

Appendix 4D

Interim Report

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

ACN

643293716

Six Months Ended

31 DECEMBER 2020

Corresponding period was the six months ended 31 December 2019 unless stated otherwise

Results for announcement to the market

RESULTS				
		\$A	%	\$A
Revenues from ordinary activities		0	0	0
Loss from ordinary activities after tax attributable to members	Down	(192,615)	(1173)	(2,453,068)
Loss for the period attributable to members	Down	(192,615)	(1173)	(2,453,068)

EPS

Earnings per Security	31 Dec 2020	31 Dec 2019
Basic loss per share	0.0388 cents	192.6150
Diluted loss per share	0.0388 cents	192.1650

Net Tangible Asset Backing

	31 Dec 2020	30 June 2020
Per Ordinary Security (cents per share)	4.15 cents	N/M

Dividend Payable

No dividends have been paid or declared during the period.

Dividend Re-investment Plan

There is no dividend re-investment plan in operation.

Control gained over entities having material effect

	NIL
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Loss of control of entities having material effect

Name of entity (or group of entities)	NIL
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Details of associates and joint venture entities

Name of entity (or group of entities)	NIL
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This report is based on the Half Year Financial Report which has been subject to review by the Auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the Interim Financial Report for the Half Year Ended 31 December 2020.

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For the Half-Year ended
31 December 2020

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Corporate Directory

DIRECTORS

James Walker (GAICD, FCA, B.Comm (UNSW))

Non-Executive Chair

Phil Gardner (FAICD, CPA, B.Comm (Newcastle))

Non-Executive Director

Blake Cannavo

Managing Director and CEO

COMPANY SECRETARY

Marika White (GIA MAICD)

REGISTERED OFFICE

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264 George Street
Sydney NSW 2000

PRINCIPLE PLACE OF BUSINESS

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AUSTRALIA

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AUDITORS

HLB Mann Judd Assurance (NSW) Pty Ltd

SHARE REGISTRY

Boardroom Pty Ltd

BANKERS

Australian & New Zealand Banking Group

SOLICITORS

Queensland Law Group

STOCK EXCHANGE

Native Mineral Resources Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: NMR)

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Native Mineral Resources Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Native Mineral Resources Holdings Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

- James Walker (appointed 07 August 2020)
- Phil Gardner (appointed 07 August 2020)
- Blake Cannavo (appointed 07 August 2020)

Principal Activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration and development activities at the consolidated entity's mining tenements predominately situated in Queensland and Western Australia.

Dividends

No Dividends were paid or declared during the financial half-year.

Review of Operations

Native Mineral Resources (NMR) has a clear focus on delivering exploration success. The company will focus on rapid target delineation in order to fast track towards mine development and operations ensuring the best value return for investors. The company will achieve this goal by building a world-class tenement portfolio and adopting modern techniques and technologies for exploration.

NMR will continue to add value to the company by quickly building on its already impressive exploration results.

Initial Public Offering

The company listed on the ASX (Code: NMR) on 12 November 2020. 85,288,500 shares are currently on issue at an initial listing price from the IPO of \$0.20. This IPO exceeded the initial listing minimum subscription by 43.6% to raise a total of \$5.74M.

Tenement Purchases

On 18 November 2020, NMR exercised the option to acquire Exploration Licenses ("EL") - EL 37/1362 and EL 37/1363 – which form the Music Well Gold Property, located 60km north-northeast of Leonora.

The Music Well Property covers 270km² in the Yilgarn Craton region and is considered highly prospective for gold mineralisation given its close proximity to four operating gold mines and a history of small-scale gold mining within the project tenure.

On 02 December 2020, NMR exercised the option to acquire the Arcoona Gold Project ("Arcoona") (Exploration License ("EL") - EL 31/1203), located 100km northeast of Kalgoorlie in Western Australia.

The Arcoona Gold Project covers 170km² of highly prospective exploration ground within the Norseman – Wiluna greenstone belt and is situated only 4km from the operating Carosue Dam gold mine owned by Saracen Mineral Holdings (ASX: SAR).

Leane’s Copper Prospect in North QLD

NMR has completed its first drilling program at the Leane’s Copper Prospect (“Leane’s”) in North Queensland. A total of nine drillholes (7 RC and two diamond) were completed for a 961m. RC drilling has successfully demonstrated that the proposed exploration and mineralisation model implemented at Leane’s is valid, confirming the geological interpretation and the presence of the skarn/hydrothermal breccia at the contact of sediments and limestone in the Chillagoe Formation.

Initial follow-up diamond drilling has also confirmed the potential for deeper porphyry-related copper-gold mineralisation.

Following the onset of the wet season, NMR has stopped drilling and the Company will now use this time to finalise a targeted follow up drilling program at Leane’s which will commence in Q1 2021 following cessation of the wet season.

Music Well Gold Project in WA

NMR has completed a comprehensive data analysis and target definition program across Exploration Licenses (“EL”) - EL 37/1362 and EL 37/1363 – which form the Music Well Gold Project (“Music Well”), located 60km north-northeast of Leonora.

A targeted field campaign over the Music Well Gold Project (“Music Well”) will commence in early March 2021. A significant amount of pre-field research on the geology and mineral potential of the two tenements has already been completed. This research has highlighted E37/1362 as the highest potential for rapid identification of surface or near-surface gold mineralisation.

NMR geologists have developed a detailed geological synthesis and accompanying hypothesis that will be tested in the field.

Competent Person’s Statement

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Ms Kathryn (Pixie) Hughes BSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Ms Hughes is an independent consultant to the Company. Ms Hughes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ms Hughes consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Financial Position

At 31 December 2020, the consolidated entity had net assets of \$3,165,381 (30 June 2020: \$(24,812)) and \$3,346,698 in cash (30 June 2020: \$5,438).

Significant changes in the state of affairs

The company went through an IPO process and listed on the Australian Securities Exchange on 12 November 2020.

Matters subsequent to the end of the financial year

With the resignation of Emma Dooley (CFO) on 14 January, Chris Jacobs has replaced Emma as Chief Financial Officer.

No other matters or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

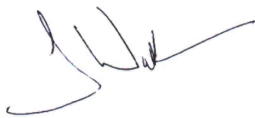
Environmental regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

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

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 31 December 2020.

Pursuant to section 306 Corporations Act 2001 this Directors' Report is made in accordance with a resolution of the Directors and is signed by James Walker on behalf of the directors.



James Walker
Chair

24 February 2021

Auditor's Independence Declaration

As lead auditor for the review of the financial report of Native Mineral Resources Holdings Limited and its controlled entities for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Native Mineral Resources Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'A G Smith'.

Sydney, NSW
24 February 2021

A G Smith
Director

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Consolidated Statement of Financial Position

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	Notes:	31-Dec-20 \$	30-Jun-20 \$
Assets			
Current Assets			
Cash and cash equivalents		3,346,698	5,438
Trade and other receivables	5	199,223	11,537
Total Current Assets		3,545,921	16,975
<hr/>			
Total Assets		3,545,921	16,975
<hr/>			
Liabilities			
Current Liabilities			
Trade and other payables		380,540	41,787
Total Current Liabilities		380,540	41,787
<hr/>			
Total Liabilities		380,540	41,787
<hr/>			
Net Assets (Liabilities)		3,165,381	(24,812)
<hr/>			
Equity			
Share Capital		6,313,727	973,056
Share Based Payment Reserve		302,590	-
Retained Earnings		(3,450,936)	(997,868)
Total Equity (Deficiency)		3,165,381	(24,812)
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Consolidated Statement of Profit and Loss and Other Comprehensive Income

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

		31-Dec-20	31-Dec-19
		\$	\$
	NOTES		
Interest Revenue		966	-
Board & Directors Expenses		(79,650)	-
Exploration Development		(1,699,760)	(40,444)
Exploration Management		(34,228)	(65,471)
Finance Related Fees & Charges		(182)	(132)
IPO Costs		(268,684)	-
Office Expenses		(53,397)	(522)
Professional Services Fees		(78,257)	(83,380)
Property, Plant, Equipment & Supplies		(2,547)	-
Travel		(8,421)	(2,666)
Utilities		(306)	-
Wage Costs		(228,602)	-
Loss before income tax benefit		(2,453,068)	(192,615)
Income tax benefit		-	-
Loss for the period		(2,453,068)	(192,615)
Basic loss per share	6	(0.0388)	(192.6150)
Diluted loss per share	6	(0.0388)	(192.6150)

Consolidated Statement of Cash Flows

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	31-Dec-20	31-Dec-19
	\$	\$
	NOTES	
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	966	-
Payments for exploration and evaluation	(1,339,447)	(62,640)
Payments to suppliers and employees	(289,219)	(425,909)
NET CASH FLOW USED IN OPERATING ACTIVITIES	(1,627,700)	(488,549)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	-	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares and options	5,752,700	-
Transactions costs related to the issue of shares, options	(783,740)	-
Proceeds from borrowings	-	507,078
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	4,968,960	507,078
Net change in cash held	3,341,260	18,529
Cash and cash equivalents at beginning of period	5,438	(8)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,346,698	18,521

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Consolidated Statement of Changes in Equity

Consolidated

Attributable to shareholders of Native Mineral Resources Holdings Limited

	Ordinary Shares	Accumulated Losses	Share Based Payment Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2019	1,000	(120,363)	-	(119,363)
Loss for the half year	-	(322,894)	-	(322,894)
Other comprehensive Income	-	-	-	-
	1,000	(443,257)	-	(442,257)
Balance at 31 December 2019	1,000	(443,257)	-	(442,257)
Balance at 1 July 2020	973,056	(997,868)	-	(24,812)
Loss for the half year	-	(2,453,068)	-	(2,453,068)
Other comprehensive Income	-	-	-	-
	973,056	(3,450,936)	-	(2,477,880)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	5,340,671	-	-	5,340,671
Share based payments	-	-	302,590	302,590
Balance at 31 December 2020	6,313,727	(3,450,936)	302,590	3,165,381

Notes to Financial Statement

NOTE 1: CORPORATE INFORMATION

The financial statements of Native Mineral Resources Holdings Limited and its controlled entities (the “the Group” or the “consolidated entity”) for the half year ended 31 December 2020 are authorised for issue in accordance with the resolution of the Directors on 24 February 2021. Native Mineral Resources Holdings Limited is a company incorporated in Australia and limited by shares listed on the ASX.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial statements do not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial statements should be read in conjunction with the annual Financial Statements of the company as at 30 June 2020.

It is also recommended that the half year financial statements be considered together with public announcements made by Native Mineral Resources Holdings and its controlled entities during the half year ended 31 December 2020 and up to the date of this report in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a) Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial statements are intended to provide users with an update on the latest annual financial statements of Native Mineral Resources Holdings Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes during the half year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half year and up to the date of this report.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. The principle accounting policies are set out below.

From 1 July 2020, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2020. The adoption of

new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

b) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. subsidiaries). Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies (if any) are eliminated. Accounting policies of all companies in the Group are consistent.

On 14 September 2020, the shareholders of Native Mineral Resources Pty Ltd ("NMR P/L") agreed to transfer their shares in NMR P/L to Native Mineral Resources Holdings Limited in exchange for the same number of shares in Native Mineral Resources Holdings Limited that these shareholders held in NMR P/L.

Native Mineral Resources Holdings Limited was incorporated on 7 August 2020.

In November 2020, Native Mineral Resources Holdings Limited listed on the ASX.

Under the accounting standard applicable to business acquisitions, AASB 3: Business Combinations, the acquisition does not meet the definition of a business combination.

The acquisition of NMR P/L by NMR Holdings Limited is deemed to be a restructure, and the financial statements are a continuation of NMR P/L.

As a result, comparative information for the period ended 31 December 2019, and as at 30 June 2020 is for NMR P/L only. The financial statements for the period ended 31 December 2020 consists of Native Mineral Resources Holdings Limited and its 100% owned subsidiary, NMR P/L.

d) Income Tax

With the Company in a tax loss situation no income tax has been brought to account. Once profitable the income tax expense will comprise current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantively enacted, as at the end of the reporting period.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that no adverse change will occur in income taxation legislation, that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will continue to comply with the conditions of deductibility imposed by the law.

e) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The acquisition and maintenance costs of tenements are expensed in the period incurred.

f) Exploration and evaluation expenditure

Exploration and evaluation expenditure is expensed as incurred.

g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, and deposits held at call with banks.

i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

j) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classed as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

k) Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Comparative Figures

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

n) Share based payments

Share based compensation benefits are provided to employees via an Employee Option Plan. Information in relation to share based payments during the year is set out in Note 9.

The fair value of options granted is recognised as an expense with a corresponding increase in equity (unless the options issued are incremental costs directly attributable to an equity transaction, in which case the value of the options are offset against equity).

The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision or original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

o) Earnings per share

Basic earnings per share is computed by dividing net earnings by the weighted average number of ordinary shares outstanding during each period.

Dilutive earnings per share is computed by dividing net earnings by the dilutive weighted average number of ordinary shares assuming the conversion of all dilutive potential ordinary shares.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the CEO.

q) Going Concern

The consolidated entity has incurred operating losses of \$2,453,068 (2019: \$192,615) and negative operating cash flows of \$1,566,200 (2019: \$488,549) for the half year ended 31 December 2020. As at 31 December 2020 the consolidated entity held cash of \$3,346,698.

The directors consider that the consolidated entity's cash balance of \$3,346,698 at 31 December 2020 leaves it with sufficient funding to continue to meet its budgeted operational expenditure requirements, including minimum exploration commitments across its tenement portfolio, in the short term. Nevertheless, the nature of an exploration company is to have negative cashflow from operations, which requires the Company to raise equity as required. The company successfully raised capital through its IPO in November 2020.

Based on the consolidated entity's forecasts, whilst not needed immediately, the consolidated entity will need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads during the next 12 to 15 months. The consolidated entity's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

Accordingly, there is a materiality uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its asset and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTE 3: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates in one segment being Exploration and Evaluation of Minerals.

NOTE 4: COMMITMENTS AND CONTINGENCIES

a) Tenements

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

The minimum expenditure commitment on the tenements is:

	Consolidated Group	
	31 December 2020 ¹	31 December 2019 ¹
	\$	\$
Not later than one year	508,500	258,000
Later than one year and less than five years	2,929,600	328,600

¹ Tenements have differing reporting dates. Calculations have been based on the CY for the end of the reporting period relating to each Tenement.

b) Employees

The Company has issued performance rights and options to management and employees as part of their total remuneration. Those issued in the current period are listed below in Note 8.

NOTE 5: TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
Prepayments	35,887	-
Other Receivables	<u>163,336</u>	<u>11,537</u>
	<u>199,223</u>	<u>11,537</u>

NOTE 6: BASIC PROFIT (LOSS) PER SHARE

	2020	2019 ¹
Weighted Average Number of Shares	63,184,522	1,000
Profit (Loss) for period	<u>(2,453,068)</u>	<u>(192,615)</u>
Basic loss per share	<u>(0.0388)</u>	<u>(192.6150)</u>
Diluted loss per share	<u>(0.0388)</u>	<u>(192.6150)</u>

1. For the 2019 comparative, the number of shares used is for Native Mineral Resources Pty Limited (see Note 2(c))

Options are not included in the calculation of diluted EPS because they are considered to be antidilutive. These could potentially dilute EPS in future periods.

NOTE 7: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$50,000 for services and for time spent by Bamford Engineering in operating the business.

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties.

The sole director of the NMR up to 7 August 2020 was Blake Cannavo. On 7 August 2020, Philip Gardner and James Walker were appointed as directors of the Company.

A total of \$56,250 was paid to the directors as director fees during the period ended 31 December 2020 (2019: \$nil). In addition, options issued during the period to certain directors resulted in an expense of \$8,400 (Note 9).

A total of \$157,639 was paid to key management personnel as wages during the period ended 31 December 2020 (2019: \$nil).

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NOTE 8: ISSUED CAPITAL

	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	\$	\$	Number	Number
Ordinary Shares				
Fully paid ordinary shares	6,573,917	973,056	85,288,500	53,000,000
Movement in contributed Equity for the period				
Balance at beginning of the period	973,056	1,000	53,000,000	1,000
Shares issued during the current financial year				
31 July 2020 (Issued to Director)	10,000	-	2,000,000	-
09 November 2020 - (IPO)	5,742,700	-	28,713,500	-
09 November 2020 (Issued to acquire exploration license)	270,000	-	1,350,000	-
30 November 2020 (Issued to acquire exploration license)	30,000	-	150,000	-
31 December 2020 (Issued to acquire exploration license)	15,000	-	75,000	-
Shares issued during the previous period				
30 June 2020	-	972,056		52,999,000
Less: Share issuance costs	(466,839)	-	-	-
Balance at end of period	6,573,917	973,056	85,288,500	53,000,000

NOTE 9: SHARE BASED PAYMENTS

During the period ended 31 December 2020, a number of options were issued to certain directors (James Walker and Philip Gardner) and the Lead Manager of the company's IPO process. Using the Black Scholes model, the fair value of each option is as set out below and based on the following criteria/assumptions.

	Issued to Lead Manager	Issued to certain directors
Number of options issued	2,500,000	1,512,000
Expiry (years)	3	3
Exercise price (\$)	0.20	-
Vesting period (years)	-	3
Underlying volatility (%)	89.74	Not applicable *
Average risk-free interest rate (%)	1.9	Not applicable *
Fair value of each option (\$)	0.1041	0.20
Total expense recorded for the period ended 31 December 2020 (\$)	-	8,400

Note the total value of the options allocated to the lead manager was \$260,190, and this has been included as part of share issuing costs (note 8).

In relation to shares issued to certain directors of the company, as these options are exercisable at a price of \$nil, the value of each option is calculated at the share price on the date of issue (being the IPO price of \$0.20).

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in future financial periods.

Directors' Declaration

In the opinion of the Directors:

- a) the financial statements and the notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the financial position as at 31 December 2020 and the performance for the half year ended on that date of the consolidated entity; and
 - ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Native Mineral Resources Holdings Limited made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Board



James Walker
Chair

24 February 2021

Independent Auditor's Review Report to the members of Native Mineral Resources Holdings Limited:

We have reviewed the half-year financial report of Native Mineral Resources Holdings Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Native Mineral Resources Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2(q): Going Concern in the financial report, which states that, during the half year to 31 December 2020, the consolidated entity incurred a loss of \$2,453,068 and , had net cash outflows from operating activities of \$1,566,200.

These conditions, along with other matters set forth in Note 2(q): Going Concern, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
24 February 2021



A G Smith
Director

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