

Appendix 4D

Interim Report

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

ACN

643293716

Six Months Ended

31 DECEMBER 2021

Corresponding period was the financial year ended 31 December 2020 unless stated otherwise

Results for announcement to the market

RESULTS

		\$A	%		\$A
Revenues from ordinary activities	Up	30,667	N/M	to	30,667
Loss from ordinary activities after tax attributable to members	Up	554	0	to	(2,452,514)
Loss for the period attributable to members	Up	554	0	to	(2,452,514)

EPS

Earnings per Security (cents per share)	31 Dec 2021	31 Dec 2020
Basic loss per share (cents per share)	0.0282 cents	0.0388 cents
Diluted loss per share (cents per share)	0.0282 cents	0.0388 cents

Net Tangible Asset Backing	31 Dec 2021	30 June 2021
Per Ordinary Security (cents per share)	2.33 cents	2.34 cents

Dividend Payable

No dividends have been paid or declared during the period.

Dividend Re-investment Plan

There is no dividend re-investment plan in operation.

Control gained over entities having material effect

	NIL
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Loss of control of entities having material effect

Name of entity (or group of entities)	NIL
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Details of associates and joint venture entities

Name of entity (or group of entities)	NIL
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This report is based on the Half Year Financial Report which has been subject to review by the Auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the Interim Financial Report for the Half Year Ended 31 December 2021.

**native
mineral
resources**

Financial Report for
the Half-Year ended
31 December 2021

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Corporate Directory

DIRECTORS

James Walker (GAICD, FCA, B.Comm (UNSW))

Non-Executive Chair

Phil Gardner (FAICD, CPA, B.Comm (Newcastle))

Non-Executive Director

Blake Cannavo

Managing Director and CEO

COMPANY SECRETARY

Marika White (GIA MAICD)

Hasaka Martin (GIA)

REGISTERED OFFICE

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

PRINCIPLE PLACE OF BUSINESS

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

Telephone: 02 6583 7833

Website: www.nmresources.com.au

AUDITORS

HLB Mann Judd Assurance (NSW) Pty Ltd

SHARE REGISTRY

Boardroom Pty Ltd

BANKERS

Australian & New Zealand Banking Group

SOLICITORS

Queensland Law Group

STOCK EXCHANGE

Native Mineral Resources Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: NMR)

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Native Mineral Resources Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

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

- James Walker
- Phil Gardner
- Blake Cannavo

Principal Activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration and development activities at the consolidated entity's mining tenements predominately situated in Queensland and Western Australia.

Dividends

No dividends were paid or declared during the financial half-year.

Review of Operations

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

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

Rights Issue

The company raised \$3,000,756 (before costs) via a Rights Issue of shares and a subsequent Shortfall Placement with the issue of 11,041,011 shares at \$0.218 per share. At the company's AGM on 31 January 2022, shareholder approval was received to issue a further 2,723,929 shares, which raised \$593,817, of which \$175,000 was received prior to period end.

Tenement Purchases and Sales

On 01 July 2021 NMR completed the sale of Mount Morgan tenement (EPM17850) to GBM Resources Ltd (ASX: GBM) for \$38,500 in cash and the issue of 1,562,500 shares in GBM. These shares were subsequently sold on market during the period.

On 29 October 2021, NMR completed the exercise of the option to acquire Exploration Licenses ("EL") - EL 24/0210 – known as Mt Vettors (previously listed as "In Transfer"), located 90km East-North-East of Kalgoorlie.

The Mt Vettors tenement covers an area 98km². NMR are exploring opportunities for Rare-Earth-Elements (REE) and Lithium as well as narrow vein gold.

On 13 October 2021, NMR were granted E69/3849 (“South Nullarbor”) and E69/3852 (“Helios”). Then on 26 October 2021 NMR was also granted E69/3850 (“Central Nullarbor”). In total these three tenements cover 257.6km²

Palmerville Copper and Gold Prospect in North QLD

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

Following COVID-19 restrictions and then the onset of the wet season, NMR has suspended this and will now re-commence in early Q4 2022 following cessation of the wet season.

Music Well Gold Project in WA

NMR completed a 4 diamond drill hole programme at EL 37/1362 – which form the Music Well Gold Project (“Music Well”), located 60km north-northeast of Leonora. This successfully intercepted the principal Music Well target vein at the predicted depth of 50m down-hole. The intersections confirm the continuation of the mineralised vein system at depth.

A second field campaign over the Music Well Gold Project (“Music Well”) delivered exceptional results including:

- High grade gold in samples ranging up to 129g/t
- Visible gold was observed in several rock chip samples
- The target vein was bulk sampled for toll treatment, to obtain samples of fresh material for assay and to observe the geometry of the vein at approximately 2-3m below the surface where possible. The toll treatment process recovered \$30,667 of gold

A 6,464 line-km airborne geophysical survey was completed in late December 2021 to cover the western Music Wells Project tenement (EL 37/1363). The aim was to refine the target areas on existing high-value gold target structures. Magnetic data inversion, interpretation and integration with existing data and modelling are currently underway.

Arcoona Project in WA

A 6,632 line-km airborne geophysical survey was completed in late December 2021 to cover the western Arcoona Project tenement (EL 31/1203). The data will be used to further refine anomalous gold and gold target areas already identified on the tenement with the new, high resolution magnetic data currently undergoing inversion, interpretation and reporting.

Nullarbor Project in WA

All three tenements at the Nullarbor Project are geophysical anomalies in the highly mineralised, yet significantly underexplored area of the south-eastern region of Western Australia. NMR are specifically targeting intrusion-related Nickel-Copper and IOCG-style mineralisation.

A 693 Line-km drone-based magnetic survey was completed in October 2021, designed to cover the priority target area within the Central Nullarbor tenement (E69/3850) with results confirming the presence of a significant magnetic anomaly – 1,200m long and 400m wide.

A 831 Line-km drone-based magnetic survey was completed in December 2021, designed to cover the priority target area within the Helios tenement (E69/3852) targeting a possible Nickel deposit. Results confirmed the presence of a significant magnetic high with an “eye shaped” structure, similar to other nickel deposits and targets in Western Australia

Maneater Hill Breccia Pipe in North QLD

NMR has applied for a new and exciting tenement located 100km west of Cairns in Northern QLD. EPM28038 covers an area of 62m² and the target has very high potential for a breccia-hosted gold and/or copper deposit below the current limit of drilling.

The target is a proven sulphide-bearing, mineralised breccia pipe centrally located within the tenement.

Competent Person’s Statement

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Dr Simon Richards, a Competent Person who is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Dr Richards is a full-time employee of Native Mineral Resources. Dr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Richards has no potential conflict of interest in accepting Competent Person responsibility for the information presented in this report and consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Financial Position

At 31 December 2021, the consolidated entity had net assets of \$2,246,784 (30 June 2021: \$2,002,439) and \$2,390,680 in cash (30 June 2021: \$2,049,092).

Matters subsequent to the end of the financial year

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

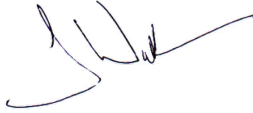
Environmental regulation

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.

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

The Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for the half year ended 31 December 2021.

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

A handwritten signature in blue ink, appearing to read 'J Walker', with a long horizontal stroke extending to the right.

James Walker
Chair

22 February 2022

Auditor's Independence Declaration

As lead auditor for the review of the financial report of Native Mineral Resources Holdings Limited and its controlled entities for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Native Mineral Resources Holdings Limited and the entities it controlled during the period.



Sydney, NSW
22 February 2022

A G Smith
Director

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Consolidated Statement of Financial Position

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-21 \$	30-Jun-21 \$
Assets			
Current Assets			
Cash and cash equivalents		2,390,680	2,049,092
Trade and other receivables		95,327	58,363
Total Current Assets		2,486,007	2,107,455
Fixed Assets			
Plant and Equipment		151,826	37,121
Total Assets		2,637,833	2,144,576
Liabilities			
Current Liabilities			
Trade and other payables		170,838	102,675
Other liabilities	9	175,000	
Employee entitlements		45,211	39,462
Total Current Liabilities		391,049	142,137
Total Liabilities		391,049	142,137
Net Assets		2,246,784	2,002,439
Equity			
Share capital	7	8,685,186	6,313,727
Share based payment reserve		678,390	352,990
Retained earnings		(7,116,792)	(4,664,278)
Total Equity		2,246,784	2,002,439

Consolidated Statement of Profit and Loss and Other Comprehensive Income

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-21 \$	31-Dec-20 \$
Sale of gold		30,667	-
Processing costs		(146,981)	-
Interest revenue		203	966
Government grants		62,945	-
Sale of tenements		235,000	-
Other income		10,013	-
Board & directors expenses		(107,900)	(79,650)
Exploration development		(939,345)	(1,699,760)
Exploration management		(94,628)	(34,228)
Finance related fees & charges		(703)	(182)
IPO costs		-	(268,684)
Office expenses		(95,249)	(53,397)
Other expenses		(22,495)	(2,547)
Professional services fees		(307,132)	(78,257)
Depreciation		(15,992)	-
Travel		(8,848)	(8,421)
Utilities		(5,166)	(306)
Wages costs		(1,046,903)	(228,602)
Loss before income tax benefit		(2,452,514)	(2,453,068)
Income tax benefit		-	-
Loss for the period		(2,452,514)	(2,453,068)
Basic loss per share	5	(0.0282)	(0.0388)
Diluted loss per share	5	(0.0282)	(0.0388)

Consolidated Statement of Cash Flows

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

	NOTES	31-Dec-21 \$	31-Dec-20 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		30,667	-
Interest income		203	966
Grant Receipts		62,945	-
Other revenue		10,013	-
Payments for exploration and evaluation		(1,558,081)	(1,339,447)
Payments to suppliers and employees		(615,603)	(289,219)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(2,069,856)	(1,627,700)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of tenement		212,643	-
Payments for tenement acquisition		(22,779)	-
Payment to acquire or for plant & equipment		(131,129)	-
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		58,735	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares and options		2,406,980	5,752,700
Transactions costs related to the issue of shares, options		(54,271)	(783,740)
Proceeds from borrowings		-	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		2,352,709	4,968,960
Net change in cash held		341,588	3,341,260
Cash and cash equivalents at beginning of period		2,049,092	5,438
CASH AND CASH EQUIVALENTS AT END OF PERIOD		2,390,680	3,346,698

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 2020	973,056	(997,868)	-	(24,812)
Loss for the period	-	(2,453,068)	-	(2,453,068)
Other comprehensive Income	-	-	-	-
	973,056	(3,450,936)	-	(2,477,880)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	5,340,671	-	-	5,340,671
Share based payments	-	-	302,590	302,590
Balance at 31 December 2020	6,313,727	(3,450,936)	302,590	3,165,381
Balance at 1 July 2021	6,313,727	(4,664,278)	352,990	2,002,439
Loss for the period	-	(2,452,514)	-	(2,452,514)
Other comprehensive Income	-	-	-	-
	6,313,727	(7,116,792)	352,990	(450,075)
Transactions with shareholders in their capacity as shareholders				
Issue of Shares net of transaction costs	2,371,459	-	-	2,371,459
Share based payments	-	-	325,400	325,400
Balance at 31 December 2021	8,685,186	(7,116,792)	678,390	2,246,784

Notes to Financial Statement

NOTE 1: STATEMENT OF COMPLIANCE

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001 (Cth)* and Australian Accounting Standard 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in the annual financial report and should be read in conjunction with the most recent annual financial report (being that for the year ended 30 June 2021), and any public announcements made by the company during the reporting period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

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

b) Revenue recognition

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

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

Sales of goods

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

Interest

Interest revenue is recognised using the effective interest method.

Grant income

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

Sale of tenements

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

c) Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

d) Share based payments

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

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

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

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

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

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

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

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

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

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

e) Going Concern

The consolidated entity has incurred operating losses of \$2,452,514 (2020: \$2,453,068) and negative operating cash flows of \$2,069,856 (2020: \$1,627,700) for the half year ended 31 December 2021. As at 31 December 2021 the consolidated entity held cash of \$2,390,680 (2020: \$2,049,092).

The directors consider that the consolidated entity's cash balance of \$2,390,680 at 31 December 2021 leaves it with sufficient funding to continue to meet its budgeted operational expenditure requirements, including minimum exploration commitments across its tenement portfolio, in the short term. Nevertheless, the nature of an exploration company is to have negative cashflow from operations, which requires the Company to raise equity as required. The company successfully raised capital through its Share Rights Issue in November 2021.

Based on the consolidated entity's forecasts, whilst not needed immediately, the consolidated entity will need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads into the next financial year. The consolidated entity's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

Accordingly, there is a materiality uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its asset and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

f) New accounting standards and interpretations

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

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

NOTE 3: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates in one segment being Exploration and Evaluation of Minerals.

NOTE 4: COMMITMENTS AND CONTINGENCIES

a) Tenements

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

The minimum expenditure commitment on the tenements is:

	Consolidated Group	
	31 December 2021	31 December 2020¹
	\$	\$
Not later than one year	857,411	508,500
Later than one year and less than five years	2,044,576	2,929,600

¹ Tenements have differing reporting dates. Calculations have been based on the CY for the end of the reporting period relating to each Tenement.

b) Employees

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

NOTE 5: BASIC PROFIT (LOSS) PER SHARE

	2021	2020
Weighted average number of shares	86,991,293	63,184,522
Profit (Loss) for period	(2,452,514)	-2,453,068
Basic loss per share	<u>(0.0282)</u>	<u>(0.0388)</u>
Diluted loss per share	<u>(0.0282)</u>	<u>(0.0388)</u>

Options are not included in the calculation of diluted EPS because they are considered to be antidilutive. These could potentially dilute EPS in future periods.

NOTE 6: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering and Consulting Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$136,282 for services and for time spent by Bamford Engineering consultant staff.

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

A total of \$27,500 was paid to the directors as director fees during the period ended 31 December 2021 (2020: \$56,250). In addition, options issued during the period to directors resulted in an expense of \$325,400 (Note 9).

A total of \$165,951 was paid to key management personnel as wages during the period ended 31 December 2021 (2020: \$157,639).

NOTE 7: ISSUED CAPITAL

	31-Dec-21	30-Jun-21	31-Dec-21	30-Jun-21
	\$	\$	Number	Number
Ordinary Shares				
Fully paid ordinary shares	8,685,186	6,313,727	96,404,511	85,288,500
Movement in contributed Equity for the period				
Balance at beginning of the period	6,313,727	973,056	85,288,500	53,000,000
Shares issued during the current financial year				
29 October 2021 - Shares issued to acquire exploration license	18,750		75,000	
23 November 2021 - Rights Issue	632,628		2,901,964	
08 December 2021 – Shortfall Issue	1,774,312		8,139,047	
Shares issued during the previous period				
30 June 2021		6,067,700		32,288,500
Less: Share issuance costs	(54,231)	(727,029)		
Balance at end of period	8,685,186	6,313,727	96,404,511	85,288,500

NOTE 8: SHARE BASED PAYMENTS

During the period ended 31 December 2021, a number of options were issued to a director, Blake Cannavo. Using the binomial tree pricing model, the fair value of each option is as set out below and based on the following criteria/assumptions.

	Short Term Incentive Options	Long Term Incentive Options
Number of options issued	5,500,000	8,250,000
Expiry (years)	4	4
Exercise price	\$0.34	\$0.34
Vesting period (years)	1	3
Share price	\$0.2324	\$0.2324
Expected life	2.3 years	3.3 years
Volatility	65%	65%
Risk free interest rate	0.73%	1.04%
Dividend yield	0%	0%
Total expense recorded for the period ended 31 December 2021	\$165,000	\$110,000

The performance period of the vesting period began on 1 July 2021, however the options were not contractually granted until 21 December 2021. The options were approved by shareholders at the AGM on 31 January 2022.

The vesting date for the short term incentive options is 30 June 2022, provided that the share price of the company is equal to or greater than \$1.00, calculated using a 5-day volume-weighted average price ("VWAP") on any date from the 2022 AGM up to and including 30 June 2022.

The vesting date for the long term incentive options is 30 June 2024, provided that the share price of the company is equal to or greater than \$2.00, calculated using a 5-day VWAP on any date from the 2022 AGM up to and including 30 June 2024.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Included in other liabilities at year end is an amount for \$175,000, representing cash received prior to period end for shares that were issued subsequent to year end. At the company's AGM, shareholder approval was received to issue a further 2,723,929 shares, which raised \$593,817, of which \$175,000 was received prior to period end.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in future financial periods.

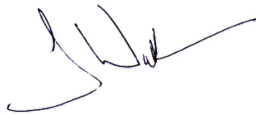
Directors' Declaration

In the opinion of the Directors:

- (a) the financial statements and the notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2021 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Native Mineral Resources Holdings Limited made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'J Walker', with a long horizontal stroke extending to the right.

James Walker
Chair

22 February 2022

Independent Auditor's Report

To the members of Native Mineral Resources Holdings Limited:

We have reviewed the half-year financial report of Native Mineral Resources Holdings Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2(e): Going Concern in the financial report, which states that, during the half year to 31 December 2021, the consolidated entity incurred a loss of \$2,452,514 and had net cash outflows from operating activities of \$2,069,856.

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

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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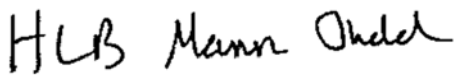
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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
22 February 2022



A G Smith
Director