



ASX Release: 28th October 2022

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Highlights:

- IRIS becomes largest holder of lithium mining claims in South Dakota.
- Granting of lithium mining permit over 2 existing claims in South Dakota.
- Kookynie consolidation and the generation of additional aeromagnetic targets.
- Strengthening of geological and financial expertise.

IRIS Metals Limited (“IRIS” or the “Company”) (ASX:IR1) is pleased to provide an overview of the Company’s development activities for the quarter ended 30 September 2022.

The September quarter focused on the growth, consolidation and advancement of the South Dakota Project, the consolidation of the Kookynie Project and the strengthening of the IRIS team in order to enable the Company to realise its corporate ambitions.

IRIS Largest Holder of Lithium Mining Claims in South Dakota

Through its aggressive staking activities, IRIS became the largest holder of lithium mining claims in the Black Hills of South Dakota.

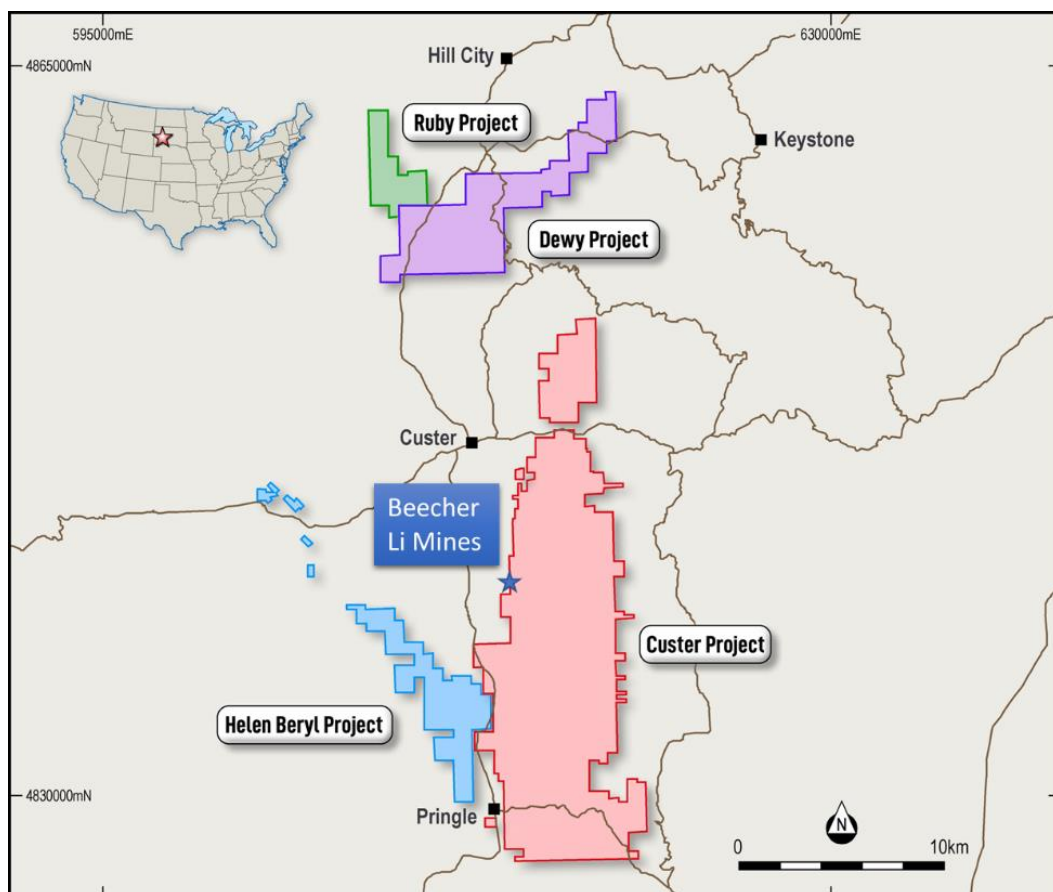


Figure 1: Regional location map of IRIS’ projects in South Dakota.



IRIS increased its South Dakota footprint by 290%, securing highly mineralized corridors of spodumene bearing lithium-cesium-tantalum (“LCT”) pegmatites. IRIS now controls 2,056 claims covering approximately 42,287 acres or 171km².

The newly staked claims cover numerous historic lithium spodumene mines representing walk-up drill targets. IRIS now controls most of the historic lithium mines south of Keystone in the Black Hills.

Granting of Lithium Mining Permit

The State of South Dakota has issued IRIS’s local US partner mining licenses covering two patented properties - the Black Diamond and Beecher Extended; that form part of the existing Custer Project (Figures 1 & 2), enabling IRIS to fast-track all exploration and mining activities including the right to explore and mine lithium bearing pegmatites. IRIS’ US partner is currently in the process of transferring the mining permit to IRIS’ US subsidiary.

Both properties have a significant history of producing lithium-spodumene ore. Past lithium production from the Beecher pegmatite mines within the Custer Project are amongst the most prolific in the US.

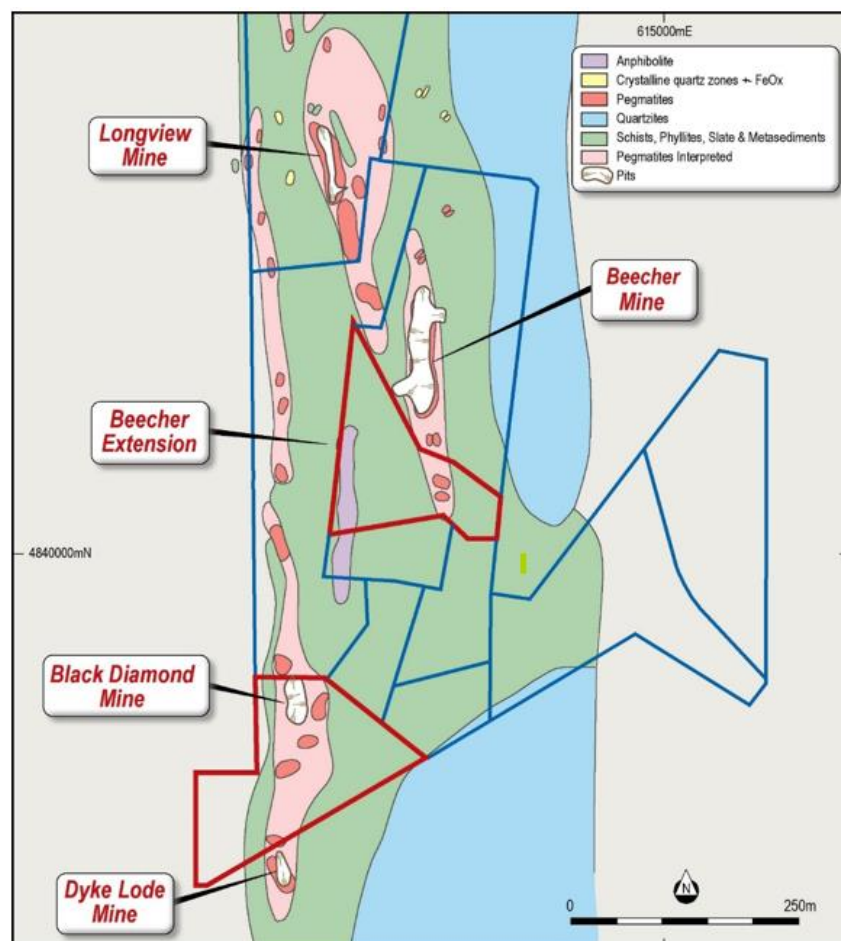


Figure 2: Beecher Lithium Mine trend showing locations of the Beecher Extension and Black Diamond claims.



Kookynie Consolidation/Additional Aeromagnetic Targets

The Company increased its land holdings in the central corridor of Kookynie by an additional 399Ha (3.99 km²) through the acquisition of P40/1563, P40/1559, P40/1345, P40/1502 and P40/1503. P40/1563 is host to the historic high-grade Standard Mine, which according to historic records produced 1,783 tons at an average of 15.27 g/t Au (MINDEX Reference: S0012875).

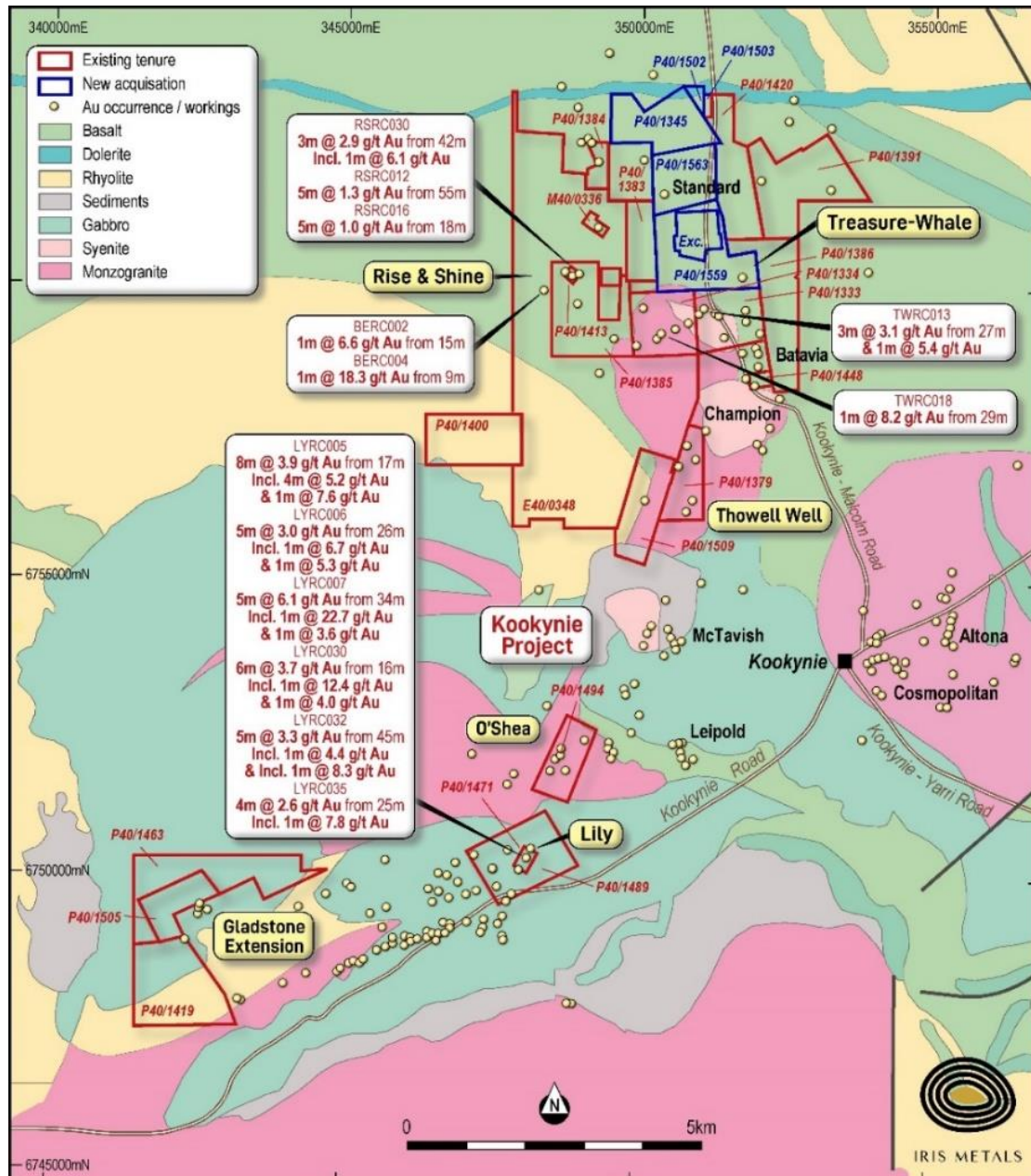


Figure 3: Location Map of new tenure (blue)



Interpretation of the Kookynie airborne geophysical survey identified an additional 2 high priority structural geological gold targets for evaluation on the newly acquired tenure. This is in addition to the previously reported 24 initial aeromagnetic targets across the tenement package.

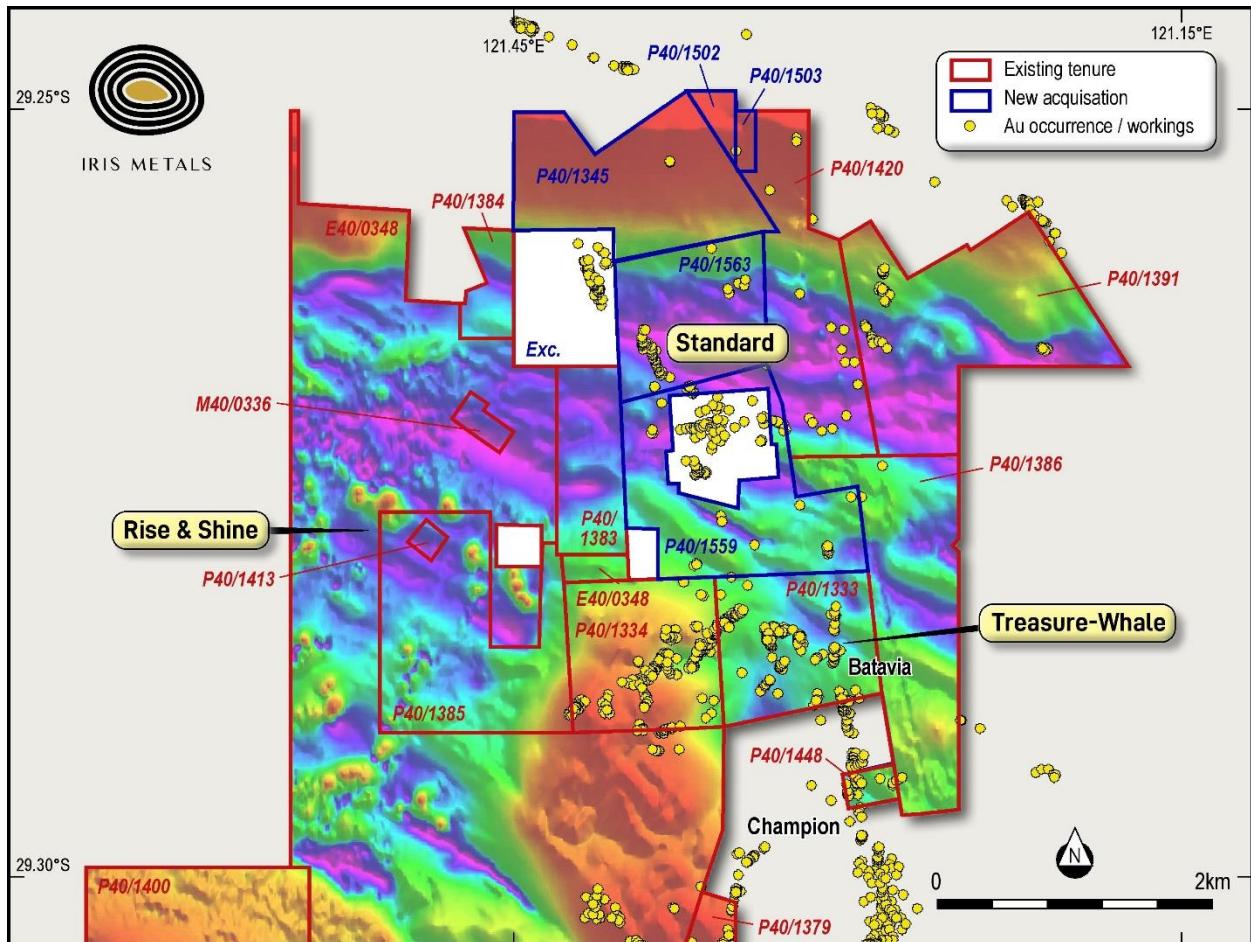


Figure 4: High resolution TMI aeromagnetic survey data covering IRIS' newly acquired Kookynie tenure with historical gold occurrences shown as yellow dots.

Strengthening of Geological and Corporate Expertise

In order for the Company to achieve its corporate ambitions, it seeks to add the requisite experience and talent to complement that of its Board and management team.

In this regard, IRIS was pleased to welcome prominent exploration geologist, Jason Ward, to the IRIS Geological team in the role of Technical Geological Consultant.



Corporate

Financial

Cash at the end of the quarter was \$1.5 million, following a net cash outflow of \$3.0 million as part of continuing operations. The material cash outflows were Exploration and Evaluation Costs (predominantly staking related in South Dakota) and Administration and Corporate Costs, being \$2.3 million and \$0.5 million respectively.

Directors, being related parties of the Company, were remunerated to the amount of \$208k in the September quarter.

Refer to the Appendix 5B for an overview of the Company's financial activities during the Quarter **Use of Funds** IRIS provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 23 September 2021 against the 'Use of Funds' statement in its Prospectus dated 16 July 2021. Going forward, it is expected that, barring any unforeseen circumstances, the Use of Funds will be in line with that set out in the Company's 2021 Prospectus.

Funds available	Note	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves	1	100	194	(94)
Funds raised from the public offer		7,000	7,000	(-)
Funds raised from the public offer	2		2,010	(2,010)
Total		7,100	9,204	(2,104)

Allocation of funds	Note	Estimate expenditure Quarter to September 2022 (\$000s)	Actual expenditure to 30 September 2022 (\$000s)	Variance (\$000s)
Exploration Expenditure	3	2,725	4,784	(2,059)
Payment to vendors of tenements contingent upon IPO	3	105	110	(5)
Working capital and administration costs	3	933	2,203	(1,270)
Expenses of the public offer	4	721	591	130
Total		4,484	7,688	(3,204)

Notes:

1. The actual opening cash balance at 1 July 2021 was higher than the balance used in the prospectus.
2. On 2 June 2022, The company issued 5,025,000 fully paid ordinary shares raising \$2.010 million as part of the South Dakota Project.
3. The actual use of funds to 30 September 2022 represents expenditure incurred since 01 July 2021 regarding exploration and evaluation of its two wholly owned projects including expenses related to staking and work undertaken for South Dakota projects.
4. Expenses of the second public offer were incurred in FY22.



ASX Announcements

During the quarter, the Company made 28 ASX announcements, 3 of which were deemed market sensitive. This announcements were as follows:

Date	Description	Market Sensitive
12/07/2022	Notification of cessation of securities - IR1	
12/07/2022	Appointment of Technical Exec Director and Strategic BDM	
15/07/2022	Notification regarding unquoted securities – IR1	
28/07/2022	Consolidation at Kookynie incl High-Grade Historic Std Mine	
28/07/2022	Proposed issue of securities - IR1	
29/07/2022	Quarterly Report for the Period Ended 30 June 2022	✓
29/07/2022	2022 Annual General Meeting Letter to Shareholders and Proxy	
29/07/2022	2022 Annual General Meeting Notice of Meeting and Proxy	
11/08/2022	Application for quotation of securities - IR1	
15/08/2022	Appointments of Geological and Capital Advisory Consultants	
15/08/2022	Proposed issue of securities - IR1	
17/08/2022	Update - Proposed issue of securities - IR1	
18/08/2022	IRIS now largest holder of Lithium Claims in South Dakota	✓
22/08/2022	Proposed issue of securities - IR1	
22/08/2022	Notification regarding unquoted securities - IR1	
24/08/2022	Release of Securities from Escrow	
30/08/2022	Chair AGM Address	
30/08/2022	AGM Presentation Black Hills Lithium Project	
30/08/2022	Results of Meeting	
30/08/2022	Constitution	
05/09/2022	Additional Aeromagnetic Targets at Kookynie	✓
26/09/2022	Application for quotation of securities - IR1	
26/09/2022	IRIS Completes Kookynie Acquisition	
26/09/2022	Application for quotation of securities - IR1	
28/09/2022	Notification regarding unquoted securities	
28/09/2022	Notification regarding unquoted securities	
28/09/2022	Change of Director's Interest Notice - CC	
28/09/2022	Change of Director's Interest Notice - PM	



Tenement Schedule (Australia)

License	Location	License Type	Ownership
P37/8657	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/8686	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8696	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/8720	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/8812	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/8936	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8980	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8981	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8982	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8983	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8984	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8985	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8986	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/8987	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9033	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9034	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9035	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9159	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/9351	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9352	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9353	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9354	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9355	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9356	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9357	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9373	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)
P37/9374	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9385	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9386	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9387	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9388	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9389	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9390	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9391	Leonora, WA	Prospecting Licence	IRIS METALS LTD (100%)*
P37/9468	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9469	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9470	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9471	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9472	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9473	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P37/9474	Leonora, WA	Prospecting Licence	LOFASZ PTY LTD (100%)



M40/336	Kookynie, WA	Mining Lease	IRIS METALS LTD (100%)
P40/1333	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1334	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1379	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1383	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1384	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1385	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1386	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1391	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1400	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1413	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1419	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1420	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1448	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1463	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1471	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1489	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1494	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1505	Kookynie, WA	Prospecting Licence	LOFASZ PTY LTD (100%)
P40/1535	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1509	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1563	Kookynie, WA	Prospecting Licence	CRAIG LESLIE DIXON (100%)
P40/1559	Kookynie, WA	Prospecting Licence	CRAIG LESLIE DIXON (100%)
P40/1345	Kookynie, WA	Prospecting Licence	CRAIG LESLIE DIXON (100%)
P40/1502	Kookynie, WA	Prospecting Licence	CRAIG LESLIE DIXON (100%)
P40/1503	Kookynie, WA	Prospecting Licence	CRAIG LESLIE DIXON (100%)
E40/270	Kookynie, WA	Exploration Licence	IRIS METALS LTD (100%)
E40/348	Kookynie, WA	Exploration Licence	IRIS METALS LTD (100%)
E40/407	Kookynie, WA	Exploration Licence	IRIS METALS LTD (100%)
E45/5939	Paterson Province, WA	Exploration Licence	IRIS METALS LTD (100%)
E29/1152	Menzies, WA	Exploration Licence	IRIS METALS LTD (100%)

* Subject to royalty agreement. GSR of 0.75%.

Project	Location	Claims
Custer	South Dakota, USA	1,380
Helen Beryl	South Dakota, USA	226
Dewy	South Dakota, USA	358
Ruby	South Dakota, USA	92

* Subject to royalty agreement. NSR of 1.25%.

Project	Location	Claims
Access Agreement 1	South Dakota, USA	Black Diamond Patent*
Access Agreement 2	South Dakota, USA	Beecher Extended Patent*

*Subject to royalty agreement. USD50K upon decision to mine. USD\$50 per ton of Spodumene mined.



This release is approved by the Board of IRIS Metals Limited.

About IRIS Metals Limited:

IRIS Metals (ASX:IR1) is an Australian-based explorer with an extensive suite of assets prospective for gold, nickel and lithium in Western Australia and South Dakota, USA. Its wholly-owned WA tenement portfolio includes a compelling landholding in central Kookynie - a gold camp renowned for its historical high grade gold production and bonanza gold grades, and strategic tenure in the highly prospective Tier-1 mining jurisdiction of Leonora. The hard rock lithium South Dakota Project provides the Company and its shareholders with exposure to the battery metals space in a mining friendly jurisdiction with a history of past production. IRIS is pursuing a strategy of rapid prospect evaluation in recognised mineral fields, with a view to making economic discoveries, thereby enhancing shareholder value.

Forward looking Statements:

This announcement may contain certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with exploration, estimation of resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to IRIS Metals or not currently considered material by the company. IRIS Metals accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

Appendix 5B

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

Name of entity

IRIS METALS LIMITED

ABN

61 646 787 135

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,347)	(3,562)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(184)	(379)
	(e) administration and corporate costs	(452)	(688)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(2,983)	(4,628)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	(30)	(30)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(30)	(30)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,010
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(16)	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(16)	1,985

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,545	4,190
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,983)	(4,629)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	1,985

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,516	1,516

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,516	4,545
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,516	4,545

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	208
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Directors, being related parties of the Company, were remunerated to the amount of \$208k in the September quarter.</p>		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,983)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,983)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,516
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,516
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	(0.51)
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. Significant expenditures associated with staking activities in South Dakota have now largely been completed. Expenditures in relation to South Dakota are expected to decrease substantially.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company notes that the recent quarter has seen its share price increase from \$0.24 (July 1) to \$1.99 (Sept 30) with a corresponding substantial increase in market capitalisation. The Company has advisers CPS Capital and Jett Capital advising on its Capital raising requirements and does not foresee any difficulties in achieving required outcomes.	

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

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

Answer: Yes, the Company has sufficient funds to continue pursuing its current activities and will be prioritizing key activities in the short term and while it finalizes its plans to raise additional capital.

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

Compliance statement

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

28 October 2022

Date:

By order of the Board

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

Notes

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