



ASX Release: 31 January 2023

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Highlights:

- Lithium mining permit granted covering the Black Diamond and Beecher Extended patent claims.
- Geological mapping and sampling of pegmatites on our Black Diamond and Beecher projects.
- Negotiations continued for the acquisition of various patent properties.

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 31 December 2022.

Lithium mining permit granted covering the Black Diamond and Beecher Extended patented properties

As part of IRIS’ existing South Dakota project, it has access rights (inclusive of exploration and mining activities) over 2 patented properties, **Black Diamond** and **Beecher Extended**, comprising part of its existing Custer project.

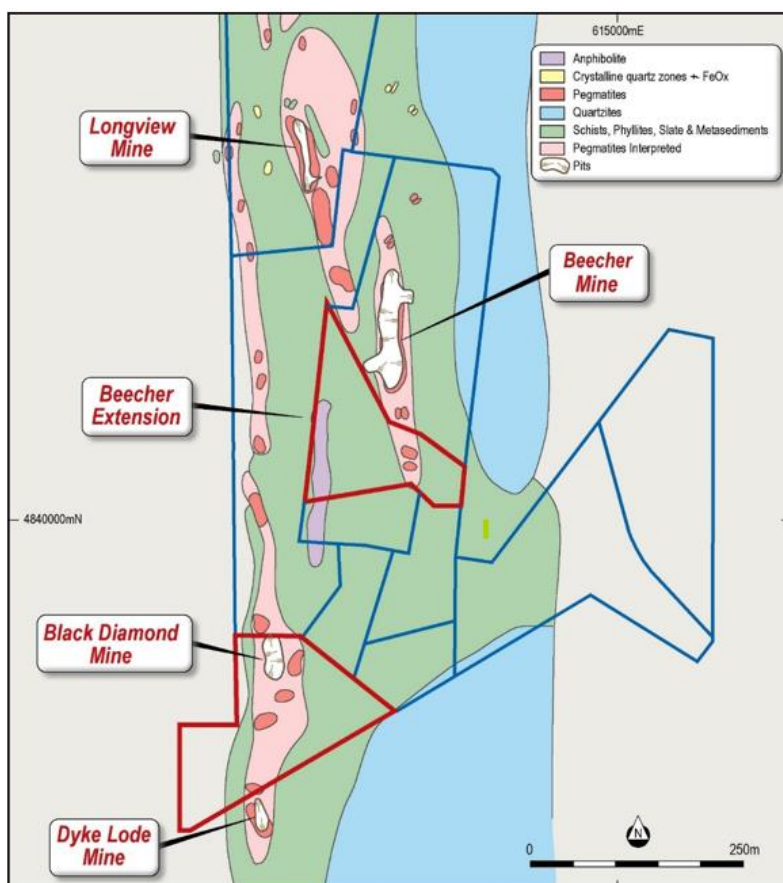


Figure 1: The Beecher Lithium Mine trend showing locations of the **Beecher Extension** and the **Black Diamond** patented properties



IRIS's local partner in South Dakota has applied for and been granted a mining permit which covers the **Black Diamond** and **Beecher Extension** claims respectively, enabling IRIS the ability to mine and extract lithium from pegmatites situated on these properties.

IRIS is currently in the process of transferring the mining permit to its ownership.

Geologists are continuing a program of geological mapping and sampling of lithium bearing pegmatites on our Black Diamond and Beecher projects.

Negotiations continued for the acquisition of various patent properties

As previously reported, IRIS has been in negotiations to acquire patented properties comprising the remaining lithium bearing Beecher pegmatite trend (*Refer figure 1 above*).

These private properties are not subjected to the same obligations as BLM claims that are governed by both Federal and State authorities including the National US Forrest Service, **enabling IRIS the ability to fast-track all exploration and mining activities including the right to explore and mine lithium bearing pegmatites**.

IRIS requested voluntary suspension on 23 December 2022, pending further details in relation to the acquisition of the aforementioned patented properties.

The Company remains in suspension but anticipates the release of an in-depth update, detailing the said transaction and following steps in the near term.



Corporate

Financial

Cash at the end of the quarter was \$310k, following a net cash outflow of \$1.2 million as part of continuing operations. The material cash outflows were Exploration and Evaluation Costs and Administration and Corporate Costs, being \$909k and \$255k respectively.

Directors, being related parties of the Company, were remunerated to the amount of \$67k in the December 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		Estimate expenditure to 31 Dec 2022 (\$000s)	Actual expenditure to 31 Dec 2022 (\$000s)	Variance (\$000s)
Exploration Expenditure	3	3,360	5,693	- 2,333
Payment to vendors of tenements contingent upon IPO	3	105	110	- 5
Working capital and administration costs	3	953	2,490	- 1,537
Expenses of the public offer	4	721	601	120
Total		5,139	8,894	- 3,755

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 31 December 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 12 ASX announcements, 5 of which were deemed market sensitive. This announcements were as follows:

Date	Description	Market Sensitive
23/12/22	Suspension from Quotation	✓
21/12/22	Trading Halt	✓
14/12/22	Half Year Accounts	
02/11/22	Drilling Rig Contracted and Met Test Work Commencing	✓
28/10/22	Quarterly Report for the Period Ended 30 September 2022	✓
06/10/22	Change in substantial holding	
06/10/22	Change in substantial holding	
05/10/22	Notification regarding unquoted securities - IR1	
05/10/22	Notification regarding unquoted securities - IR1	
05/10/22	Cleansing Notice	
05/10/22	Application for quotation of securities - IR1	
04/10/22	Lithium Mining Permit Granted Over Two Existing Claims	✓



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 (M40/354)	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1334 (M40/355)	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	IRIS METALS LTD (100%)
P40/1559	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1345 (M40/358)	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1502	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (100%)
P40/1503	Kookynie, WA	Prospecting Licence	IRIS METALS LTD (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")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(909)	(4,471)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(32)	(411)
	(e) administration and corporate costs	(255)	(943)
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	(1,196)	(5,825)

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)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)

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	(10)	(35)
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	(10)	(1,975)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,516	4,190
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,196)	(5,825)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	1,975

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	310	310

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	310	1,516
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)	310	1,516

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	(67)
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 \$67k in the December quarter.</p>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,196)
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)	(1,196)
8.4	Cash and cash equivalents at quarter end (item 4.6)	310
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	310
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	(0.26)
	<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?	
	Expenditure is expected to continue at the current rate of net cash operating cash flows and will be within the budget established as part of the re-compliance process.	
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?	
	The Company has secured additional equity in the amount of \$1.5m AUD through the issuance of new shares and options (see separate announcement dated 31 January 2023). A further raise is planned as part of the re-compliance process, the full details of which will be set out on a separate announcement.	

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?

Yes, the Company will have sufficient funds to continue to pursue its current activities due to the recent A\$1.5m capital raise (see 8.8.2). As mentioned, discussions are well advanced with parties with respect to the raising of additional funds as part of the re-compliance process (including discussions with an investor who we expect to cornerstone this raise). These funds will be applied to the Company's medium to longer term planned activities.

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.

31 January 2023

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.