Quarterly Report

December 2021 Quarter

31 January 2022

Recently listed Iron Ore and Base Metals explorer Burley Minerals Ltd (ASX: BUR, 'Burley' or 'the Company') is pleased to provide the following update on its business activities second quarter since listing.

HIGHLIGHTS

Yerecoin Ni-Cu-Co-PGE Project

- Historical drilling at Yerecoin South iron deposit intercepted abundant serpentinised ultramafic rocks adjacent to the BIF over strike length of ~3km
- Helicopter-borne VTEM™ Max electromagnetic (EM) and magnetic geophysical surveys identified several EM anomalies confirming potential for ultramafic hosted Ni-Cu-Co-PGE mineralisation
- Infill and extension Fixed Loop Time Domain Electromagnetic (FLTEM) and Moving Loop Time Domain Electromagnetic (MLTEM) surveys planned over key targets
- Located just ~60km north of Chalice Mining's Gonneville PGE-Ni-Cu-Co-Au discovery and ~15km north east of Caspin Resources' Yarawindah Brook project

Yerecoin Iron Project

- Mineral Resources of 247 Mt @ 29.9% Fe (68.1% Fe concentrate grade at 32.1% DTR)
- Burley has launched the Yerecoin Iron Preliminary Feasibility Study (PFS)
- Yerecoin is capable of producing a premium iron concentrate product suitable for sinter feed with very low trace element impurity levels
- Currently large price premiums being paid for high quality iron concentrates
- Engagement of geological, metallurgical, engineering, environmental and marketing consultants progressing
- Drill programmes planned and approvals currently being sought
- Critical path items identified for completion of Preliminary Feasibility Study

Hamersley Iron Ore Prospects

- Three exploration licence applications (ELAs) (Broad Flat Well, Hardey West and Cane Bore) now held over highly prospective ground in the world-class Hamersley Iron Ore Province of Western Australia proximal to main roads and export ports
- Cane Bore exploration licence application located south of Rio Tinto's Robe River Operations and considered prospective for CID style iron ore mineralisation

Corporate

- Cash $4.7M as of 31 December 2021:
- Tight capital structure (61M Shares only) and Market Capitalisation $8.5M

Burley owns 70% of Novarange Pty Ltd which owns 100% of the Yerecoin Project located east of New Norcia, Western Australia and around two hours drive northeast of Perth. Exploration activities carried out on the Project to date have defined significant JORC 2012 compliant magnetite resources within the Project totalling 247 Mt @ 29.9% Fe (68.1% Fe concentrate grade at 32.1% DTR).

Yerecoin Ni-Cu-Co-PGE Project – 70% Burley

Jimperding Metamorphic Belt is an emerging Ni-Cu-PGE province; with the recent discovery by Chalice Mining Limited's (Chalice, ASX: CHN) of their Julimar Nickel-Copper-PGE Project and the appraisal of the Yarrawindah Brook Ni-Cu-PGE mineralisation by Caspin Resources Limited (ASX: CPN), located some 15km to the west.

Historical drilling at Yerecoin South deposit intercepted abundant serpentinised ultramafic rocks adjacent to the BIF over strike length of ~3km. The ultramafic rocks extend to the bottom of some drillholes and are up to 150m thick in places. A previous petrographic study identified variably serpentinised ultramafic rocks (harzburgite and lherzolite pyroxenites), which is indicative of large layered ultramafic intrusions that have potential to host Ni-Cu-Co-PGE mineralisation. In addition, chalcopyrite (Cu sulphide) and cobalt-bearing pentlandite and millerite (Ni sulphides) were observed in drill core samples, further indicating the mineralisation potential of the ultramafic intrusion(s).

During the September 2021 quarter, Burley announced the preliminary results of a recent helicopter-borne VTEM™ Max survey. Preliminary interpretations have been received from the Company's geophysics consultant. First pass analysis of the data received identified eight significant electromagnetic (EM) anomalies within Burley's tenements.

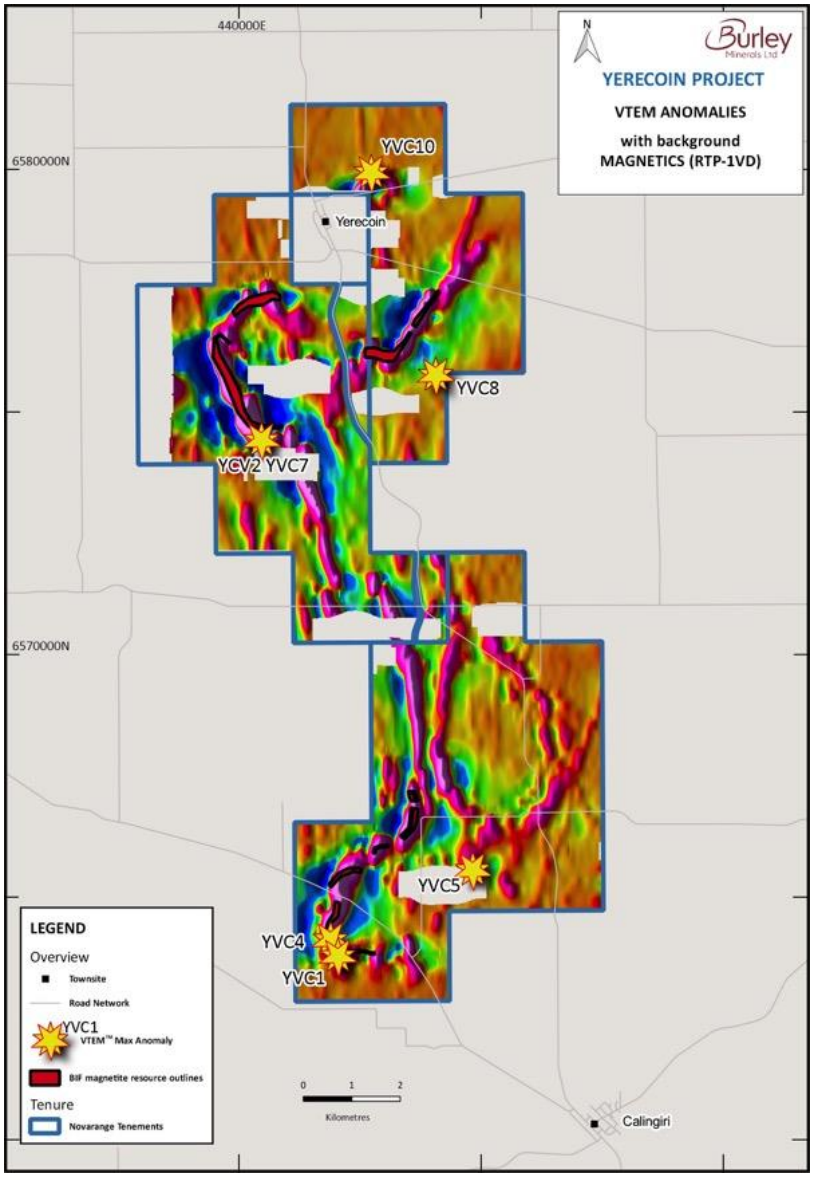

Figure 1. Yerecoin Project – Location of air-borne VTEM geophysics anomalies, prefixed 'YVC', overlying high resolution aeromagnetics image (RTP-1VD)

This is the first major exploration programme completed at the Yerecoin Project since 2012 and the first exploration for Ni-Cu-PGE mineralisation. The Survey flew a total of 651 line kilometres of data acquired using the helicopter-borne VTEM™ Max (Versatile Time Domain Electromagnetic) electromagnetic (EM) system of Geotech Ltd. Interpretation of processed data has delineated eight bedrock conductors (Figure 1) within the survey area.

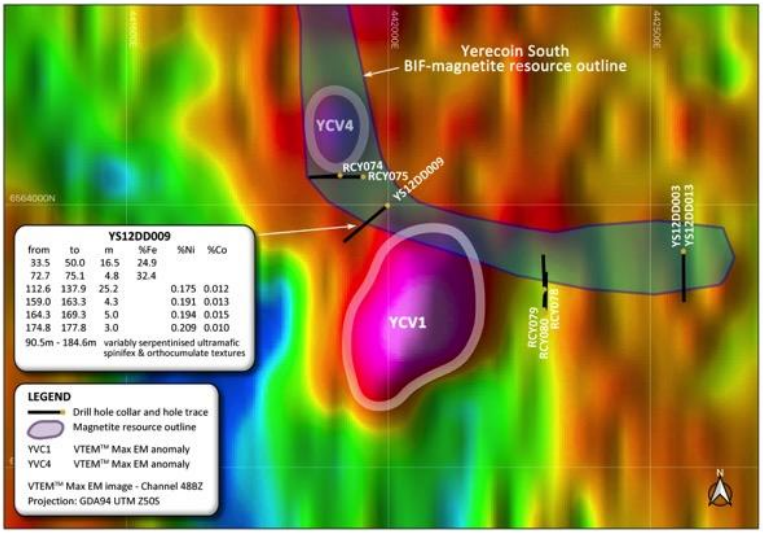

Figure 2. Yerecoin South – Two VTEM™ Max EM anomalies located at Yerecoin South – historical low grade nickel and cobalt assays from nearby diamond drillhole (YS12DD009).. Not assayed for PGEs. Background image: VTEM Channel 48BZ

Two of the EM anomalies (YVC1 & YVC4) are located in close proximity to the Yerecoin South BIF magnetite deposit. The closest drillhole to YVC1 (YS12DD009) drilled through the BIF sequence and intercepted ultramafic rock units beneath the BIF units. Historical assaying returned anomalous nickel and cobalt values in variably serpentinised ultramafic units (Figures 1 & 2).

UTS Geophysics Pty Ltd were contracted to fly the helicopter-borne VTEM™ Max electromagnetic and magnetic geophysical survey. Geophysical measurements were acquired approximately every 2-4 metres along the survey lines.

The results of the EM survey are highly encouraging, especially in the context of the recent successes of neighboring explorers, such as Chalice Mining Ltd (Chalice) and Caspin Resources Ltd (Caspin), where recent airborne EM surveys have led to the identification of Ni-Cu-PGE bearing ultramafic rock units. Chalice's Julimar Project - Gonneville PGE-Ni-Cu discovery lies approximately 60km to the south and Caspin's Yarawindah Brook Project ~15km to the southwest.

Next Steps

The Company continues to conduct community and stakeholder engagement.

The Company is planning an infill and extension ground geophysics survey involving Fixed Loop Time Domain Electromagnetic (FLTEM) and Moving Loop Time Domain Electromagnetic (MLTEM) surveys. The follow-up FLTEM/MLTEM surveys will be planned to better define the airborne EM anomalies and generate drill targets.

During the quarter, the Company relocated the historical diamond drill core (33 holes) to a new location and began re-logging core to further evaluate the ultramafic units intersected as part of investigating the Ni-Cu-Co-PGE potential.

Yerecoin Iron Project - 70% Burley

Burley has launched a PFS of the Yerecoin Iron Project, which contains magnetite resources of 247Mt. The Yerecoin project has had extensive studies completed confirming the project can deliver a premium sinter feed iron concentrate and the iron price is significantly stronger than when these studies were initially completed. The PFS will be aimed at both the technical and financial viability of the project that has multiple existing infrastructure options.

YERECOIN IRON PROJECT SUMMARY

- **JORC 2012 compliant magnetite resources 247 Mt @ 29.9% Fe (68.1% Fe concentrate grade)**
- **Highly favourable coarse grind size of 106 micron significantly reduces plant size and energy costs**
- **Premium iron concentrate product suitable for sinter feed with low impurity level**
- **Currently large premiums for high quality iron concentrates**
- **Potential mining and processing options evaluated by significant historical studies**
- **Multiple infrastructure options for exporting iron product**

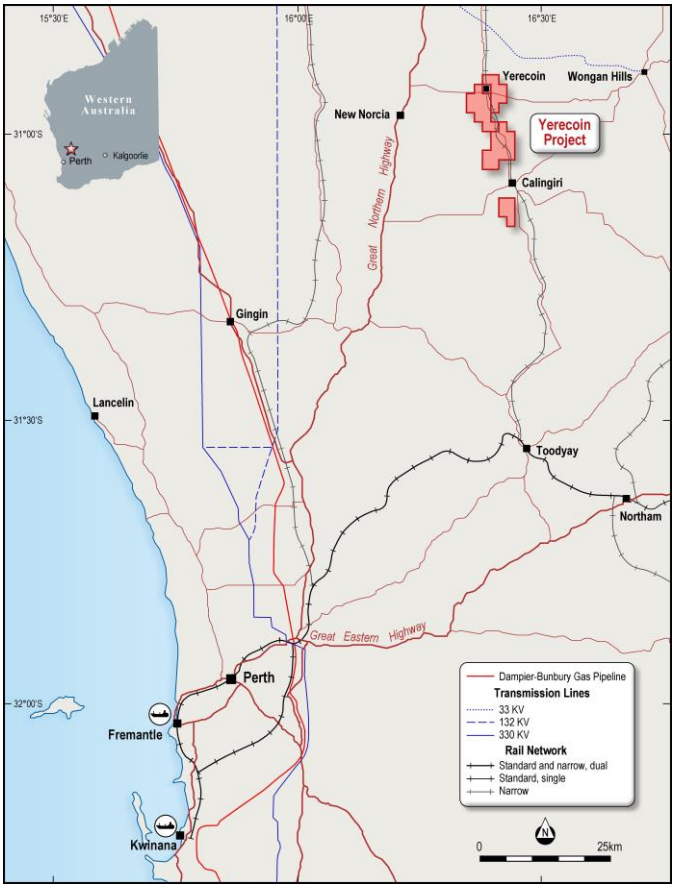

Figure 3. Yerecoin Project location in relation to rail networks, road, ports and power networks.

PFS Commences

The Company has appointed its geological, metallurgical and environmental consultants to conduct the PFS. The Company is currently selecting its engineering, social and marketing consultants for preparation of the study.

Management have reviewed the previous studies on the Project prepared by Cliffs Magnetite and Radar Iron and has commenced a gap analysis of those studies to determine the optimal and most economically viable production and logistics solution for the Project. Strong focus has been on the critical path items required for the completion of the study. A detailed schedule incorporating plant design requirements, metallurgical testing, logistics and infrastructure solution(s), Mining and Environmental approvals, budget and resourcing is being prepared as a deliverable for the PFS.

Geological Resource

A re-evaluation of the Mineral Resource Estimates developed by Cliffs in 2012 and Radar Iron in 2015 has commenced in parallel with new data gathered through field mapping and logging of the historical drill core. This work was completed in December. This work includes gap analyses, domaining and geostatistics, which has facilitated the prioritising of drill holes in the upcoming drilling programme.

During the December 2021 quarter, the Company commenced re-logging of diamond drill core and geological interpretations to enable domaining of the stratigraphy and mineralisation within the resources defined to date.

Metallurgical Review

A review of the significant historical metallurgical testwork and evaluation of process flowsheets presented in earlier studies have commenced. This work will identify data gaps and determine the ensuing metallurgical testwork programme to better define the process design criteria and target product specification. This work underpins development of the process flow sheet for the PFS.

Stakeholder Engagement

Burley has developed a Stakeholder Engagement Plan to identify all stakeholders in relation to the Project. The plan will facilitate identification of stakeholder issues and opportunities, and to anticipate impacts, ultimately with the intent to maintain corporate responsibility and reputation.

Next Steps

The Company has planned a series of drill programmes and has lodged these Programmes of Work (PoW), with The Department of Mines, Industry Regulation and Safety (DMIRS).

The Company continues to conduct community and stakeholder engagement discussions, with the aim of signing new Land Access Agreements with the Landowners to undertake these works and supporting the local community developments.

RC and Diamond drilling are planned to infill the iron resources defined to date, to provide better definition on the various mineralisation domains and upgrade resource classification status from Inferred to Indicated. Drilling is planned to utilise a solids recovery systems to negate the requirement for sumps, and therefore minimise disturbance to the ground surface.

Hamersley Iron Ore Prospects – 100% Burley

During the quarter, Burley applied for three exploration licences in the Hamersley Iron Ore Province of Western Australia, being the world's largest iron ore production province.

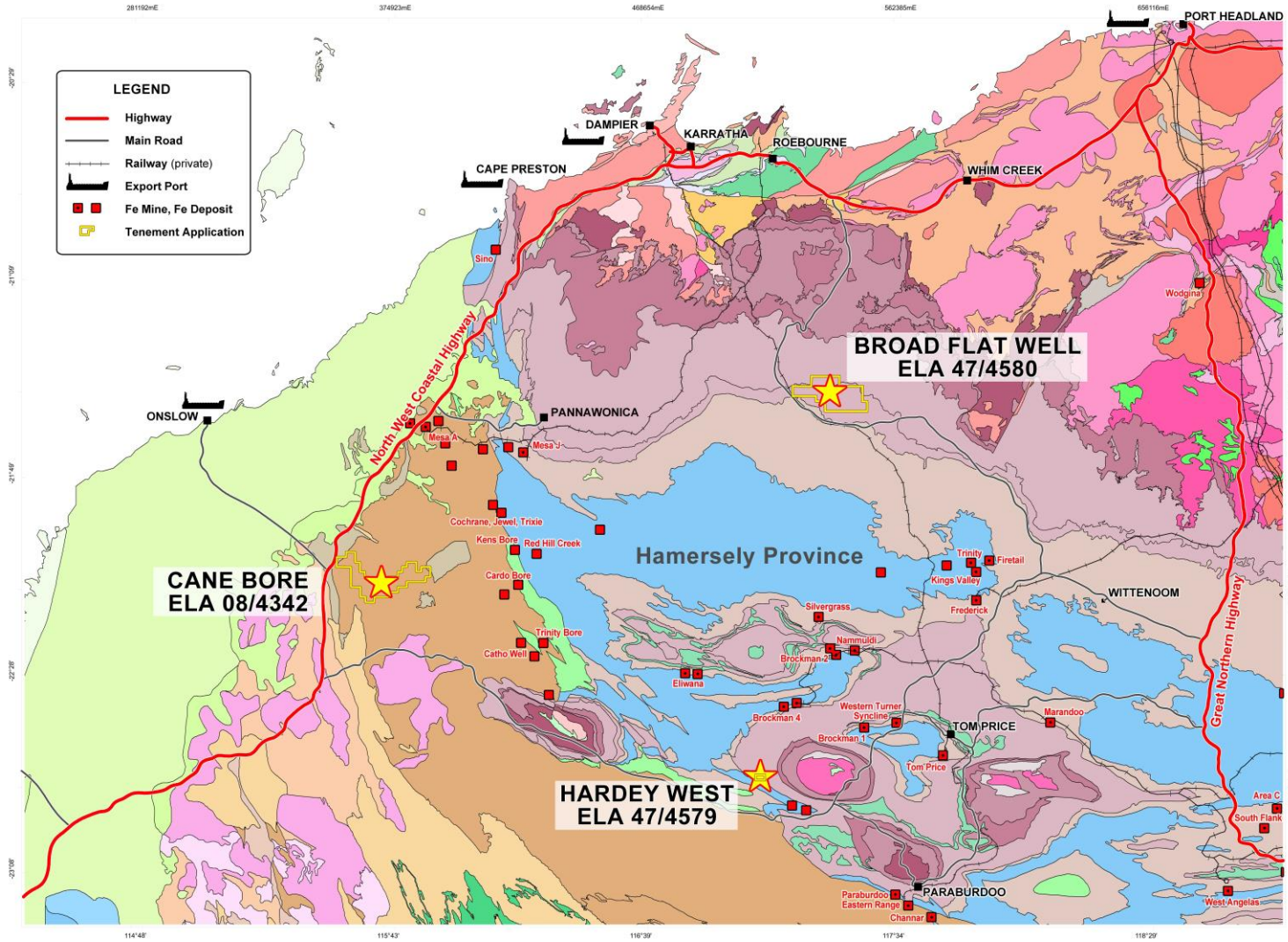

Figure 4. Location plan – exploration licence applications Cane Bore, Broad Flat Well and Hardey West Prospects in relation to operating iron mines, major iron deposits, road and port infrastructure

The Broad Flat Well and Cane Bore ELA's cover outcropping Channel Iron Deposit (CID) mineralisation and the Hardey West ELA contains prospective stratigraphy for Bedded Iron Deposit (BID) mineralisation and is also prospective for base metal mineralisation.

For further details of the three applications, refer to Burley's announcements to the ASX: *"Burley applies for Exploration Licences for Iron Ore in the Hamersley Province"* dated 23 September 2021, and *"Burley applies for Third Exploration Licence for Iron Ore in the Hamersley Province"* dated 21 October 2021.

All applications are in close proximity to significant infrastructure, such as main roads, townsites and port facilities. The ELA's were lodged as part of the Company's ongoing project generation strategy of developing a pipeline of projects by reviewing and acquiring projects that have the potential for early resource definition and development.

Broad Flat Well – ELA 47/4580

Exploration Licence application 47/4580 is located close to the Roebourne-Wittenoom Road and is 115km by road from Karratha townsite and the Dampier port facilities. The application covers an area of approximately 223km^2, with the geology dominated by mafic to intermediate volcanics and sediments of the Maddina and Jerrinah Formations, which occur within the Fortescue Group. Significantly there are **numerous remnants of mid-Miocene Channel Iron Deposits (CID)** related to the Fortescue River palaeodrainage located within the application area.

CID mineralisation occurs as scattered, dissected outcrops along the Fortescue River valley. The **eroded outcrops are remnants of an extensive network of CID deposits**, which are found in tributary channels of the ancestral Fortescue River. Rock-chip sampling conducted by API from 2006 to 2008, returned iron results typical of those from surface sampling of CID throughout the Pilbara with **results ranging up to 61.5% Fe**.

Hardey West - ELA 47/4579

Exploration Licence application E47/4579 covers approximately 470 hectares, located some 70km west south-west of Tom Price (Figure 4). Access from Paraburdoo townsite is just 72km westwards via the sealed Paraburdoo and Nanutarra Roads and a further 18km on unsealed Cheela Plains' station track.

Geology is dominated by mafic volcanics and volcanoclastic sediments of the Bunjina and Jerrinah Formations but includes **Brockman Iron Formation** stratigraphy. It is the **latter which hosts the major iron ore deposits in the Pilbara Region** of Western Australia. Structurally the tenement application includes a portion of the northern limb of the west plunging Hardey Syncline. **Significant iron ore resources are being explored in the syncline region, such as BHP's Rocklea Project and API's Hardey Project.**

The Hardey West ELA 47/4579 occurs along the **northern limit of the Hardey Syncline** and overlies **prospective stratigraphy for Bedded Iron Ore (BID) within the Brockman Iron Formation, and hydrothermal gold and base metal mineralisation** within favourable structural trap sites along a major mantle-tapping structure, the Soda Well Fault.

Additional work needs to be conducted to assess both the iron ore and base metal prospectivity.

Cane Bore - ELA 08/3424 - 100% Burley

Exploration Licence application ELA 08/3424 is located directly east of the intersection of the Onslow Main Road with the North West Coastal Highway, and centred some 90km south-west of Pannawonica, 90km south-east of Onslow and its port facilities and 150km and 240km via the North West Coastal Highway from Cape Preston and Dampier Port Facilities respectively (see Figure 4).

The application covers an area of approximately 222km^2, along the western margin of the Hamersley Basin, with the **geology dominated by mid-to late Miocene channel iron deposits**, which occur as a **meandering line of dissected outcrop adjacent to the Cane River**. The deposits are flanked by Quaternary alluvial and colluvial deposits related to the Cane River and its tributaries. Outcrop to the north and south of the Quaternary cover sequences, are low-grade greenschist facies sediments (mudstones to conglomerates), felsic to mafic volcanic rock, BIF, and dolostone of the Proterozoic Ashburton Formation. The far western corner of the application is underlain by the Mount Minnie Group, which is comprised of quartz to arkosic sandstone, conglomerate, siltstone and mudstone.

The upper areas of this palaeodrainage system have been drill assessed by API Management Pty Ltd (Manager of the Red Hill Iron Ore Joint Venture). In 2016, Red Hill Iron Ltd published JORC 2012 compliant mineral resources in the order of 664Mt at 56.9% Fe for the Cochrane/Jewel, Trixie, Kens Bore and Red Hill Creek deposits (*refer Red Hill Iron Ltd's ASX announcement dated 24 November 2016*

"Red Hill Iron Ore Joint Venture - Mineral Resources Update"). These deposits are proximal to, or within, the Hamersley Range and occur approximately 40km 'upstream' from the eastern boundary of Burley's application.

Landsat 8 (bands 5,4,3) highlight the remnant CID palaeochannel quite clearly (refer Figure 5). The Total Magnetic Intensity (TMI) imagery indicates a number of N-S Proterozoic dykes traverse the tenement application. The arcuate mid-intensity magnetic units within the western margin of the application represent the sediments of the Ashburton Formation, with the cross-cutting linear high possibly representing the unconformable contact of the Mount Minnie Group. This contact hosts vein-hosted gold mineralisation further to the east so is also worthy of follow-up work.

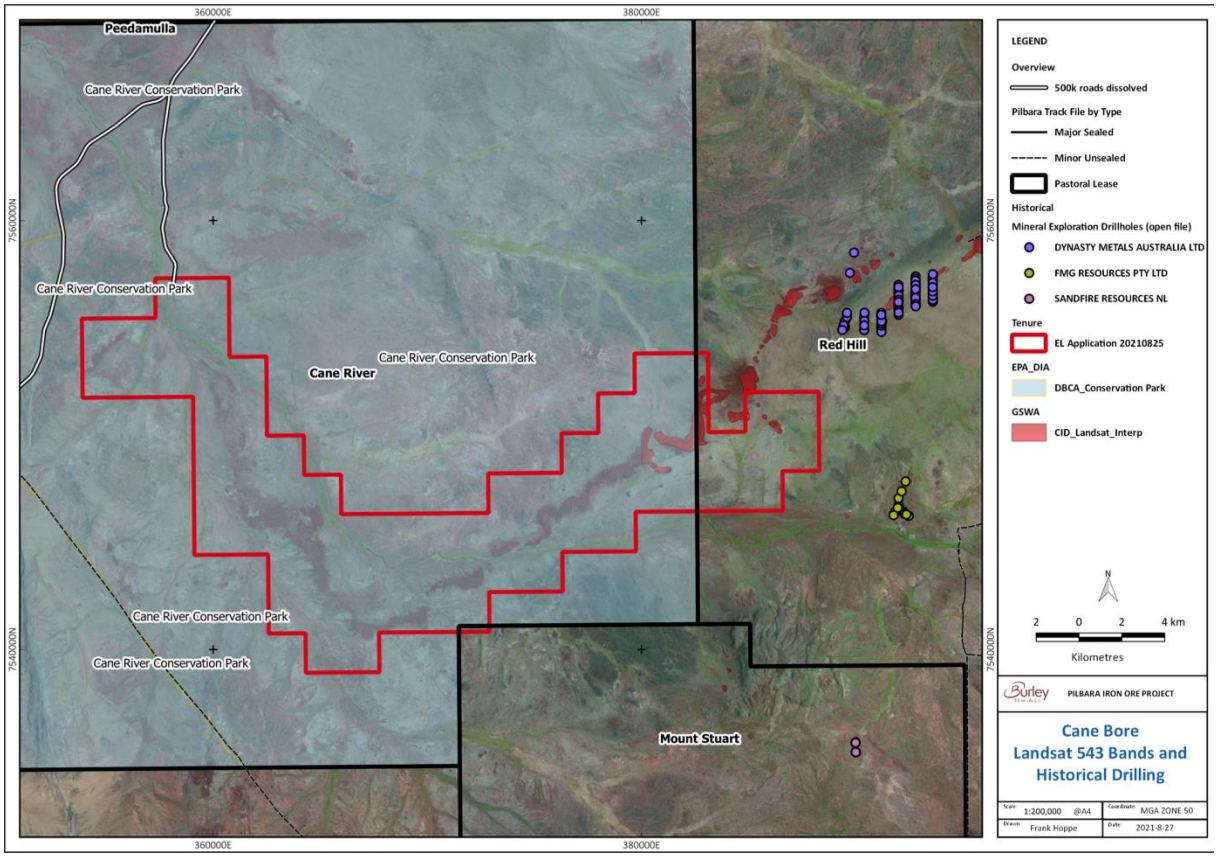

Figure 5. ELA 08/3424 – Landsat TM (Bands 543) and historical drilling locations

Next Steps

It is highlighted that each of the exploration licence applications are going through the standardised process towards grant of Licence but there is no certainty that the applications will be granted even though there are no competing applications. Compilation and review of all available historical data will take place in parallel to the grant process.

Once granted, the Company intends to complete further detailed on-ground mapping and drilling.

Corporate – Strong financial position

Burley completed the acquisition of 70% Novarange Pty Ltd in early July 2021. Novarange Pty Ltd owns 100% of the Yerecoin Project. On listed on 7th July 2021, Burley listed on the ASX after successfully raising $6,000,000 before costs as outlined in its Prospectus dated 26 May 2021.

Burley had cash of $4.7M as at 31 Dec'21 and currently has a tight capital structure with 61 million ordinary shares and market capitalisation $8.5M.

In December 2021, following a review of its Board and management composition and corporate governance principles, Mr Wayne Richards joined the Company as Chief Executive Officer (CEO). Mr Gary Powell has remained as an executive of the Company and transitioned into the new role of Technical Director with effect from 1 January 2022.

Mr Richards' appointment further fortifies and broadens the technical and corporate experience and skill sets of the current management team, as the Company actively advances exploration programmes and studies at its Yerecoin Ni-Cu-Co-PGE and Iron Projects, as well as advancing the evaluation of its prospects in the world's premier Hamersley Iron Ore Province.

Wayne was formerly Executive Chairman and CEO of Tawana Resources, Managing Director of Brockman Resources and Executive Project Director of Minprovise International and Strike Resources Ltd. Wayne has over 35 years of study execution, project development, mining, mineral processing and corporate financing experience within the resource and mining service sectors. Wayne has performed executive and non-executive roles with ASX- and JSE-listed companies and has fulfilled senior executive roles with BHP and Anaconda Nickel. Wayne has held Non-Executive Directorships with both listed companies and Joint Ventures/Alliances.

As Managing Director of Brockman Resources, Wayne was responsible for the development of the Marillana - 20 Mtpa Iron Ore Project in the Pilbara region. Prior to, and subsequent to this role, Wayne has fulfilled Senior Executive positions within BHP Billiton's iron ore division, including Deputy Vice President of Boodarie Iron, and Asset Commissioning Leader, with direct responsibility for integrating projects across BHP's three iron ore business sectors – mine, port and rail. Wayne was the former Project Commissioning and Refinery Operations Manager for Anaconda Nickel's Murrin Murrin Project and recently fulfilled the Project Director's role for Strike Resources' Iron Ore Project.

ASX Listing Rule 5.3.4 and 5.3.5

In accordance with Listing Rule 5.3.5, Burley advises that payments made to related parties as advised in the Appendix 5B for the quarter ended 31 December 2021 were as follows:

- $134k for Director fees; and
- $37k for company secretary and accounting services.

In accordance with Listing Rule 5.3.4, as the December 2021 quarter was in a period covered by a 'use of funds' statement in the IPO Prospectus, below is a comparison of the Company's actual expenditure to 30 September 2021 against the estimated expenditure in the 'use of funds' statement in the Prospectus (differences are primarily due the Company only being six (6) months into its planned two-year expenditure program):

Use of funds	Per IPO Prospectus (2-year period) $	Actual expenditure up to 31 December 2021 $
Exploration of Yerecoin magnetite deposits	2,266,200	185,894
Exploration of Yerecoin Ni-Cu-PGE Project	927,350	195,538
Acquisition and stamp duty	536,815	199,000
General working capital • Administration • New projects	2,074,258	454,074 40,194
Estimated expenses of the Offer	664,215	483,802
Total	**$6,468,838**	**$1,558,502**

This announcement has been authorised for release by the Board of Burley Minerals Limited.

For further information, please contact:

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About Burley Minerals

Burley Minerals Ltd is an ASX-listed Iron Ore and Base Metals explorer. The Company completed a successful listing of the Company on the Australian Securities Exchange on 7th July 2021. The Company's flagship project is the Yerecoin Project located approximately 120km northeast of Perth, Western Australian which has a JORC 2012 compliant Mineral Resource of 247Mt of magnetite iron ore, capable of producing a concentrate at >68% Fe. Various studies completed by previous tenement operators, include various production scenarios as well as evaluation of infrastructure solutions. Burley has now commenced a Preliminary Feasibility Study on the magnetite mineral resources.

In addition to the development potential of the Yerecoin Magnetite deposits, there has been some very recent exploration successes within the Jimperding Metamorphic Belt, including Chalice Mining's Gonneville discovery. Given these recent exploration successes, and the knowledge that Co-bearing Ni-Cu sulphides have previously been identified within Yerecoin's ultramafic rocks, Burley believes the geological setting and prospectivity of the Yerecoin Project are analogous to the Julimar-Gonneville discovery setting and represent an opportunity for the discovery of Ni-Cu-PGE mineralisation.

Tenement Schedule as at 31 December 2021

Tenement	Project	% interest
E 70/2733	Yerecoin Project, Western Australia	70%
E 70/2784	Yerecoin Project, Western Australia	70%
ELA 08/4342*	Cane Bore, Hamersley, Western Australia	100%
ELA 47/4580*	Broad Flat Well, Hamersley, Western Australia	100%
ELA 47/4579*	Hardey West, Hamersley, Western Australia	100%

* Exploration Licence Applications

Competent Person's Statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation compiled by Mr. Gary Powell, a Competent Person, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Powell is the Managing Director and a shareholder of Burley Minerals Limited and 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 Resource and Ore Reserves". Mr. Powell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Yerecoin Main and South Mineral Resource Estimate was reported in 2014 under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Mineral Resource Estimate was detailed in refer to Prospectus dated 27 May 2021 Section 10 for the Independent Technical Assessment Report.

The Company is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the data in the relevant market announcements continue to apply and have not materially change.