

QUARTERLY ACTIVITY REPORT – MARCH 2021

HIGHLIGHTS:

MUSIC WELL GOLD PROJECT, EASTERN GOLDFIELDS, WA

- NMR successfully completed its first field campaign at the Music Well Gold Project near Leonora in Western Australia.
- High grade gold confirmed at two separate sites on tenement E36/1362 – these encouraging initial results require further exploration work to be completed this quarter.
- High grade gold identified in rock chip samples with one sample (NMRMW-RC036) returning over 100 g/t Au which equates to more than three ounces of gold per ton (*sample grade is above detection limit measured by lab*).
- The results support existing high grade gold results of over 33 g/t Au collected by previous tenement holders.
- Five assays on sub-sampled large/bulk samples returned grades of over 3 g/t Au with one sample as high as 15.51 g/t Au.
- Visible gold was obtained from all 14 large samples collected confirming that gold can be recovered using gravity separation techniques.

PALMERVILLE COPPER AND GOLD PROJECT, QLD

- EPM27452 covering 214km² within the Palmerville Project was granted for a term of 5 years commencing 2nd February 2021 (ASX Ann 3/02/2021).
- NMR reported that analysis of core samples from two diamond drill holes completed in Q4 2020 confirmed the presence of high-level porphyry intrusions similar to that found at Mungana and Red Dome Copper deposits
- No additional field-based activities were completed at Palmerville during the quarter due to the lack of access to site during the northern Australian wet season.
- Exploration programmes at Palmerville scheduled to recommence following cessation of wet season later this quarter.

Copper and gold exploration company **Native Mineral Resources Holdings Limited** (ASX: NMR), or (“NMR” or “the Company”), is pleased to provide its quarterly activity report for the three months ended 31 March 2021.

EASTERN GOLDFIELDS PROJECTS, WA

Project Area Background and Summary on Music Well Exploration

The Eastern Goldfields is located in the eastern part of the world famous Yilgarn Craton. This unique part of Australia is host to significant mineral resources, particularly gold and nickel. Native Mineral Resources has acquired four tenements in highly prospective areas of the Eastern Goldfields (Figure 1). All four tenements are currently being explored for fracture-hosted gold mineralisation. The Mt Vettors and Arcoona Projects are located within close proximity to Kalgoorlie and near several large operating mines.

The Music Well Gold Project, which is the current focus for NMR, is located approximately 70 km north of Leonora and is comprised of the two tenements E37/1362 and E37/1363. Work completed in March was aimed at reconciling high grade gold recovered by previous explorers and determining the potential of the site for significant gold mineralisation. The field campaign completed in March was the first to be carried out by NMR since being granted the tenements and the results were extremely encouraging and exceeded expectations.

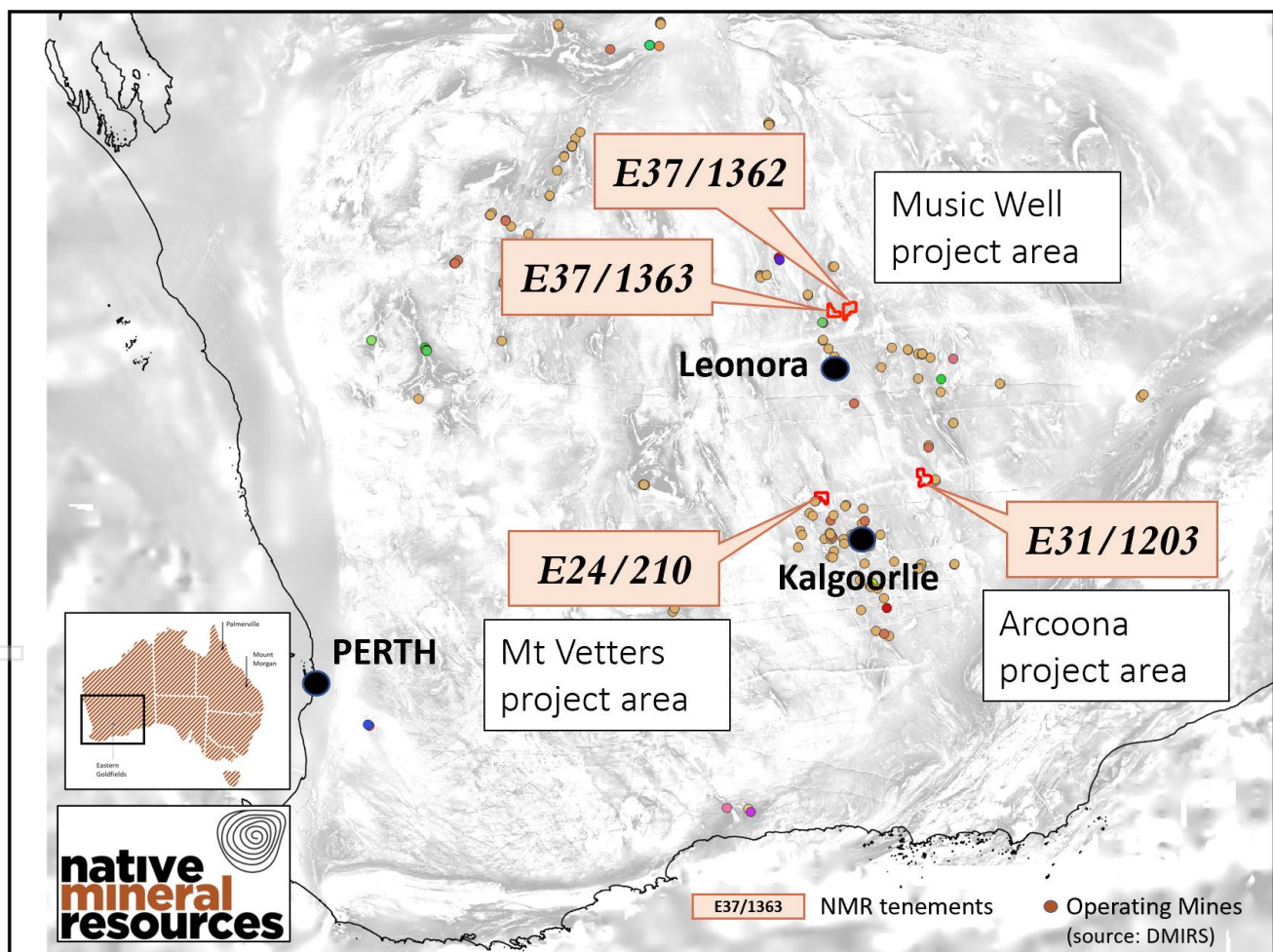


Figure 1. Location map of the three NMR projects (four tenements) in the Eastern Goldfields of Western Australia. All three projects are located within regions with operating mines and proven mineralisation. NMR’s principal Music Well Project is located approximately 70km north of Leonora.

Activities completed during the quarter formed the first critical part of the exploration strategy aimed at investigating and developing a near-term gold mining opportunity within the Company's Eastern Goldfields project area. Results obtained from exploration completed at Music Well to date are encouraging and provide NMR with the confidence to pursue both gold exploration and production opportunities within the project area.

Summary of results obtained in March 2021

Two early samples reported by Fairstar Resources of over 30g/t Au were successfully duplicated by NMR with a sample of the same part of the vein returning an exceptional grade of **45.85g/t Au**. **Additional sampling from along the vein returned a sample of over 100g/t which is above the detection limit of the processing method used by the lab to obtain the assay.**

The sampling completed during the quarter also demonstrates that gold is present within the structure over a length of 275m laterally, but the full extent of the vein has not been sufficiently tested as it disappears to the north-east and south-west under a shallow cover of soil.

The ASX announcement released on March 29 reported on the first sixty-four (64) samples across the tenement, including previously untested areas. Fifty (50) of the results were from rock chip samples collected from surface at various sites across the tenement E37/1362. Fourteen (14) of the results are from large samples ranging in size from 23.4 to 28.6 kilograms. These samples were crushed, milled and a small 30g sub-sample used for assay. Thirteen of the fourteen large samples were collected from the primary target area (Figure 2) and one (NMRMW-BS006 15.51g/t Au) from the second target are located further south.

Large samples (11.45 to 32.05kg) were also collected for crushing and basic gravity separation in order to determine whether the gold in the vein was free-milling. The results were successful with visible gold recovered from every sample. The large samples were crushed to <2mm and then processed to extract the heavy mineral fraction. The heavies were panned to reveal the presence of visible gold. Photos of some of the results are shown below. The results were obtained for visual confirmation of free milling gold only and not used for estimating grade.

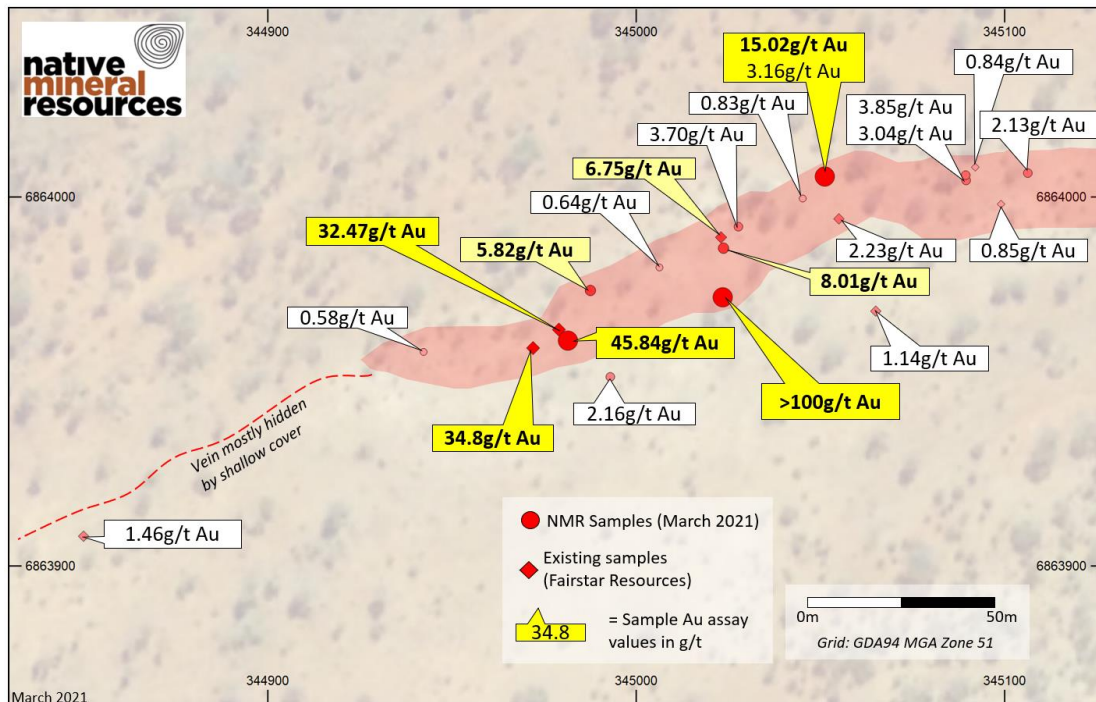


Figure 2. Map highlighting the location of samples and their respective gold grades obtained from assay as g/t. The results presented are a combination of the results obtained during the recent field campaign as well as historical samples from the site. Only results above 0.5g/t are shown here. To the NE and SW, the vein is hidden by shallow cover.



Figure 3. Photo of small gold nuggets recovered from panned concentrates in sample number NMRMW-BS028. The presence of small nuggets demonstrates to NMR that the area is “nuggety” in its style of mineralisation and that the gold is accessible using simple gravity separation techniques. A few of the many small nuggets are highlighted in the photo above. Additional fine gold can be seen distributed along the left-hand edge of the panned concentrates.

PALMERVILLE PROJECT, NORTH QLD

Background

The Palmerville Project is the Company's principal exploration asset and covers a near continuous strike length of 130km over an area of ~1,820km² centred 200km west-northwest of Cairns in North Queensland.

The tenements consist of nine Exploration Permit Minerals (EPMs) in the highly prospective Chillagoe Formation, which hosts the large Red Dome and Mungana porphyry and skarn-associated gold-copper deposits to the south of the Palmerville Project. The Chillagoe Formation also hosts significant zinc-rich and copper-rich limestone-hosted skarn-associated deposits, particularly at King Vol, Mungana, Griffiths Hill and Red Cap.

The Project is prospective for the following deposit styles:

- *Porphyry- and skarn-associated copper-zinc-gold mineralisation in Chillagoe Formation limestone-dominant strata.*
- *Porphyry-related copper-gold mineralisation in non-carbonate lithologies.*
- *Copper-zinc-gold volcanic massive sulphide or vein-style mineralisation.*
- *Orogenic-style gold-antimony mineralisation.*
- *Epithermal gold mineralisation distal to porphyry intrusions*
- *Alluvial gold akin to the historic Palmerville Goldfield.*

Previous exploration over the tenements is highly irregular. In places there has been extensive soil, stream sediment and rock chip sampling, trenching, and limited drilling. Elsewhere, exploration is at a very immature stage. In parallel with the copper-focussed exploration activities at Leane's project area, NMR is continuing to undertake a detailed assessment of its other targets in the region including some prospects where historical mining for copper for example has been carried out. Over 60 targets have been identified and at least eleven initial priority targets have been pinpointed for follow-up exploration.

NMR's initial exploration focus has been on the Leane's Copper Prospect, with further exploration work planned to test several high-priority targets in the upcoming field season.

On 4th February 2021, NMR reported that EPM 27452 covering 214km² within the Palmerville Project was granted for a term of 5 years commencing 2nd February 2021. EPM 27452 consists of two separate blocks along the central-east of the Palmerville Project tenements and further solidifies NMR's robust tenement position in the North Queensland region.

A detailed review of the Palmerville Project geochemical and geophysical database commenced during the quarter and results will be used to prioritise the exploration programme in 2021. Sixteen samples of diamond HQ core from the Leane's prospect were submitted for thin section and petrological examination. Results are currently being reviewed alongside re-examination of core from the 2020 diamond campaign at Leane's. An extended wet season and heavy rains have precluded any field exploration work in Palmerville during the quarter, with access being severely limited.

PLANNING FOR 2021

Music Well Gold Project

The combination of multiple sampling methods used during the March field campaign indicate that the gold at Music Well is free milling, locally coarse grained and is “nuggety” in its occurrence within the quartz veins. Accordingly, further sampling to better refine the target will be focussed on obtaining both representative and accurate measurements of the gold present along the >300m extent of the quartz vein. A follow-up sampling campaign is already planned with a focus on the principal high-grade gold vein reported on the 29th March, 2021.

Palmerville Project

A field campaign is planned for the Palmerville region in early 2021 in order to explore the extension to the Leane’s prospect as well as investigating two additional high-potential copper targets on NMR tenements including the highly prospective Fairlight target and the historical mines at the Glenroy target area. NMR will carry out the investigations with the aim of exploring the opportunity to utilise geophysical methods to pinpoint copper targets prior to drilling at these sites.

Management Commentary

NMR’s Managing Director, Blake Cannavo, commented: “Another positive quarter for NMR, highlighted by the significant exploration progress made at our Music Well Gold Project in the Eastern Goldfields. Although there is still further work to be done, we are very encouraged by the early indications at Music Well which point to significant exploration upside and the potential to accommodate a near-term gold production strategy.

Our technical team has confirmed that mineralisation at Music Well is similar to that of other narrow vein gold deposits in the region and that gold can be obtained through simple crushing and gravity separation methods. A detailed follow-up program which will assess the potential development options for Music Well is well advanced.

We are also excited to get back on the ground at Palmerville to commence our 2021 field work season as soon as the weather permits. As some will be aware, the wet season in North Queensland has been extensive, however our technical team has used this opportunity to review previous exploration data and refine our work programmes ahead of the re-commencement of field work hopefully later this quarter.

NMR is well-funded to meet its near-term exploration commitments and with a busy pipeline of work planned, I look forward reporting further progress from across our project portfolio this quarter.”

TENEMENT SCHEDULE AS AT 31 MARCH 2021

Region	Tenement ID	Tenement Name	Date Granted	Date Expire	Sub-Block	Km Square
Queensland	EPM 11980	Limestone Creek	3-Jun-05	2-Jun-22	4	13.16
Queensland	EPM 17850	Mount Morgan	16-Apr-10	15-Apr-21*	13	42.77
Queensland	EPM 18325	Bald Hills	30-Jul-12	29-Jul-21	15	49.35
Queensland	EPM 19537	Mitchell River South	21-Jan-08	20-Jan-24	33	108.57
Queensland	EPM 26891	Palmerville North	29-Jan-19	28-Jan-24	63	207.27
Queensland	EPM 26893	Palmerville West	29-Jan-19	28-Jan-24	100	329
Queensland	EPM 26894	Palmerville East	1-Apr-19	31-May-24	84	276.36
Queensland	EPM 26895	Palmerville South	31-Jan-19	30-Jan-24	89	292.81
Queensland	EPM 27396	East Palmerville North	4-Jun-20	3-Jun-25	100	329
Queensland	EPM 27452	East Palmerville South	2-Feb-21	1-Feb-26	65	213.85
WA	E37/1362	Music Well	17-Sep-19	16-Sep-24	58	190.82
WA	E37/1363	Music Well	17-Sep-19	16-Sep-24	39	128.31
WA	E31/1203	Arcoona	19-Nov-20	18-Nov-25	61	200.69
WA	E24/210	Mt Vettors	Application		35	115.15

*Renewal submitted

CORPORATE

Use of Funds

Pursuant to ASX Guidance Note 23, Appendix sets out a comparison of the actual expenditure on the individual line items in the “use of funds” statement since the date of admission to the ASX on 12 November 2020.

Reconciliation of the use of funds against the statement released in the prospectus has been detailed in Appendix 1 below. Spending is in line with budget and the balance of expenditure is expected to be made over the projected 2-year period.

Use of Funds	Prospectus use of Funds	Funds used to 31 Mar 21
Exploration Costs (2 years)	3,327,000	1,752,727
Acquisition of mining tenements in W.A.	80,000	65,220
Palmerville Project Land Access agreement expense	16,000	
Operating expenses	1,545,700	406,703
Costs of Offer - fundraising	445,000	445,000
Costs of Offer - ASX, legal, accounting & other support services	329,000	365,722
TOTAL	\$ 5,742,700	\$ 3,035,372

The payments to related parties and their associates during the quarter of \$14k, were for Directors fees.

The Board of Native Mineral Resources Holdings Ltd authorised this announcement to be lodged with the ASX.

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Competent Person Statement:

The information in this report relating to Exploration Results is based on information compiled by Dr Simon Richards, a Competent Person who is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Dr Simon Richards is a full-time employee of Native Mineral Resources. Dr Richards has sufficient experience that is relevant to the styles 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'. Dr Richards has no potential conflict of interest in accepting Competent Person responsibility for the information presented in this report and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notes – Specific ASX announcements:

Material contained in this release refers to information including, but not limited to sample results and the methodologies used for sample acquisition and processing (JORC table) presented in the previous ASX Announcements listed below.

ASX Announcement, 4th February 2021 - [East Palmerville South Permit Granted](#)

ASX Announcement, 29th March 2021 - [High-grade and free-milling gold at Music Well](#)