

27 January 2021

ASX Announcement

QUARTERLY ACTIVITIES REPORT – DECEMBER 2020

HIGHLIGHTS

Palmerville Copper & Gold Project, Qld

- Nine drill holes totaling 961m of reverse circulation (RC) and two diamond drill holes completed at Leane's Prospect to test a shallow hydrothermal breccia system and deeper intrusive-related porphyry mineralisation
- Three holes intersected copper mineralisation with grades of more than 0.2% copper as follows:
 - LRC013 3m from 93m depth averaging 0.28% Cu, including 1m @ 0.29% Cu
 - LRC014 6m from 74m depth averaging 0.33% Cu, including 1m @ 0.61% Cu
 - LRC016 8m from 80m depth averaging 0.25% Cu, including 1m @ 0.42% Cu
- Drilling confirmed the presence of the hydrothermal breccia system over a 400m strike length - surface geochemistry suggests the breccia system is at least 1.5km long
- Porphyry veins intersected at a depth of 90m - follow up diamond drilling will be completed to provide detailed geological information at depth testing for the presence of a larger intrusive system below the skarn breccia zone
- A detailed technical review of the entire Project commenced during the quarter and will be used to prioritise the 2021 exploration program

Eastern Goldfields Project, WA

- Data analysis and target definition work completed on Music Well Gold Project - multiple host structures identified via re-processing of magnetic datasets

Mount Morgan Project, Qld

- A technical review of the Project commenced during the quarter and will be used to prioritise the 2021 exploration program

Corporate

- Native Mineral Resources commenced trading on the ASX under the security code "NMR" on 16 November 2020 after raising \$5.7M (before costs) via the IPO of ~28.7M shares at \$0.20 per share
- NMR exercised the option to acquire Exploration Licence (EL) 37/1362 and EL 37/1363 over the Music Well Property and EL application 31/1203 over the Arcoona Property, which are all part of the Eastern Goldfields Gold Project in WA

ASX Announcement



Copper and gold exploration company Native Mineral Resources Holdings Limited (ASX: NMR), or (“NMR” the “Company”), is pleased to provide its quarterly activity report for the three months ended 31 December 2020.

Management Commentary

NMR’s Managing Director, Blake Cannavo, commented: “A very productive quarter for NMR, our first as a listed company, and I am delighted that we were able to execute and deliver on the key work programs we set out to achieve in the 2020 calendar year.

“In particular our initial drilling programs at Leane’s have yielded some very promising early indications. Notwithstanding our two diamond drill holes being prematurely halted due to the onset of the wet season, our technical team remains bullish on the potential of the Leane’s Prospect to host a mineralised system at depth and we look forward to completing these deeper holes when whether permits.

“We also secured our two key exploration assets in the Eastern Goldfields – Music Well and Arcoona - which give NMR significant diversification and a foothold in another proven mining jurisdiction. Our team has already identified several priority targets and potential host structures within Music Well which will be a key focus of our exploration efforts this quarter.

“We remain well funded to execute our near-term work programs, and I look forward reporting further progress from across our project portfolio this quarter.”

PALMERVILLE PROJECT, QLD

Background

The Palmerville Project (“Project”) covers a near continuous strike length of 130km over an area of ~1,820km² centered 200km west-northwest of Cairns in North Queensland.

The tenements consist of eight Exploration Permit Minerals (EPMs) and one EPM application 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 has, in places, been extensive with soil, stream sediment and rock chip sampling, trenching, and limited drilling. Elsewhere, exploration is at an early stage. NMR has completed a preliminary review of historical mining activity and past exploration and identified 65 mineralisation occurrences and eleven initial priority targets for exploration (Figure 2). Exploration at the priority target at Leane's Copper Prospect commenced in November 2020.

Leane's Copper Prospect Overview

The Leane's Copper Prospect ("Leane's") is in the central area of the Palmerville Project. It was originally discovered in 2007 by Lodestone Exploration Limited ("Lodestone") when outcrops containing malachite veining were mapped at surface. Subsequent exploration, including detailed soil geochemistry identified strongly anomalous copper over a 1,200m extent along a north-northwest trending brecciated contact between limestone to the west and siliciclastic sediments, and locally basalt to the east.

In 2010, Lodestone completed a shallow 8 drillhole RC program to test the copper soil anomalies over a 500m strike length, plus two drillholes further south to test gold anomalies. The best intervals in that program intersected 28m @ 0.55% Cu in drillhole LRC004, 4m @ 0.55% Cu in drillhole LRC003, and 11m @ 0.32% Cu in drillhole LRC002. All drilling intersected the breccia zone in the weathered horizon. No further exploration has been undertaken at Leane's since 2010.

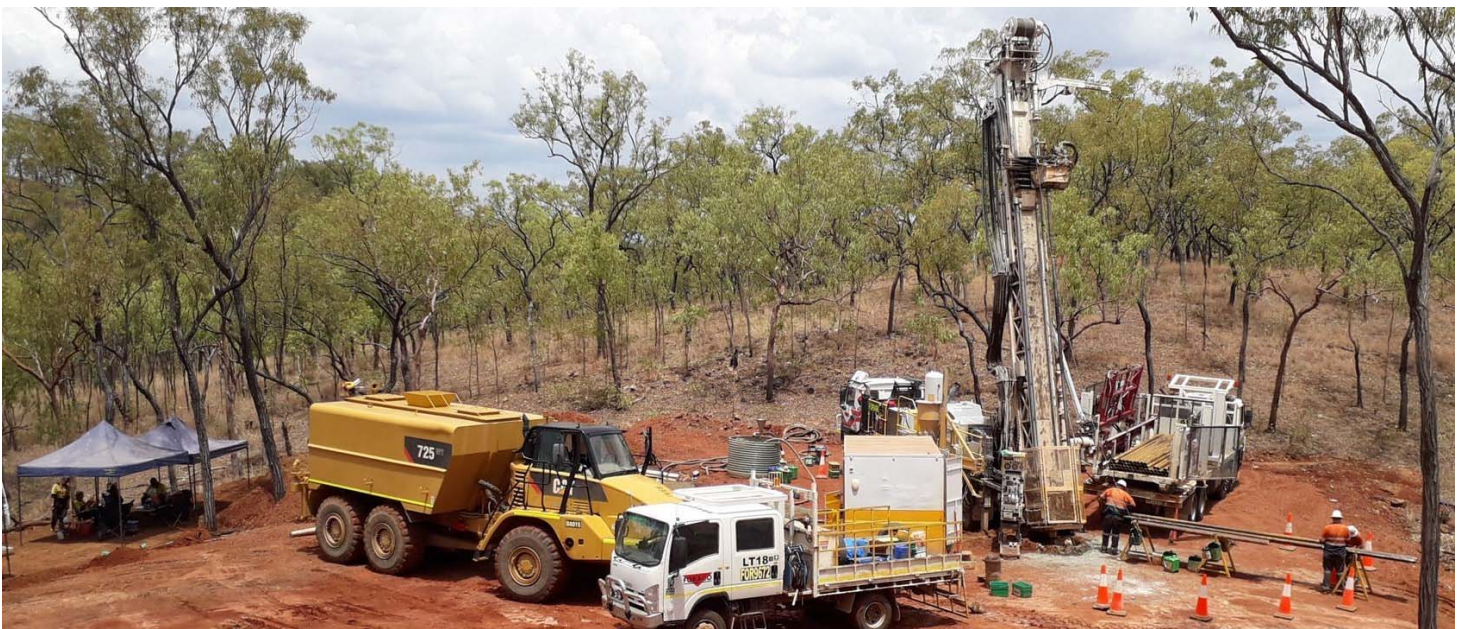


Figure 1: Diamond drilling operations at Leane's Prospect

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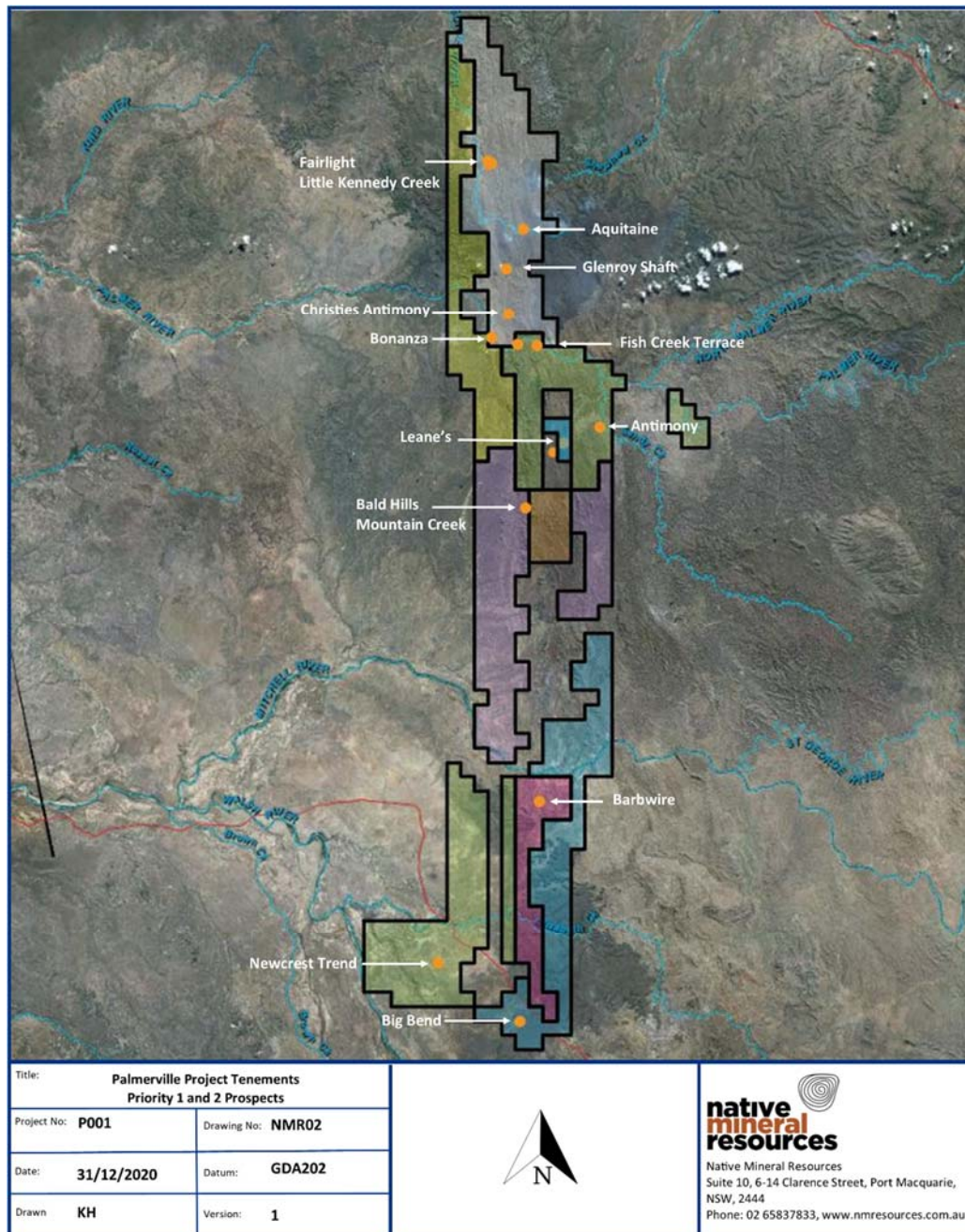


Figure 2: Palmerville Project priority targets

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NMR considers that Leane's is analogous to the Red Dome and Mungana deposits some 100km to the south, where gold and base metal-bearing intrusive magmatic porphyry bodies were partially overprinted and modified by late-stage breccias formed by degassing and explosive release of over-pressured fluid. Red Dome and Mungana are examples of porphyry gold and base metal systems in which the economic mineral content is either disseminated or hosted in vein networks within the intrusive body itself or as a surrounding halo in the host rocks.

Leane's 2020 Drilling Program

An RC/diamond drilling program was completed in November/December to follow up and extend the shallow drilling completed at Leane's in 2010 (Figure 1).

A total of nine RC drill holes for 961m tested the shallow hydrothermal breccia copper zone (Phase 1), and two follow-up diamond drill holes were undertaken to test the interpreted deeper porphyry-related copper-gold mineralisation (Phase 2). Phase 2 diamond drilling was interrupted due to onset of wet season in December with holes LDD001 and LDD002 stopped at 135m and 60m respectively, short of the initial target depth. Drilling will continue immediately after cessation of wet season to effectively test the mineralised system at the targeted depths of 200-300m.

Figure 3 illustrates the mineralisation model proposed for Leane's and Figure 4 shows the locations and Table 1 documents drillhole details.

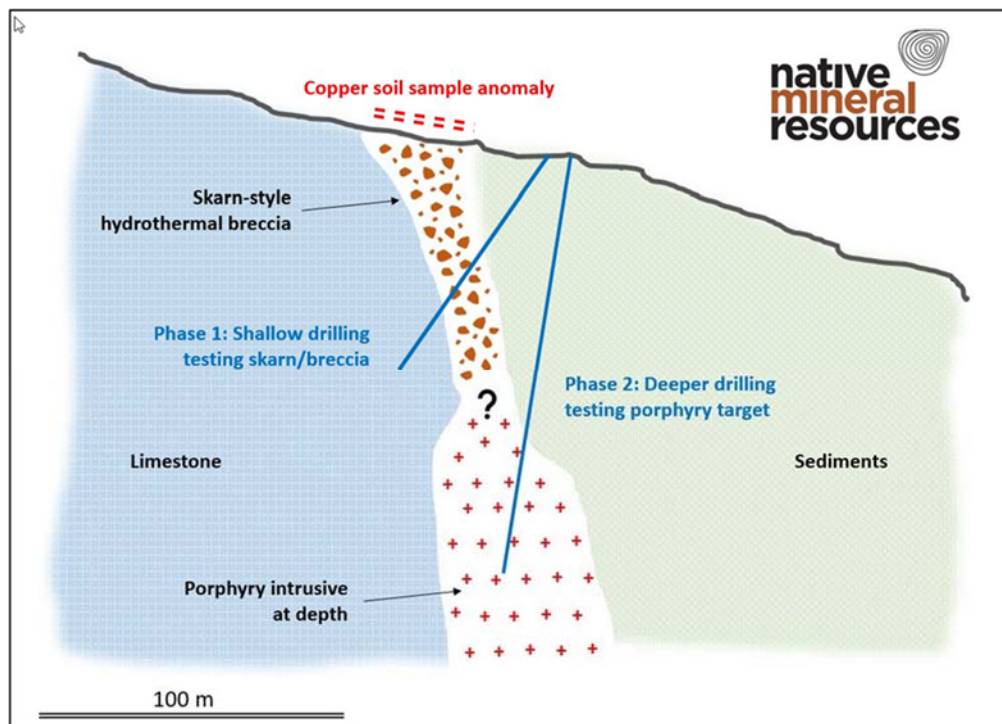


Figure 3: Mineralisation model proposed for Leane's Copper Prospect

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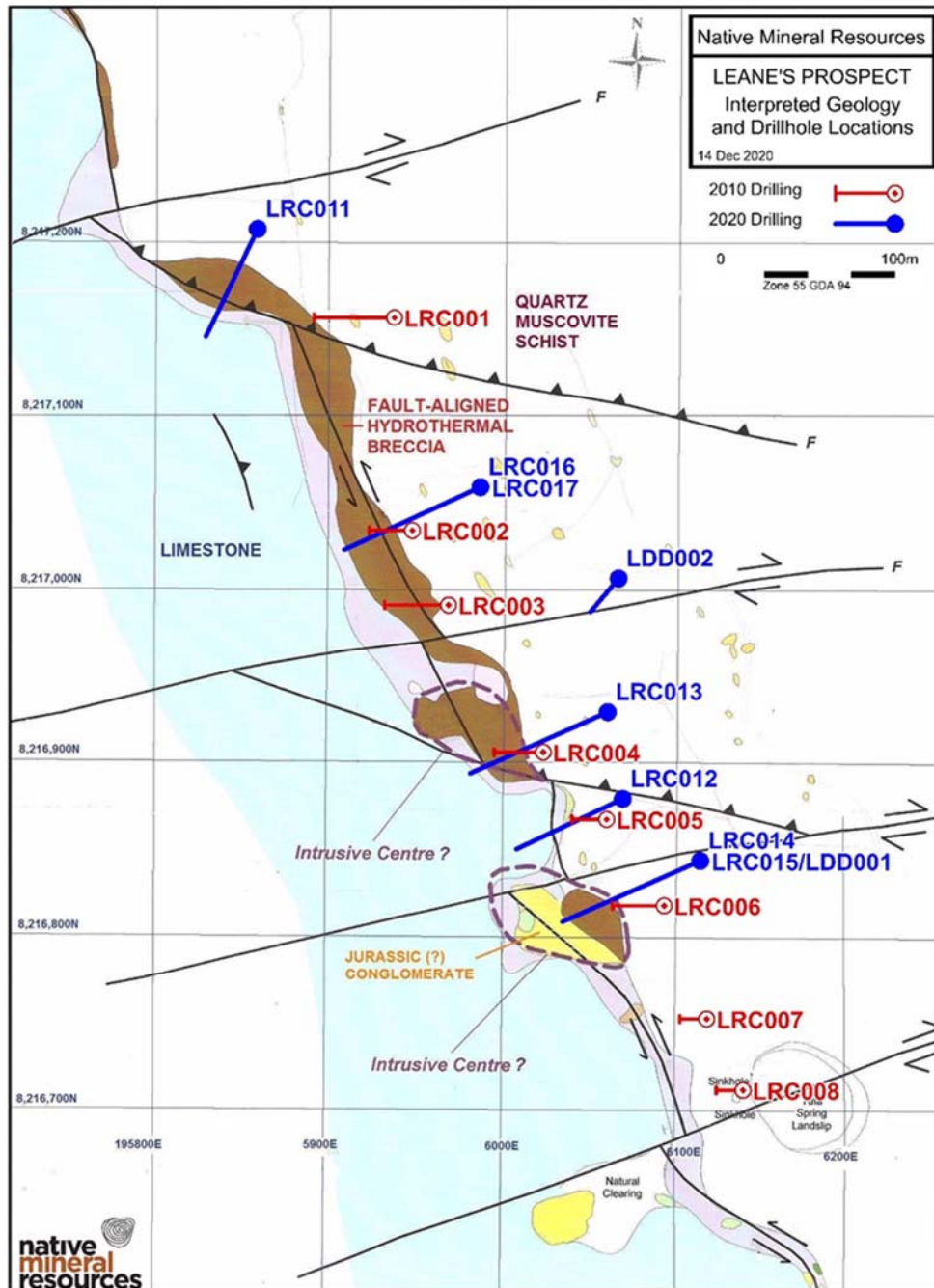


Figure 4: Leane's Prospect interpreted geology and drillhole locations

Table 1: Leane's Prospect 2020 drillhole details

HOLE ID	EASTING (GDA94)	NORTHING (GDA94)	RL (m)	AZIMUTH (MAGNETIC °)	DIP (°)	HOLE DEPTH (m)
LRC011	195885	8217235	345	199	-55	106.0
LRC012	196074	8216876	354	239	-55	84.0
LRC013	196068	8216937	360	239	-55	140.0
LRC014	196097	8216846	356	239	-55	140.0
LRC015 precollar	196106	8216849	356	239	-80	96.0
LRC016	195987	8217060	350	239	-55	114.0
LRC017 precollar	195987	8217060	350	239	-80	86.0
LDD001	196105	8216847	356	239	-80	135.0
LDD002 precollar	196067	8217008	376	220	-75	60.0
Total depth (2020)						961.0

Notes LRC prefix – hole completed by RC drilling. LDD prefix – hole completed by diamond drilling

Five RC drillholes partially or fully tested the near-surface hydrothermal breccia mineralisation that sits below a strong linear copper-dominant soil anomaly (Phase 1). All holes intersected a ferruginous breccia horizon as expected associated with the contact between metasediments and limestone. Three holes intersected copper mineralisation with grades of more than 0.2% Cu as follows:

- LRC013 3m from 93m depth averaging 0.28% Cu, including 1m @ 0.29% Cu
- LRC014 6m from 74m depth averaging 0.33% Cu, including 1m @ 0.61% Cu
- LRC016 8m from 80m depth averaging 0.25% Cu, including 1m @ 0.42% Cu

The Phase 1 drilling of the hydrothermal breccia system confirmed the presence of this system over a 400m strike length. Surface geochemistry suggests the breccia system is at least 1.5km long and this year's drilling results will be assessed to plan further exploration in 2021.

ASX Announcement



Table 2: Leane's Prospect 2020 significant drillhole assays

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Fe (%)	S (%)	Zn (%)	Au (ppm)
LRC011	84.0	85.0	1.0	0.17	5.6	0.01	0.02	<0.01
LRC012	0.0	84.0	84.0	NSR reported from the breccia zone				
LRC013	92.0	93.0	1.0	0.10	3.1	0.03	<0.01	0.02
	93.0	94.0	1.0	0.29	25.8	0.01	0.02	0.02
	94.0	95.0	1.0	0.28	25.8	0.01	0.02	0.01
	95.0	96.0	1.0	0.27	25.6	0.02	0.02	<0.01
LRC014	50.0	51.0	1.0	0.22	1.9	0.04	0.02	0.01
	51.0	52.0	1.0	0.12	2.8	<0.01	0.03	<0.01
	52.0	53.0	1.0	0.13	32.6	<0.01	0.07	<0.01
	53.0	74.0	21.0	NSR				
	74.0	75.0	1.0	0.27	2.7	0.09	<0.01	0.10
	75.0	76.0	1.0	0.40	1.0	0.22	<0.01	0.09
	76.0	77.0	1.0	0.61	2.0	0.23	<0.01	<0.01
	77.0	78.0	1.0	0.22	1.2	0.41	<0.01	<0.01
	78.0	79.0	1.0	0.17	1.4	0.09	<0.01	<0.01
	79.0	80.0	1.0	0.28	0.6	0.09	<0.01	<0.01
	80.0	81.0	1.0	0.13	0.6	0.07	<0.01	<0.01
LRC015 ^A	0.0	96.0	96.0	NSR				
LRC016	79.0	80.0	1.0	0.15	7.6	0.04	0.01	<0.01
	80.0	81.0	1.0	0.20	13.1	0.03	0.02	0.02
	81.0	82.0	1.0	0.42	9.1	<0.01	0.02	<0.01
	82.0	83.0	1.0	0.23	4.5	0.02	0.03	<0.01
	83.0	84.0	1.0	0.28	7.3	<0.01	0.02	0.02
	84.0	85.0	1.0	0.20	7.3	<0.01	0.01	<0.01
	85.0	86.0	1.0	0.15	4.6	<0.01	0.01	0.01
	86.0	87.0	1.0	0.27	6.5	0.02	0.04	0.07
	87.0	88.0	1.0	0.29	13.6	<0.01	0.03	0.05
LRC017 ^A	0.0	5.0	5.0	0.21	15.5	0.02	0.01	<0.01

Notes All analyses of greater than 0.1% Cu reported. All intervals are downhole lengths. NSR = No significant results

^A LRC015 and LRC017 did not test the breccia target

ASX Announcement



Four drillholes (two RC holes and two diamond holes) were designed to test the proposed exploration model of deeper intrusive-related mineralisation below the breccia zone (Phase 2). Results have confirmed the validity of this model, with diamond hole LDD001 intersecting multiple intervals of polymictic breccia with silica-carbonate breccia infill and stockwork veining over a 40m interval from 96m (Figure 5). In places the polymictic breccia includes highly altered porphyry fragments.

Post quarter end, the Company reported assay results from Phase 2 diamond drilling completed at Leane's.

This batch comprised 155 samples from drill holes testing for porphyry intrusions. Due to the onset of the wet season in December, Phase 2 drilling to date has only tested to shallow depths with hole LDD001 stopping at 135m and LDD002 stopped at 60m. Both holes will be completed to a minimum of 200m as soon as access permits.

Due to drilling not reaching the intended target depths, no significant intersections of either copper or gold were returned. However, further detailed analysis of the diamond core under digital microscope have confirmed the existence of porphyry intrusions throughout the core in both holes LDD001 and LDD002.

Further details on these results can be found in the ASX announcement dated 21 January 2021.



Figure 5: LDD001 core showing breccia with quartz-carbonate stockwork infill

Review and planning for 2021

A detailed review of the Palmerville Project geochemical and geophysical database commenced during the quarter and results will be used to prioritise exploration, which is scheduled to resume in early 2021. Drilling at Leane's will recommence immediately after the wet season.

ASX Announcement

EASTERN GOLDFIELDS PROJECT PORTFOLIO, WA

Background

The Yilgarn Craton is one of Australia's premier mineral provinces and host to major deposits of gold, nickel, zinc, silver, tantalum and iron ore and other commodities. Recent exploration success has discovered new gold deposits that are intrusion-related gold systems (IRGS), which has led to a greater exploration focus in areas that have received little exploration focus.

NMR has entered into an option agreement to acquire two EIs and two EL applications covering a total area of 540km² in the Eastern Goldfields between Kalgoorlie and Leonora, in areas of prospective intrusive rocks, close to operating gold mines (Figure 6). The tenements are underexplored and offer opportunities to discover relatively new concepts of gold mineralisation.

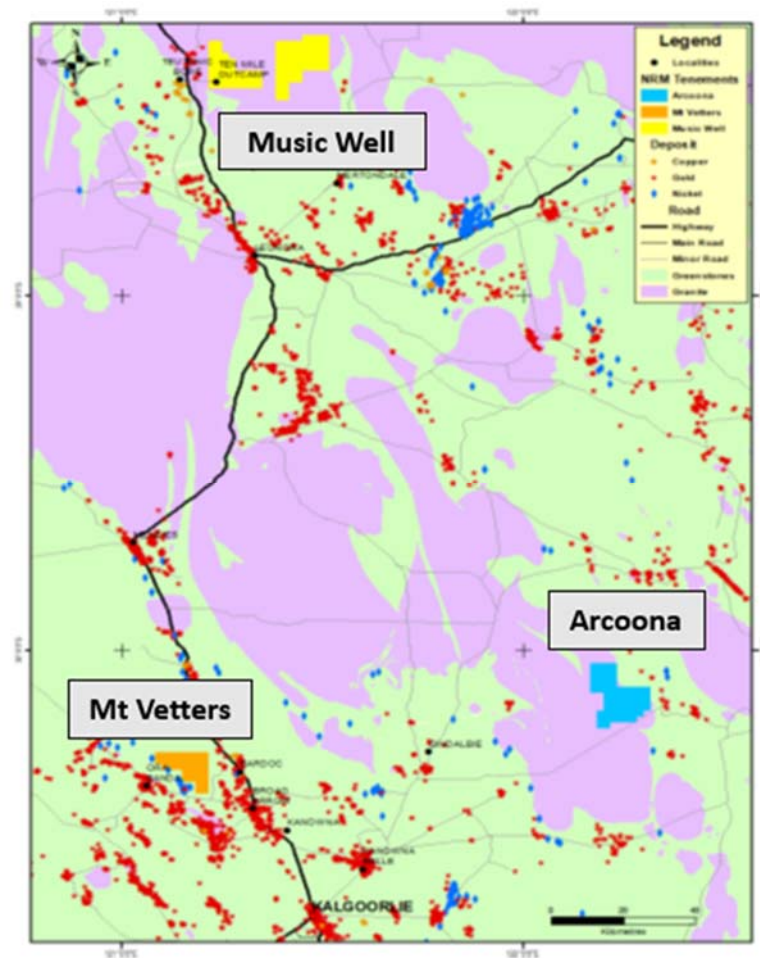


Figure 6: Eastern Goldfields Project geological setting and tenements

ASX Announcement



Activities

NMR exercised the option to acquire EL 37/1362 and EL 37/1363 over the Music Well Property ("Music Well") and EL application 31/1203 over the Arcoona Property ("Arcoona"), which together form part of the Eastern Goldfields Gold Project.

Post quarter end, NMR reported the completion of a comprehensive data analysis and target definition program across the Music Well Project which is located 60km north-northeast of Leonora.

Music Well covers 270km² in the Yilgarn Craton region and is considered highly prospective for gold mineralisation given its close proximity to four operating gold mines and a history of small-scale gold mining within the project tenure. Intrusion-hosted gold mineralisation in the same host intrusive rocks has been demonstrated in high-grade historic open pit gold mines located less than 3km west of E37/1362 and only 20km west of the priority Music Well target area.

Data generated from this desktop program will be used to refine planned field work activities at Music Well which are expected to commence this quarter.

As part of its exploration strategy, NMR is pursuing short term mining opportunities in the central part of the Music Well project area where multiple geological and geochemical methods have shown extremely positive and anomalous values for gold in a priority area of approximately 2km x 3km. This highly prospective tenement remains underexplored, however gold and gold-bearing samples have been recovered from quartz veins exposed at the surface.

Further details on the Music Well data analysis and review can be found in the ASX announcement dated 22 January 2021.

Planning for 2021

A field-based exploration campaign is planned for February 2021 in order to test a range of features already identified and as described above. Focus will be on targeting NE-NNE-trending quartz filled fractures and faults that lie coincident with magnetic lows.

MOUNT MORGAN PROJECT, QLD

Background

The Mount Morgan Project is one tenement comprised of 13 sub-blocks in four non-contiguous areas surrounding the township of Mount Morgan located 30 km south of Rockhampton in central Queensland. The Mount Morgan mine was a major copper and gold producer from 1882 to 1981, during which production totaled around 50 Mt @ 0.7% Cu and 4.7 g/t Au. The deposit is considered to be a volcanogenic massive sulphide deposit or an intrusion-

related replacement deposit, and most historical exploration programs in the district have targeted this style of mineralisation.

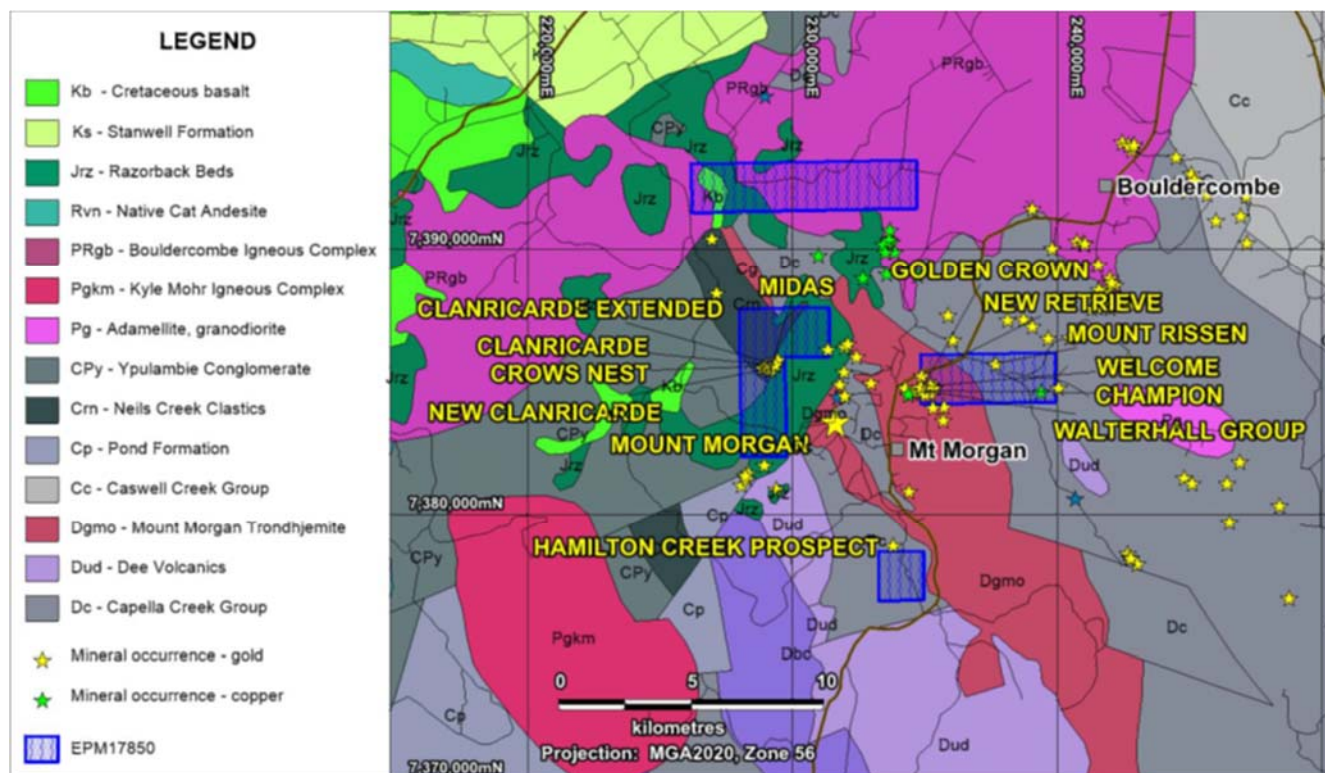


Figure 7: Mount Morgan Project geological setting and tenements

Activities

A technical review of the Mount Morgan Project commenced during the quarter and will be used to prioritise the 2021 exploration program.

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.

ASX Announcement



Use of Funds	Prospectus use of Funds	Funds used to 31 Dec 20
Exploration Costs (2 years)	3,327,000	1,277,947
Acquisition of mining tenements in W.A.	80,000	61,500
Palmerville Project Land Access agreement expense	16,000	-
Operating expenses	1,545,700	288,253
Costs of Offer - fundraising	445,000	445,000
Costs of Offer - ASX, legal, accounting & other support services	329,000	338,740
TOTAL	\$ 5,742,700	\$ 2,411,440

The payments to related parties and their associates during the quarter of \$61k, 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 Ms Kathy Hughes, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Hughes is a full-time employee of Hughes Consulting, an independent company appointed by the Company to provide technical and mining support services in relation to the Company's activities. Ms Hughes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Hughes has no potential conflict of interest in accepting

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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.

Tenement Schedule as at 31st December 2020:

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	Application		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