

ASX ANNOUNCEMENT

31 January 2022

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2021

HIGHLIGHTS:

MANAGEMENT

- Rights issue and shortfall placement completed on 9 December 2021, raising a total of \$3,000,756 (before costs) with 13,764,940 ordinary shares at \$0.218 per share.
- CEI Grant of \$200,000 for the 30,349 - Line km Airborne Magnetic Survey of the Northern Chillagoe-Palmerville Region which is scheduled for Q1 2022 and submitted on 13 December 2021.

MUSIC WELL GOLD PROJECT, EASTERN GOLDFIELDS, WA

- A 6,464 Line-km airborne geophysical survey was completed in late-December 2021 to cover the western Music Well Project tenement (E37/1363) with the aim of refining the target areas on existing high value Au target structures. Magnetics data inversion, interpretation and integration with existing data and modeling is currently underway.

ARCOONA PROJECT, EASTERN GOLDFIELDS, WA

- A 4,632 Line-km airborne geophysical survey was also been completed in mid-December 2021 covering the majority of the Arcoona Project tenement (E31/1203). The data will be used to help NMR further refine anomalous gold and gold target areas already identified on the tenement, with the new, high resolution magnetics data currently undergoing inversion, interpretation and reporting.

THE NULLARBOR PROJECT WESTERN AUSTRALIA

- All three Nullarbor tenements were granted in the month of October 2021. Refer to the updated tenement schedule included at the end of this report.
- A 693 Line-km drone-based magnetic survey was completed in October 2021, designed to cover the priority target area within the Central Nullarbor tenement (E69/3850), with results confirming the presence of a significant magnetic anomaly – 1200m long and 400m wide - with a relative peak of over 760nT.
- An 831 Line-km drone-based magnetic survey was also completed in December 2021 to cover the Helios Nickel target on the northern Nullarbor tenement (E69/3852), confirming the presence of a significant magnetic high with values over 1200nT with an “eye” shaped structure, similar to other nickel deposits and targets in Western Australia.
- Nickel target Helios of Northern Nullarbor (E69/3852) drilling campaign is scheduled for March 2022.
- IOCG target of Central Nullarbor (E69/3850) is scheduled for drilling in Q3 2022.

Copper, gold and nickel exploration company **Native Mineral Resources Holdings Limited** (ASX: NMR), or (“NMR” or “the Company”), is pleased to provide its quarterly activities report for the period ending 31 December 2021 (“Quarter”, “Reporting Period”).

Commenting on progress made during the December quarter, NMR’s Managing Director, Blake Cannavo, said:

“With the extremely promising findings from the recent four geophysical surveys performed during the Quarter, our team is on track to streamline target generation and exploration plans for Q1 2022 which we believe will add significant value in the near term.

Our Nullarbor Project was the primary focus for the Quarter in preparation for the upcoming drilling campaign. The Magnetics survey is now complete and findings confirm high magnetic anomaly on both central and northern Nullarbor with similar features to existing deposits. The team is now completing core data interpretation from this survey to assist exploration activities in 2022.

The team is finalising QAQC on the magnetics survey results from both Music Well and Arcoona, and we are eagerly anticipating the final high-resolution imagery from these regions which will, in turn, focus our boots-on-ground exploration program planned for early 2022.

As we close the last quarter and wrapped up the year 2021, I'm delighted to announce that we've maintained zero LTI throughout. For our Company and its employees, maintaining a safe workplace and processes is critical. I look forward to reporting on developments on a frequent basis as we get ready to start work in Q1 2022.”

PROJECT OVERVIEW

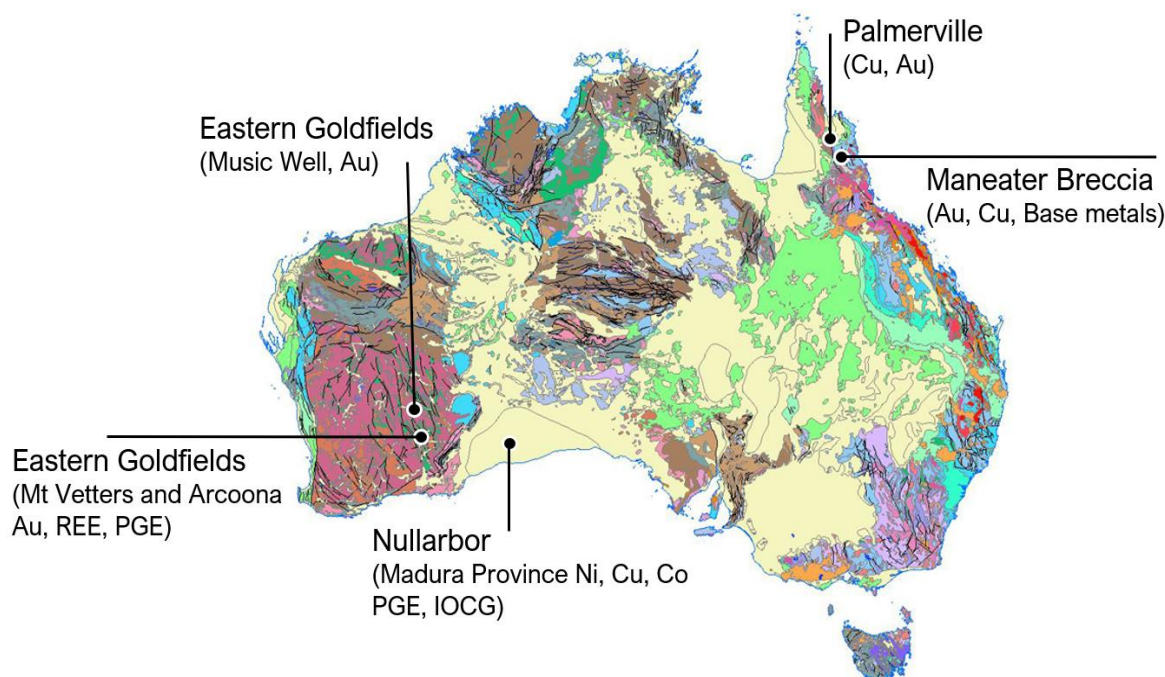


Figure 1: Map of Australia highlighting NMR’s three main project areas including the new applications of Maneater Hill Breccia Pipe, North Queensland Australia.

EASTERN GOLDFIELDS PROJECTS, WA

Project Background and Exploration Summary

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, and is becoming an increasingly important target area for lithium, REE's and other key metals and minerals. Native Mineral Resources is exploring for granite-hosted gold mineralisation and a host of new mineralisation opportunities across four highly prospective tenements in the Eastern Goldfields (**Figure 1**).

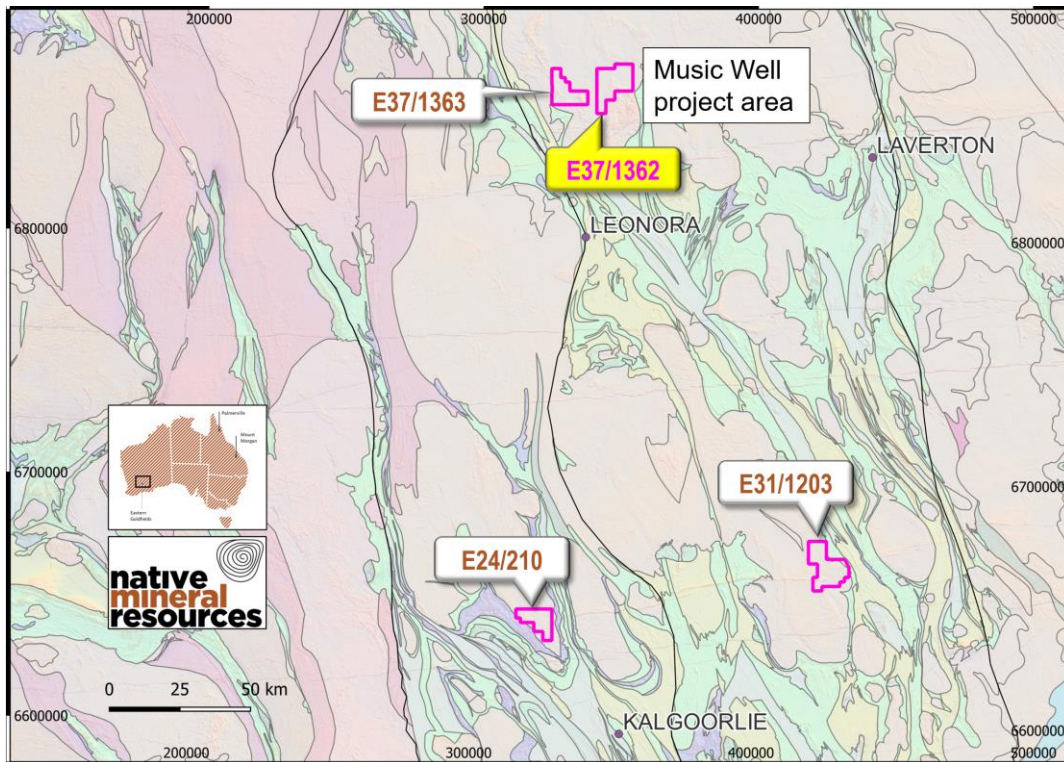


Figure 2: Location map of NMR projects (four tenements) in the Eastern Goldfields of Western Australia. All three projects are located within regions near operating mines and proven mineralisation. NMR's Music Well Project is located approximately 60km north of Leonora (Grid reference is GDA94 Zone51).

Music Well Project (E37/1362 and E37/1363)

The discovery of structurally-controlled high-grade gold at Music Well, has prompted NMR to focus on this prospect, however, the Mt Vettors and Arcoona Projects, which are located within close proximity to Kalgoorlie (**Figure 2**), are gaining exploration momentum from the Company based on the recognition of new opportunities as well as the exploration success identifying mineralised, granite-hosted structures at the Music Well Project (E37/1362 and E37/1363).

The Music Well Gold Project is located approximately 60 km north of Leonora and is comprised of the two tenements E37/1362 and E37/1363 (**Figure 2**). Exploration on E37/1363 (western tenement **Figure 3**) to date has revealed several targets, with the results prompting NMR to complete the recent high-resolution (50m line spacing) 6500-line kilometer airborne magnetic survey over the entire tenement E37/1363 (**Figure 4**). The high-resolution magnetic data will provide the NMR team with the ability to help interpret the structures and rock types beneath the cover rocks. The results of the magnetics are being processed and a field sampling campaign is being planned off the back of these results. Ongoing focus on pinpointing high-grade gold targets on both tenements with another cluster of gold indicators found on E37/1363 will be followed up with field work in 2022.

Target 2 Veins, located on the southern part of E37/1362 (identified from previous NMR mapping and sampling), are to be targeted using trenching, sampling and targeted geochemistry. The Target 2 (T2) vein and the SKI targets (shown in **Figure 3**) will be investigated and sampled for Au mineralisation in our upcoming field campaign in 2022.

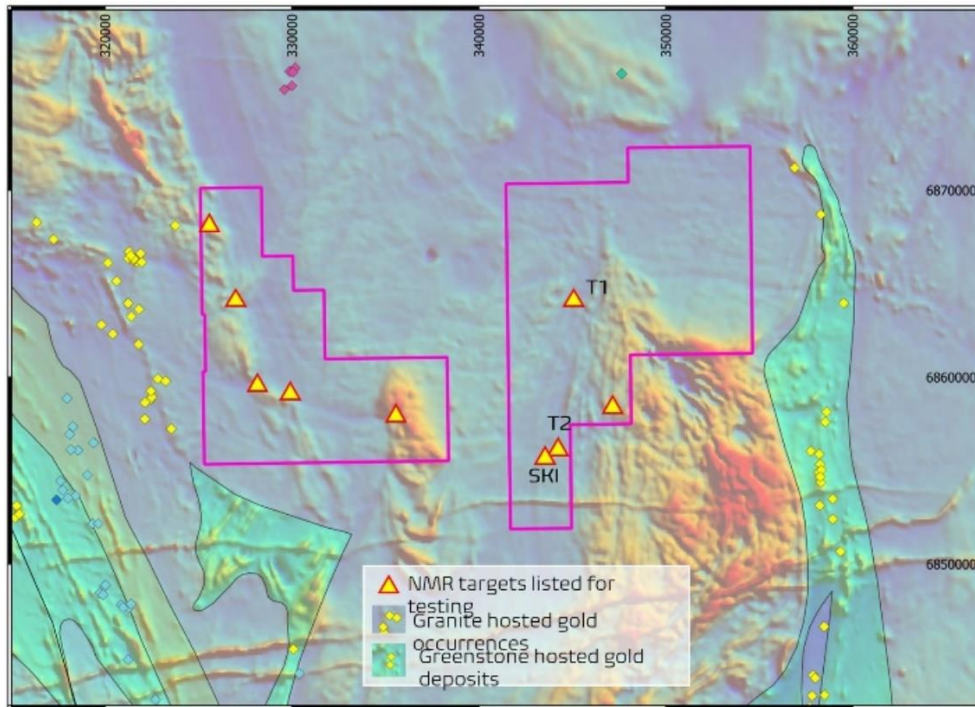


Figure 3: Target generation over the two music well tenements has been very successful, southern targets T2 and SKI are next to be investigated Targets 2 occurs 8km south of the T1 vein.

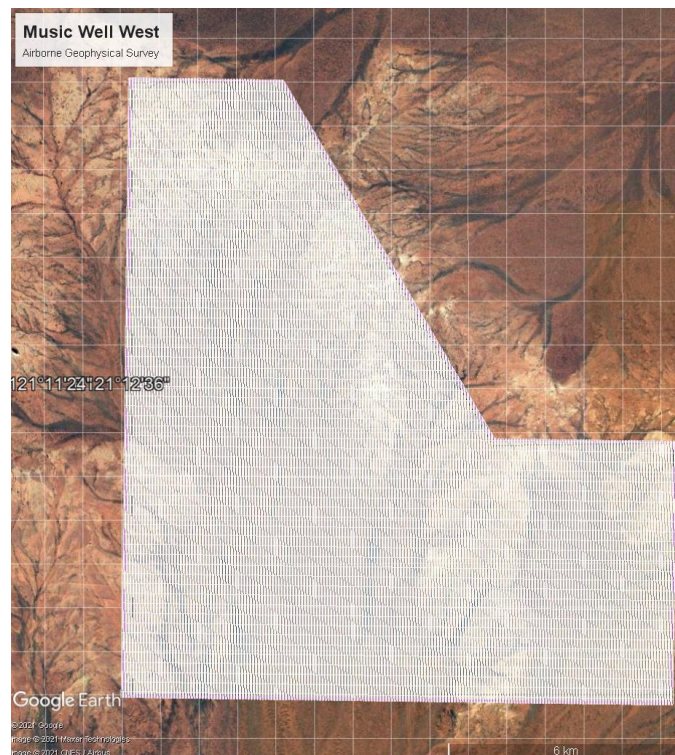


Figure 4: Map showing Music Well West (E37/1363) fixed wing airborne magnetic survey area. The survey was completed in December 2021.

Arcoona Project (E31/1203)

The Arcoona Cu-Ni project (E31/1203) is located approximately 100 kilometres northeast of Kalgoorlie and is surrounded by big mining firms' tenements, notably Northern Stars Carosue Dam gold mine (ex Saracen) located approximately 5 kilometres to the east (**Figure 5**).

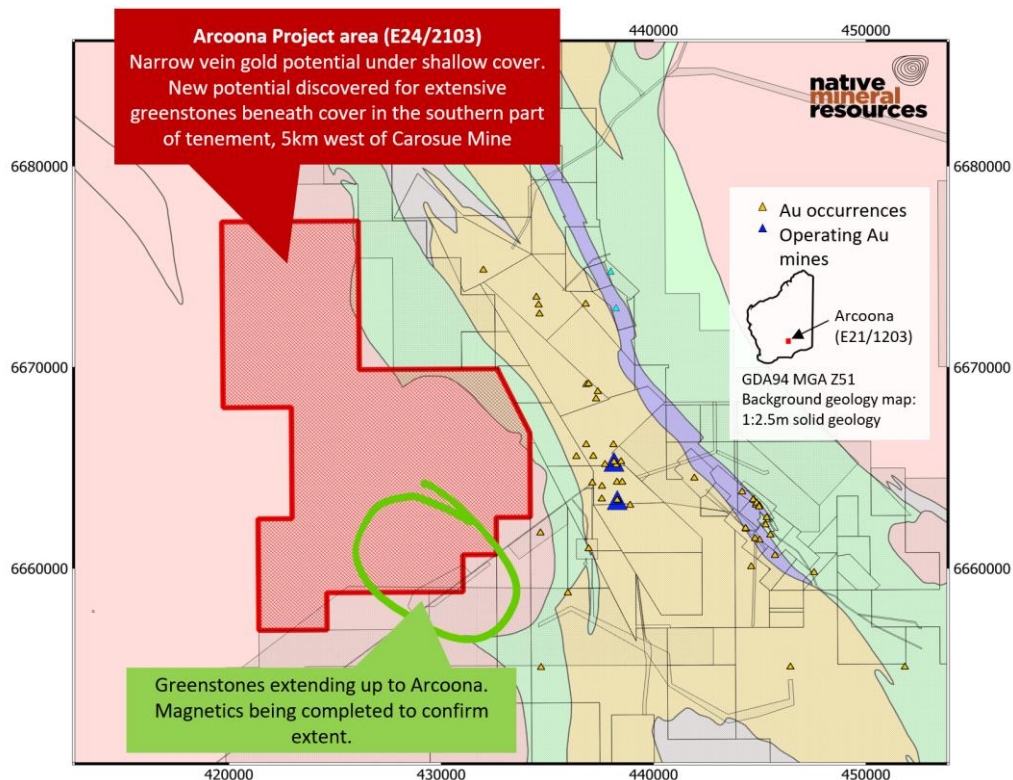


Figure 5: Map showing the region identified as hosting potential for gold mineralisation in buried Greenstones on Arcoona (E31/1203) tenement

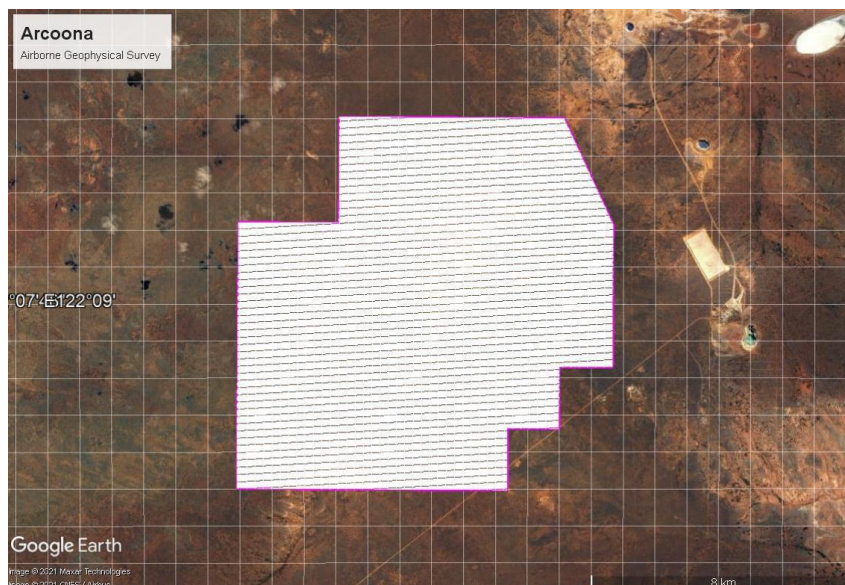


Figure 6: Arcoona 4600-line kilometer fixed wing airborne magnetics survey area. The survey was designed to cover the majority of the tenement where potential for greenstones under cover has been identified.

NMR recently completed 4600-line kilometer fixed wing airborne magnetics survey over Arcoona to help define boundaries of greenstones (**Figure 6**). The results of the magnetics are being processed and a field sampling campaign is planned following the results.

A major field sampling campaign is planned to follow up in Q1 2022 on key gold and magnetics targets identified in data collected and compiled in 2021.

Mt Vettters Project (E24/210)

Mt Vettters Project (E24/210) is located 45 km northwest of Kalgoorlie, 4 km to the west of the Goldfields Highway in the Eastern Goldfields region of Western Australia (**Figure 7**). Mt Vettters is a new opportunity in a highly competitive and emerging area close to Kalgoorlie, and lies adjacent to multiple Ni mines and is one of the largest single tenements in this area.

A major surface sampling campaign is planned for early 2022, utilising special techniques being developed internally to sample large areas quickly and accurately for key elements.

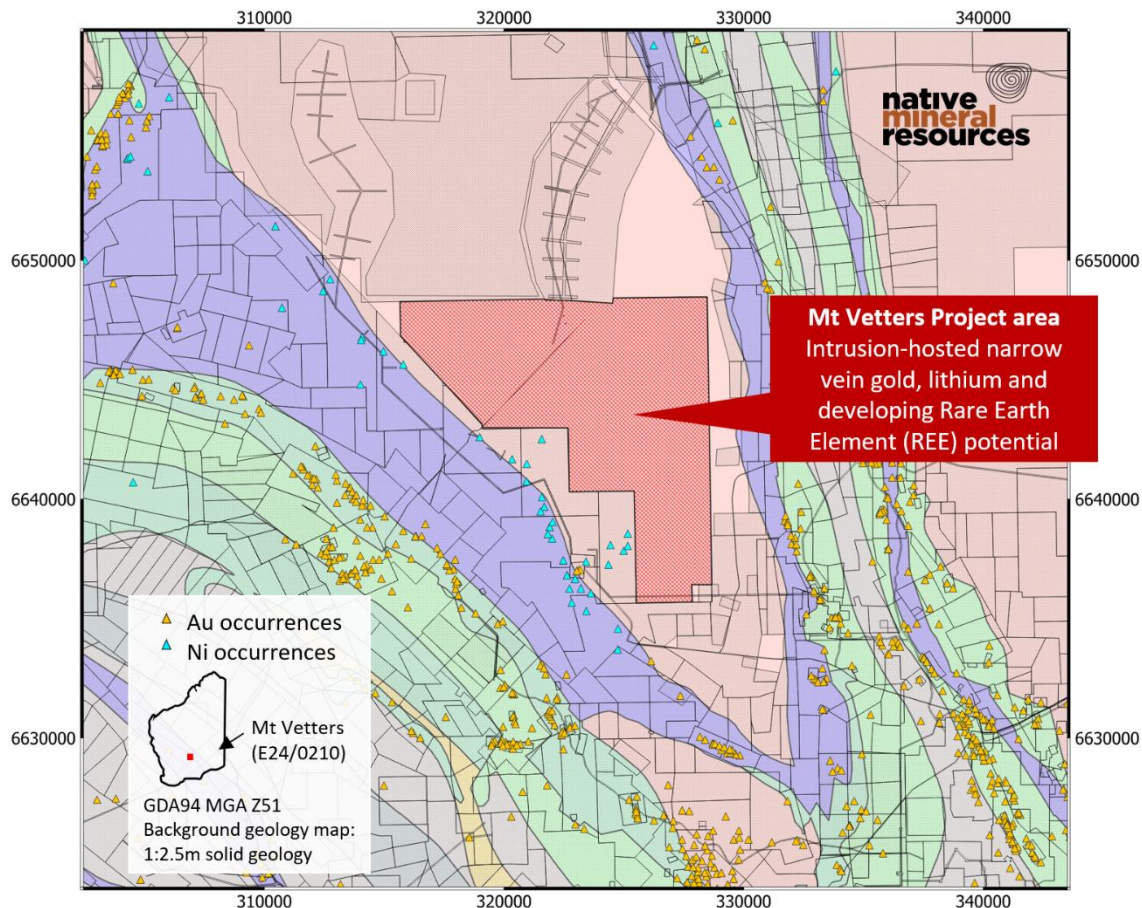


Figure 7: Intrusion-hosted barrow vein Au, Li and REE potential on the Mt Vettters area

PALMERVILLE PROJECT, NORTH QLD

Background

The Palmerville Project is the Company's principal copper 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 (*Figure 8*).

The tenements consist of nine Exploration Permit Minerals (EPMs) in the highly prospective Chillagoe Formation, which, to the south, hosts the Red Dome and Mungana porphyry and skarn-associated gold-copper deposits. 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:

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

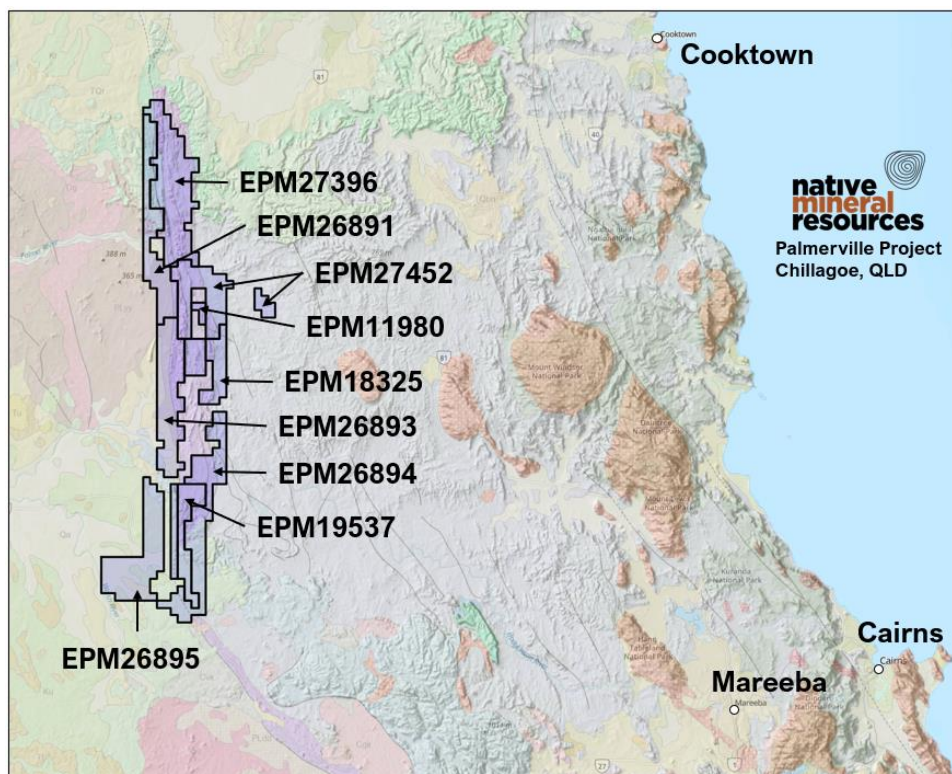


Figure 8: Map showing the location of NMR's 9 tenements that make up the Palmerville project. The tenements encompass a significant portion of the Chillagoe Formation and N-S trending Palmerville Fault. Please refer to previous ASX announcements and NMR's website.

A regional airborne magnetics survey over entire Palmerville project is planned for Q1-Q2 (following the northern Australian wet season) 2022 to define:

- The structural geometry of the Chillagoe Formation.
- The rock-types and boundaries in the belt. The rocks are a mix of metasediments, mafic volcanics and limestones and are demonstrably well-suited to differentiation using magnetics.
- Delineation of intrusions which have previously avoided detection due to the difficult terrain and depth of erosion/exposure.
- Highlight major mineral-bearing structures and relate these back to exploration and targeting model.

MANEATER HILL, QLD

Maneater Hill (EPM 28038) - in application

NMR have applied a new exploration permit over a mineralised breccia pipe located near Chillagoe in Northern Queensland. The tenement is located 100 km west of Cairns in North Queensland, and the target of the application is a sulphide-bearing, intrusion-related breccia pipe centrally located within the tenement. EPM 28038 covers an area of 62km² and the target has very high potential for breccia hosted copper gold mineralisation below the predominantly lead, zinc and silver mineralisation already identified near surface.

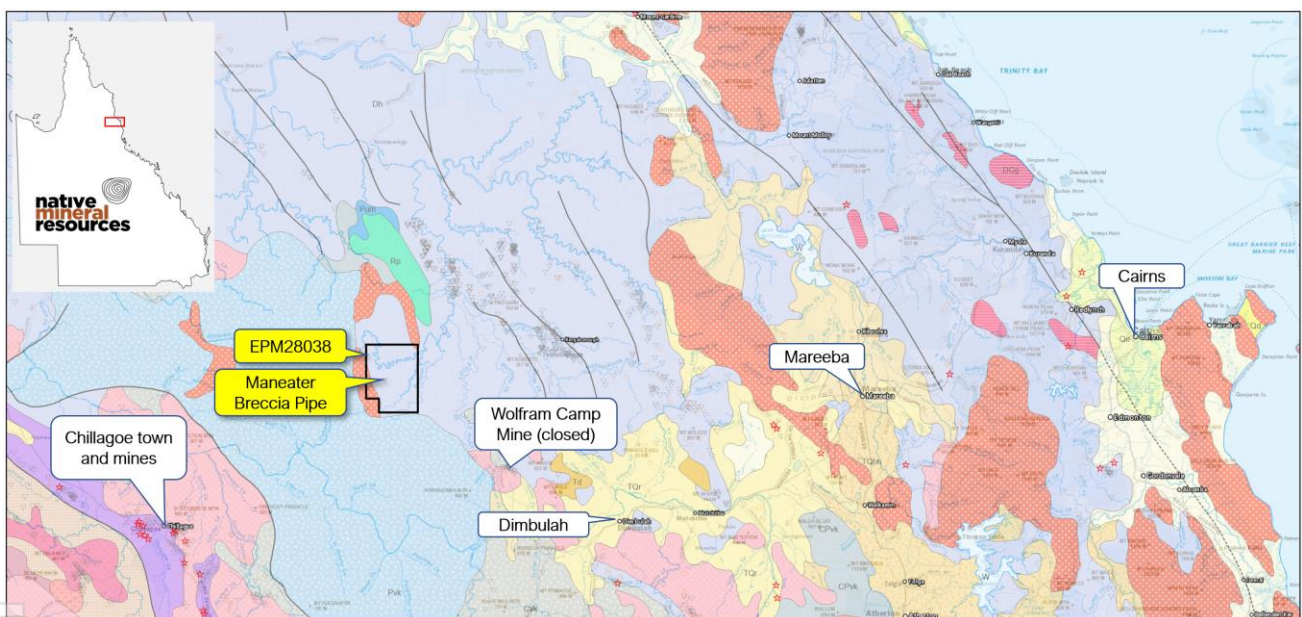


Figure 9: Map showing the location of NMR's Maneater Breccia exploration tenement application EPM28038. The tenement is located in northern Queensland, approximately 100km west of Cairns.

NULLARBOR TENEMENTS, WA

NMR have been granted three of the tenements (E69/3849, E69/3850 and E69/3852) in the Nullarbor region of SE Western Australia (**Figure 10**). The three tenements are located over two potential target types including intrusion hosted Ni (E69/3852) and iron-oxide copper-gold (IOCG)-style mineralisation (E69/3850 and 3849).

Tenement E69/3852 "Helios" is a high-priority magnetic and gravity anomaly discovered using the geophysical characteristics exhibited by the Nova-Bollinger Nickel deposit in the adjacent Frazer Range. The target is observed in regional, publicly available geophysics, however, to resolve the target in more detail, NMR have completed a higher-resolution magnetic survey over the tenement. The detailed geophysical survey results will be used to target and then drill the highest potential area on the tenement.

The southern and central tenement E69/3850 and E69/3849 were acquired to enable NMR to explore two geophysical anomalies identified as potential indicators of IOCG-style mineralisation. The distinctive anomalies identified in the magnetics are within proximity to a distinctive zone of relatively low resistivity identified in a regional Magnetotelluric (MT) geophysical survey. The target on E69/3850 lies in a setting similar to the Olympic Dam Deposit which also lies above relatively low resistivity zones defined in the MT, referred to in the Olympic Dam setting as the "Fingers of God".

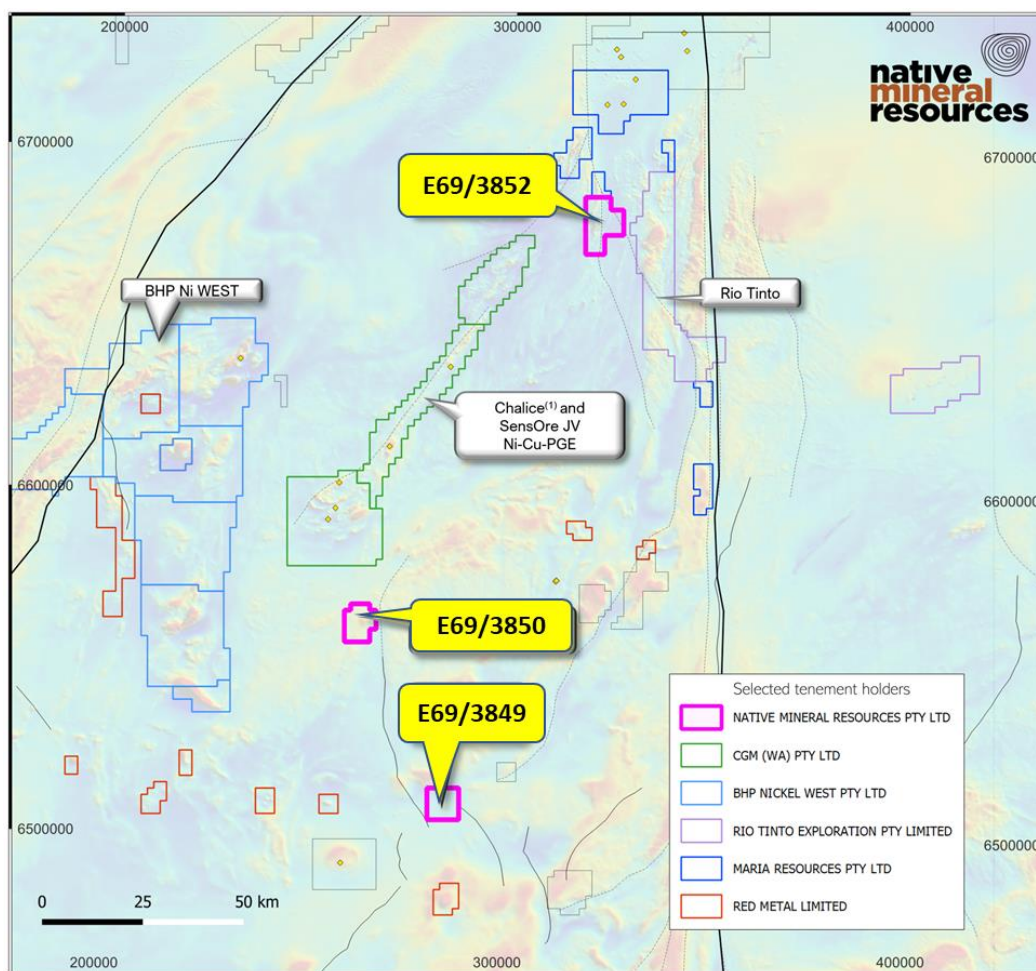


Figure 10: Map of the western Nullarbor region showing NMR's recently granted tenements (E69/3852, E69/3850 and E69/3849). The tenements are located in a prospective area of South-eastern Western Australia surrounded by other major mineral explorers. ⁽¹⁾ via subsidiary CGM (WA). Map grid is GDA94 MGA Zone 52. Background image is TMI (80m pixels) from DMIRS. Major structures overlain on magnetic data. Selected tenement holders shown and labelled in key. Other tenements are in black.

E69/3850 – IOCG target

The magnetic survey confirmed the presence of a significant magnetic anomaly – 1200m long and 400m wide - with a relative peak of over 760nT (**Figure 11**). High magnetic anomaly lies directly above a well-defined zone of low-resistivity imaged in the results from the regional Magnetotelluric survey transect that passes directly along the northern boundary of the tenement (red diamonds in **Figure 11**). Follow-up forward modelling to be completed before the drill campaign that is planned for Mid-2022.

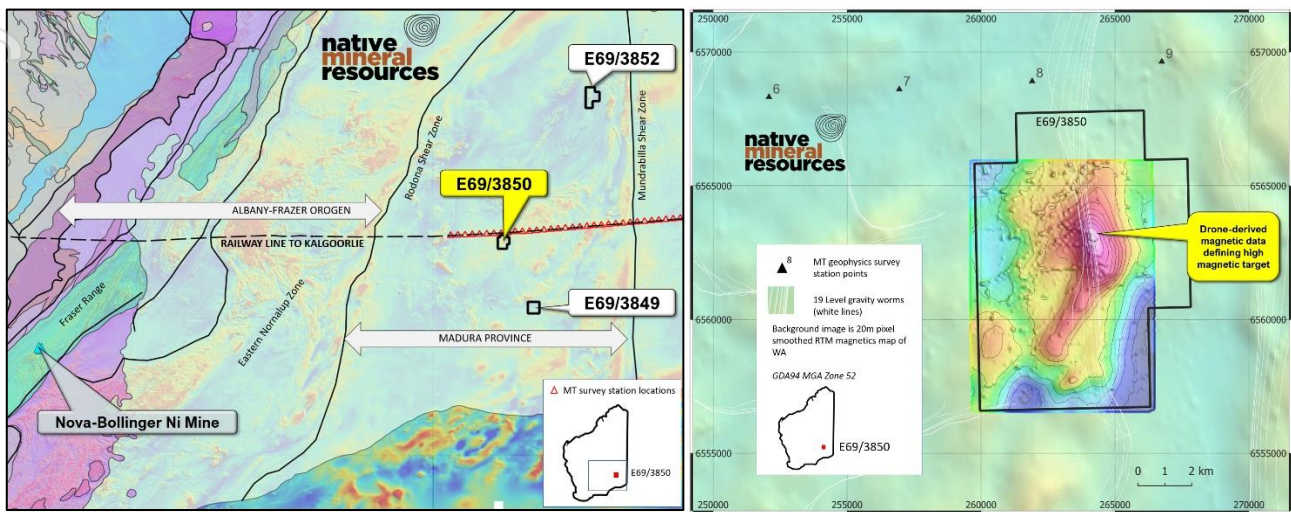


Figure 11: NMR first high-resolution (30m flight height) drone-acquired magnetic survey over E69/3850 central Nullarbor tenement

E69/3852 Helios Nickel target

Magnetic survey has confirmed the presence of a significant magnetic anomaly with the results currently being processed and reviewed (**Figure 12**). The high magnetic signal in the centre of the eye is interpreted as mafic rocks associated with intrusion-hosted Ni mineralisation. The mineralisation style is interpreted based on similarities with the Nova-Bollinger Nickel mine. Four other eye-shaped features have been identified in regional magnetic data, all of which have been drilled with nickel intersected in drilling (**Figure 13**).

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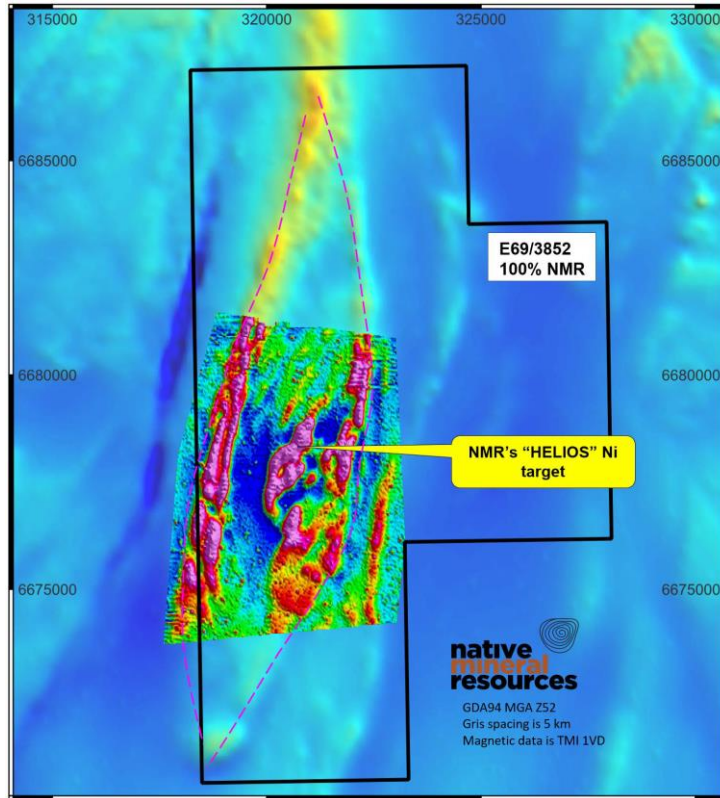


Figure 12: Maps showing the Helios Ni target refined using the recently completed drone-based magnetic survey. Presented here is a colour contoured image of the TMI RTP 1VD data over the central part of the eye-shaped structure Purples and reds are high magnetic response while blues and greens represent lower magnetic response. Grid references are GDA94 MGA Z52.

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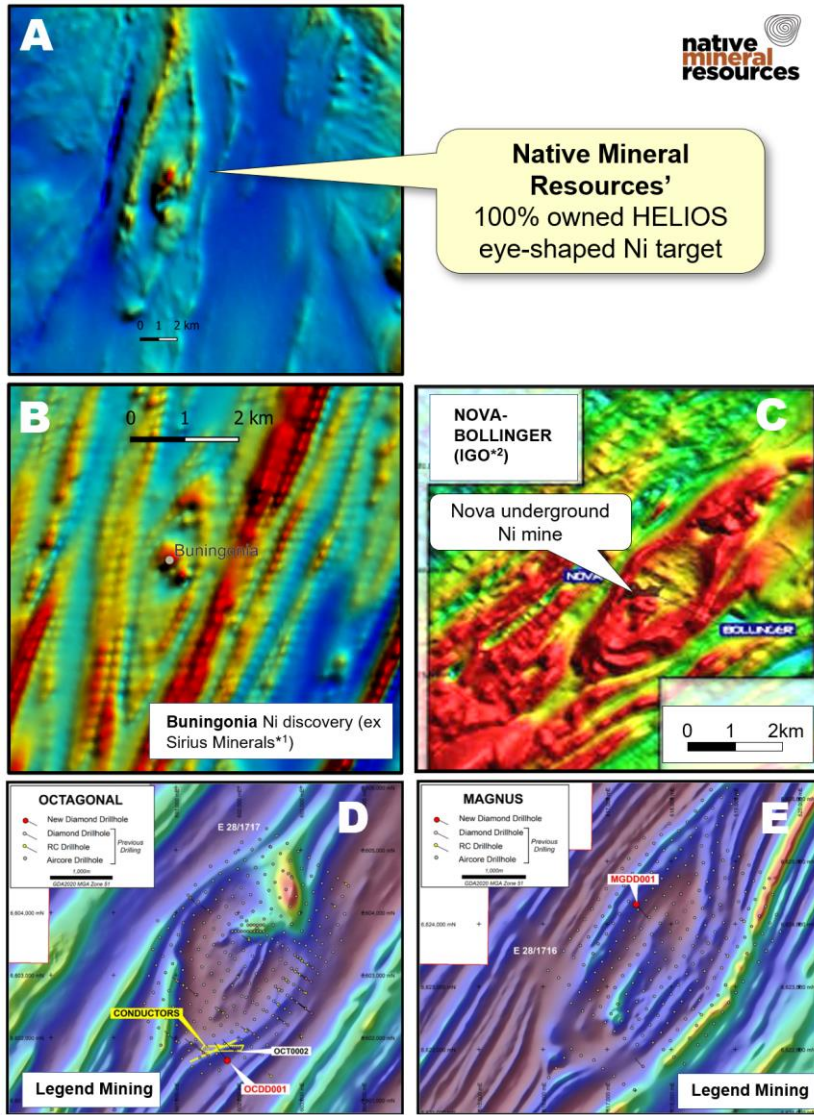


Figure 13: Collection of successfully identified Ni deposits and developing targets associated with "eye-shaped" features in magnetic data. A) NMR's 100% owned "Helios" Ni target showing the distinctive "eye"-shape defined by regional magnetic data. Figures B, C, D and E are other companies (as labelled on figure) Nickel deposits and targets found in association with similar eye-shaped features in magnetic data.

*1 Sirius Minerals is now Independent Group (ASX: IGO).

PLANNING FOR Q1 2022

Music Well Gold Project

As a priority, NMR are planning on modelling the result from the regional fixed-wing airborne geophysics survey over the Music Well tenement (E37/1363) to gain insight to geology and structure under cover. The Company has a comprehensive and fast-growing dataset pointing to opportunities for gold mineralisation beneath shallow cover. In addition, work is ongoing at tenement E37/1362 where follow up geochemistry and sampling will be completed on veins already identified as continuing gold mineralisation. Two additional veins, Target 2 and 'SKI', will be investigated and sampled to follow up on promising high-grade grab samples and epithermal vein textures.

Palmerville Project

An airborne magnetic and radiometric survey has been planned to cover the entire Palmerville Project in Q1-Q2 2022, and new geophysics data will help NMR characterise the geologically complex Chillagoe Formation and assist in defining the Company's exciting copper prospects at Palmerville. The higher resolution airborne magnetic data will help resolve potential intrusives at depth beneath anomalous copper grades discovered at surface and help constrain a plethora of other key features such as major rock type boundaries and major structures in the region.

- Sampling utilising refined target generation after completion of magnetics survey.
- Drilling opportunities to be explored after completion of target ranking.
- Developing new sampling strategy for Palmerville to help rapid, in-field delineation of anomalous mineralisation.
- Deeper drilling at Leane's will be considered for 2022 pending the results from the upcoming geophysics survey.

Maneater Hill

Once granted in Q1-Q2 2022, geological mapping and drilling will be completed in order to define the extent and grade of this clast-supported, sulfide-rich, breccia-hosted mineral system. NMR are planning to complete a deep drill hole to test the hypothesis that previous shallow drilling containing significant sulfide mineralisation did not sufficiently intersect the copper and gold-rich zone at depth.

Nullarbor Project

A drill rig had been secured to commence drilling in early March 2022, with the Company planning on drilling into a "body" that has been modelled using the high-resolution drone magnetics. The depth to target is anticipated at approximately 125m below surface, with up to 1200m of drilling has been planned, however, the final meters drilled will be dependent upon results in this previously untested ground. The knowledge obtained from the drilling of the basement rock types will be used to plan additional target-specific geophysics later in the year.

TENEMENT SCHEDULE AS AT 31 DECEMBER 2021

Region	Tenement ID	Tenement Name	Date Granted	Date Expire	Sub-Block	SQKM (approx.)
Queensland	EPM 11980	Limestone Creek	3-Jun-05	2-Jun-22	4	13.16
Queensland	EPM 18325	Bald Hills	30-Jul-12	29-Jul-24	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
Queensland	EPM 28038	Maneater Hill	In Application since 23 rd Sep 2021		19	62.51
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 Veters	26-Jul-21	25-Jul-25	35	115.15
WA	E69/3852	Nullarbor North	13-Oct-21	12-Oct-26	41	121.5
WA	E69/3850	Nullarbor Central	26-Oct-21	25-Oct-26	26	76.65
WA	E69/3849	Nullarbor South	13-Oct-21	12-Oct-26	25	73.7

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 the Table below. As all the Funds have now been used, and a new source of funding has been obtained with the recent Share Rights Issue of shares (ASX Announcement: 28 October 2021), this will be the last reconciliation of the Prospectus funding.

Use of Funds	Prospectus use of Funds	Funds used to 31 Dec 2021
Exploration Costs (2 years)	3,327,000	3,757,350
Acquisition of mining tenements in W.A.	80,000	99,284
Palmerville Project Land Access agreement expense	16,000	
Operating expenses	1,545,700	1,075,344
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	5,742,700

The payments to related parties and their associates during the quarter of \$13k, were for Directors fees.

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

For more information please visit www.nmresources.com.au or contact:

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Competent Person Statement:

The information in this report relating to Exploration Results is based on information compiled by and/or provided to 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:

No new results have been presented in this announcement. 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, 24th Jan 2022 – Drilling to commence at Helios Nickel target
- ASX Announcement, 06th Dec 2021 – Magnetics survey confirms significant anomaly at its “Helios” Nickel target in the Western Nullarbor
- ASX Announcement, 26th Oct 2021 – Magnetic Survey Highlights Significant Anomaly at Nullarbor Iron-Oxide Copper-Gold (IOCG) Target
- ASX Announcement, 21st Oct 2021 – NMR explore a Mineralised Breccia Pipe in North Queensland
- ASX Announcement, 14th Oct 2021 – New Tenements Granted in WA – Exploration on Ni and Cu Targets Underway
- ASX Announcement, 23rd Sep 2021 – Positive Outcomes from Diamond Drilling at Music Well
- ASX Announcement, 30th Aug 2021 – Key Work Programmes Advanced at Music Well
- ASX Announcement, 06th July 2021 – Music Well Gold Project Access Agreement
- ASX Announcement, 01st July 2021 – Divestment of Mount Morgan Project
- ASX Announcement, 28th June 2021 - NMR Confirms Further High-Grade Gold Mineralisation at Music Well Project in WA
- ASX Announcement, 07th June 2021 - NMR expands exploration portfolio with three new tenement applications targeting copper, gold and nickel in WA.
- ASX Announcement, 5th May 2021 - NMR awarded EIS grant to fund diamond drilling at Music Well
- ASX Announcement, 4th May 2021 - High-Grade Copper Confirmed At Two Targets In The Northern Chillagoe Formation
- ASX Announcement, 29th March 2021 - High-grade and free-milling gold at Music Well
- ASX Announcement, 4th February 2021 - East Palmerville South Permit Granted
- ASX announcement 21st January 2021 - Porphyry Intrusions Confirmed at Leane’s Copper Prospect
- ASX announcement 21st December 2020 - Leane’s Returns Shallow Intercepts Grading – Copper
- ASX announcement 15th December 2020 - Drilling Confirms Mineralisation System at Leane’s Copper Prospect
- ASX announcement 27th November 2020 - Significant Results from Drilling at Leane’s Copper Prospect.

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