

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2022

Date: 30th January 2023

ASX Code: NFL

Capital Structure

Ordinary Shares: 33,000,000
Unlisted Options: 9,490,000
Performance Shares: 1,400,000
Current Share Price: 15.0c
Market Capitalisation: \$4.95m
Cash: \$3.73m (31 Dec 2022)
Debt: Nil

Directors

Ben Phillips
Executive Chairman

Leo Pilapil
Technical Director

Patrick Holywell
Non-Executive Director

Arron Canicais
Company Secretary

Contact Details

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Norfolk Metals Limited (ASX:NFL) (Norfolk or the Company) is pleased to report on its activities during the 3-month period ended 31 December 2022:

- **Native copper intersected at A2 in 1st drill hole (22RRD-01)**
- **Roger River Gold Project land holding expanded by 235km²**
- **Final interpretation of 1st hole assays at target A2 pending (22RRD-001)**
- **Post December 2022 quarter end, 3rd drill hole (22RRD-03) also intersected native copper**
- **Orroroo maiden exploration program defined and contractor secured**



Figure 1. 22RRD-001 Altered magnetic basalt with native copper slugs at 126-127m depth

Roger River, Tasmania

The December 2022 quarter saw Norfolk continue its maiden drill program at the Roger River Gold Project in NW Tasmania. The first drillhole 22RRD-001 was located in prospect A2 and targeted a coincident magnetic and gravity anomaly defined by Norfolk during the recent surface geophysical survey. The target was conceptual in nature and the drill hole was designed to better resolve the source of key geophysical units within the project area.

Encouragingly, native copper was observed over discrete zones from 58.50m to 145.40m downhole depths (Figure 1). Native copper occurs as disseminations (1-3%) in the host rock (basalt) as well as disseminations in later quartz-carbonate veins overprinting the host rock. There appears to be strong alteration near the basalt and sediment contact (147.5m downhole) with magnetite potassium and hematite assemblage around silica-carbonate veins containing native copper.

Initial assays received for the 1st hole showed minor Cu assays from the first laboratory test work with a further Cu screening study currently in progress to determine the amount of Cu in the sample present as coarse fractions. In all sample intervals, the native copper observed in the whole/uncut drill core is not as pervasive in the basalt wall rock. Consequently, the visually concentrated copper in each sample interval is from the narrow veinlets resulting in 0.05% to 0.18% Cu assays. However, to get a better understanding of the possible variability that the coarse native Cu may cause in the assay results, selected pulverized samples have been re-homogenized and resent for Cu screening analysis using 50g (original sample 25g) aqua regia 4-acid digest. This will provide larger sample size for duplicates with each sample being analysed four times via aqua regia and four acids for Cu.

The narrow veins in 22RRD-001 that contain native copper are commonly sub-parallel to the core axis (the hole path), therefore, it may be possible that a hole drilled perpendicular to 22RRD-001 may intersect more vein sets with more significant grades. The anomalous copper-in-soils values to the south of 22RRD-001 (on an orientation line) require follow-up additional soil sampling. As a result, a low-cost soil sampling program was submitted to Mineral Resources Tasmania (MRT) to assist in defining the surface expression of the native copper in 22RRD-001. This has subsequently been approved by MRT.

Induced Polarization (IP) is also being considered as a geophysics tool to define the broad halo of the coarse native copper which may represent and possibly be used as a vector to locate a porphyry copper system. This is the case in the Goonumbla district, New South Wales, whereby finely disseminated native copper has been observed as a distal halo, approximately 500m outboard of each porphyry copper deposit. Bed-rock geochemical sampling for copper and gold supported by ground magnetic and induced polarization surveys have proven to be the most effective exploration methods for detecting the soil covered mineralization in this district. An IP program was submitted to MRT; this has subsequently been approved by MRT.

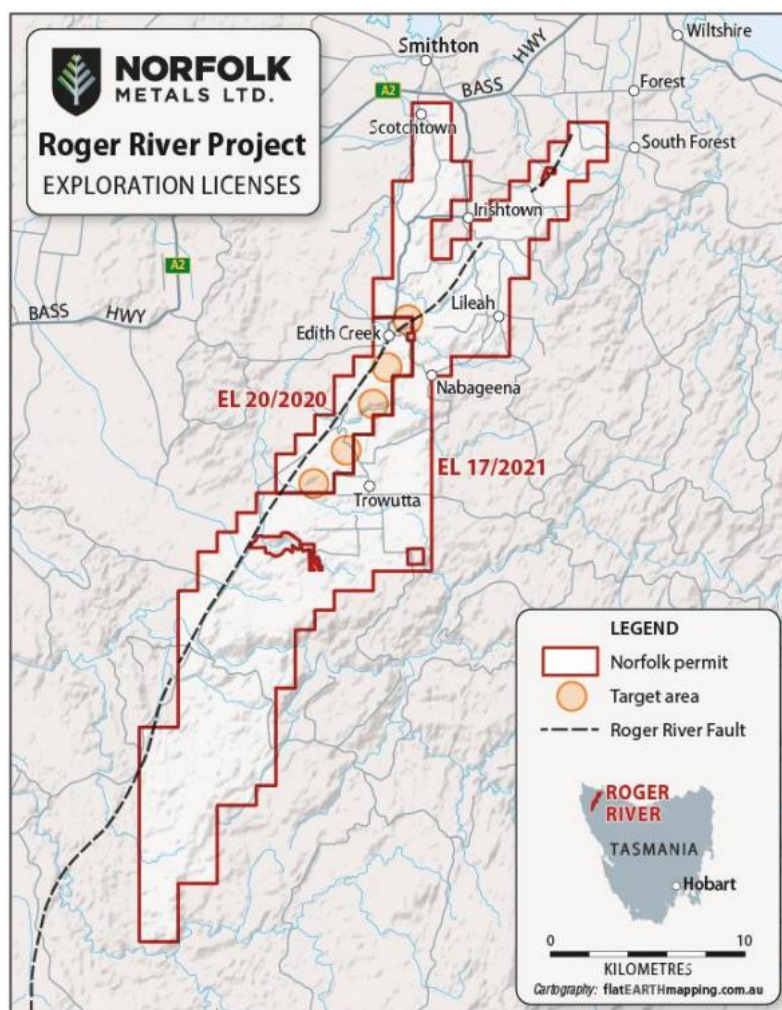
The second drill hole 22RRD-002 intersected no mineralisation and consequently no samples were sent for assay analysis.

Post the December 2022 quarter end the company announced the visual results of the 3rd drill hole (22RRD-03) at Roger River. The hole was drilled to test the magnetic anomaly A1b near the junction of the interpreted splay and the main Roger River Fault. The target was conceptual in nature and the drill hole was designed to test the source of key geophysical units and its association with possible mineralization within the project area. Native copper was observed over discrete zones from 102.0m to 137.80m downhole depths. Native copper occurs as clast in wall rock (<1%), as disseminations (1-3%) in the host rock (basalt) as well as disseminations (<1%) in later quartz-carbonate veins overprinting the host rock. There appears to be stronger copper mineralization (1-3%) from 212.4m to 216.4m downhole

where copper has been observed consistently along the basalt fractures. The interbedded sediment units (263.05m to 338.90m) partly hematitic, shows dense potassic-epidote-silica veins with minor disseminated pyrite (<1%).

Drill core samples have been dispatched to ALS Laboratories Burnie (TAS) and will be analysed for precious and base metals. The Company has no estimate of potential gold, copper and/or any other base metal mineralisation, which can only be confidently determined through laboratory analysis.

The company is waiting for complete assays for both 22DDR-001 and 22DDR-003 with the expectation they will be received and interpreted within the March quarter of 2023. The company will continue the maiden exploration program at Roger River with the likelihood of including additional geophysical work prior to subsequent drilling.



**Figure 2. Roger River Gold Project EL20/2020 with Targeted Areas displayed now incorporating additional 235km² of permitted exploration area with EL17/2021.
Refer ASX release released 18 October 2022.**

Norfolk announced on the 18th of October 2022 the Exploration License EL17/2021 was successfully granted and the company increased land holding in the Roger River area by 235km². Norfolk will engage in early exploration activities across EL17/2021 including investigating and rock chip sampling of known copper and gold occurrences on the tenement.

Orroroo, South Australia

The Orroroo Project area is located in the Walloway Basin, which is an elongate Tertiary Basin approximately 50km long and up to 15km wide. It consists of Tertiary and Quaternary sediments unconformably underlain by Adelaidean basement.

The Orroroo Uranium Project comprises two granted EL's, 6552 and 6814, covering 659km² of the inferred limit of the Walloway Basin (Figure 3). The Walloway Basin has previously been explored for coal with Linc Energy having completed a drill program (2009-2011) in which the Walloway Coal seam was discovered. Drilling also identified multiple gamma anomalies which are typical of the "oxidized tails" and "interface zones" of roll-front uranium mineralisation (Figure 4).

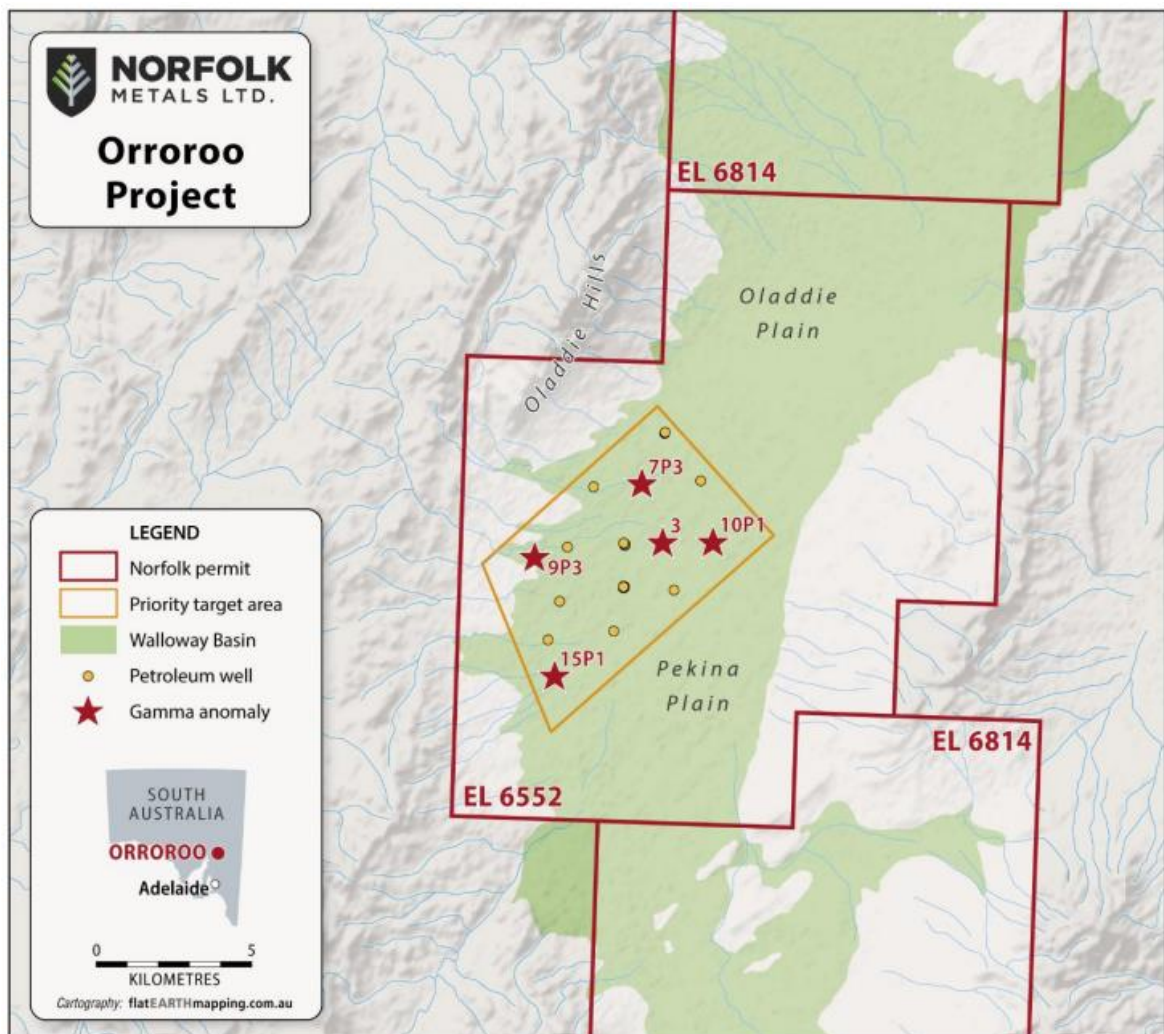


Figure 3. Priority targets for downhole geophysics and inferred limits of the Walloway Basin.

The presence of the Walloway coal measure, considered to be a prime-reducing environment for the precipitation of uranium mineralisation, as well as the gamma anomalies identified within previous Linc Energy drillholes presents the Orroroo Project as prime area for sandstone-hosted uranium discoveries. Post the December 2022 quarter end the company announced NFL had received all necessary approvals and contracted the services of Geosensor Wireline to conduct Spectral Gamma and Prompt Fission Neutron (PFN) surveys across five (5) priority wells at Orroroo. The survey results are expected to provide the Company with an understanding of the potential uranium prospectivity of EL6552, being the tenement in which all survey wells are located. The purpose of the

geophysical program is two-fold: firstly, the program will provide direct detection of uranium in the host rock environment and determine the source of gamma anomalies in historical Linc Energy wells (e.g. Orroroo target wells 7 and 15). Secondly, step-out wells are prioritised to infill the survey grid to less than 3 kilometre spacing which is considered appropriate in the reconnaissance stage of exploration for defining the surface footprint of known sandstone-hosted uranium deposits. At this spacing, minor downhole intervals of elevated uranium will be highly encouraging and be the impetus for further downhole geophysics and infill drilling.

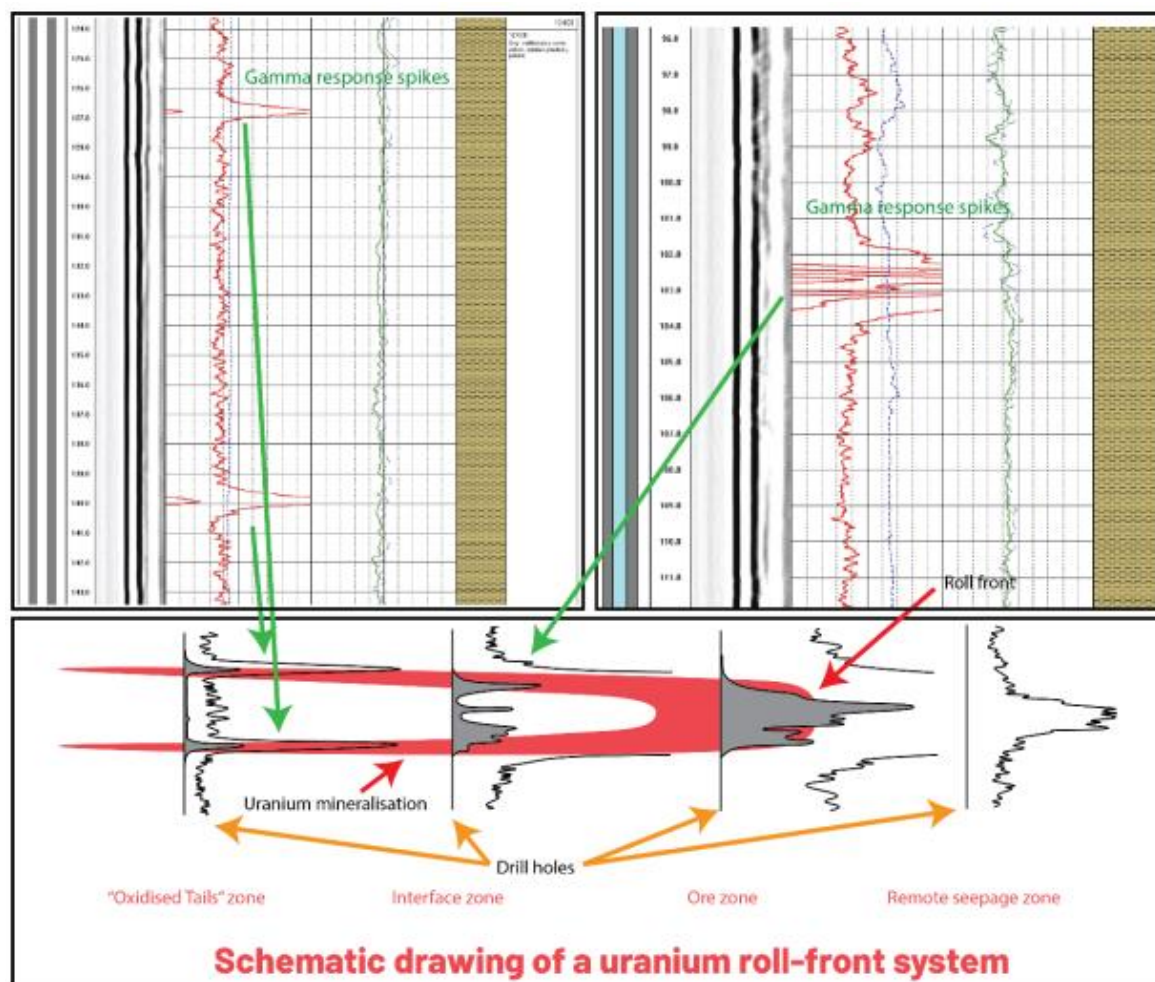


Figure 4. Figure showing a schematic overview of gamma responses in relation to their location and proximity to the uranium ore roll front location. The two charts above show a portion of Linc Energy's "Orroroo9P3" (left) and "Orroroo15P1" (right) drillholes with gamma response spikes similar to those expected at the "oxidised tails" and interface zones of the roll-front system. Refer ASX release dated 18 March 2022 entitled Prospectus

Corporate

The cash flows relating to the quarter included \$280k in exploration and administration spend on the Company's Roger River and Orroroo projects and \$271k in staff and admin costs managing the corporate requirements of the Company. The Company had a closing cash balance of \$3.73 million.

Finance and Use of Funds

Pursuant to ASX listing rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in section 5.4 of the Company's Prospectus.

Activity Description	Funds Allocated (\$)	Actual to Date (\$)
Exploration (2 years)	2,401,000	688,704
Administration (2 years)	1,028,750	680,987
Expenses of the Offer	560,808	491,703

For the purposes of section 6 of the Appendix 5B, all payments made to related parties are for director fees, on normal commercial terms.

Tenement Status

The Company confirms that all of its tenements remain in good standing. The Company has not disposed of any tenements during the quarter. Details of the tenements and their locations are set out in detail in the Company's Annual Report announced 30 September 2022.

Tenement ID	Holder/Applicant	Interest (%)
EL20/2020	Roger River Resources Pty Ltd	100%
EL17/2021	Roger River Resources Pty Ltd	100%
EL6552	Black Lake Pty Ltd	100%
EL6814	Black Lake Pty Ltd	100%

END

This announcement has been authorized by the board of directors of Norfolk.

About Norfolk Metals

The Roger River Project comprises two granted exploration licenses, EL20/2020, and EL17/2021, which together cover 261km², located 410km northwest of the capital city of Hobart, Tasmania. The Project is prospective for gold and copper as indicated by the intense silicification, argillisation and diatreme breccias in close proximity to the Roger River Fault along with carbonate-rich host rocks.

The Orroroo Uranium Project comprises two granted exploration licenses, EL6552, and EL6814, which together cover 659km², located approximately 274km northwest of the capital city of Adelaide, South Australia within the Wallaway Basin, which is an elongate Tertiary Basin approximately 50km long and up to 15km wide. It consists of Tertiary and Quaternary sediments unconformably underlain by Adalaidian basement.

For further information please visit www.norfolkmetals.com.au.

Competent Persons Statement

The information in this announcement that relates to exploration results, is based on, and fairly represents, information and supporting documentation prepared by Mr Leo Pilapil, a competent person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Pilapil has a minimum of five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pilapil is a related party of the Company, being the Technical Director, and holds securities in the Company. Mr Pilapil has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above announcement. No exploration data or results are included in this document that have not previously been released publicly. The source of all data or results have been referenced.

Appendix 5B

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

Name of entity

Norfolk Metals Limited

ABN

38 652 438 385

Quarter ended ("current quarter")

31 December 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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(72)	(122)
	(e) administration and corporate costs	(199)	(313)
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	(271)	(435)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(16)
	(d) exploration & evaluation	(280)	(437)
	(e) investments	-	-
	(f) other non-current assets	-	-

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	(280)	(453)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	40	40
3.6	Repayment of borrowings	(8)	(20)
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	32	20

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,248	4,597
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(435)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(280)	(453)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	32	20

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	3,729	3,729

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	1,229	4,248
5.2	Call deposits	2,500	-
5.3	Bank overdrafts	-	-
5.4	Other (Corporate Credit Card)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,729	4,248

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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

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)	(271)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(280)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(551)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,729
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,729
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.8
<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: Not applicable	
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: Not applicable	
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: Not applicable	
<i>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.</i>	

Compliance statement

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

Date: 30 January 2023

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

Notes

- 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

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

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.