re-elected as a Director.

5.2 Board recommendation

The Board (with Mr Brescianini abstaining from voting), recommends that Shareholders vote in favour of resolution 3 for the re-election of Mr Brescianini. Mr Brescianini is the longest-standing Board member whose in-depth knowledge and understanding of the Company and its business will continue to be instrumental in the growth of the Company.

The Chair of the Meeting intends to vote undirected proxies in favour of each of Resolution 4.

6. RESOLUTION 5 AND 6 – APPROVAL TO ISSUE PERFORMANCE RIGHTS

6.1 Background

Resolutions 5 and 6 seek Shareholder approval for the purposes of Listing Rule 10.14 for the issue of an aggregate of up to 10,000,000 Performance Rights to Mr Gabriel Chiappini and Dr Amanda Buckingham (and/or their respective nominee(s)) as set out below:

Resolution	Director	Number of Performance Rights	Vesting Conditions
Resolution 5	Mr Gabriel Chiappini	5,000,000	(a) 1,400,000 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) 1,600,000 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) 2,000,000 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)
Resolution 6	Dr Amanda Buckingham	5,000,000	(a) 1,400,000 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) 1,600,000 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) 2,000,000 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)

The Performance Rights will be issued to each of Mr Chiappini and Dr Buckingham (or their respective nominees) on the terms and conditions set out in Annexure A.

The issue of the above Performance Rights is intended to support the achievement of the Company's business strategy by linking Mr Chiappini and Dr Buckingham respective rewards to improvements in the financial performance of the Company and aligning their interests with Shareholders.

Listing Rule 10.14

Broadly speaking, Listing Rule 10.14 Listing Rule provides that a listed company must not permit a director of a company or their associates to acquire equity securities under an employee incentive scheme (such as the Plan) unless it obtains the approval of its shareholders.

Resolutions 5 and 6 seek Shareholder approval under Listing Rule 10.14 for the grant of Performance Rights to Mr Chiappini and Dr Buckingham (and/or their respective nominee(s)) under the Plan on the terms described in this Explanatory Statement.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue constitutes the giving of a financial benefit as Mr Chiappini and Dr Buckingham are each a related party of the Company by virtue of each of them being a Director.

In respect of Resolution 5 only, the Directors (other than Mr Gabriel Chiappini) who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of those Performance Rights because the agreement to issue the Performance Rights the subject of Resolution 5 reached as part of the remuneration package for Mr Chiappini is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In respect of Resolution 6 only, the Directors (other than Dr Amanda Buckingham) who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of those Performance Rights because the agreement to issue the Performance Rights the subject of Resolution 6 was reached as part of the remuneration package for Dr Buckingham prior to her appointment and is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

Technical information required by Listing Rule 14.1A

If each of Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Chiappini and Dr Buckingham (and/or their respective nominee(s)). As approval pursuant to Listing Rule 7.1 is not required for the issues (because approval is being obtained under Listing Rule 10.14), the issues of such Performance Rights will not count towards the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Chiappini and Dr Buckingham (and/or their respective nominee(s)) and the Company may need to consider alternate methods of incentivising the Directors, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

Resolutions 5 and 6 are not conditional on each other, and Shareholders may approve one or both of those Resolutions (in which case, the Performance Rights the subject of the relevant Resolution will be issued), even though Shareholders have not approved both of these Resolutions.

Technical information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to Directors of the Company under Resolutions 5 and 6:

- (a) The Performance Rights are to be issued to each of Mr Gabriel Chiappini (Resolution 5) and Dr Amanda Buckingham (Resolution 6) (and/or their respective nominee(s)).
- (b) The Directors fall within Listing Rule 10.14.1 as they are Directors of the Company. Any nominee(s) of the recipient who receive Performance Rights may constitute 'associates' for the purposes of Listing Rule 10.14.2.
- (c) Up to an aggregate of 10,000,000 Performance Rights are to be issued as follows:
 - (i) Resolution 5: Gabriel Chiappini – 5,000,000 Performance Rights; and
 - (ii) Resolution 6: Amanda Buckingham – 5,000,000 Performance Rights.
- (d) The current total remuneration package for the current financial year for each of Mr Chiappini and Dr Buckingham is set out below:
 - (i) Gabriel Chiappini - A\$48,000 per annum plus superannuation; and
 - (ii) Amanda Buckingham - A\$48,000 per annum plus superannuation.
- (e) If the Performance Rights are issued, the total remuneration package of:
 - (i) Gabriel Chiappini will increase by \$565,000 to \$613,000 being the value of the Performance Rights (based on the Trinomial Tree methodology);
 - (ii) Amanda Buckingham will increase by \$565,000 to \$613,000, being the value of the Performance Rights (based on the Binomial methodology).
 Further details regarding the Company's valuation of the Performance Rights is included in Annexure C.
- (f) The Performance Rights to be issued will have the vesting conditions described above and, upon vesting, entitle the holder to one fully paid ordinary share in the Company. The full terms of the Performance Rights are set out in Annexure A.
- (g) The Company expects to issue the Performance Rights within 5 business days of the Meeting. In any event, the Company will not issue any Performance Rights later than 3 years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (h) No funds will be raised from the issue of the Performance Rights, which are being issued at a nil issue price.
- (i) The purpose of the issues is to provide a performance linked incentive component in the remuneration packages for Mr Chiappini and Dr Buckingham to motivate and reward their performance as Directors and to provide cost effective remuneration to each of them, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to each of them.
- (j) There are no other material terms regarding the agreement to issue the Performance Rights to Mr Chiappini and Dr Buckingham (or their respective nominee(s)) other than as disclosed in this Notice.
- (k) No Equity Securities have previously been issued to Mr Chiappini or Dr Buckingham under the Company's Long Term Incentive Plan.
- (l) A summary of the Plan is set out in Annexure B.
- (m) No loan will be provided to Mr Chiappini or Dr Buckingham in relation to the issue of the Performance Rights.
- (n) Details of any securities issued under the plan will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (o) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolutions are approved and who are not named in the notice of meeting will not participate until approval is obtained under that rule.
- (p) Voting exclusion statements as set out in the Notice apply to Resolutions 5 and 6.
- (q) Voting prohibition statements as set out in the Notice apply to Resolutions 5 and 6.

6.2 Board recommendation

The Board (with Mr Chiappini abstaining from voting on Resolution 5 and Dr Buckingham abstaining from voting on Resolution 6), recommends that Shareholders vote in favour of resolution 5 and 6 for the issue of Performance Rights to of Mr Chiappini and Dr Buckingham.

The Chair of the Meeting intends to vote undirected proxies in favour of each of Resolutions 5 and 6.

7. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12-month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Meeting and is expected to be an eligible entity as at the time of the annual general meeting.

Resolution 7 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility.

If Resolution 7 is passed the exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 7.2(d) below). The Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the Additional 10% Placement Facility to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the annual general meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

7.2 Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Issue Period

If Shareholders approve Resolution 7, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(Additional 10% Placement Period).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(b) **Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 trading days.

(c) **Purpose of Issues**

The Company may seek to issue the Equity Securities to raise funds in connection with continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 3.10.3 and 7.1A.4.

(d) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 208,033,882 Shares on issue. Accordingly, if Shareholders approve Resolution 7, the Company will have the capacity to issue approximately 20,803,388 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

(A x D) – E

A = the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- (i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4,
- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (A) the agreement was entered into before the commencement of the relevant period; or
 - (B) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 7.4,
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or 7.4,

- (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- (vi) less the number of fully paid ordinary securities cancelled in the relevant period;

D = 10%

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4; and

“relevant period” is the 12 months immediately preceding the date of the issue or agreement.

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of listed Options, only if those listed Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.026 50% decrease in Issue Price	\$0.052 Issue Price	\$0.104 100% increase in Issue Price
208,033,882 (Shares on issue at date of Annual General Meeting)	10% Voting Dilution	20,803,388		
	Funds Raised	\$540,888	\$1,081,776	\$2,163,552
312,050,823 (50% increase in Shares on issue at date of Annual General Meeting)	10% Voting Dilution	31,205,082		
	Funds Raised	\$811,332	\$1,622,664	\$3,245,328
416,067,764 (100% increase in Shares on issue at date of Annual General Meeting)	10% Voting Dilution	41,606,776		
	Funds Raised	\$1,081,776	\$2,163,552	\$4,327,104

The table has been prepared on the following assumptions:

- (i) Variable A is 208,033,882 being the number of ordinary securities on issue at the date of the Annual General Meeting.
- (ii) The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
- (iii) No Options (including any listed Options issued under the Additional 10% Placement Facility) or performance rights are exercised into Shares before the date of issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (viii) The issue price is \$0.052, being the closing price of the Shares on ASX on 6 October 2025, being the last trading day before the date of this Notice of Annual General Meeting was prepared.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the persons to whom the Company will issue Equity Securities under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

(f) **Previous issues of Equity Securities under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2024 Annual General Meeting held on 28 November 2024.

Listing Rule 7.3A.6 requires the Notice of Meeting to include details of the total number of Equity Securities issued under Listing Rule 7.1A.2 by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12-month period.

During the 12-month period preceding the proposed date of the Meeting, being on and from 28 November 2024, the Company did not issue any Equity Securities (ordinary shares) under the Company's 10% Placement Facility under ASX Listing Rule 7.1A.

At the date of that Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of any Equity Securities. Accordingly, no existing shareholder's votes will be excluded and there is no voting exclusion for Resolution 7 in the Notice.

Due to the forward-looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

7.3 Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 7.

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Additional 10% Placement Facility	has the meaning in section 7.1 of the Explanatory Statement;
Additional 10% Placement Period	has the meaning in section 7.2(a) of the Explanatory Statement;
AEDT	means Australian Eastern Daylight Time;
Annual Financial Statements	has the meaning in section 1 of the Explanatory Statement;
Associate	the meaning given to that term in the Listing Rules;
ASX	ASX Limited or the securities market operated by ASX Limited, as the context requires;
Board	board of Directors;
Chair	chair of the Meeting;
Company	Heavy Rare Earths Limited (ACN 648 991 039);
Constitution	constitution of the Company;
Corporations Act	<i>Corporations Act 2001</i> (Cth);
Director	director of the Company;
Directors' Report	has the meaning in section 2.1 of the Explanatory Statement;
Earlier Annual General Meeting	has the meaning in section 2.2 of the Explanatory Statement;
Equity Securities	has the meaning given to that term in the Listing Rules;
Explanatory Statement	the explanatory statement that accompanies this Notice of Meeting;
Key Management Personnel	key management personnel of the Company (as defined in section 9 of the Corporations Act);
Later Annual General Meeting	has the meaning in section 2.2 of the Explanatory Statement;
Listing Rules	means the listing rules of the ASX;
Meeting or Annual General Meeting	the Annual General Meeting convened by this Notice of Meeting;
Notice of Meeting or Notice	this notice of Annual General Meeting;

Proxy Cut-Off Time	Tuesday, 25 November 2025 at 1.30pm (WST);
Proxy Form	the proxy form enclosed with this Notice of Meeting;
Remuneration Report	means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2025;
Resolution	resolution contained in this Notice of Meeting;
Share	fully paid ordinary share in the capital of the Company;
Shareholder	holder of a Share in the Company;
Spill Meeting	has the meaning in section 2.2 of the Explanatory Statement;
Spill Resolution	has the meaning in section 2.2 of the Explanatory Statement;
VWAP	has the meaning given to that term in the Listing Rules.

ANNEXURE A
TERMS OF PERFORMANCE RIGHTS

Terms	Details
Entitlement	Each Performance Right entitles the holder to subscribe for one Share upon conversion of the Performance Right.
Consideration	The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
Performance Conditions and Vesting Date	The Performance Rights will vest as follows: (a) Class A Performance Rights: the Company achieving greater than a \$0.075 VWAP of Shares over 20 consecutive trading days within 24 months of the issue date; (b) Class B Performance Rights: the Company achieving greater than a \$0.10 VWAP of Shares over 20 consecutive trading days within 30 months of the issue date; and (c) Class C Performance Rights: the Company achieving greater than a \$0.15 VWAP of Shares over 20 consecutive trading days within 36 months of the issue date. each, a Vesting Condition. The Performance Rights will vest on the date on which the relevant Performance Condition is determined by the Board to have been satisfied (Vesting Date).
Expiry Date	The Performance Rights, whether vested or unvested, will otherwise expire on the earlier to occur of: (a) 12 months following the issue date if the holder ceases to be employed or otherwise engaged by the Company (or any of its related bodies corporate); and (b) 5:00 pm (AEST) on the date which is 3 years from the date of issue, the Expiry Date. If the relevant Vesting Condition attached to the Performance Right has not been achieved by the Expiry Date, all unconverted Performance Rights of the relevant tranche will automatically lapse at that time.
Notice of vesting	The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.
Quotation	The Performance Rights will be unlisted. No quotation will be sought from ASX for the Performance Rights.
Timing of issue of Shares on conversion	Within five Business Days of conversion of the Performance Rights, the Company will: (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted; (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights. If a notice delivered under (b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

Terms	Details
Shares issued on exercise	Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.
Accelerated vesting	Upon: (a) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and: (i) having received acceptances for not less than 50.1% of the Company's Shares on issue; and (ii) having been declared unconditional by the bidder; (b) a court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or (d) any of the Company or its wholly-owned subsidiaries (Group) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group and those agreements become unconditional, then, unvested Performance Rights automatically vest and are automatically exercised into Shares on a one-for-one basis.
Transferability	The Performance Rights are not transferrable.
No participation rights	The Performance Rights do not carry any participation rights or entitlements in new Share issues and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without converting the Performance Rights.
No voting rights	The Performance Rights do not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
No dividend rights	The Performance Rights do not entitle the holder to any dividends.
No return of capital	The Performance Rights do not carry any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
No participation upon a winding up	The Performance Rights do not carry any right to participate in the surplus profit or assets of the Company upon a winding up.
Delisting	If the Board determines that the Company will imminently be delisted, the Board will apply its reasonable discretion to determine the appropriate vesting of any unvested Performance Rights (if any) on a specified date appropriate to the circumstances and the periods of service completed by the holder of such Performance Rights at that date.
Board discretion and preventing inappropriate benefits	(a) In the case of fraud or misconduct, all unvested Performance Rights are forfeited.

Terms	Details
Amendments required by ASX	The terms of the Performance Rights may be amended by agreement between the holder and the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms of the Performance Rights provided that the Company and the holder will act reasonably in the case of any required amendment to ensure that the economic rights and interests of the holder are not adversely affected.
No other rights	A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.
Takeover Prohibition	(a) The issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and (b) The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
Plan	The Performance Rights will be issued pursuant to and subject to the terms and conditions of the Company's Long Term Incentive Plan.

ANNEXURE B

Summary of material terms of the Long Term Incentive Plan

The principal terms of the Long-Term Incentive Plan (hereafter referred to as the “Plan”) are summarised below:

1. Eligibility

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the Plan from time to time.

2. Offer

Following determination that an Eligible Person may participate in the Plan, the Board may make an offer to that person by an offer letter setting out the terms of the offer and any Conditions which may apply to the offer or the Awards (**Offer Letter**).

3. Issue Cap

Unless the Company is unlisted or the Company constitution provides otherwise, the Company must not make an offer of Awards for monetary consideration under the Plan, where the total number of Shares to be issued under the Plan (**Plan Shares**) (or that will be issued upon conversion of convertible securities to be issued), when aggregated with the number of Plan Shares that may be issued as a result of offers made under the Plan, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.

The Plan does not contain an issue cap on the number of Awards that may be issued for no monetary consideration.

4. Disclosure

All offers of Awards under the Plan for no monetary consideration are made pursuant to Division 1A of Part 7.12 of the Corporations Act and accordingly the Company will not issue a disclosure document for such an offer.

If the Company makes an offer to issue Awards under the Plan for monetary consideration, the Company will comply with the disclosure requirements in Division 1A of Part 7.12 of the Corporations Act.

5. Nature of Awards

Each Option or Performance Right entitles the holder, to subscribe for, or be transferred, one Share. Any Shares acquired as an Award or pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.

6. Vesting

Awards may be subject to exercise conditions, performance hurdles or vesting conditions (**Conditions**). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:

- (i) all or a percentage of unvested Options will vest and become exercisable;
- (ii) all or a percentage of Performance Rights will be automatically exercised; and

- (iii) any Shares issued or transferred to a holder under the Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.

7. Exercise Period

The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the Plan and the Company has issued a vesting notification to the holder, and ends on the Expiry Date (as defined at 10(iv) below).

8. Disposal restrictions

Awards granted under the Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a holder, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the Plan, unless:

- (i) the prior consent of the Board is obtained; or
- (ii) such assignment or transfer occurs by force of law upon the death of a holder to the holder's legal personal representative.

9. Cashless exercise

Optionholders may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of the Option (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the exercise price has been set off.

If an Optionholder elects to use the Cashless Exercise Facility, the Optionholder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price on the ASX over the five trading days prior to providing a notice of exercise).

10. Lapse

Unvested Awards will generally lapse on the earlier of:

- (i) the cessation of employment, engagement or office of the holder;
- (ii) the day the Board makes a determination that all unvested Awards and vested Options of the holder will lapse because, in the opinion of the Board the holder has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
- (iii) if any applicable Conditions are not achieved by the relevant time;
- (iv) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (**Expiry Date**); or
- (v) the Expiry Date.

Where a holder of Awards ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the Plan), and the Awards have vested, they will remain exercisable until the Awards lapse in accordance with the Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the holder ceases to be employed or engaged, how many (if any) of those holder's Awards will be deemed to have vested and exercisable.

Where a holder becomes a "Bad Leaver" (as that term is defined in the Plan), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that holder.

ANNEXURE C
Valuation of Performance Rights

The Performance Rights have been valued by the Company, according to the binomial option pricing valuation model on the following assumptions:

Assumptions:	
Valuation date	7 October 2025
Market price of Shares	\$0.05
Tranche 1 Vesting Hurdle Price	\$0.075
Tranche 2 Vesting Hurdle Price	\$0.10
Tranche 3 Vesting Hurdle Price	\$0.15
Expiry date (length of time from issue)	1,095 days
Risk free interest rate	3.6%
Volatility (discount)	100%
Indicative value per Performance Right	
Tranche 1 \$0.075 hurdle	\$0.02810 per performance right
Tranche 2 \$0.10 hurdle	\$0.02510 per performance right
Tranche 3 \$0.15 hurdle	\$0.02010 per performance right

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:30PM (WST) on Tuesday, 25 November 2025.**

🖨 TO APPOINT A PROXY ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/hreagm2025>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **by 1.30PM (WST) on Tuesday, 25 November 2025.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/hreagm2025>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Heavy Rare Earths Limited** (Company) and entitled to attend and vote hereby appoint:

☐

 the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the offices of the Australian Institute of Company Directors, Allendale Square, Level 1, 77 St Georges Terrace, Perth WA, 6000 and **virtually at <https://us06web.zoom.us/j/84225786822?pwd=8baAxxaulpZFglbd0tFBSONLojCR4.1> on Thursday, 27 November 2025 at 1.30PM (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting is authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1,5 and 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Item even though Resolution 1, 5 and 6 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1, 5 and 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	☐	☐	☐
Resolution 2	To elect Mr Gabriel Chiappini as a Director	☐	☐	☐
Resolution 3	To elect Dr Amanda Buckingham as a Director	☐	☐	☐
Resolution 4	To re-elect Mr Richard Brescianini as a Director	☐	☐	☐
Resolution 5	Approval to issue Performance Rights to Mr Gabriel Chiappini	☐	☐	☐
Resolution 6	Approval to issue Performance Rights to Dr Amanda Buckingham	☐	☐	☐
Resolution 7	Approval of 10% Placement Facility (Special Resolution)	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary