

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2023

Date: 28th April 2023

ASX Code: NFL

Capital Structure

Ordinary Shares: 33,000,000
 Unlisted Options: 9,490,000
 Performance Shares: 1,400,000
 Current Share Price: 13.5c
 Market Capitalisation: \$4.46m
 Cash: \$3.41m (31 Mar 2023)
 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 March 2023.

- **Uranium confirmed at Orroroo Project via downhole geophysical survey (Figure 1)**
- **Strong financial position with \$3.41m cash at March 2023 quarter end**
- **Orroroo Project next stage exploration (gravity survey) contractor secured while progressing access agreements with stakeholders**
- **Final assays from Roger River Project received and interpretation completed**
- **Inaugural ESG report requirements for stakeholders, material topics and global frameworks confirmed**

Orroroo, South Australia

Exploration Activities

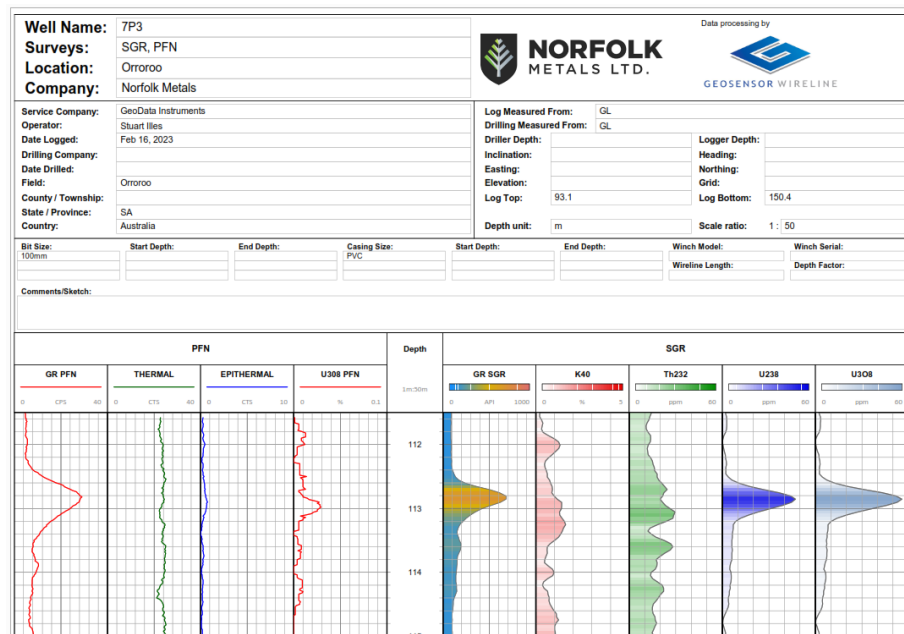


Figure 1. February 2023 PFN and Spectral Gamma log from well 7P3 showing uranium (U3O8) via both probe technologies at the target depth of 113m confirming exploration model based on the historical gamma spikes of Linc Energy hydrocarbon exploration wells

During the quarter, Norfolk confirmed that downhole geophysical surveys conducted at the Orroroo Project have been completed. Spectral Gamma and Prompt Fission Neutron (PFN) well logs recorded during the survey will be utilised for further exploration planning; however, at this stage the program is considered successful having confirmed the following;

1. Uranium occurrences in all three target zones (wells) of which the depths are potentially suitable for proven in-situ recovery methods (Per page 16 of CSA Global's ISR Project presentation located at: https://www.csaglobal.com/wpcontent/uploads/2019/11/ATA-2017_ISR-Projects-Issues-and-Potential-Maxim-Seredkin_May_2017.pdf)

2. **Uranium peak reported at 650ppm pU3O8** within an interval of 192ppm pU3O8 over 0.5m from 112.59m via PFN in well 7P3; and,

3. Uranium recorded from this survey at expected target depths obtained from historical holes support the proposed "oxidised tails or interface zones" of roll-front uranium style mineralisation theory proposed by the Norfolk geology team.

The potential of the Walloway Basin to contain uranium mineralization has been confirmed. The geological team at Norfolk are working to delineate the paleo channels within the Walloway basin. The Company has now made considerations regarding gravity, passive seismic and possibly ground penetrating radar to delineate the paleo channels in the Walloway Basin. Norfolk has elected to engage Atlas Geophysics to conduct a gravity survey on 250m x 250m offset grid totalling up to 2,253 planned survey points to determine the extent and dimensions of the paleo channels. Once the survey has been completed and the paleo channels defined, a maiden drill program will follow. The survey will commence once all necessary stakeholders including but not limited to private landowners, native title representatives, council and main roads are aware and accommodating to the requirements of the survey. **It is noted that survey points and areas can be adjusted to suit circumstances if necessary.** Subsequent to the collection of the survey the Company will consider passive seismic surveys to determine the depth of the paleo channels prior to engaging a drilling company for an intended first pass road side drilling campaign.

Background and Initial Studies

The Walloway Basin was initially identified as a basin of interest after analysing underexplored basins for time equivalent depositional environments; the basin is located adjacent to the highly uranium fertile Frome Embayment. The Walloway Basin was under explored until 2009, when Linc Energy drilled a series of wells, targeting coal-seam gas. Linc Energy were unsuccessful in discovering commercial hydrocarbons during this campaign. However, the now publicly available wireline logs contained five (5) wells with significant gamma anomalies, above background gamma radiation, in the top 150m. The gamma anomalies straddled lithological boundaries. Gamma peaks exhibited geometries that are consistent with roll-front, sandstone hosted uranium occurrences.

The following is a **brief summary of key uranium elements** in the Walloway Basin:

- **Reservoir** – Tertiary aged fluvio-lacustrine sedimentary packages, including riverine sand packages.
- **Seal** – Fining upwards sequences and channel abandonments, as well as flood plains and lacustrine mudstones are present and are excellent seals.
- **Trap** – Uranium mineralisation may rely on chemical traps by requiring reducing materials, such as lignite, sulphides (pyrite), and possibly small amounts of organic and inorganic gases.

- **Source and migration** – This was the **key risk** element for the Walloway Basin. There have been no drillhole penetrations of granites. However, the Adelaide Geosyncline and surrounding areas has many proven granitoid bodies with elevated uranium concentrations. Possible sources could be buried under the basin, with faults acting as conduits, or sediments in the basin were sourced from granitoids (provenance). This is supported by the evidence of quartzose sands.

Importantly, there are many time-equivalent analogues in near-by basins. These include, but are not limited to, the producing Beverley / Four Mile Uranium Projects, in the northern portion of the fold belt, the **Honeymoon Uranium Project** to the east, the Curnamona Province with many discovered uranium occurrences and the Samphire Uranium Project, west of the Adelaide Fold Belt.

Roger River, Tasmania

Exploration Activities

Norfolk conducted geochemical analysis study on the maiden drilling program to better understand the distribution of the native copper and determine the best suited analytical method to represent the grades in the core. In the study, ALS Perth/Burnie/Brisbane were engaged in the investigation and the results, along with the corresponding analysis have been tabulated below (Table 1).

During the quarter, final assays from Roger River Project were received confirming 4 acid digest of 50g samples is the preferred method for basalt host rock containing coarse disseminated native copper based on cost and time frames when compared to the 0.25g, 4 acid digest and copper screen methods.

The main differences in the analytical methods are as follows:

1. The original analysis (ME – MS 61r) was based on core samples pulverised but not sieved down to **0.25g** sample mass (analysed for 61 elements using 4-acid digest with ICP-MS Finish).
2. The second analysis ME-ICP44 was analysed using homogenised samples (not screened) pulverised down to **50g** sample mass (analysed for 44 elements using 4-acid digest with ICP Finish).
3. The third method involved initially screening the samples (0.5kg homogenised sample) passing through -75 microns to determine the coarse fractions and then analysing the total sample mass. The screening method relies on separating all the metal contained in the sample pulp on top of a 75micron screen analysing it in its entirety and also analysing the minus fraction and bringing this into the calculations for Cu Total.

Hole ID	Sample No	From(m)	To(m)	Method ALS Workorder	ME-MS61r	ME-ICP44	ME-OG62	Cu Screen Method-ME-SCRPH22		
					BU22312393 / BU23008049	BU22361310 / PH23029319	PH23019175 / PH23029319	PH23019175-RRRD-001 / PH23029319-22RRD-003		
			Length(m)		Cu_ppm-0.25g method	Cu_ppm-50g method	Cu_ppm/75um	Cu Total (+)(-) Combined	Cu (+) Fraction	Cu (-) Fraction
22RRD-001	113035	53.2	54.75	1.55	642	648	630	640	674	630
22RRD-001	113039	58.5	59.75	1.25	1205	1265	1330	1180	846	1330
22RRD-001	113097	142	143.45	1.45	490	472	480	470	417	480
22RRD-001	113098	143.45	144.6	1.15	419	437	430	460	591	430
22RRD-001	113099	144.6	145.4	0.8	1835	962	730	940	2730	730
22RRD-003	113202	159.2	160.15	0.95	537	1120	530	640	1080	530
22RRD-003	113203	160.15	161.7	1.55	83	115.5	100	100	112	100
22RRD-003	113208	213.6	214.3	0.7	4160	8150	1000	1660	8140	1000
22RRD-003	113209	214.3	215.2	0.9	122	134	120	120	135	120
22RRD-003	113211	215.2	216	0.8	855	5520	1120	1370	5460	1120

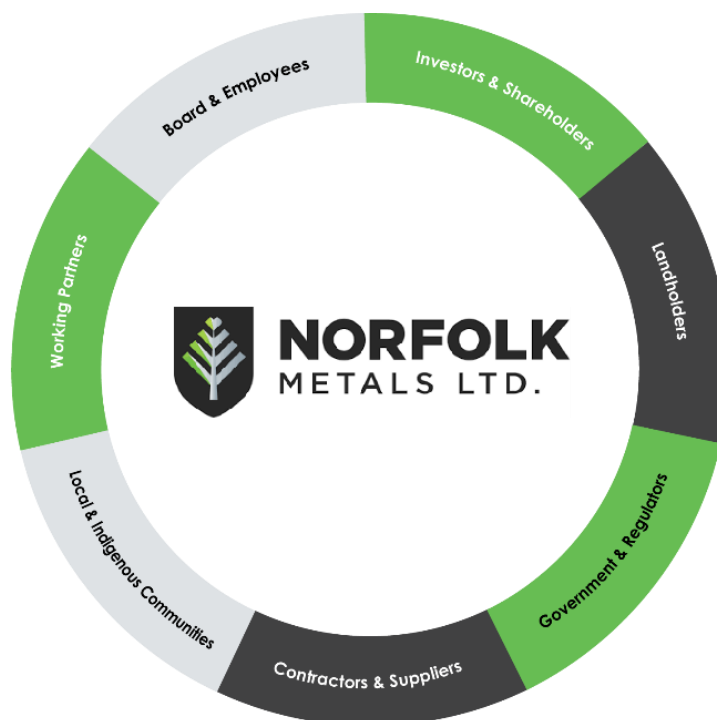
Table 1: Analytical comparison using different sample size and screening methods.

To conclude from the above, the larger the mass analyzed the better the results, but screening every sample would be laborious and costly. In the future, whereby visible native copper has been observed in the core, it is the Company's intent to send selected samples for Cu screening analyses, for cross reference. For practicality and cost effectiveness, it is the intent of the company that for future drilling whereby native copper have been observed in the core, the ME-ICP44 analysis method using 50g sample mass will be implemented.

ESG Commitments

Norfolk has established all ESG stakeholder and material topics, reporting standards and frameworks with the expectation of an imminent release of its inaugural sustainability report. Please see the company announcement made on the 17th March 2023 for more details.

Norfolk is planning to conduct a formal stakeholder engagement exercise with identified stakeholder groups. Through review of Norfolk's business processes, the Company has identified the following stakeholder groups:



Norfolk's ESG Material Topics

Out of the many ESG topics, Norfolk has decided to focus on the following five which the Company feels are most relevant to its continued sustainable progress and development:

Emissions & Climate

The Company acknowledges and understands the impacts of climate change. Norfolk is committed to managing its impact on the business and adapting our business processes to mitigate the negative impacts of climate change.

Environmental Compliance

Norfolk respects the biodiversity of the regions we work in, and the Company is committed to minimising our environmental impacts and ensuring responsible operations and compliance.

Stakeholder & Local Community Engagement

The Company endeavours to create prosperity and build strong connections and relationships with all of our stakeholders and the local communities whose lands we work on.

Health, Safety & Wellbeing.

Norfolk cares about our people and our contractors. We aim to provide a safe place to work by promoting a culture of safety and wellbeing and supporting this with the right systems.

Business Transparency

The Company is committed to operating with the highest levels of integrity and transparency, aligning corporate governance with the needs of our stakeholders.

Corporate

The cash flows relating to the quarter included \$194k in exploration and evaluation spend on the Company's Roger River and Orroroo projects and \$116k in staff and admin costs managing the corporate requirements of the Company.

The Company had a closing cash balance of \$3.41 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	932,339
Administration (2 years)	1,028,750	760,699
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.

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.

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 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 Adelaiddian 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.

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 March 2023

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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(44)	(166)
(e) administration and corporate costs	(72)	(385)
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	(116)	(551)

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	(194)	(631)
(e) investments	-	-
(f) other non-current assets	-	-

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
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	(194)	(647)

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	-	-
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) – receipt/payment of insurance funding facility	(12)	8
3.10	Net cash from / (used in) financing activities	(12)	8

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,729	4,597
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(116)	(551)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(194)	(647)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	8

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	3,407	3,407

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	907	1,229
5.2	Call deposits	2,500	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)	3,407	3,729

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	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(116)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(194)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(310)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,407
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,407
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	11
<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: 28 April 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 entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 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.

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