

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2022

- Narryer Metals commenced trading on the ASX under the code NYM on 14 April 2022
- The Company successfully raised \$5 million in an oversubscribed IPO
- The Company holds 100% ownership of the Narryer Project in Western Australia, as well as Sturt and Ceduna Projects in South Australia
- Exploration focus of the Company is Ni-Cu-PGE, with potential for ionic clay hosted REE mineralisation
- Helicopter EM and Magnetic surveys completed at the Narryer Project, with multiple high priority conductivity anomalies identified
- Conductivity anomalies are associated with magnetic features and/or mafic-ultramafic outcrop, potentially relating to massive Ni-Cu-PGE sulphides
- Drill Program of EM and PGE targets planned at Narryer Project in the coming quarter
- REE exploration underway at the Ceduna Project, with portable XRF analysis planned on historic drilling

Narryer Metals Limited (**Narryer Metals** or the **Company**) (**ASX:NYM**) shares commenced trading on the Australian Securities Exchange (**ASX**) on 14 April 2022. Narryer Metals' ASX listing was the result of a successful initial public offering (**IPO**) of 25 million shares at \$0.20 per share to raise \$5.0 million (before costs) and was oversubscribed. The IPO listing of the Company also marked the start of exploration for the company at its Narryer Project in Western Australia.

NARRYER METALS

Narryer Metals is a nickel-copper-platinum-group-elements (Ni-Cu-PGE) exploration company with three wholly owned projects in strategic geological domains in Australia. The exploration focus for this quarter has been on the Western Australian assets of the Narryer Project with EM and magnetic surveys at the Mt Nairn and Mt Gould tenements. The Company will initiate a significant exploration program in South Australia at the Ceduna and Sturt Projects (Figure 1) later in 2022.

The Western Australian and South Australian geological domains also contain potential for ionic clay hosted REE mineralisation, where there has been the recent discovery at Mt Clere¹ in the Narryer Terrane by Krakatoa Resources (ASX:KTA), and the Comet² discovery in the northern Gawler Craton by Petrathern Limited (ASX:PTR). The Company began to assess the REE potential in Narryer Metals' tenure near these discoveries. This exploration thrust will continue in subsequent quarters.



Figure 1: Location of Narryer Metals Limited's Ni-Cu-PGE and REE projects in Australia

NARRYER PROJECT

The Company is focussed on the discovery of high-value, magmatic Ni-Cu-PGE sulphide deposits, at Mt Nairn and Mt Gould at the Narryer Project in Western Australia (Figure 2). These projects cover a combined area of granted tenure of $\approx 1,900\text{km}^2$ in the Narryer Terrane, and are located along the western edge of the Archaean Yilgarn Craton. This portion of the craton has been identified as the West Yilgarn Ni-Cu-PGE Province and hosts the Ni-Cu-PGE Julimar discovery (ASX:CHN). The Narryer project area shows evidence of mafic-ultramafic intrusive from field exposure and magnetics data. Recent drilling by Desert Metals³ (ASX:DM1) has shown the Narryer Terrane to contain potential nickel sulphides mineralisation (along strike from Narryer Metals' Mt Nairn tenure) at their Innouendy Prospect (Figure 2).

The area also demonstrates opportunity in exploration for ionic clay-hosted and alluvial-hosted REE mineralisation, similar to Krakatoa Resources' (ASX:KTA) recent REE discovery in the Narryer Terrane at Mt Clere¹ (Figure 2).

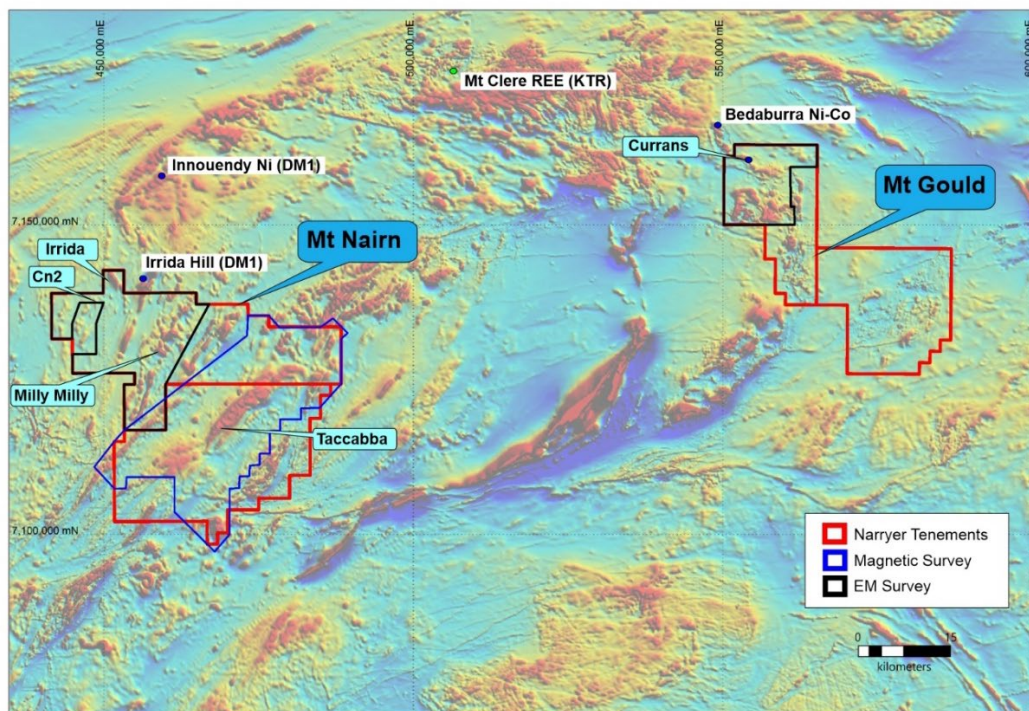


Figure 2: Location of geophysical surveys of recent airborne EM and magnetic surveys, at the Narryer Project (Coordinates, MGA zone 50, GDA94)

EM Survey

The key exploration activity undertaken at the Narryer Project in the Quarter has been Xcite™ heliborne time-domain electromagnetic (HTDEM) and magnetic survey (EM survey), executed by geophysical survey company NRG (New Resolution Geophysics)⁴. The survey was 1,660-line kms in total and flown at a maximum 200m-line spacing. In total, the EM survey covered an area of 308km² along the western half of tenement E09/2413. The EM survey identified 19 EM anomalies within the Milly Milly, Irrida and Cn2 areas of the Mt Nairn survey area, of which 10 anomalies are considered high priority and were assessed in the field (Figure 3). Field observations showed that the conductors were often in associated with mafic-ultramafic outcrop in the field. Rock chip sampling occurred at the anomalies, with assays still pending.

Up to 30 RC drillholes are planned over 9 anomalies, with the program planned for the third quarter 2022. Along the Milly Milly Trend, several shallower EM targets, often associated with ultramafic caprock and ironstone, were also visited. As part of Company's drilling exploration of the Mt Nairn area over the coming months, it is planned that these targets will be drilled using aircore.

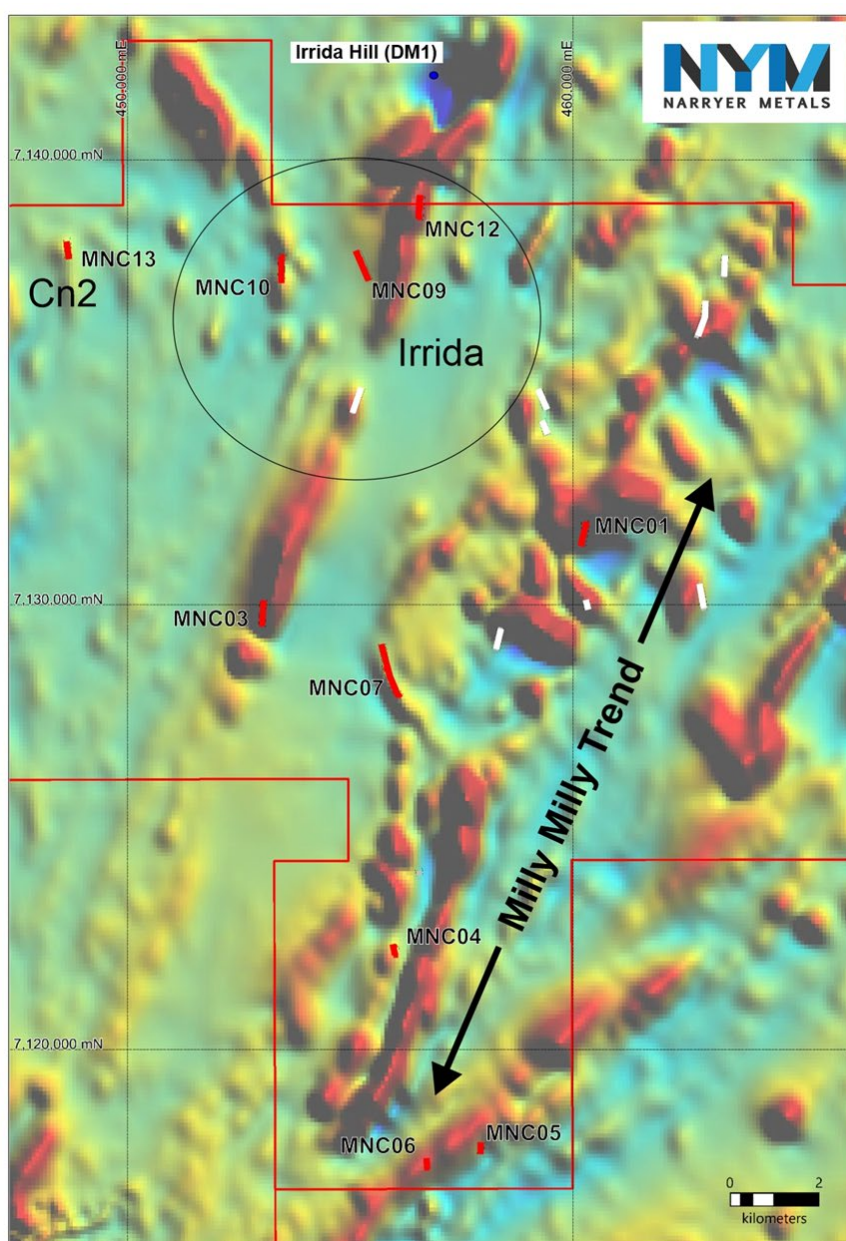


Figure 3: TMI magnetic image overlay by location of EM anomalies (red = high priority, white = low priority) at Mt Nairn (Coordinates, MGA zone 50, GDA94)

Magnetic Survey

A 100m-line spaced Magnetic and Radiometric survey by MAGSPEC Airborne Surveys was completed during the reporting period, which covered a substantial area of 660km² over the Mt Nairn tenements⁵ (Figure 2). This area previously had only low-resolution (400m line-spaced) magnetics and radiometric open file data. A new litho-structural interpretation of the Mt Nairn tenement area is currently underway, with emphasis on identifying chonolith-type Ni-Cu-PGE targets.

A focus of the new high resolution magnetic survey was the Taccabba Well mafic-ultramafic complex. This intrusive (which is mostly under alluvial cover) has been interpreted by the Company to be 25km in strike length and has had limited previous exploration. Historic and strike limited drilling⁶ at the Taccabba Well Cr Prospect identified multiple chromite bands in layered mafic-ultramafic cumulate rocks. Chromite bands are often associated with layered PGE deposits, such as the Bushveld Complex (South Africa) and Panton Sill (Kimberley, WA). These chromite bands can often be identified in association with magnetic anomalism and processing of the new data has identified target areas for surface geochemistry and/or an aircore drilling program (Figure 4). Field investigation will soon commence.

The drilling by Pacminex² in the 1970s targeted chromite, with up to 12% Cr₂O₃ assayed, but were not analysed for PGEs at the time. Two RC drillholes are planned at the Taccabba Well prospect as part of the EM target drilling program.

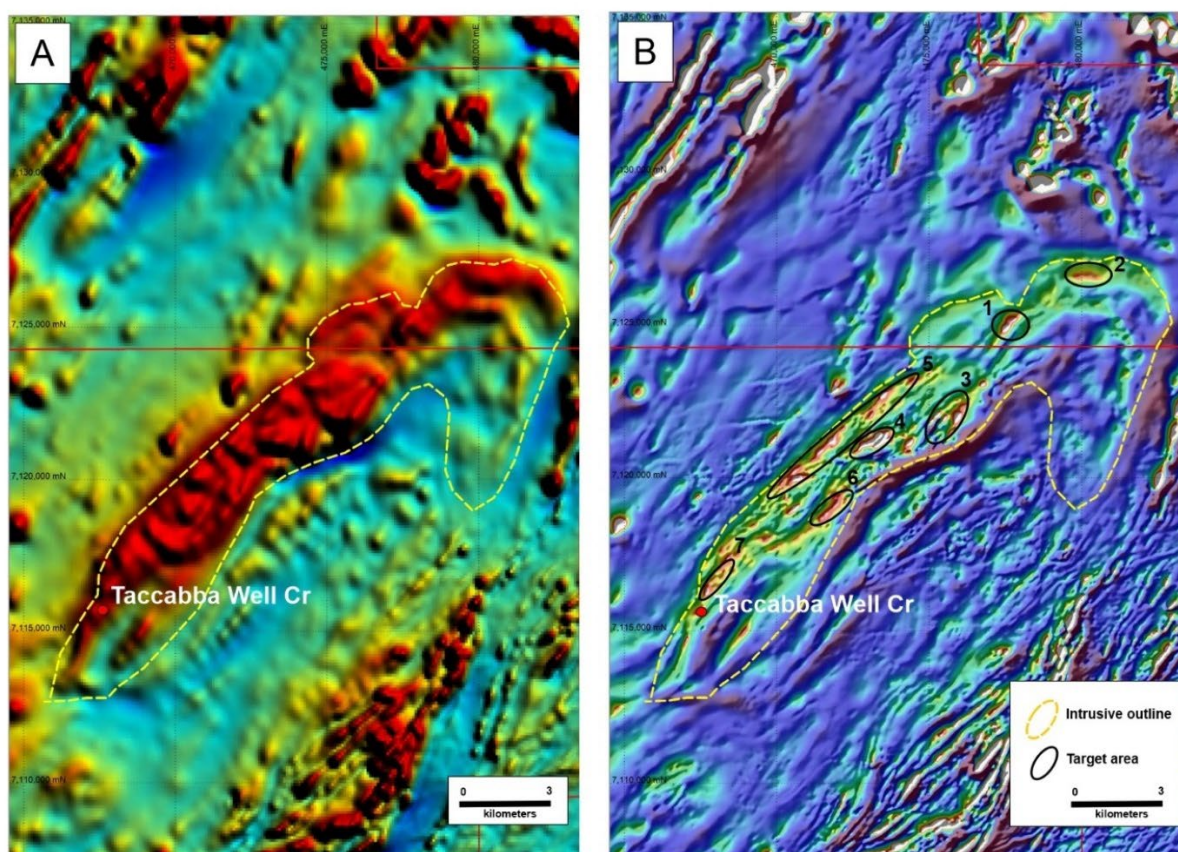


Figure 4: Taccabba Well PGE Prospect: A) TMI magnetic image, open file data showing 400m line spacing data: B) Narryer Metals recently flown and processed, higher resolution, 100m line spaced RTP 1VD image, depicting new magnetic anomalies corresponding to possible PGE target, to follow up with RAB drilling / surface geochemistry (Coordinates, MGA zone 50, GDA94)

Stream Sediment Survey for REE and PGE

Regional scale stream sediment survey for REE and PGEs in the Mt Nairn tenement area was planned in the quarter and is currently underway. The Narryer Terrane is now recognised as a new REE exploration frontier. The new radiometric survey data, as part of the magnetic survey, has also assisted in identifying potential target areas to further investigate for REE mineralisation. Uranium and thorium anomalism seen in radiometric data can often assist in vectoring to REE mineralisation, with several thorium anomalies identified in the Milly Milly area located over lateritic caprock after gneissic rocks. These were recently sampled, with assays still pending. The Mt Nairn area demonstrates opportunity in exploration for clay-hosted ionic and alluvial-hosted (as monazite and xenotime heavy mineral accumulation) REE mineralisation, similar to Krakatoa Resources' (ASX:KTA) recent discovery in the Narryer Terrane at Mt Clere¹. The WA Geological Survey mapping suggests the leucocratic gneiss source rock underlying the Mt Clere ion-clay REE discover (which is the potential protolith source of REE), may also occur on the Narryer Tenure. Desert Metals have also announced anomalous REE in their recent drilling at the Innouendy Project area (Figure 2), north of the Mt Nairn tenure³.

Stream sediments were a successful first pass exploration method of Krakatoa Resources Mt Clere REE discovery⁷, prior to drilling. The Company's stream sediment program is in conjunction with a geological reconnaissance program in the area.



Figure 5: Stream sediment sampling underway in the Milly Milly Area, Narryer Project, WA

STURT AND CEDUNA PROJECTS

The Sturt and Ceduna Projects comprise four exploration tenements in the Gawler Craton of South Australia (Figure 6). These exploration tenements are granted and cover more than 2,000km² and target magmatic hosted Ni-Cu-(Co)-(PGE) mineralisation and Tunkillia-style gold deposits. Data derived from previous exploration and new government-funded geological studies of the Gawler Craton has helped identify underexplored prospective mafic-ultramafic intrusive along major crustal structures, similar in characteristic to both Julimar (SW Yilgarn) and Nova Bollinger (Albany Frazer Belt) deposits in Western Australia. Historic drilling in the project area has shown evidence Ni sulphide mineralisation and anomalous PGE mineralisation⁶.

Petratherm Limited (ASX:PTR) has recently identify potential ionic clay hosted REE mineralisation at its Comet Discovery² in the northern Gawler Craton, approximately 25km NNE of Narryer Metals' Sturt Project. While the Sturt project was identified as a Ni-Cu-PGE and Au target related to the Muckanippie Anorthosite complex⁶, the tenement also contains similar regional stratigraphy (Mulgathing Complex) to the Petratherm tenure which host the Comet discovery (Figure 7). Narryer Metals will begin assessing the REE potential on the Sturt Project in similar stratigraphy.

The four South Australian exploration tenements were granted soon after ASX listing, with exploration to begin at Ceduna in the coming 6 months to include:

- Initial community engagement and tenement access requirements currently underway
- RAB drilling planned for Cooper Hill PGE (Ni-Cu) prospect early-2023
- Helicopter EM survey planned over key Ni-Cu sulphide target areas early-2023

Two additional exploration tenement applications were made at Ceduna during the quarter. These tenements have been previously drilled via government-funded programs. Core samples from more than 400 holes housed in the South Australian Core Library will be tested by Narryer Metals for REE over the coming Quarter at low cost (Figure 8).

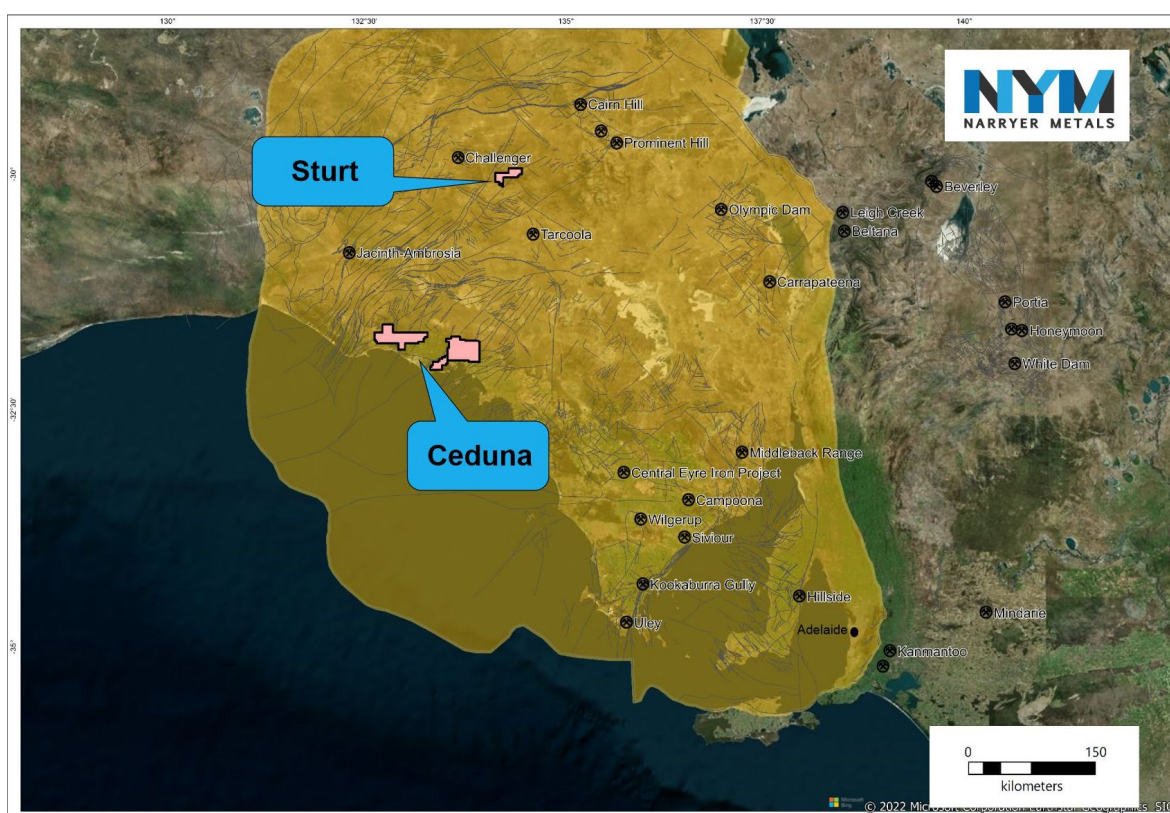


Figure 6: Sturt and Ceduna Projects in South Australia

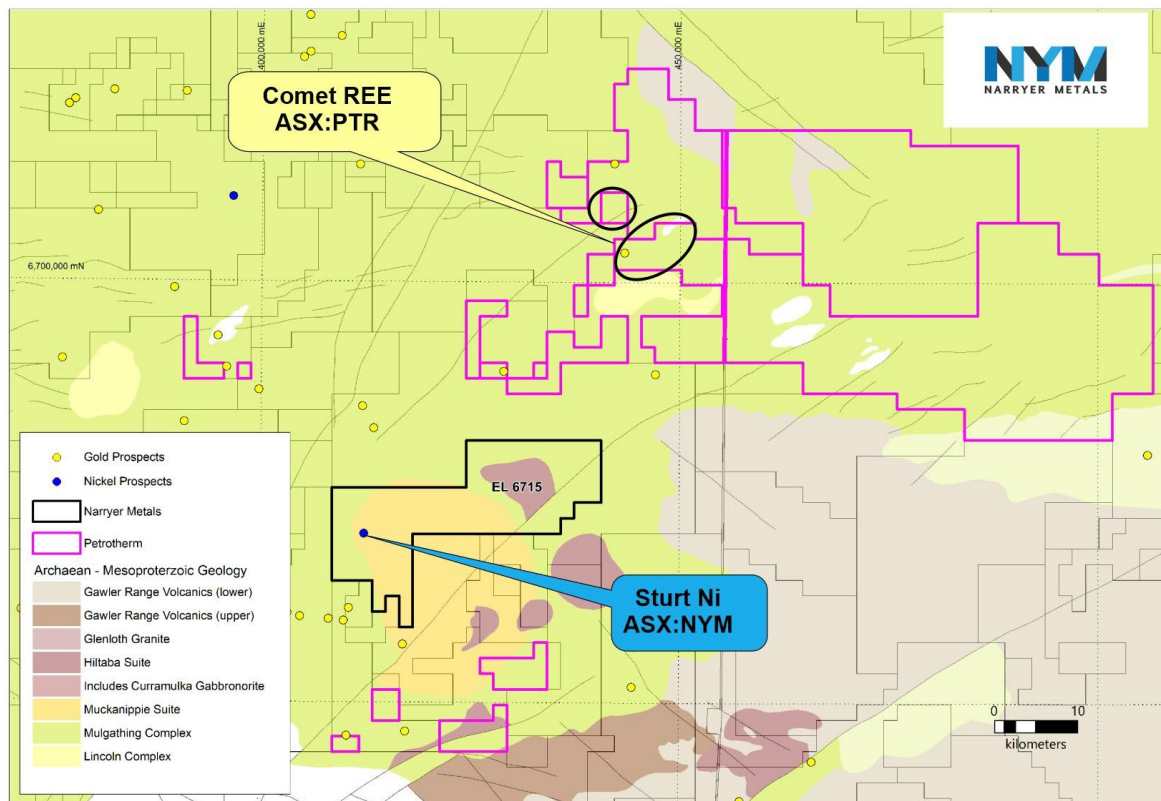


Figure 7: Sturt Project GSSA bedrock geology and nearby Petratherm Ltd Comet REE discovery in Gawler Craton, South Australia (GDA 94, Zone 53)

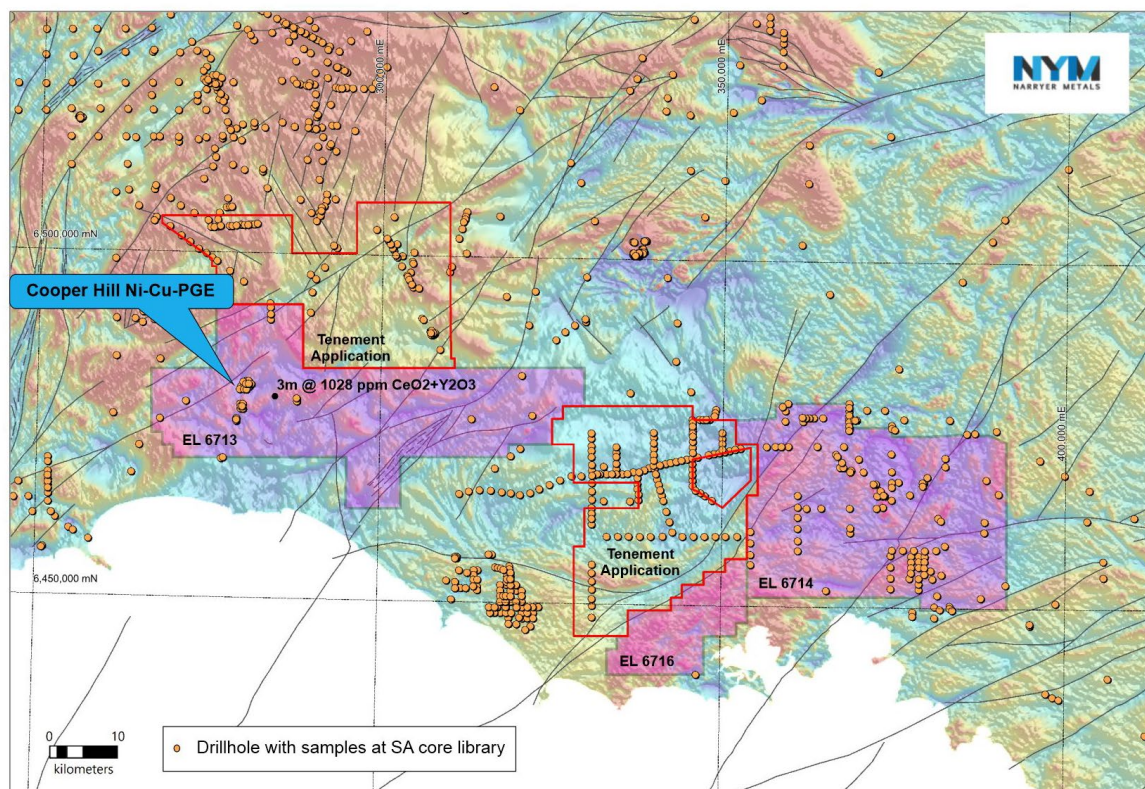


Figure 8: Ceduna Project showing granted and application tenements with previous drillholes

CORPORATE

Key expenditure during the quarter comprised staff costs and exploration and evaluation activities associated with the recent EM Survey and Magnetic Survey.

The Company also used funds for geological consulting, database management and tenement management during the quarter across all four projects.

Narryer Metals held cash reserves of ≈\$3.9M at 30 June 2022.

In accordance with ASX Listing Rule 5.3.2, the Company advise that no Mining Development of Production activities were conducted during the quarter.

Related Party Transactions

In accordance with ASX Listing Rules 4.7C.3 payments to related parties of the entity and their associates outlined in the Company's Appendix 5B for the quarter relate to Directors fees and professional fees paid to Grange Consulting for company secretarial and financial management services.

Prospectus – Proposed Use of Funds

In accordance with ASX Listing Rule 5.4.4, the Company provides the following comparison of its actual expenditure on the individual items in the "use of funds" statement in its IPO Prospectus since the date of its admission to ASX against the estimated expenditure on those items in the "use of funds" statement in the IPO Prospectus and an explanation of any material variances. The material variances are due to the Company only being admitted to the Official List of ASX on 14 April 2022.

Item	Proposed Use of Funds ¹	Actual Use of Funds	Variance Under/(Over)
Exploration at Narryer Project	\$2,700,000	\$495,168	\$2,204,832
Exploration at Ceduna Project	\$600,000	\$12,500	\$587,500
Exploration at Sturt Project	\$200,000	\$-	\$200,000
Administration costs & working capital	\$1,416,168	\$331,588	\$1,084,580
Expense of the Offer	\$633,832	\$639,500	-\$5,668
Total	\$5,550,000	\$1,478,756	\$4,071,244

¹ Proposed Use of Funds for the first two years following Admission as outlined in the Company's IPO Prospectus dated 28 February 2022.

Performance Rights

A summary of the Performance Rights (allotted prior to the Company's ASX admission) on issue at the end of the quarter is outlined below. No Performance Rights vested or were converted or cancelled during the quarter.

Class	Milestone	Expiry	Number	Vested (Yes/No)
Class A Performance Rights	Each Class A Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a volume weighted average price for 20 consecutive trading days (20 Day VWAP) exceeding \$0.40.	Five (5) years from the date of issue.	2,550,000	No
Class B Performance Rights	Each Class B Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a 20 Day VWAP exceeding \$0.60.	Five (5) years from the date of issue.	1,650,000	No
Class C Performance Rights	Each Class C Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a 20 Day VWAP exceeding \$0.70.	Five (5) years from the date of issue.	510,000	No
Total			4,710,000	

TENEMENT SCHEDULE

Table 1. Narryer Metals Tenement Holding June 2022 quarter end

As required by listing rule 5.3.3

Leasingham Metals Pty Ltd (a wholly owned subsidiary company of Narryer Metals Limited)

Narryer Minerals Pty Ltd (a wholly owned subsidiary company of Narryer Metals Limited)

Project	Tenement Number	Holder	Narryer Ownership (at end of quarter)	Change in Ownership
Narryer (Western Australia)	E20/961	Narryer Minerals Pty Ltd	100%	Nil
	E09/2413	Narryer Minerals Pty Ltd	100%	Nil
	E52/3875	Narryer Minerals Pty Ltd	100%	Nil
	E51/2072 (application)	Narryer Minerals Pty Ltd	100%	Nil
Ceduna (South Australia)	EL6713	Leasingham Metals Pty Ltd	100%	Nil
	EL6714	Leasingham Metals Pty Ltd	100%	Nil
	EL6716	Leasingham Metals Pty Ltd	100%	Nil
	2022/00040 (application)	Leasingham Metals Pty Ltd	100%	Nil
	2022/00041 (application)	Leasingham Metals Pty Ltd	100%	Nil
Sturt (South Australia)	EL6715	Leasingham Metals Pty Ltd	100%	Nil

Footnotes –

¹ Krakatoa Resources ASX announcement on the 13 April 2022

² Petratherm Limited ASX announcement on the 20 April 2022

³ Desert Metals Limited ASX announcement on the 19 April 2022

⁴ Narryer Metals Limited ASX announcement 20 June 2022

⁵ Narryer Metals Limited ASX announcement 4 May 2022

⁶ Additional information in Narryer Metals Limited Prospectus IGR released to ASX 14 April 2022

⁷ Krakatoa Resources ASX announcement on the 14 July 2021

Authorised for release by the Narryer Metals Limited Board.

About Narryer Metals: Narryer Metals is an Ni-Cu-PGE exploration company listed on the Australian Securities Exchange (ASX:NYM) and is pursuing a well-funded and aggressive exploration program at its 100% owned Narryer Project in the Gascoyne Murchison region of Western Australia and its Ceduna and Sturt Projects in South Australia.

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Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr Gavin England, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Dr England is Managing Director of Narryer Metals Limited. Dr England 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 England consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Narryer Metals Limited

ABN

60 651 575 898

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(507)	(585)
(b) development	-	-
(c) production	-	-
(d) staff costs	(32)	(32)
(e) administration and corporate costs	(220)	(526)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST)	(80)	(94)
1.9 Net cash from / (used in) operating activities	(839)	(1,237)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,583
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(307)	(438)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,693	5,145

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	54	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(839)	(1,237)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,693	5,145

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,908	3,908

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,908	54
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,908	54

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	148
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(839)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(839)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,908
8.5	Unused finance facilities available at quarter end (item 7.5) ¹	-
8.6	Total available funding (item 8.4 + item 8.5)	3,908
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.66
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: n/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 July 2022.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.