

Annual Report

30 June 2021

**Developing a new
Australian based
Copper and Gold
mining company.**



Corporate Directory

Directors

James Walker - Non-Executive Chair
Blake Cannavo - Managing Director & CEO
Philip Gardner - Non-Executive Director

Company Secretary

Marika White
Emerson Corporate Legal Operations

Australian Company Number

643 293 716

Registered Office

Suite 4201, Level 42, Australia Square
264 George Street,
Sydney NSW 2000

Principal Office

Suite 10, 6-14 Clarence Street
Port Macquarie NSW 2444

Website

www.nmresources.com.au

ASX code

NMR

Auditors

HLB Mann Judd Assurance (NSW) Pty Ltd
ABN 96 153 077 215
Level 19, 207 Kent Street Level
Sydney NSW 2000

Contents

04

01. Company Profile

06

02. Key Highlights

08

03. Chairman & CEO Statement

10

04. Chairman & CEO Letter

12

05. Significant Events

14

06. Financial Overview

16

07. Exploration Overview

30

08. Board of Directors'

32

09. Senior Management

34

10. Shareholder Information

36

11. Corporate Governance

38

12. Compliance

40

13. Sustainability

42

14. Directors' Report

53

15. Auditor's Independence Declaration

54

16. Consolidated Statement of Financial Position

55

17. Consolidated Statement of Profit & Loss and Other Comprehensive Income

56

18. Consolidated Statement of Cash Flows

57

19. Consolidated Statement of Changes in Equity

58

20. Notes to the Financial Statements

77

21. Directors' Declaration

78

22. Independent Auditor's Report

82

23. Additional Shareholder Information

01. Company Profile

Native Mineral Resources is an Australian public company that was incorporated on 7 August 2020 for the purpose of acquiring Native Mineral Resources Pty Limited and to become a gold and copper exploration and mining company with prospective tenements in the Palmerville fault area of Far North Queensland and in the Kalgoorlie/Leonora Eastern Goldfields region in Western Australia.



Vision

The Company's vision is to create significant shareholder value through the exploration and development of gold and copper deposits in Queensland and gold deposits in Western Australia.



Mission

To explore NMR's current and future tenement portfolio to realise potential for the development of commercially viable mineral resources.



Values

SAFETY

Provide a safe environment

INTEGRITY

Perform our duties with dedication and respect

RESPONSIBLE

Act in the best interest of our stakeholders

ENVIRONMENT

Ensure environmental sustainability

INNOVATION

Encourage innovation and opportunities

DELIVER

Make it happen

02.

Key Highlights

**TOTAL METERS (Holes)
Drilling (RC and DD)**

961 m (9 Holes)

**TOTAL SAMPLES COLLECTED
(Rock Chips, Bulk, Drill Assay)**

758

Tenements

2 Newly
Aquired

QLD, 65 Sub-Blocks, 213.85km²;
WA, 61 Sub-Blocks, 171km²

3 In
Application

Nullarbor WA,
92 Sub-Blocks, 257.6kms²

Significant Findings

0.61 % Cu

RC Drilling Assay
Grade @ EPM 11980
Leane's, Palmerville

7.99⁽¹⁾ - 19.99⁽²⁾

% Cu Sampling Grade
@ EPM 27396
Fairlight (1)
Glenroy (2)

129⁽¹⁾, 3.56⁽²⁾

g/t Au Sampling Grade
@ E37-1362
Highest (1)
Avg (2)

4 Months Lookahead Planned Activities

450 m

Diamond drilling at
Music Well E37-1362

1,000 t

Bulk Sampling of
Quartz Vein at Music
Well E37-1362

34,491 km

Airborne Magnetic
Survey Over Palmerville/
Music Well E37-1363 and
Nullarbor Tenements

03.

“NMR has demonstrated an ability to prioritise our exploration programs within our significant exploration portfolio. We have made significant progress in each of our exploration areas to better understand the potential at each site. We believe we have both the resolve and ability to deliver the Company’s strategic objectives and remain focused to deliver value to our shareholders.”

James Walker
Non-Executive Chair

“NMR continues to invest strategically in new highly prospective tenements through geophysics reviews and model studies. Defining mineral targets and perform exploration activities through cost effective approach. NMR will continue to develop its resource capabilities and knowhow in positioning ourselves towards the shift from an exploration to a revenue generating mining company in the shortest possible time.”

Blake Cannavo
Managing Director & CEO



04. Chairman & CEO Letter

Dear Shareholder,

With great pleasure, we offer to you our first annual report for the fiscal year 2021. The year set off a significant milestone for the Company and strong start from listing on the ASX to complete our initial exploration program which uncovered many important discoveries that set the stage for the upcoming program. With our further strategic expansion through acquisition and application of the Kalgoorlie Eastern goldfield and the Nullarbor tenements in Western Australia, the Company currently has notable potential across both Queensland and WA high prospect regions.

We recognise that the pandemic's consequences of COVID-19 have yet to be fully realised, and we are now working in a new "normal". Ensuring the safety and health of our workers and partners remains a top priority as we execute our work program.

Financial

Native Mineral Resources' net assets were \$2.0 million as of June 30, 2021, with \$2.05 million in cash on hand. For the whole year, \$2.07 million in net cash was invested in exploration development and management operations. The IPO raised \$5.74 million in net equity.

The Company's spending is in line with the prospectus budget, with an increase largely due to the acceleration of the two-year work programmes in an effort to allow the Company to generate near-term revenue prospects, as decided by NMR's strategic move. While we pay close attention to every area of our operations in order to optimise expenditures, we will do so without jeopardising our work programmes' safety and operability.

The Company sold Mt Morgan to GBM Resources for \$35,000 in cash and 1.562 million GBM shares worth \$200,000 on July 01, 2021. NMR will be able to focus its resources and efforts on expediting work programmes in its key assets, the Eastern Goldfields and Palmerville tenements, as a result of this strategic move.

Palmerville Campaign

Early indications from the Leane's prospect RC and diamond drill holes programme in Q4 2020 has confirmed the existence of high-level porphyry intrusions comparable to those discovered at the Mungana and Red Dome copper deposits. Rock chip samples from a new location discovered south of the historical 'Fairlight' copper mines yielded 7.99 percent copper values. Additional rock chip samples from the Glenroy target region revealed copper values of up to 19.99 percent and 1.6 percent respectively, from a new target discovered near the Palmer River. We are really excited to carry out our next phase of exploration programme since this high-grade copper strikes across new and old target regions.

In the first quarter of 2022, a regional airborne geophysical survey will be conducted to refine the drill target, with field proofing and drilling to follow in the second quarter of 2022.

Music Well Campaign

The two field sampling operations, which took place in March and May of 2021, yielded outstanding findings, with visible gold found in many rock chip samples. The greatest gold grade was 129 grams per tonne of gold. This find indicated that the mineralisation is comparable to that of other thin vein gold deposits in the area, and that gold can be extracted using simple crushing and gravity separation techniques. The planned follow-up programme at Music Well for FY2022 includes a 450m diamond drilling campaign co-funded by the EIS, a 1,000t quartz vein bulk sample programme as well as an airborne geophysical survey. These programmes will begin in the Q3 2021 and Q1 2022.

Nullarbor Application

NMR has applied for three tenements over the south-east of WA, the Nullarbor region, adding Nickel commodities to its portfolio, based on thorough geophysical investigations and assessments by our geology team. The magnetic properties of these high-potential Nickel, Copper, and Gold prospects are comparable to those of neighbouring mines. Because these tenements are currently under cover, NMR will have the benefit of becoming the first explorer in this rapidly growing area of interest. Landowners and a heritage agreement are now being discussed. Airborne geophysical surveys are expected to begin in September 2021, with a total of 1,500 metres of diamond drilling planned for the first quarter of 2022.

Looking Forward

While our planned work initiatives for FY2022 have yet to begin, we are optimistic about their success. The Company will continue to take steps to position itself for future growth, including strategic acquisitions. Through intensive modelling and desktop research conducted by our geologist, we predict exciting finds from the Music Well and Nullarbor exploration projects, and NMR is well positioned to execute all of these forthcoming activities.



James Walker

Non-Executive Chair

Because copper has emerged as one of the most important commodities as a result of the continuous implementation of green policies, exploration in the Palmerville project will pick up steam after the geophysical aerial magnetics are completed and reviewed in fourth quarter 2021. NMR is prepared to help fulfil the demands of this worldwide transformation. We think we have the determination, experience, and capability to pivot and manage the Company's strategic aim, capturing new emerging chances and possibilities while growing in size and profitability.

Appreciation

As we look back on FY2021, we are appreciative to all of our partners, consultants, and landowners for their positive responses and collaboration towards our goal. We would like to express our gratitude to the NMR team for their effort, collaboration, and commitment throughout the year, without which we would not have progressed as far as we have. Finally, we'd like to express our gratitude to all of you shareholders for your support of the Company's business actions and efforts during the year. Thank you for your unwavering support as we embark on what promises to be an exciting next 12 months.



Blake Cannavo

Managing Director & CEO

05. Significant Events

PALMERVILLE QLD

RC drilling testing the shallow hydrothermal breccia system at Leane's Copper Prospect

Results include:

- LRC014 - 6m from 74m averaging 0.33% Cu, including 1m @ 0.61% Cu
- LRC016 - 8m from 80m averaging 0.25% Cu, including 1m @ 0.42% Cu

PALMERVILLE QLD

East Palmerville South Exploration Permit 27452 Granted on 2nd February 2021

EASTERN GOLDFIELDS WA

Exercise option agreement with Sullivan Creek to formally acquire E37/1362-E37/1363 Music Well and E31/1203 Arcoona

**DEC
2020**

**FEB
2021**

**NOV
2020**

**JAN
2021**

NMR ASX

Listing on 16th Nov 2020

ARCOONA WA

Acquisition of E31-1203 Arcoona Gold Project in Eastern Goldfields WA on 19th Nov 2020

PALMERVILLE QLD

Commenced Drilling Mobilisation at Leanes on 7th Nov 2020

PALMERVILLE QLD

Diamond drill holes confirm presence of high-level porphyry intrusions at Leane's copper prospect similar to that found at Mungana and Red Dome Copper deposits

PALMERVILLE QLD

Commenced sampling program at Fairlight/Glenroy (EPM 27396) in early Apr 2021

MUSIC WELL WA

High-grade gold mineralisation up to 129 g/t Au with average grade of all 128 samples collected from the target vein is 3.16 g/t Au

**APR
2021**

**JUN
2021**

**MAR
2021**

**MAY
2021**

MUSIC WELL WA

Rock Chip sampling (Stage 1a) commenced at Music Well Gold Project, Eastern Goldfields in early March 2021.

Target vein samples - one returning more than 100 g/t Au - highlight potential for Music Well to host a major gold-bearing structure

PALMERVILLE QLD

Rock chip samples from targets within Palmerville project return grades up to 7.99% Cu from Fairlight and 19.99% Cu at Glenroy

MUSIC WELL WA

Commenced Bulk Sampling (Stage 1b) at Music Well on 10th May 2021

06.

Financial Overview

FY21

As of 30th June 2021

\$2,002,439

Net Assets

vs -\$24,812 (30th June 2020)

\$2,049,092

Cash

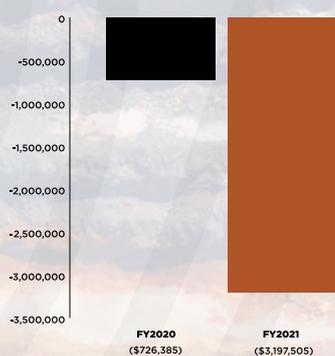
vs \$5,438 (30th June 2020)

85,288,501

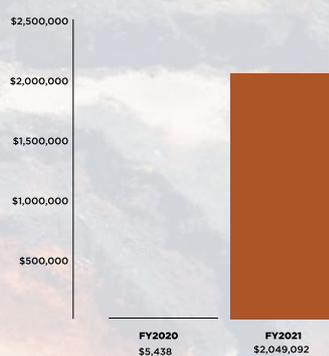
**Fully Paid
Ordinary Shares**

vs -53,000,000 (30th June 2020)

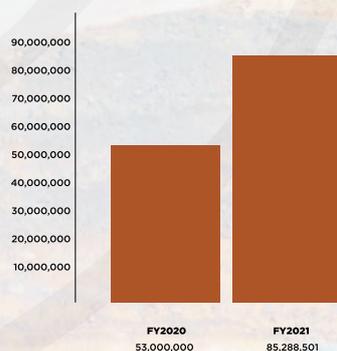
Operating Net Profit/(Loss)



Net Cash



Number of Shares Issued



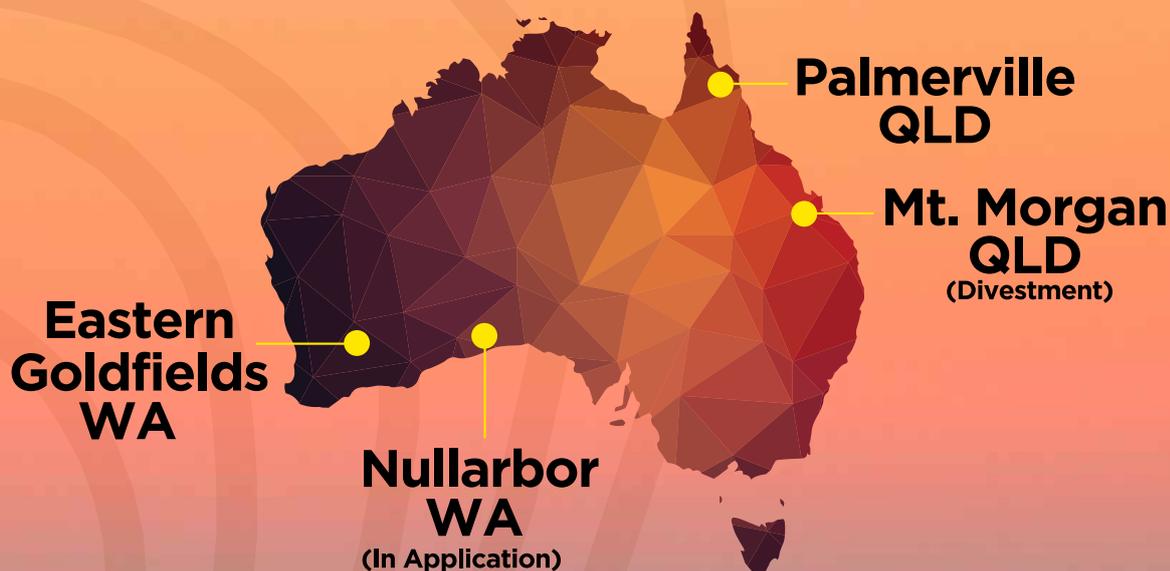
Fully Paid Ordinary Shares



07.

Exploration Overview





Project	Tenement ID	Tenement Name	Sub-Block (Sqkm)	Status
Palmerville, QLD	11980	Limestone Creek	4 (13.2)	Granted
Palmerville, QLD	18325	Bald Hills	15 (49.4)	Granted
Palmerville, QLD	19537	Mitchell River South	33 (108.6)	Granted
Palmerville, QLD	26891	Palmerville North	63 (207.27)	Granted
Palmerville, QLD	26893	Palmerville West	100 (329)	Granted
Palmerville, QLD	26894	Palmerville East	84 (276.36)	Granted
Palmerville, QLD	26895	Palmerville South	63 (292.81)	Granted
Palmerville, QLD	27396	East Palmerville North	100 (329)	Granted
Palmerville, QLD	27452	East Palmerville South	65 (213.85)	Granted
Mount Morgan, QLD	17850	Mount Morgan	13 (41.6)	(Divestment 01-Jul-21)
Eastern Goldfields, WA	E37/1362	Music Well	58 (162)	Granted
Eastern Goldfields, WA	E37/1363	Music Well	39 (109)	Granted
Eastern Goldfields, WA	E31/1203	Arcoona	61 (171)	Granted
Eastern Goldfields, WA	E24/210	Mt Veters	35 (98)	(Granted 26-Jul-21)
Nullarbor, WA	E69/3849	South Nullarbor	25 (70)	In Application
Nullarbor, WA	E69/3850	Central Nullarbor	26 (72.8)	In Application
Nullarbor, WA	E69/3852	North Nullarbor	41 (114.8)	In Application
TOTAL			825 (2,658.69)	

Exploration Overview

PALMERVILLE QLD

PALMERVILLE COPPER AND GOLD PROJECT, QLD

9	1820	527	Project Status
Tenements	Km² Area Coverage	Subblocks	Obtained from DNRME on 17th May 2021

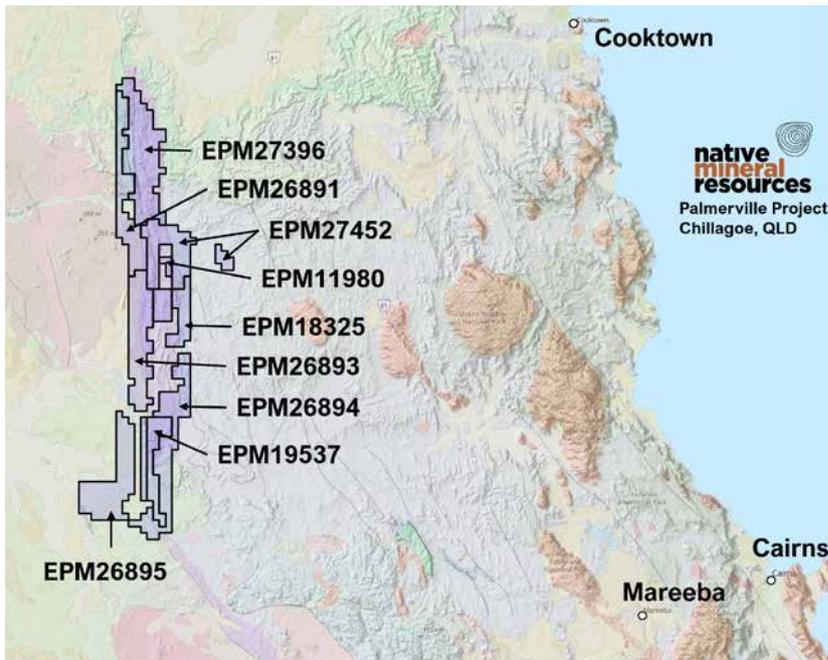
The Palmerville Project is highly prospective for V(H)MS and Porphyry-hosted copper mineralisation. The tenements cover a majority of the northern Chillagoe Formation, which, to the south, hosts the Red Dome and Mungana porphyry and skarn-associated gold-copper deposits. The Chillagoe Formation also 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 hosted massive sulphide (V(H)MS) related or vein/contact-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.

The company completed a drilling campaign at Leane's in December 2020 and field sampling in April 2021.



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 for detailed geological maps.

NMR EXPLORATION PROGRAMS & DISCOVERIES IN REPORTING YEAR

1 RC / Diamond Drilling at Leane's (Completed Dec 2020)

EPM 11980:
7 RC Holes (766m), 2 DD Holes (195m)
 with highest grade **0.61% Cu**

2 Field Reconnaissance Sampling (Completed April 2021)

EPM 27396:
18 Rock Chips Samples with grades up to **7.99% Cu** (Fairlight) and **19.99% Cu** (Glenroy)

3 Airborne Geophysical Survey (Planned Sep 2021)

Palmerville Regional:
 Air Mag Survey **~26,803 Line KM**
 (50-100m Line Spacing)

Completed Activities

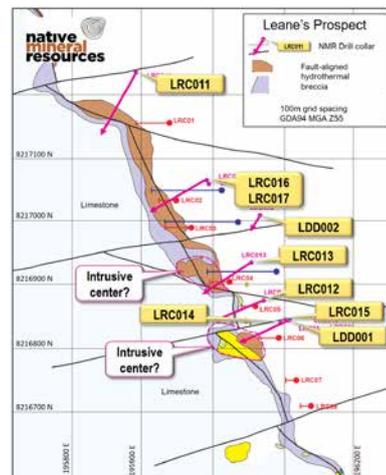
EPM 11980 Leane's

Drilling Campaign in Nov-Dec 2021

Of the 9 drill holes, three RC 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**

NMR will undertake additional drilling following the acquisition of geophysics over the target area and further target definition.



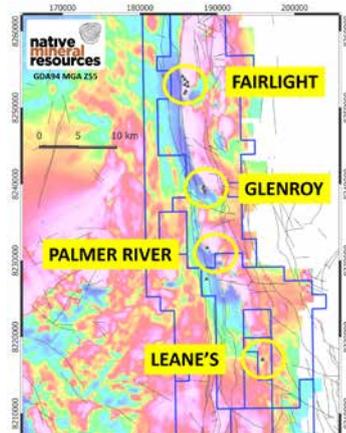
Simplified geology map of the Palmerville Copper Prospect. NMR drill hole ID labels for each hole.

EPM 27396 Fairlight/Glenroy

Field Reconnaissance Sampling in Apr 2021

Fieldwork was aimed at exploring several additional targets within the Palmerville Project tenements. The results obtained during the field campaign added to the copper prospect portfolio in Palmerville.

- Rock chip samples from a new site identified to the south of the historical 'Fairlight' copper mines returned grades of **7.99% Cu**
- Additional rock chip samples from the Glenroy target area returned copper grades of up to **19.99% Cu**



Map showing several major prospects in the Northern Palmerville project area. Prospects are overlain on regional magnetic data. Magnetic highs are in white and purple, lows in blue and green

Exploration Overview

PALMERVILLE QLD

UPCOMING ACTIVITIES

Regional Palmerville

Airborne Magnetics Survey Planned for Palmerville in March 2022

NMR has compiled all existing datasets for the Palmerville project area and have planned a regional geophysical survey to help resolve the links between regional structural geometries and mineralisation along the Chillagoe Formation and adjacent rock units. NMR are excited about the results from drilling, desktop geological research and the positive grades coming out of existing and new targets, reinforcing the area as a very high priority for copper deposit discovery.



AREA NAME	TRAVERSE SPACING	TRAVERSE DIRECTION	TIE LINE SPACING	TIE LINE DIRECTION	SENSOR HEIGHT	TOTAL LINE KMS
Palmerville 1	50m	090-270	50m	000-180	30-40m	16,065
Palmerville 2	100m	090-270	1000m	000-180	30-40m	10,738
TOTAL						26,803

MUSIC WELL GOLD PROJECT, EASTERN GOLDFIELDS, WA

4

Tenements

540

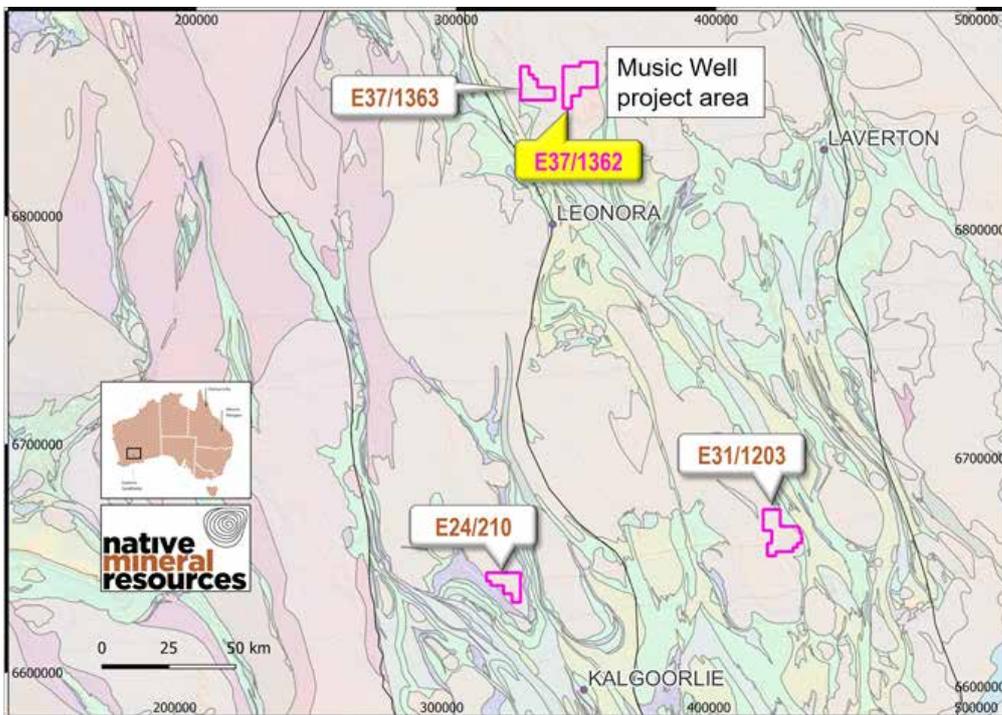
Km² Area
Coverage

193

Subblocks

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. The company completed a comprehensive sampling campaign in March and a second follow up campaign in May of 2021 aimed at testing the presence of gold in the target vein system and also to test the continuity of the gold-bearing target vein(s) below the surface. The identification and

ongoing positive results from the structurally controlled, gold-bearing vein(s) at Music Well, have prompted NMR to focus on this prospect. In the short term, however, the Mt Veters and Arcoona Projects, which are located within proximity to Kalgoorlie are gaining exploration momentum from the company based on the exploration success identifying mineralised, granite-hosted structures at the Music Well Project.



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. The background image is the regional WA geology map. The tenement hosting the Music Well target vein (E37/1362) is highlighted for reference. Grid reference provided is GDA94 MGA Zone 51.

**NMR EXPLORATION PROGRAMS & DISCOVERIES
IN REPORTING YEAR**

1

**Rock Chip Sampling
(Completed Mar 2021)**

E37-1362 Music Well (East):
50 Rock Chip (RC) and **28** Bulk samples
(BS). Visible gold observed with highest
grade over **100g/t** Au (RC) and **15.51g/t** Au

2

**Bulk Sampling
(Completed May 2021)**

E37-1362 Music Well (East):
128 Rock Chip Samples with highest grade
up to **129g/t** Au and an Avg of **3.16g/t** Au

3

**Diamond Drilling
(Planned Jul/Aug 2021)**

E37-1362 Music Well (East):
4 holes planned for **450m**.
HQ2 Diamond drilling

4

**Quartz Vein Bulk Sampling
(Planned Aug/Sep 2021)**

E37-1362 Music Well (East):
-1000t Bulk Sample from Qtz Vein
and carted to Mill for Toll Treating

5

**Airborne Geophysical Survey
(Planned Oct 2021)**

E37-1363 Music Well (West):
Air Mag Survey **-6,464** Line KM
(25m Line Spacing)

COMPLETED ACTIVITIES

E37-1362 Music Well (East)

Initial field work, regional targeting and Sampling (Stage 1a) in March 2021

NMR undertook a field-based campaign in March 2021 in order to investigate a range of targets on E37/1362 and E37/1363. Rock chip samples were recovered from across the tenement with a focus on two main targets including the main Music Well vein system. Results of up to 129 g/t were obtained from the rock chips and assay on ~30kg composite samples returned grades of up to 15.51g/t Au from the second target area. Simple crushing, gravity separation and panning of 20-30kg composite samples of the primary target vein returned visible gold from every sample.

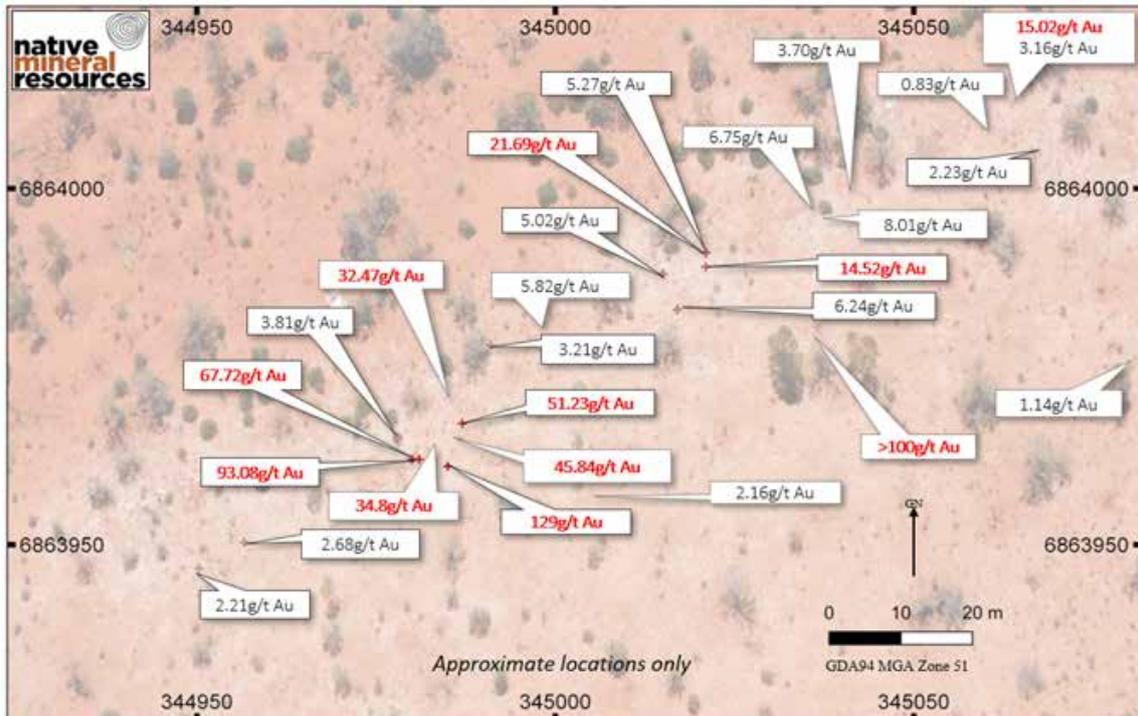
E37-1362 Music Well (East)

Bulk Sampling (Stage 1b) in May 2021

A second phase of field sampling targeted the primary Music Well vein. The vein was uncovered to a depth of up to 1m and samples assayed from the vein returned grades of up to 129 g/t Au.

The average grade of all NMR rock chip samples collected and assayed from both field campaigns is 4.315g/t from 156 samples. The median grade is 0.255g/t Au. This is a positive result and has prompted NMR to continue developing this exciting target.

Visible gold was observed in several rock chip samples collected from the excavated vein confirming the deposit style as, narrow-vein, nuggety style gold mineralisation. The random grab samples collected during the investigation of the vein that were found work to contain visible gold were set aside and not included in the samples for assay to avoid sample bias.



Map showing the location of a collection of samples over 1g/t from the Music Well target vein(s). The results are a collation of samples from rock chips collected during both field campaigns at Music Well. (refer to previous ASX announcements for sample details and JORC table).

COMPLETED ACTIVITIES



Rock Chips and Bulk Sampling Operation

UPCOMING ACTIVITIES

E37-1362 Music Well (East)

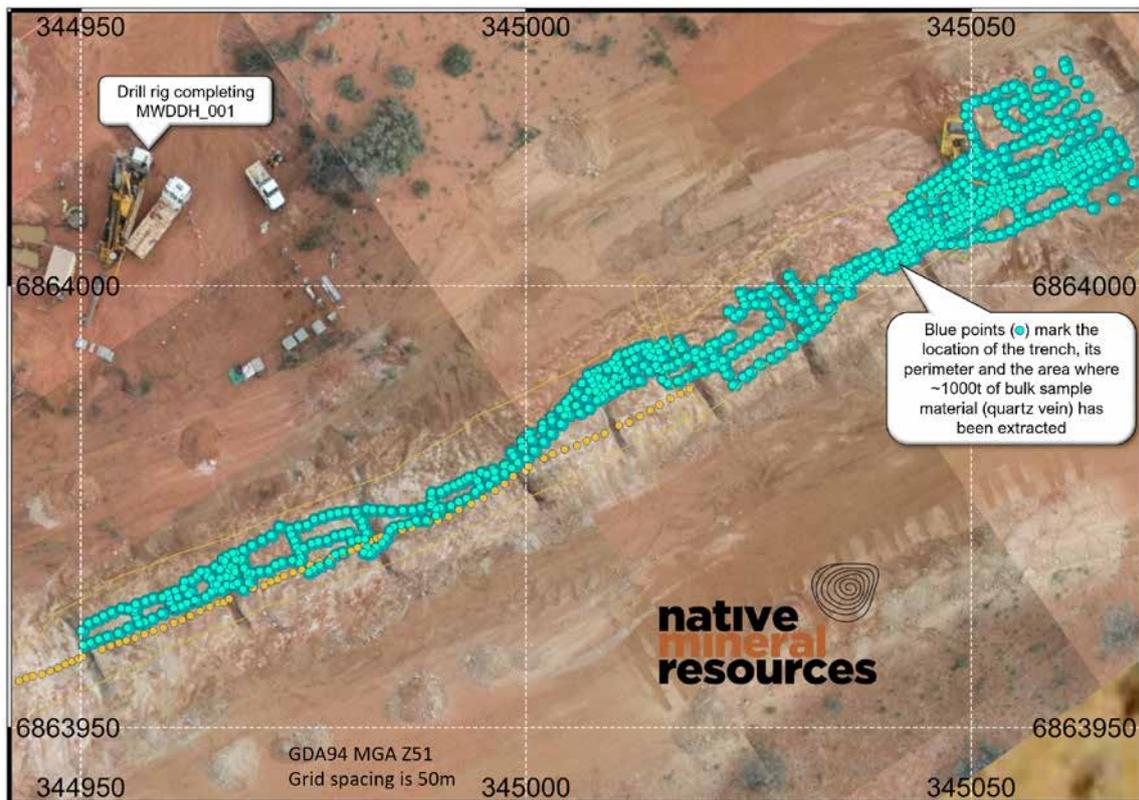
Diamond Drilling Planned in Jul/Aug 2021

NMR will begin the EIS co-funded diamond drilling program (Refer to ASX announcement 5th May 2021) (total 450m) in late July and early August 2021. Diamond drilling aims to assess the continuity of the vein at depth and to determine the sub-surface structural geometry of the vein and how this links to the high-grade rocks found at surface.

E37-1362 Music Well (East)

Quartz Vein Bulk Sampling Planned in Aug 2021

NMR recognise that the style of mineralisation is narrow vein nuggety gold. This style of mineralisation is difficult to assess using drilling and rock chip sampling alone, therefore, NMR will embark on a small bulk sampling campaign in order to overcome the issue of highly variable gold distribution. The bulk sampling will be an estimated 5,000-8000t bulk sampling program for approximately 1000t of quartz which will be sent for toll treating in August/September 2021.



Map showing the location of the area where 1000t of bulk sample has been collected.

Exploration Overview

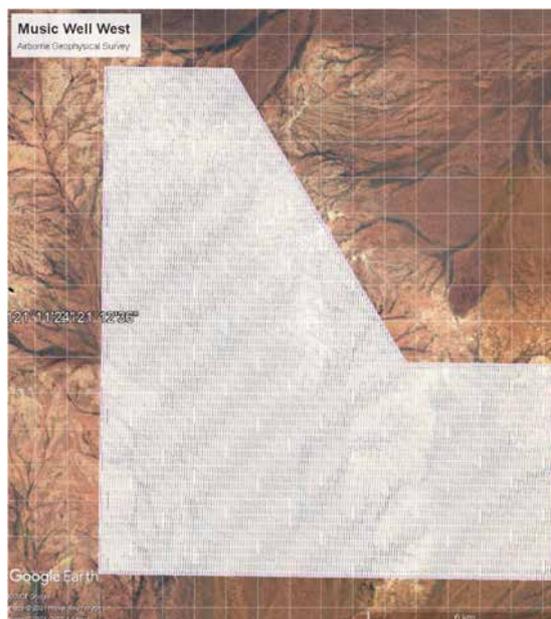
EASTERN GOLDFIELDS WA

UPCOMING ACTIVITIES

E37-1363 Music Well (West)

Airborne Geophysical Survey Planned in Jan 2021

NMR have planned a regional, tenement wide airborne magnetic survey to be completed in 2021. The survey will be over E37/1363, which is predominantly under cover, but where existing results indicate the presence of quartz reefs. These reefs are interpreted to be the along-strike equivalent or extensions of the same structures that host the adjacent deposits including the historic Celtic Gold deposit.

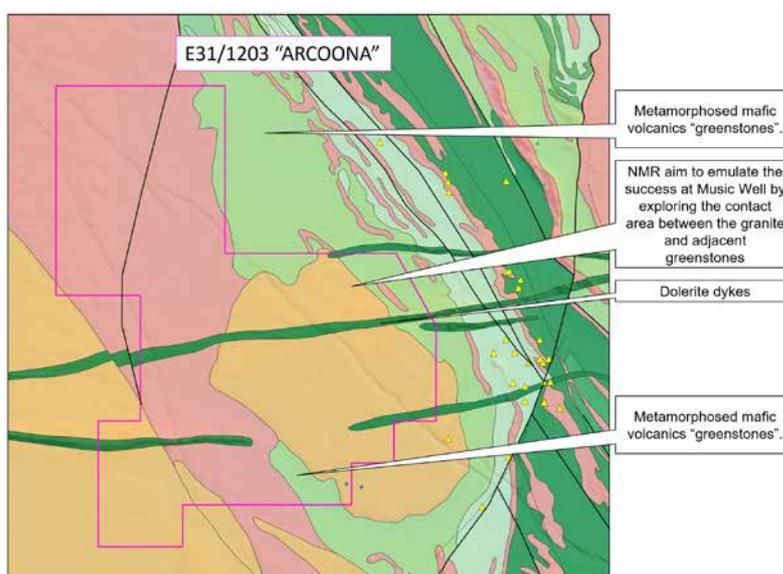


Survey Area (Google Earth)

AREA NAME	TRAVERSE SPACING	TRAVERSE DIRECTION	TIE LINE SPACING	TIE LINE DIRECTION	SENSOR HEIGHT	TOTAL LINE KMS
E37-1363 Music Well West	25m	000-180	250m	090-270	20-30m	6,464
TOTAL						6,464

E31-1203 Arcoona

NMR are exploring the Arcoona tenement (E31/1203) for high-grade, narrow-vein, intrusion-hosted gold mineralisation. The exploration and targeting campaign is utilising many of the lessons learned from the Music Well project where multiple gold targets have already been identified. The Arcoona Project is well positioned geologically as the granites are bound by greenstones along the eastern margin. These greenstones offer a potential source for the gold. The target for NMR is mineralisation on structures that cross-cut and terminate within the margin of the intrusion. Accordingly, the entire eastern margin of the Arcoona tenement offers excellent opportunities to undertake new and proven targeting methodologies for intrusion-hosted narrow vein gold mineralisation.



APPLICATION FOR NEW TENEMENTS IN THE NULLARBOR FOCUSING ON NI-CU-PGE AND-IOCG DEPOSIT STYLES, WA

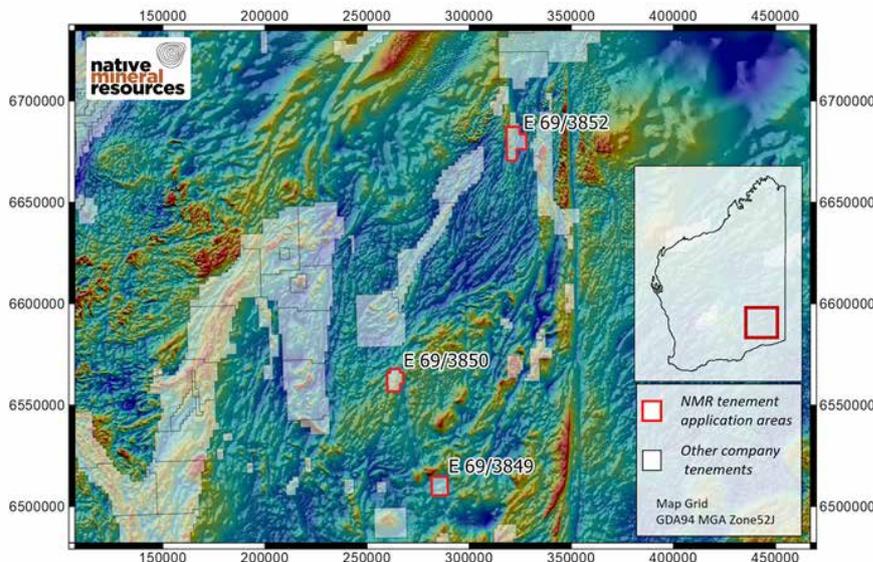
3 Tenements **258** Km² Area Coverage **92** Subblocks **Submitted** Application to DMIRS on 22nd March 2021

The three tenements have been considered prospective for intrusion-related Nickel-Cu-PGE and IOCG-style copper gold mineralisation.

The tenements are under cover and have avoided historical exploration thereby giving NMR the first explorer advantage in this exciting and rapidly growing area of interest. NMR plan to expedite testing of the Nullarbor targets using geophysics and drilling.

Securing these key tenements will add additional nickel and IOCG projects to the pipeline of copper and gold projects currently being explored by NMR.

Tenement ID	Geology Characteristic
E69/3849 & E69/3850	Areas with distinctive anomalies identified in magnetics and in a region where a regional Magnetotelluric (MT) geophysical survey shows a well-defined zone of relatively low resistivity beneath the target area, similar to the "Fingers of God" anomaly found beneath the major Olympic Dam deposit
E69/3852	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 relatively well-defined in regional, publicly available geophysics; however, the basement rocks are also located under cover. As a result, NMR plan to carry out a higher-resolution geophysical survey over the tenement followed by drilling after the geophysical results have been examined.



Map showing the location of the three tenements under application by NMR. Base map is the 40m TMI image from the DMIRS with a west-to-east hill shade to enhance magnetic features. The tenement map ("other company tenements") shown here was obtained from DMIRS on 1st June 2021. Map grid is GDA94 MGA zone 52J and coordinate values are provided in meters. NMR tenement application areas are E69/3852, E69/3850 and E69/3849.

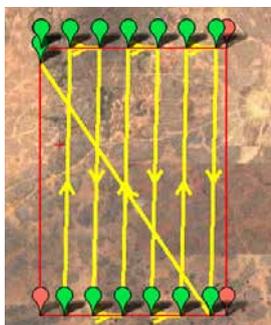
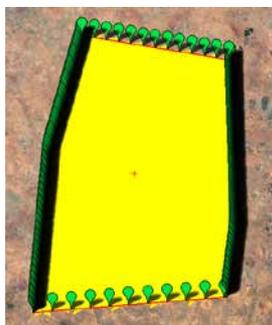
UPCOMING ACTIVITIES

Nullarbor

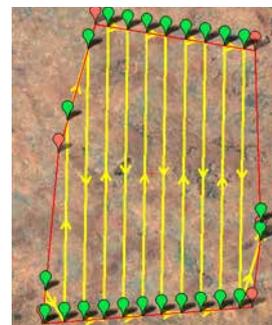
Airborne Survey Planned in Sep 2021

AREA NAME	TRAVERSE SPACING	TRAVERSE DIRECTION	TIE LINE SPACING	TIE LINE DIRECTION	SENSOR HEIGHT	TOTAL LINE KMS
E69-3852 Northern Area	50m	90	500m	180	20m	831
E69-3850 Central Area	100m	90	1000m	180	30m	693
TOTAL						1524

E69-3852 Northern Tenement



E69-3850 Central Tenement



Nullarbor

Diamond Drilling Planned in Q1 2022

1. 500m HQ2 diamond drill per holes, 1 each per tenement.
2. Total 1500m drill length for all 3 tenements.
3. Precise collar coordinates to be determined after review of the results from geophysics airborne survey planned Sep 2021.



08. The Board



Blake Cannavo

Managing Director and Chief Executive Officer

Blake is an accomplished Chief Executive Officer with more than 25 years' experience in the mining and construction sectors with companies including Fortescue Metals Group, Lihir Gold Limited and Aquila Resources.

He has been responsible for delivering a diverse range of projects valued up to \$10B in Asia Pacific, South Africa, the UK and Europe. A competent strategist, Blake has a proven track record in developing innovative plans and activities to ensure that projects are delivered on schedule and budget.



James Walker

GAICD, FCA, B.Comm

Non-Executive Chair

James has over 25 years' experience as a Chartered Accountant, company secretary and senior executive of various high growth private companies. James has successfully completed multiple ASX IPOs, corporate acquisition transactions, secondary round raises on both the ASX and UK AIM markets and private capital raises.

James thrives on scaling businesses, commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including deal-tech, data-driven customer experience, sensor systems, mining technology services, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors.



Philip Gardner

FAICD, CPA, B.Comm

Non-Executive and Independent Director

With 28 years' experience as a CEO and 20 years as a director of public, private, government and not for profit organisations, he brings the oversight and risk management experience to support the NMR team through its listing and life as a public company. Philip has had a non-executive director career across the health, infrastructure and tourism industries.

He spent twelve years on the NIB Limited (ASX NHF) board from its listing as a small cap health insurer to become, at the time of his resignation, an organisation with a market cap of over three billion AUD and substantial international operations. Philip is currently the CEO of The Wests Group Australia and the Knights Rugby League Pty Ltd.



Marika White

GIA, MAICD

Company Secretary

Marika is Executive Director of Emerson Operations Pty Ltd and has over 20 years' experience in the governance, investor relations, public relations and compliance fields, previously holding an in-house corporate secretariat role with Saudi Aramco, the world's largest oil company. Since that time, Marika has been Company Secretary and/or governance advisor for numerous ASX Listed and unlisted public and private companies (both in Australia and globally), in a range of industries covering energy, technology, mining, luxury goods, banking, biotechnology, entertainment, financial services, health care and not-for-profit.

09. Senior Management



David Pansisni

BAS

General Manager

David has 30 years' experience in the government and private sector and brings specialist expertise in the areas of project and construction management. He has extensive experience working with environmental and building regulations including the administration and implementation of the Building Code of Australia and associated standards and processes.



Chris Jacobs

CPA, MBS, BBus & BAS

Chief Financial Officer

Chris is a CPA accountant with over 20 years of multi-industry experience. He started his career working for KPMG and then owned his own Consulting business. Chris has a wealth of experience in business analysis and is interested in the development and implementation of process and system improvements. He worked for 3 years in a mining services manufacturing business as a Business Systems Manager. In recent years he has held the position of Chief Financial Officer in several family-owned businesses where he has been integral in driving the strategic and financial goals of these organisations.



Dr Simon Richards

PhD, MAusIMM, MAIG

Chief Geologist

Dr Simon Richards is a structural geologist with over 25 years' experience in both academia and industry roles. Dr Richards experience spans a range of disciplines from tectonics to microscale structural geology, geophysics, exploration, and mining. Dr Richards specialises in complex, systems-based exploration geology and has been integral in exploration programs targeting narrow vein gold, IOCG and porphyry mineralisation and even sea floor massive sulfides to name just a few. The skills and techniques obtained while working in both academia and industry have allowed Dr Richards to develop specialised techniques and technologies for exploring under cover in Australia and across the world.



10.

Shareholder Information

Statistics of shareholdings as at 20th October 2021

- Number of Issued Shares: 85,288,501

Top 20 Shareholders	Shares	%
BOC HOLDINGS PTY LTD <BOC FAMILY A/C>	51,583,619	60.48%
MR PHILIP PATRICK GARDNER	2,000,000	2.35%
BURRILL SKIES PTY LTD <BURRILL SKIES A/C>	2,000,000	2.35%
SYMPALL PTY LIMITED <DARREN PEARSON S/FUND A/C>	1,250,000	1.47%
CHELSEA ON THE PARK PTY LTD	1,250,000	1.47%
WOWE PTY LTD	1,095,413	1.28%
AZZOP PTY LTD	1,000,000	1.17%
MR RICHARD BENJAMIN ALVARES	834,473	0.98%
MISS BELINDA SUSAN RODGER	815,300	0.96%
HAND TO MOUTH PTY LTD & DAMIAN MCILROY & NICOLE MCILROY	750,000	0.88%
VSP INVESTMENTS PTY LTD	722,765	0.85%
MRS DENISE MARGARET MCKEOUGH & MR MURRAY EARL MCKEOUGH <MCKEOUGH SF A/C>	695,059	0.82%
CLAYCLAN PTY LTD <CLAYTON CLAN SUPER FUND A/C>	643,911	0.76%
MANN BEEF PTY LTD	577,000	0.68%
MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	500,000	0.59%
MR SIMON NURMI <THE IMRUN SUPER FUND A/C>	500,000	0.59%
PIGEQUITY PTY LTD	450,000	0.53%
MS KIRRILEE FAYE WALKER	375,000	0.44%
SYMPALL PTY LTD	360,590	0.42%
MR AARON GRANT CARATTI	334,756	0.39%
Total Securities of Top 20 Holdings	67,737,886	79.42%

11. Corporate Governance

Corporate Governance

Native Mineral Resources is a firm believer in sound corporate governance as a means of enhancing long-term shareholder value. Native Mineral Resources' board of directors is happy to announce that the Company has followed the policies principles and requirements.

Code of Conduct

We have incorporated corporate governance principles into our culture in order to achieve the greatest levels of corporate performance and responsibility. Effective leadership, strong internal controls, and a set of basic principles underpin this culture. All Native Mineral Resources personnel must follow and be directed by the Code of Conduct. The code outlines the Company's basic beliefs and requirements for conducting business with integrity, treating employees and the community fairly, safeguarding the Company's assets, resolving conflicts of interest, and information security. When working with Native Mineral Resources, its competitors, customers, suppliers, and communities, the Code of Conduct guides personnel in carrying out their tasks and responsibilities to the highest standards of personal and corporate integrity. Bribery and corruption, gifts and entertainment, fairness and opportunity, harassment, conflicts of interest, asset and proprietary information protection, and data protection are all covered by the Code of Conduct.

The Board Of Native Mineral Resources

3

Directors

2

Independent
Directors

1

Executive
Director

1

Company
Secretary

Chairman's Responsibilities

- Lead the Board to ensure effectiveness on all aspects of its role
- Promote a culture of openness in the Board
- Encourage constructive relations within the Board and between the Board and Management
- Facilitate effective contributions of Non-Executive Directors

Director's Responsibilities

- Set values, mission, and vision statements
- Provide guidance to Management
- Set strategic objectives
- Review Management's performance
- Establish a framework of prudent and effective internal controls
- Consider sustainability issues

Executive/ Board Committee

2 Independent Directors
1 Executive Director
1 Company Secretary

Key Responsibilities

Assist the Board in reviewing and approving matters as required under the Company's policies

Audit & Risk Committee

2 Independent Directors

Key Responsibilities

Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, and business and financial risk management to safeguard shareholders' interests and the Company assets

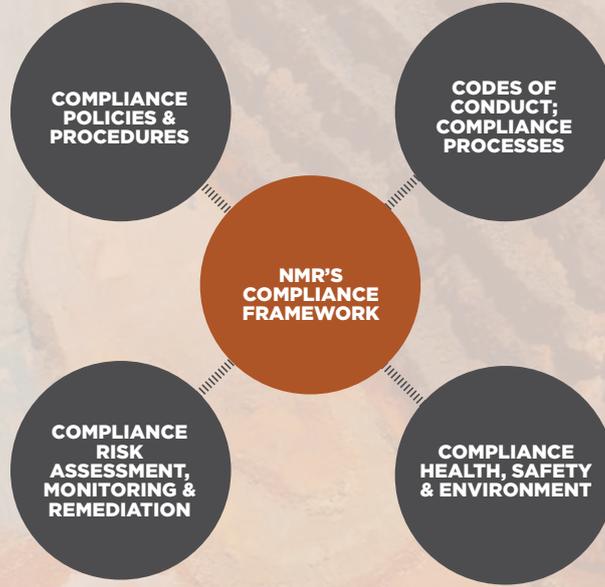
Nomination & Remuneration Committee

2 Independent Directors

Key Responsibilities

Assist the Board in evaluating the performance of the Board, its committees, and directors; make recommendations on directors' appointments, renominations, and retirements

12. Compliance



The risk of non-compliance with local or international laws, rules, and regulations is referred to as compliance risk. Non-compliance with laws, rules, and regulations can result in heightened reputational and legal concerns, as well as enforcement and regulatory actions.

The risk of compliance comprises the risk of behaviour, which may (due to or through negligence) affect the workers or business partners of the NMR and the Group.

Enhanced reputational and legal concerns might result in extensive compliance obligations. Enforcement and/or regulatory procedures might ensue if you do not comply with regulations and requirements.

The continued application of changes in regulations and the growing requirements of compliance might increase the expense of NMR compliance.



NMR Regulatory Compliance’s major objectives are:

- **Ensure that the internal policies and procedures of the NMR are followed and that the applicable standards of conduct are observed; and**
- **Drive into, and embed risk culture of compliance, control and ethical conduct**
- **Maintain a framework that facilitates the Company compliance with local and cross-border rules or regulations.**

NMR takes the following procedure to anticipate, reduce and monitor the risks of compliance:

- **Communication of a strong culture of compliance, supervision, and ethical conduct;**
- **identification of the risks involved (for example anti-money-laundering, anti-bribery and anti-corruption, anti-terrorist financing, politically-exposed individuals, crimes, etc.);**

- **establishing and setting standards for the risks required;**
- **provide policies, procedures and other documentation that set the standards for employees and business partners and monitor their implementation;**
- **provide training support for the effective execution of roles and responsibilities relating to identification, control, reporting and scale-up of compliance risk matters;**
- **inform the Board and specified committees on the successful management of compliance risk regulatory processes and standards; and**
- **report any actual or suspected breach of law, regulation, policy, or substantial compliance risk to the Board, and take reasonable steps to ensure that the issue is properly recognised, monitored, and remedied, including issuing corrective action plans.**

13.

Sustainability

Native Mineral Resources is dedicated to providing long-term value to all of its stakeholders. We are committed to minimising our negative environmental effect and helping our communities while achieving good financial performance, economic development, and high standards of governance by incorporating sustainability into all parts of our operations.

We acted quickly once the COVID-19 epidemic broke out to ensure the safety and well-being of our workers and stakeholders. To stop the virus from spreading, we took significant efforts, such as establishing strict safe management procedures at workplaces. In order to secure company continuity and safe, long-term operations, we also implemented proactive measures and actively engaged our key stakeholders.



Business Growth

We actively address the values, needs and priorities of our stakeholders in managing our long-term growth and sustainability



Social Growth

We create positive impact on our communities and for our stakeholders through our business and corporate social responsibility activities



Environmental Sustainability

We mitigate our environment impact by improving resource and operational efficiency



Corporate Governance

We are committed to regulatory compliance, transparency, accountability, and proactive risk management culture with high ethical standards



14 | Directors' Report

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 financial year ended 30 June 2021.

Directors

The following persons were directors of Native Mineral Resources Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- James Walker (appointed 7 August 2020)
- Phil Gardner (appointed 7 August 2020)
- Blake Cannavo (appointed 7 August 2020)

Principal Activities

During the financial 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 year.

Review of Operations

Native Mineral Resources (NMR) has a clear focus on delivering exploration success. The company will focus on rapid target delineation in order to fast track towards mine development and operations ensuring the best value return for investors. The company plans to achieve this goal by building a world-class tenement portfolio and adopting modern techniques and technologies for exploration.

NMR plans to continue to add value to the company by quickly building on its already impressive exploration results.

Initial Public Offering

The company listed on the ASX (Code: NMR) of 17 November 2020. 85,288,501 shares are currently on issue at an initial listing price from the IPO of \$0.20. This IPO exceeded the initial listing minimum subscription by 43.6% to raise a total of \$5.74M before costs.

Tenement Purchases

On 17 November 2020, NMR exercised the option to acquire Exploration Licenses ("EL") - EL 37/1362 and EL 37/1363 – which form the Music Well Gold Property, located 60km north-northeast of Leonora.

The Music Well Property 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.

On 2 December 2020, NMR exercised the option to acquire the Arcoona Gold Project ("Arcoona") (Exploration License ("EL") - EL 31/1203), located 100km northeast of Kalgoorlie in Western Australia. The Arcoona Gold Project covers 170km² of highly prospective exploration ground within the Norseman – Wiluna greenstone belt and is situated only 4km from the operating Carosue Dam gold mine owned by Saracen Mineral Holdings (ASX: SAR).

NMR has applied for three tenements over the south-east of WA, the Nullarbor region, adding nickel commodities to its portfolio, based on thorough geophysical investigations and assessments by our geology team. The magnetic properties of these high-potential nickel, copper, and gold prospects are comparable to those of neighbouring mines.

Leane's Copper Prospect in North QLD

Early indications from the Leane's prospect RC and diamond drill holes programme in Q4 2020 has confirmed the existence of high-level porphyry intrusions. Rock chip samples from a new location discovered south of the historical 'Fairlight' copper mines. Additional rock chip samples from the Glenroy target region revealed copper from a new target discovered near the Palmer River. We are really excited to carry out our next phase of exploration programme since this high-grade copper strikes across new and old target regions.

Music Well Gold Project in WA

The two field sampling operations, which took place in March and May of 2021, yielded outstanding findings, with visible gold found in many rock chip samples. This find indicated that the mineralisation is comparable to that of other thin vein gold deposits in the area, and that gold can be extracted using simple crushing and gravity separation techniques. The planned follow-up programme at Music Well for FY2022 includes a 450m diamond drilling campaign co-funded by the EIS, a 1,000t quartz vein bulk sample programme as well as an airborne geophysical survey.

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 PhD, MASulMM, MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. 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 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 30 June 2021, the consolidated entity had net assets of \$2,002,439 (30 June 2020: \$(24,812)) and \$2,049,092 in cash (30 June 2020: \$5,438).

Significant changes in the state of affairs

The company went through an IPO process and listed on the Australian Securities Exchange on 17 November 2020.

Matters subsequent to the end of the financial year

The Tenement at Mount Morgan, Queensland (EPM 17850) was sold to GBM Resources Limited (ASX: GBZ) on 01 July 2021 for consideration of \$35,000 and 1,562,500 shares in GBZ.

No other matters or circumstance has arisen since 30 June 2021 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.

Information on Directors

Name:	James Walker
Title:	Non-Executive Independent Chair
Qualifications:	GAICD, FCA, B.Comm (UNSW)
Experience and expertise:	James has over 25 years' experience as a Chartered Accountant, company secretary and senior executive of various high growth companies. James has successfully completed multiple ASX IPOs, corporate acquisition transactions, secondary round raises on both the ASX and UK AIM markets and private capital raises. James thrives on scaling businesses, commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including deal-tech, data-driven customer experience, sensor systems, mining technology services, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors.
Other current directorships:	Executive Chair of BluGlass (ASX: BLG) and a non-executive Director of Digital Wine Ventures (ASX: DW8)
Former directorships (last 3 years):	Non-executive chair at thedocyard (ASX: TDY)
Special responsibilities:	Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in shares:	2,050,000 (Indirect)
Interests in options:	756,000 Employee Share Options
Contractual rights to shares:	None
Name:	Phil Gardner
Title:	Non-Executive Independent Director
Qualifications:	FAICD, CPA, B.Comm (Newcastle)
Experience and expertise:	Philip brings a long and diverse range of experience to his position as non-executive director of the company. As a CPA and Fellow of the AICD, he has the technical skills to provide balance to the board's strong industry-specific competencies. With 28 years' experience as a CEO and 20 years as a director of public, private, government and not for profit organisations, he brings the oversight and risk management experience to support the NMR team through its listing and life as a public company. Philip has had a non-executive director career across the health, infrastructure and tourism industries.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee Chair of the Audit and Risk Committee
Interests in shares:	2,250,000 (Direct)
Interests in options:	756,000 Employee Share Options
Contractual rights to shares:	None

Name: Blake Cannavo
 Title: Managing Director and Chief Executive Officer
 Qualifications: None
 Experience and expertise: Blake is an accomplished Chief Operating Officer with more than 25 years' experience in the mining and construction sectors with companies including Fortescue Metals Group, Lihir Gold Limited and Aquila Resources. He has been responsible for delivering a diverse range of projects valued up to \$10B in Asia Pacific, South Africa, the UK and Europe. A competent strategist, Blake has a proven track record in developing innovative plans and activities to ensure that projects are delivered on schedule and budget.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in shares: 51,563,619 (Indirect)
 Interests in options: None
 Contractual rights to shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Marika White (GIA MAICD) has held the role of Company Secretary since 7 August 2020. She is a member of the Governance Institute of Australia ('GIA').

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Board of Directors		Nomination & Remuneration Committee		Audit & Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
James Walker	4	4	1	1	2	2
Phil Gardner	4	4	1	1	2	2
Blake Cannavo	4	4				

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors received 756,000 zero-priced Options each as part of their remuneration package. The Board Chair also received a salary (see under "Details of Remuneration")

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was contained in the IPO prospectus (page 282) where the maximum annual aggregate remuneration was set at \$500,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The company has not yet finalised any short-term or long-term incentive program for key management personnel.

Use of remuneration consultants

No remuneration advisors were engaged during the year nor was any formal remuneration advice received during the year.

The company's 2020 Annual General Meeting ('AGM')

As the company was only incorporated in August 2020 and the IPO was 17 November 2020, Native Mineral Resources Holdings Limited has yet to hold its inaugural AGM.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Native Mineral Resources Holdings Limited:

- James Walker - Non-Executive Chair
- Phil Gardner - Non-Executive Director
- Blake Cannavo - Managing Director and Chief Executive Officer

2021	Cash Salary and Fees \$	Superannuation \$	Employee entitlements accrued \$	Equity Settled Options \$	Total \$
<i>Non-Executive Directors</i>					
James Walker	81,250	2,969	-	29,400	113,619
Phil Gardner	-	-	-	29,400	29,400
<i>Executive Directors</i>					
Blake Cannavo	275,000	26,125	27,868	-	328,993
	356,250	29,094	27,868	58,800	472,012

No Staff agreements were signed prior to the financial year ended 30 June 2020. Any engagement to complete tasks were performed by external consultants prior to this date. Therefore, a comparison to prior financial years is not applicable.

Cash bonuses are not currently part of the remuneration packages of staff. The amount of any future bonuses will be determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Nomination and Remuneration Committee.

The proportion of remuneration linked to performance and the fixed proportion are as follows

Name	Fixed Remuneration		Share based Remuneration	
	2021	2020	2021	2020
<i>Non-Executive Directors</i>				
James Walker	74%	-	26%	-
Phil Gardner	0%	-	100%	-
<i>Executive Directors</i>				
Blake Cannavo	100%	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Blake Cannavo
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 August 2020
Term of agreement:	No fixed period
Details:	Base salary for the year ending 30 June 2021 of \$300,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 30 days termination notice by either party.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Date
Blake Cannavo	None

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
James Walker	756,000	17 August 2020	1 December 2023	7 August 2025	\$0.00	\$0.20
Phil Gardner	756,000	17 August 2020	1 December 2023	7 August 2025	\$0.00	\$0.20

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted and recognised as expense during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of Options for the year %
James Walker	29,400	-	-	26%
Phil Gardner	29,400	-	-	100%

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at start of the year	Received/purchased prior to IPO	Received as part of remuneration	Additions	Disposals /Other	Balance at end of the Year
<i>Ordinary shares</i>						
James Walker	-	2,000,000	-	50,000	-	2,050,000
Philip Gardner	-	-	-	2,250,000	-	2,250,000
Blake Cannavo	-	51,500,001 ¹	-	63,618	-	51,563,619
	-	53,500,001	-	2,363,618	-	55,863,919

¹Fully paid ordinary shares ASX Escrowed 24 months from Listing (17 November 2020)

During the year, a share and purchase deed was entered into whereby the shareholders in Native Mineral Resources Pty Limited (“NMR Pty Ltd”) agreed to sell their shareholdings in NMR Pty Ltd for the same number of shares in Native Mineral Resources Holdings Limited. As part of this, Blake Cannavo’s shares in NMR Pty Ltd were sold to NMR Holdings in consideration for the same number of shares in NMR Holdings Limited.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
James Walker	-	756,000	-	-	756,000
Phil Gardner	-	756,000	-	-	756,000
Blake Cannavo	-	-	-	-	-
	-	1,512,000	-	-	1,512,000

Other transactions with key management personnel and their related parties

During the financial year, payments for consulting services and rent from Bamford Engineering Pty Limited (director-related entity of Blake Cannavo) of \$156,100 (excluding GST) were made. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Native Mineral Resources Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
17 August 2020	7 August 2025	\$0.00	1,512,000
17 August 2020	7 August 2025	\$0.00	110,000
11 November 2020	16 November 2023	\$0.25	2,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Native Mineral Resources Holdings Limited issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of HLB Mann Judd

There are no officers of the company who are former partners of HLB Mann Judd Assurance (NSW) Pty Limited.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 53 and forms part of the Directors' Report for the full year ended 30 June 2021.

Pursuant to section 306 *Corporations Act 2001* this Directors' Report is made in accordance with a resolution of the Directors and is signed by Philip Gardner on behalf of the directors.



James Walker

Non-executive chair

12 September 2021



15 | Auditors Independence Report



Auditor's Independence Declaration

To the directors of Native Mineral Resources Holdings Limited:

As lead auditor for the audit of the consolidated financial report of Native Mineral Resources Holdings Limited and its controlled entity for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Native Mineral Resources Holdings Limited and the entity it controlled during the period.

Sydney, NSW
10 September 2021

A G Smith
Director

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19, 207 Kent Street Sydney NSW 2000 Australia

T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.



16 | Consolidated Statement of Financial Position

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

		30-Jun-21	30-Jun-20
	Notes:	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	7	2,049,092	5,438
Trade and other receivables	8	58,363	11,537
Total Current Assets		2,107,455	16,975
Fixed Assets			
Plant and Equipment	9	37,121	-
Total Assets		2,144,576	16,975
Liabilities			
Current Liabilities			
Trade and other payables	10	102,675	41,787
Employee Entitlements	10	39,462	-
Total Current Liabilities		142,137	41,787
Total Liabilities		142,137	41,787
Net Assets (Liabilities)		2,002,439	(24,812)
Equity			
Share Capital	11	6,313,727	973,056
Share Based Payment Reserve	12	352,990	-
Retained Earnings	13	(4,664,278)	(997,868)
Total Equity (Deficiency)		2,002,439	(24,812)



17 Consolidated Statement of Profit & Loss and Other Comprehensive Income

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

		30-Jun-21	30-Jun-20
		\$	\$
	NOTES		
Interest Revenue		1,323	-
Fuel Tax Credit		271	-
Board & Directors Expenses		(188,504)	-
Exploration Development		(2,010,132)	(61,353)
Exploration Management		(67,581)	(79,069)
Finance Related Fees & Charges		(1,629)	(264)
IPO Costs		(292,684)	(15,158)
Office Expenses		(140,076)	(1,620)
Professional Services Fees		(244,589)	(300,436)
Depreciation		(7,581)	-
Property, Plant, Equipment Hire		(42,027)	-
Travel		(45,245)	(2,666)
Utilities		(5,206)	-
Wage Costs		(622,750)	-
Loss before income tax benefit		(3,666,410)	(460,566)
Income tax benefit		-	-
Loss for the year		(3,666,410)	(460,566)
Basic loss per share (cents per share)	24	(4.94)	(315.88)
Diluted loss per share (cents per share)	24	(4.94)	(315.88)



18 | Consolidated Statement of Cash Flows

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

		30-Jun-21	30-Jun-20
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflow from Interest Income		1,323	-
Payments for exploration and evaluation		(1,694,949)	-
Payments to suppliers and employees		(1,503,879)	(726,385)
NET CASH FLOW USED IN OPERATING ACTIVITIES	15	(3,197,505)	(726,385)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire Plant & Equipment		(44,703)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(44,703)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares and options		5,752,700	-
Transactions costs related to the issue of shares and options		(466,838)	-
Proceeds from borrowings		-	730,831
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		5,285,862	730,831
Net change in cash held		2,043,654	4,446
Cash and cash equivalents at beginning of year		5,438	992
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	2,049,092	5,438



19 | 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 2019	1,000	(537,302)	-	(536,302)
Loss for the year	-	(460,566)	-	(460,566)
Other comprehensive Income	-	-	-	-
	1,000	(997,868)	-	(996,868)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	972,056	-	-	972,056
Balance at 30 June 2020	973,056	(997,868)	-	(24,812)
Balance at 1 July 2020	973,056	(997,868)	-	(24,812)
Loss for the year	-	(3,666,410)	-	(3,666,410)
Other comprehensive Income	-	-	-	-
	973,056	(4,664,278)	-	(3,691,222)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	5,340,671	-	-	5,340,671
Share based payments	-	-	352,990	352,990
Balance at 30 June 2021	6,313,727	(4,664,278)	352,990	2,002,439



20 | Notes to Financial Statement

NOTE 1: CORPORATE INFORMATION

The financial statements of Native Mineral Resources Holdings Limited (“the company”) and its controlled entities (the “the Group” or the “consolidated entity”) for the year ended 30 June 2021 are authorised for issue in accordance with the resolution of the Directors on 12 September 2021. Native Mineral Resources Holdings Limited is a company incorporated in Australia and limited by shares listed on the ASX.

The company is a for-profit entity for the purposes of preparing financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements for the financial year ended 30 June 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis.

The principle accounting policies are set out below.

From 1 July 2020, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2020. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

b) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Details of these are set out in Note 3.

c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. subsidiaries). Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies (if any) are eliminated. Accounting policies of all companies in the Group are consistent.

On 14 September 2020, the shareholders of Native Mineral Resources Pty Ltd (“NMR P/L”) agreed to transfer their shares in NMR P/L to Native Mineral Resources Holdings Limited in exchange for the same number of shares in Native Mineral Resources Holdings Limited that these shareholders held in NMR P/L.

NOTES TO FINANCIAL STATEMENTS (cont.)

Native Mineral Resources Holdings Limited was incorporated on 7 August 2020.

In November 2020, Native Mineral Resources Holdings Limited listed on the ASX.

Under the accounting standard applicable to business acquisitions, *AASB 3: Business Combinations*, the acquisition does not meet the definition of a business combination.

The acquisition of NMR P/L by NMR Holdings Limited is deemed to be a restructure, and the financial statements are a continuation of NMR P/L.

As a result, comparative information for the year ended 30 June 2020 is for NMR P/L only. The financial statements for the year ended 30 June 2021 consists of Native Mineral Resources Holdings Limited and its 100% owned subsidiary, Native Mineral Resources Pty Ltd.

d) Income Tax

With the Company in a tax loss situation no income tax has been brought to account. Once profitable the income tax expense will comprise current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that no adverse change will occur in income taxation legislation, that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will continue to comply with the conditions of deductibility imposed by the law.

e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

NOTES TO FINANCIAL STATEMENTS (cont.)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Exploration and evaluation expenditure

The acquisition and maintenance costs of tenements are expensed in the period incurred.

i) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5-10 years
---------------------	------------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

NOTES TO FINANCIAL STATEMENTS (cont.)

j) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Employee benefits*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

m) 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 the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and 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 employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. 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.

NOTES TO FINANCIAL STATEMENTS (cont.)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes 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 that 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 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.

n) 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.

o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO FINANCIAL STATEMENTS (cont.)

q) Earnings per share*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Native Mineral Resources Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the CEO.

t) Going Concern

The consolidated entity has incurred operating losses of \$3,666,410 (2020: \$460,566) and negative operating cash flows of \$3,197,505 (2020: (\$726,385)) for the financial year ended 30 June 2021. As at 30 June 2021 the consolidated entity held cash of \$2,049,092 (2020: \$5,438).

Notwithstanding the loss for the financial year, the financial statements have been prepared on an ongoing concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern, on the following basis:

- The Directors consider that the Company has the ability to continue to raise additional funds on a timely basis. The Company has raised funds in the past and the Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required; and
- The Company has the ability to scale back a significant portion of its expenditure activities if required

NOTES TO FINANCIAL STATEMENTS (cont.)

However, the Company's ability to continue as a going concern is dependent upon raising capital or loan funding, thus resulting in a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the consolidated entity's forecasts, the consolidated entity will need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads during the next 12 months. The consolidated entity's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 18 for further information.

NOTE 4: 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 operating segment being Exploration and Evaluation of Minerals, and one geographical segment, being Australia.

NOTES TO THE ACCOUNTS (cont.)

NOTE 5: 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. Expenditure may be increased when new tenements are granted.

The minimum expenditure commitment on the tenements is:

	Consolidated	
	2021	2020
	\$	\$
Not later than one year	772,800	564,000
Later than one year and less than five years	1,277,800	1,854,000

b) Employees

The Company has issued options to directors and employees as part of their total remuneration. Those issued in the current year are listed in Note 12 and 18.

NOTE 6: INCOME TAX EXPENSE

Numerical reconciliation of income tax expense and tax at the statutory rate

	2021	2020
	\$	\$
Prima facie income tax on operating loss at 26% (2020: 27.5%)	<u>(953,267)</u>	<u>(126,656)</u>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share options issued	24,128	-
Deferred tax assets not recognised	929,139	126,656
Income tax expense	-	-

The consolidated entity has not recognised any deferred income tax asset which may arise from available tax losses. The consolidated entity has estimated its losses at \$3,666,410 (2020: (\$460,566)) as at 30 June 2021. A benefit of 26% (2020: 27.5%) of approximately \$929,139 (2020: \$126,656) associated with the tax losses carried forward will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2021	2020
	\$	\$
Cash at Bank	2,048,092	4,438
Cash on Hand	1,000	1,000
	2,049,092	5,438

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021	2020
	\$	\$
Prepayments	21,763	-
Other Receivables	36,600	11,537
	58,363	11,537

NOTE 9: PLANT AND EQUIPMENT

	Consolidated	
	2021	2020
	\$	\$
Plant	40,678	-
Less: Accumulated Depreciation	(6,892)	-
	33,786	-
Equipment	4,025	-
Less: Accumulated Depreciation	(690)	-
	3,335	-
	37,121	-

NOTES TO FINANCIAL STATEMENTS (cont.)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant	Equipment	Total
	\$	\$	\$
Balance at 1 July 2019	-	-	-
Additions	-	-	-
Disposals	-	-	-
Revaluation increments	-	-	-
Depreciation expense	-	-	-
<hr/>			
Balance at 30 June 2020	-	-	-
Additions	40,678	4,025	44,703
Disposals	-	-	-
Depreciation expense	(6,892)	(690)	(7,582)
Balance at 30 June 2021	33,786	3,335	37,121

NOTE 10: TRADE AND OTHER PAYABLES AND EMPLOYEE ENTITLEMENTS

	Consolidated	
	2021	2020
	\$	\$
TRADE AND OTHER PAYABLES		
Trade Creditors	38,342	4,787
Other Payables	40,833	
Accrued Expenses	23,500	37,000
	<hr/>	<hr/>
	102,675	41,787
EMPLOYEE PROVISIONS		
Annual Leave Accrual	39,462	-
	<hr/>	<hr/>
	39,462	-

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 11: ISSUED CAPITAL

	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$	\$	Number	Number
Ordinary Shares				
Fully paid ordinary shares	6,573,917	973,056	85,288,500	53,000,000
Movement in contributed Equity for the year				
Balance at beginning of the year	973,056	1,000	53,000,000	1,000
Shares issued during the current financial year				
31 July 2020 (Issued to Director)	10,000	-	2,000,000	-
9 November 2020 - (IPO)	5,742,700	-	28,713,500	-
9 November 2020 (Issued to acquire exploration license)	270,000	-	1,350,000	-
30 November 2020 (Issued to acquire exploration license)	30,000	-	150,000	-
31 December 2020 (Issued to acquire exploration license)	15,000	-	75,000	-
Shares issued during the previous year				
30 June 2020	-	972,056	-	52,999,000
Less: Share issuance costs	(727,029)	-	-	-
Balance at end of year	<u>6,573,917</u>	<u>973,056</u>	<u>85,288,500</u>	<u>53,000,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 12: SHARE BASED PAYMENT RESERVE

	Consolidated	
	2021	2020
	\$	\$
Options issued to directors and employees	92,800	-
Options Issued	260,190	-
	<u>352,990</u>	<u>-</u>

NOTE 13: RETAINED EARNINGS

	Consolidated	
	2021	2020
	\$	\$
Retained profits at the beginning of the financial year	(997,868)	(537,302)
Profit after income tax expense for the year	<u>(3,666,410)</u>	<u>(460,566)</u>
Retained profits at the end of the financial year	<u>(4,664,278)</u>	<u>(997,868)</u>

NOTE 14. KEY MANAGEMENT PERSONNEL DISCLOSURES*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	384,118	-
Post-employment benefits	29,094	-
Share-based payments	58,800	-
	<u>472,012</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 15: RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2021	2020
	\$	\$
Profit (Loss) after income tax expense for the year	(3,666,410)	(460,566)
Adjustments for:		
Depreciation and amortisation	7,582	
Provision for annual leave	39,462	
Share-based payments	352,990	
Change in operating assets and liabilities:		
Increase/(Decrease) in receivables	(46,825)	4,292
Increase/(decrease) in trade creditors and accruals	60,888	(270,111)
Net cash from operating activities	<u>(3,252,313)</u>	<u>(726,385)</u>

NOTE 16: FINANCIAL INSTRUMENTS*Overview*

The Group has exposure to the following risks from use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note represents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks related to the operations of the Company through regular reviews of the risks.

(a) Credit Risk exposures

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is the carrying amount. The Group is not materially exposed to any individual debtor. As the Group operates in the mining exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. The Group undertakes exploration and evaluation activities exclusively in Australia. At the statement of financial position date there were no significant concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS (cont.)

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at reporting date was:

	30-Jun-21	30-Jun-20
	\$	\$
Financial Assets		
Cash and cash equivalents	2,049,092	5,438
Trade and other receivables	58,363	11,537
	2,107,455	16,975

None of the above receivables were overdue at balance date.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
At 30 June 2021							
Trade payables	102,675	-	-	-	-	102,675	102,675
At 30 June 2020							
Trade payables	41,787	-	-	-	-	41,787	41,787

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at the time.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO FINANCIAL STATEMENTS (cont.)

(i) *Currency Risk*

The Group is not currently exposed to currency risk

(ii) *Interest Rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Groups cash and cash equivalents.

At reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Consolidated	
	30-Jun-21	30-Jun-20
	\$	\$
<i>Variable rate Instruments</i>		
Financial Assets	2,042,636	-
Financial Liabilities	-	-
	2,042,636	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the whole of the reporting period would have an increase (decrease) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

	Profit (or Loss)		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
30 Jun 2020				
Variable Rate instruments	21,448	(19,405)	21,448	(19,405)

(iii) *Net fair values*

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amounts exceed net fair value at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in Notes to and forming part of the financial statements.

NOTE 17: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$55,500 for rental of offices owned by Bamford Engineering. In addition, \$100,600 was paid for consultancy work carried 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.

The sole director of the NMR up to 7 August 2020 was Blake Cannavo. On 7 August 2020, Philip Gardner and James Walker were appointed as directors of the Company.

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 18: SHARE BASED PAYMENTS

During the financial year ended 30 June 2021, a number of options were issued to certain directors (James Walker and Philip Gardner), other staff and the Lead Manager of the company's IPO process. Using the Black Scholes model, the fair value of each option is as set out below and based on the following criteria/assumptions.

	Issued to Lead Manager	Issued to certain directors	Issued to Employees
Number of options issued	2,500,000	1,512,000	170,000
Expiry (years)	3	3	3
Exercise price (\$)	0.2	-	-
Vesting period (years)	-	3	3
Underlying volatility (%)	89.74	Not applicable *	Not applicable *
Average risk-free interest rate (%)	1%	Not applicable *	Not applicable *
Fair value of each option (\$)	0.1041	0.2	0.2
Total expense recorded for the period ended 30 June 2021 (\$)	-	58,800	34,000

Note the total value of the options allocated to the lead manager was \$260,190, and this has been included as part of share issuing costs (Note 12).

In relation to shares issued to certain directors of the company, as these options are exercisable at a price of \$nil, the value of each option is calculated at the share price on the date of issue (being the IPO price of \$0.20).

In relation to shares issued to employees of the company, as these options are exercisable at a price of \$nil, the value of each option is calculated at the share price on the date of issue (being the IPO price of \$0.20). 60,000 of these were cancelled during the year upon the resignation of an employee.

NOTE 19: REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd Assurance (NSW) Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - HLB Mann Judd Assurance (NSW) Pty Ltd</i>		
Audit and assurance services	35,000	12,000
<i>Other services - HLB Mann Judd (NSW) Pty Ltd</i>		
Taxation services	6,800	0
	41,800	12,000

NOTES TO FINANCIAL STATEMENTS (cont.)

NOTE 20: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity. For the year ended 30 June 2020, there was only one company (Native Mineral Resources Pty Ltd), with no subsidiaries.

Statement of Profit or Loss and Other Comprehensive Income

	Parent		
	2021	2020	
	\$	\$	
Profit after Income Tax	(694,814)		-
Total comprehensive Income	(694,814)		-

Statement of Financial Position

	Parent		
	2021	2020	
	\$	\$	
Total Current Assets	177		-
Total Non-Current Assets	5,971,939		-
Total Assets	5,972,116		-
Total Current Liabilities	213		-
Total Liabilities	213		-
Net Assets	5,971,903		-
Equity			
- Issued Capital	7,040,756		-
- Share Based Payment Reserve	92,800		-
- Options Issued	260,190		-
- Equity Raising Costs	(727,029)		-
- Retained Earnings	(694,814)		-
Total Equity	5,971,903		-

NOTE 21: INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Native Mineral Resources Pty Ltd	Australia	100.00%	N/A

NOTES TO FINANCIAL STATEMENTS (cont.)

Native Mineral Resources Holdings Limited was incorporated within the current financial year ended 30 June 2021. Therefore there was no Parent prior to 1 July 2020 in order for a subsidiary relationship to exist.

NOTE 22: IMPACT OF COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

The Tenement at Mount Morgan, Queensland (EPM 17850) was sold to GBM Resources Limited (ASX: GBZ) on 17 August 2021 for consideration of \$35,000 and 1,562,500 shares in GBZ.

No other matters or circumstance has arisen since 30 June 2021 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.

NOTE 24: EARNINGS PER SHARE

	Consolidated	
	2021	2020
	\$	\$
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax	(3,666,410)	(460,566)
Profit after income tax attributable to the owners of Native Mineral Resources Holdings Limited	(3,666,410)	(460,566)
Profit after income tax attributable to the owners of Native Mineral Resources Holdings Limited used in calculating diluted earnings per share	(3,666,410)	(460,566)
	Cents	Cents
Basic earnings per share (cents per share)	(4.94)	(315.88)
Diluted earnings per share (cents per share)	(4.94)	(315.88)
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	74,234,134	145,806
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	74,234,134	145,806

NOTES TO FINANCIAL STATEMENTS (cont.)

Options

Options on issues are not included in the calculation of diluted earnings per share because they are considered to be antidilutive for the year ended 30 June 2021. These options could potentially dilute earnings per share in future periods.



21 | Directors' Declaration

In the opinion of the directors of Native Mineral Resources Holdings Limited ("the Company"):

- a) the financial statements and notes set out on pages 54 to 76 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position of the consolidated entity as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- 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; and
- c) the remuneration report in the directors' report complies with the disclosure requirements of Section 300A of the *Corporations Act 2001*.

The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the directors.

James Walker
Non-executive chair

12 September 2021



22 | Independent Auditor's Report



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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Native Mineral Resources Holdings Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern (if applicable, refer ASA 570)

We draw attention to Note 2(t) (Going Concern) in the financial report, which indicates that the Group incurred a net loss of \$3,666,410 and had negative operating cash flows of \$3,197,505 during the year ended 30 June 2021. As stated in Note 2(t), these events or conditions, along with other matters as set forth in Note 2(t), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19, 207 Kent Street Sydney NSW 2000 Australia

T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Share based payments (Note 2(m))	
The Company issued a number of share options to directors management and the IPO lead manager.	We reviewed the valuation of the options, and the methodology used.
The fair value of the options at grant date was determined by management, and used to account for the options.	We also reviewed the key assumptions in the valuation.
The key assumptions used in determining the fair value of the options are set out in Note 3 to the financial statements.	We assessed whether the Group's disclosures met the requirements of accounting standards.
We focused on this area as a key audit matter due to the judgement involved in assessing the fair value of the options.	

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19, 207 Kent Street Sydney NSW 2000 Australia

T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19, 207 Kent Street Sydney NSW 2000 Australia

T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 51 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Native Mineral Resources Holdings Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
13 September 2021



A G Smith
Director

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19, 207 Kent Street Sydney NSW 2000 Australia

T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.



23 | Additional Shareholder Information

The shareholder information set out below was applicable as at 30 June 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		
	Number of holders	Total Units	% of total shares issued
1 to 1,000	22	11,353	0.01%
1,001 to 5,000	186	561,201	0.66%
5,001 to 10,000	198	1,816,575	2.13%
10,001 to 100,000	264	8,904,598	10.44%
100,001 and over	60	73,994,774	86.76%
	730	85,288,501	100%

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
BOC HOLDINGS PTY LTD <BOC FAMILY A/C>	51,563,619	60.458%
MR PHILIP PATRICK GARDNER	2,000,000	2.345%
BURRILL SKIES PTY LTD <BURRILL SKIES A/C>	2,000,000	2.345%
SYMPALL PTY LIMITED <DARREN PEARSON S/FUND A/C>	1,250,000	1.466%
CHELSEA ON THE PARK PTY LTD	1,250,000	1.466%
AZZOP PTY LTD	1,000,000	1.172%
MISS BELINDA SUSAN RODGER	814,300	0.955%
HAND TO MOUTH PTY LTD & DAMIAN MCILROY & NICOLE MCILROY	750,000	0.879%
MR RICHARD BENJAMIN ALVARES	743,731	0.872%
VSP INVESTMENTS PTY LTD	722,765	0.847%
MRS DENISE MARGARET MCKEOUGH & MR MURRAY EARL MCKEOUGH <MCKEOUGH SF A/C>	695,059	0.815%
WOWE PTY LTD	686,117	0.804%
CLAYCLAN PTY LTD <CLAYTON CLAN SUPER FUND A/C>	643,911	0.755%
MANN BEEF PTY LTD	577,000	0.677%
MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	500,000	0.586%
MR SIMON NURMI <THE IMRUN SUPER FUND A/C>	500,000	0.586%
PIGEQUITY PTY LTD	450,000	0.528%
MS KIRRILEE FAYE WALKER	375,000	0.440%
SYMPALL PTY LTD	342,409	0.401%
PASCAPOW INVESTMENTS PTY LTD <PASCAPOW INVESTMENT UNIT A/C>	320,500	0.376%
	67,184,411	78.773%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
Palmerville - Queensland	EPM 11980	100
Palmerville - Queensland	EPM 18325	100
Palmerville - Queensland	EPM 19537	100
Palmerville - Queensland	EPM 26891	100
Palmerville - Queensland	EPM 26893	100
Palmerville - Queensland	EPM 26894	100
Palmerville - Queensland	EPM 26895	100
Palmerville - Queensland	EPM 27396	100
Palmerville - Queensland	EPM 27452	100
Mount Morgan, Queensland	EPM 17850 ¹	100
Eastern Goldfields, Western Australia	E37/1362	100
Eastern Goldfields, Western Australia	E37/1363	100
Eastern Goldfields, Western Australia	E31/1203	100
Eastern Goldfields, Western Australia	E24/210	100
Nullarbor, Western Australia	E69/3849	100
Nullarbor, Western Australia	E69/3850	100
Nullarbor, Western Australia	E69/3852	100

¹The tenement at Mt Morgan (EPM 17850) has been sold post-year end. Please refer to NOTE: 23



