Financial Report for the Half-Year ended 31 December 2022

Native Mineral Resources Holdings Limited ACN 643 293 716

Contents

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)** **Hasaka Martin (GIA)**
REGISTERED OFFICE	Suite 4201, Level 42 Australia Square 264-278 George Street Sydney NSW 2000
PRINCIPLE PLACE OF BUSINESS	Suite 10, 6-14 Clarence Street Port Macquarie NSW 2444 AUSTRALIA Telephone: 02 6583 7833 Website: www.nmresources.com.au
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 2022.

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
- Phil Gardner
- Blake Cannavo

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) continues its clear focus on delivering exploration success. The company is focused 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.

Rights Issue

The company raised $2,147,783 (before costs) via a Rights Issue of shares and a subsequent Shortfall Placement with the issue of 16,521,407 shares at $0.13 per share which was completed prior to 31 December 2022. At the AGM, held on 30 November 2022, shareholders approved an extra 10% placement capacity (ASX Listing Rule 7.1A).

Tenement Purchases and Sales

There were no purchase or sale of tenements within the current period.

Palmerville Copper and Gold Prospect in North QLD

NMR engaged a company to provide an airborne magnetic and radiometric survey over the entire Palmerville Project.

Following COVID-19 restrictions and other issues at the supplier end, NMR has now engaged a new supplier and will now re-commence works in early Q4 2023 following cessation of the wet season. This work was the subject of a Grant from the Queensland Government Department of Resources for up to $200,000. The terms of this grant have been extended to now expire on 30 June 2023.

Music Well Gold Project in WA

New remote sensing data and a re-view of existing data have highlighted opportunity for targeting complex gold- and nickel-associated structures and lithologies where there is no previous drilling.

Arcoona Project in WA

352 samples assayed to help pinpoint geochemical anomalies below the alluvium.

Ultrafine geochemical results, planned QAQC and analysis are due for completion by end March 2023. Preliminary results plotted and ready for review.

Nullarbor Project in WA

Gravity survey at Helios (E69/3852 North Nullarbor) that was completed in Jun 2022 revealed a gravity high offset by a few hundred meters to the west of the magnetic high. This information was being used to refine the hole for Helios phase 2 drilling.

Helios phase 2 HELIOS_DDH002 (EIS Co-funded) completed drilling in Sep 2022 at EOH 1020.3m with intense IOCG-style alteration with pervasive red hematite staining and hematite infill in heavily altered granites and granite-hematite breccias.

Assays reviewed and released to ASX in December for first Helios diamond hole. No significant copper but demonstrable positive features of IOCG-style of mineralisation identified such as elevated U and depleted Ti in heavily altered and hematite-bearing section.

"Central" IOCG target (E69/3850 Central Nullarbor) diamond hole (CENTRAL_DDHC003) completed in Aug 2022 at EOH 551.4m. Drill Core to be processed and assayed.

Maneater Hill Breccia Pipe in North QLD

Successful completion of two diamond drill holes from Pad 1 on Maneater Peak for a total length of drilling of 1020.9m.

MPD002 drilled to an End-of-Hole (EOH) depth of 477.6m at a dip angle of approximately -77 degrees.

MPD003 drilled to EOH depth of 543.3m at a dip angle of approximately -60 degrees, shallower than MPD002.

Both drill holes successfully identified sulfides and have demonstrated significant volume of sulfide-bearing breccias.

Preliminary results demonstrate higher silver, zinc, copper and gold than previous drilling as expected. Results support that drilling is in the upper part (shallow levels) of the mineralised breccia.

All core cut, sampled and assayed with final assays for MPD003 due in mid-January.

Competent Person's Statement

The information in this report that relates to Exploration Results and Minerals Resources 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 Richards is a fulltime employee of Native Mineral Resources. Dr Richards 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". 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 this report of the matters based upon the information in the form and context in which it appears.

Financial Position

At 31 December 2022, the consolidated entity had net assets of $72,195 (30 June 2022: $498,044) and $38,550 in cash (30 June 2022: $449,962).

Matters subsequent to the end of the financial year

Other than set out in note 9 to the financial statements, no matters or circumstance has arisen since 31 December 2022 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 2022.

Pursuant to section 306 of the *Corporations Act 2001 (Cth)* 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

27 February 2023

HLB MANN JUDD

Auditor's Independence Declaration

To the directors of Native Mineral Resources Holdings Limited:

As lead auditor for the review of the financial report of Native Mineral Resources Holdings Limited for the half-year ended 31 December 2022, 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.

Sydney, NSW
27 February 2023

N J Guest
Director

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Consolidated Statement of Financial Position

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-22 $	30-Jun-22 $
Assets			
Current Assets			
Cash and cash equivalents		38,550	449,962
Trade and other receivables		258,216	109,618
Total Current Assets		**296,766**	**559,580**
Fixed Assets			
Plant and Equipment		168,435	164,390
Total Fixed Assets		**168,435**	**164,390**
Total Assets		**465,201**	**723,970**
Liabilities			
Current Liabilities			
Trade and other payables		289,119	158,993
Employee Entitlements		103,887	66,933
Total Current Liabilities		**393,006**	**225,926**
Total Liabilities		**393,006**	**225,926**
Net Assets		**72,195**	**498,044**
Equity			
Issued Capital	7	11,360,611	9,268,187
Share Based Payment Reserve		566,615	495,040
Accumulated Losses		(11,855,031)	(9,265,183)
Total Equity		**72,195**	**498,044**

Consolidated Statement of Profit and Loss and Other Comprehensive Income

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-22 $	31-Dec-21 $
Sale of Gold		-	30,667
Processing Costs		-	(146,981)
Interest Revenue		266	203
Government Grants		-	62,945
Sale of Tenements		-	235,000
Other Income		5,379	10,013
Board & Directors Expenses		(122,652)	(107,900)
Exploration Development		(1,307,689)	(939,345)
Exploration Management		(38,056)	(94,628)
Finance Related Fees & Charges		(549)	(703)
Office Expenses		(59,185)	(95,249)
Professional Services Fees		(241,139)	(307,132)
Other Expenses		(6,490)	(22,495)
Depreciation		(22,234)	(15,992)
Travel		(57,095)	(8,848)
Utilities		(9,659)	(5,166)
Wages Costs		(730,745)	(1,046,903)
Loss before income tax benefit		(2,589,848)	(2,452,514)
Income tax benefit		-	-
Loss for the period		(2, 589,848)	(2,452,514)
Basic loss per share	5	(0.0243)	(0.0282)
Diluted loss per share	5	(0.0243)	(0.0282)

Consolidated Statement of Cash Flows

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-22 $	31-Dec-21 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Customers		737	30,667
Interest income		266	203
Grant Receipts		-	62,945
Other revenue		5,379	10,013
Payments for exploration and evaluation		(1,744,923)	(1,558,081)
Payments to suppliers and employees		(739,017)	(615,603)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(2,477,558)	(2,069,856)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceed from sale of tenement		-	212,643
Payments for tenement acquisition		-	(22,779)
Payments to acquire plant & equipment		(26,278)	(131,129)
NET CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES		(26,278)	58,735
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares and options		2,130,195	2,406,980
Transaction costs related to the issue of shares		(37,771)	(54,271)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITES		2,092,424	2,352,709
Net change in cash held		(411,412)	341,588
Cash and cash equivalents at beginning of period		449,962	2,049,092
CASH AND CASH EQUIVALENTS AT END OF PERIOD		38,550	2,390,680

Consolidated Statement of Changes in Equity

Attributable to shareholders of Native Mineral Resources Holdings Limited

	Ordinary Shares	Accumulated Losses	Share Based Payment Reserve	Total Equity
	$	$	$	$
Balance at 1 July 2021	6,313,727	(4,664,278)	352,990	2,002,439
Loss for the year	-	(2,452,514)	-	(2,452,514)
Other comprehensive Income	-	-	-	-
	6,313,727	(7,116,792)	352,990	(450,075)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	2,371,459	-	-	2,371,459
Share based payments	-	-	325,400	325,400
Balance at 31 December 2021	8,685,186	(7,116,792)	678,390	2,246,784
Balance at 1 July 2022	9,268,187	(9,265,183)	495,040	498,044
Loss for the year	-	(2,589,848)	-	(2,589,848)
Other comprehensive Income	-	-	-	-
	9,268,187	(11,855,031)	495,040	(2,091,804)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	2,092,424	-	-	2,092,424
Share based payments	-	-	71,575	71,575
Balance at 31 December 2022	11,360,611	(11,855,031)	566,615	72,195

Notes to Financial Statement

NOTE 1: STATEMENT OF COMPLIANCE

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001 (Cth)* and Australian Accounting Standard 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in the annual financial report and should be read in conjunction with the most recent annual financial report (being that for the year ended 30 June 2022), and any public announcements made by the company during the reporting period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue is capable of being reliably measured. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sales of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised using the effective interest method.

Grant income
Income from Government grants is recognised only when the conditions of the grant are satisfied.

Sale of tenements
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

c) 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.

d) Share based payments

Equity-settled share-based compensation benefits are provided to directors, the IPO lead manager and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to directors, the IPO lead manager and employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either Black-Scholes or the Monte Carlo option pricing model that takes into account the exercise price, the terms of the option, the impact of dilution, the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employee to receive payment. No account is taken of any other vesting conditions.

The cost of equity-secured transactions are recognised as an expense with the corresponding increase in equity over the vesting period unless the issue of equity is directly attributable to the issue of new shares, in which case it is recorded as a deduction from equity. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vesting, determined by applying the Black-Scholes or the Monte Carlo option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the expense at each reporting date is the fair value of the award at the date multiplied by the expired portion of the vesting period.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity, director or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity, director or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

e) Going Concern

The consolidated entity has incurred operating losses of $2,589,848 (2021: $2,452,514) and negative operating cash flows of $2,477,558 (2021: $2,069,856) for the half year ended 31 December 2022. As at 31 December 2022 the consolidated entity held cash of $38,550 (2021: $2,390,681).

The directors consider that the consolidated entity's cash balance of $38,550 at 31 December 2022, together with the funds raised as part of the Share Placement in January 2023 (see Note 9 below – Event Subsequent to Reporting Date) 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 requires continuing operating cash outflows, which requires the Company to raise equity as required.

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 into the next financial year. 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.

f) New accounting standards and interpretations

NMR has adopted all of the new, revised or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. These have had no material impact.

There are no new Accounting Standards or interpretations that have been published, but not yet mandatory, that are expected to have a material impact on the consolidated entity.

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 2022	**31 December 2021**
	$	$
Not later than one year	1,108,978	857,411
Later than one year and less than five years	2,437,859	2,044,576

b) Employees

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

NOTE 5: BASIC PROFIT (LOSS) PER SHARE

	2022	**2021**
Weighted Average Number of Shares	106,622,676	86,991,293
Profit (Loss) for period	(2,589,848)	(2,452,514)
Basic loss per share	**(0.0243)**	**(0.0282)**
Diluted loss per share	**(0.0243)**	**(0.0282)**

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 6: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering and Consulting Pty Ltd (a company 100% owned by Blake Cannavo) charged the company $36,300 (2021: $33,000) for rental of offices owned by Bamford Engineering. In addition, $109,542 (2021: 136,282) was paid for consultancy work carries out by staff of Bamford Engineering.

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

A total of $27,625 was paid to the directors as director fees during the period ended 31 December 2022 (2021: $27,500). In addition, options issued to directors resulted in an expense of $71,575 (2021: 325,400)

A total of $279,512 was paid to key management personnel as wages during the period ended 31 December 2022 (2021: $165,951).

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NOTE 7: ISSUED CAPITAL

	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
	$	$	Number	Number
Ordinary Shares				
Fully paid ordinary shares	11,360,611	9,268,187	115,649,848	99,128,441
Movement in issued capital for the period				
Balance at beginning of the period	9,268,187	6,313,727	99,128,441	85,288,500
Shares issued during the previous financial year				
29 October 2021 (Shares issue to acquire exploration license)		18,750		75,000
23 November 2021 (Rights issue to shareholders)		632,628		2,901,964
08 December 2021 (Rights issue shortfall)		1,774,352		8,139,048
31 January 2022 (Rights issue directors)		593,817		2,723,929
Shares issued during the current financial year				
08 August 2022 (Rights issue to shareholders)	481,141		3,701,083	
05 October 2022 (Rights issue shortfall)	322,037		2,477,206	
02 November 2022 (Rights issue shortfall)	1,344,605		10,343,118	
Less: Share issuance costs	(55,359)	(65,087)		
Balance at end of period	11,360,611	9,268,187	115,649,848	99,128,441

NOTE 8: SHARE BASED PAYMENTS

During the period ended 31 December 2022, options were issued to a director, Blake Cannavo. Using the Monte Carlo model, the fair value of the options issued is as set out below and based on the following criteria/assumptions.

	Short Term Incentive Options
Number of options issued	5,500,000
Expiry (years)	4
Exercise price ($)	0.26
Vesting period (years)	1
Share price ($)	0.185
Expected life	2 years
Volatility	67%
Risk free interest rate	3.09%
Dividend yield	0%
Total expense recorded for the period ended 31 December 2022 ($)	550

The performance period of the vesting period began on 1 July 2022. The options were approved by shareholders at the AGM on 30 November 2022.

The vesting date for the short term incentive options is 30 June 2023, provided that the share price of the company is equal to or greater than $1.00, calculated using a 5-day volume-weighted average price ("VWAP)" on any date from the 2023 AGM up to and including 30 June 2024.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 1 February, 2023 NMR issued 4,488,887 shares at $0.09 and 2,244,445 Options (with an Expiry Date of 30 June 2024 at an Exercise Price of $0.20) within its Share Placement capacity. The shares issued raised a further $404,000 (before costs) to be used for future exploration and for general corporate expenses.

There has not been any other 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 2022 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

27 February 2023

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

Report on the Half-Year Financial Report

Conclusion

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 2022, 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 Company comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

(a) giving a true and fair view of the consolidated Company's financial position as at 31 December 2022 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 out opinion, we draw attention to Note 2(e): Going Concern in the financial report, which states that, during the half year to 31 December 2022, the consolidated entity incurred a loss of $2,589,848 and had net cash outflows from operating activities of $2,477,558.

These conditions, along with other matters set forth in Note 2(e): Going Concern, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated Company's ability to continue as a going concern.

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HLB MANN JUDD

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.

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 Company's financial position as at 31 December 2022 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

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

N J Guest
Director

Sydney, NSW
27 February 2023