

NORFOLK METALS LIMITED
ACN 652 438 385

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 21 January 2022 (**Prospectus**) issued by Norfolk Metals Limited (ACN 652 438 385) (**Company**).

This Supplementary Prospectus is dated 28 February 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed at www.norfolkmetals.com.au.

The Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares in the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. BACKGROUND

The purpose of this Supplementary Prospectus is to provide additional information and amendments to the following sections of the Prospectus:

- (a) Section 9.2 (Roger River Acquisition Agreement) - an explanation of why it is considered necessary or appropriate to issue the Performance Rights as consideration for the acquisition of Roger River Resources Pty Ltd;
- (b) Section 9.2 (Roger River Acquisition Agreement) - details of how the Company determined the number of Performance Rights to be issued and why it considers that number to be appropriate and equitable; and
- (c) Section 4.12 (Commissions payable) – an update to reflect the fact that no commissions will be payable to Ironside or Mr Phillips for subscriptions for Shares under the Offer secured by those parties.

The content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors.

2. AMENDMENTS TO PROSPECTUS

The following additional information or amendments are made to the Prospectus.

2.1 Section 9.2 – Roger River Acquisition Agreement

Section 9.2 of the Prospectus is amended by including the following additional information:

The Company has elected to issue the Performance Rights so that a portion of the consideration payable for the Acquisition is directly linked to the performance of the assets being acquired. This is standard practice for acquisitions of exploration projects and is designed to protect the Company and its shareholders against the inherent risk associated with such acquisitions (i.e. there can be no assurance that exploration of these assets will result in the attainment of value accretive exploration results).

The consideration payable was determined by the Board having regard to:

- (a) *the Board's assessment of the future prospects of the Roger River Gold Project, based on its geological review of the Roger River Gold Project;*
- (b) *recent market examples of comparable transactions; and*
- (c) *the fact that part of the consideration payable will be deferred (i.e. the Performance Rights) and value will only be realised in the event that the Milestone is satisfied, which would be a significant value accretive event for the Company.*

The Company considers the number of Performance Rights issued to be appropriate and equitable because:

- (a) *the financial benefit the holders of the Performance Rights will obtain on satisfaction of the Milestone in respect of the Roger River Gold Project is reasonable and commensurate when compared against the significant*

additional value the Roger River Gold Project will have in the event the Milestone is satisfied, compared to if the Milestone is not satisfied;

- (b) conversion of the Performance Rights into Shares will not have a significant dilutive impact on existing Shareholders and in any event the Performance Rights (and Shares issued on conversion) are expected to be subject to an ASX-imposed, 24 month escrow restriction; and
- (c) the Milestone contains a meaningful threshold and none of the example conversion terms listed in ASX Guidance Note 19 that ASX may consider not to be appropriate or equitable apply in this instance.

2.2 Section 4.12 – Commissions payable

Section 4.12 of the Prospectus is deleted in its entirety and replaced with the following:

Section 4.12 Commissions Payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Company confirms that no related party or their associates or Ironside Capital Pty Ltd will be paid a commission for amounts subscribed under this Prospectus.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

3. KEY DATES

The indicative timetable at Section 2 of the Prospectus is replaced with the following:

Lodgement of Original Prospectus with the ASIC	21 January 2022
Exposure Period begins	21 January 2022
Opening Date	1 February 2022
Closing Date	21 February 2022
Lodgement of this Supplementary Prospectus	28 February 2022
Issue of Shares under the Offer	1 March 2022
Despatch of holding statements	2 March 2022
Expected date for quotation on ASX	14 March 2022

1. *The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days*

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pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.

2. *If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*

4. ACTION BY INVESTORS

4.1 Existing Applicants for Shares

If you have already lodged an Application with the Company **you are not required to undertake any action** because of this Supplementary Prospectus. The Board of the Company has formed the view that the updates provided in Section 3 above are not materially adverse from the point of view of an investor for the purposes of Section 719 of the Corporations Act, and therefore no rights of withdrawal are offered under this Supplementary Prospectus.

5. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

6. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Ben Phillips
Executive Chair
For and on behalf of
Norfolk Metals Limited