

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 JUNE 2023

Date: 28 July 2023

ASX Code: NFL

Capital Structure

Ordinary Shares: 33,000,000
 Unlisted Options: 9,490,000
 Listed Options: 9,999,808
 Performance Shares: 1,400,000
 Current Share Price: 13c
 Market Capitalisation: \$4.29m
 Cash: \$3.21m (30 June 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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norfolkmetals.com.au

Norfolk Metals Limited (ASX:NFL) (Norfolk or the Company) is pleased to report on its activities during the 3-month period ended 30 June 2023.

- **Gravity survey combined with historical data presents mineralisation targeting at Orroroo Project**
- **Surface geochemical sampling program conducted at Roger River Project**
- **Strong financial position with \$3.21m cash at June 2023 quarter end**
- **Successful Entitlement Issue of Loyalty Options completed**
- **Inaugural ESG report for calendar year 2022 published**

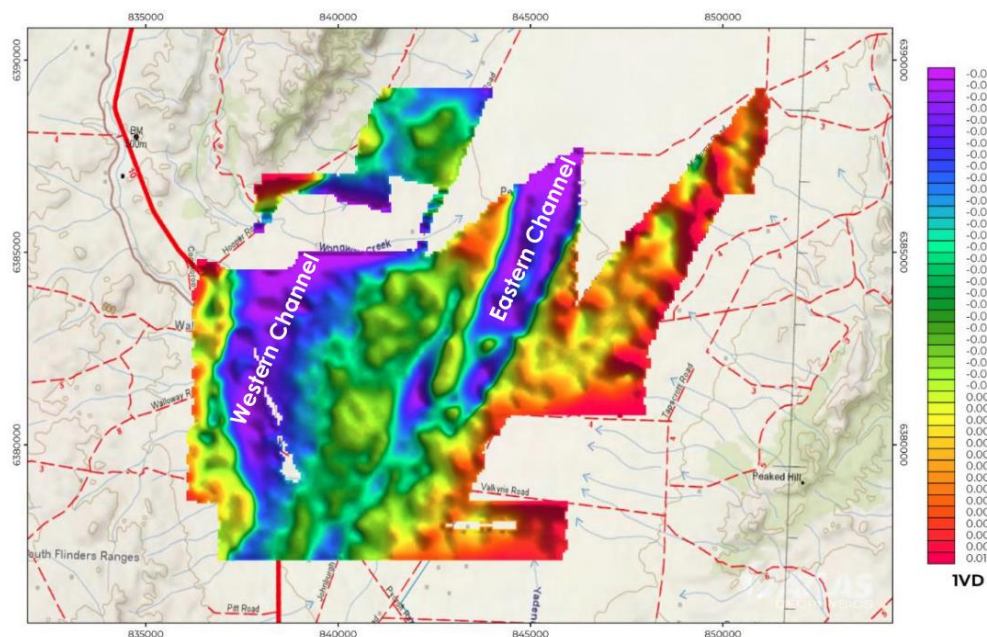


Figure 1. First Derivative (1VD) gravity survey displaying two distinct channels

Orroroo, South Australia

Exploration Activities

Norfolk contracted Atlas Geophysics to conduct a gravity survey on 250m x 250m offset grid totalling up to 2,253 planned survey points in an effort to delineate the paleochannels within the Walloway Basin. The survey has now been completed with data collected over 1,596 stations.

The successful delineation of two distinct channels is an encouraging progress in the development of the Orroroo Project. Specifically, the Western Channel with sandstone hosted uranium potential modelled via three (3) primary datasets being;

1. Historical drilling information (gamma anomalies and stratigraphic records);
2. Recent downhole geophysics of historical wells confirming the presence of uranium; and,
3. Gravity data interpretation.

The gravity data shows two distinct lows suggesting paleochannels within the basin, shown as a broader Western Channel and a narrower Eastern Channel (**Figure 1**). Geological logs and cross sections of available drill hole data suggest that the Western channel is a paleochannel characterized by a thick basal sandstone and coal horizon. The Western Channel displays a distinct **REDOX Interface** with similarities to the Yarramba paleochannel, which is host to the Honeymoon uranium deposit. Available information regarding the Eastern Channel did not delineate a paleochannel with equal attributes however this may be defined further with future exploration.

REDOX Interface

Sandstone hosted uranium mineralisation develops in permeable stratigraphy due to the 'downward' migration of oxidized mineralised fluids saturated in detrital uranium sourced from erosional of granites or felsic stratigraphy. As a consequence, roll-front style uranium deposits are made up of a consistent anatomy of an 'oxidized tail', and 'ore zone' proximal to the redox interface (oxidized-reduced contact) and reduced unaltered sediments in front of the roll-front. This is shown schematically in **Figure 2**.

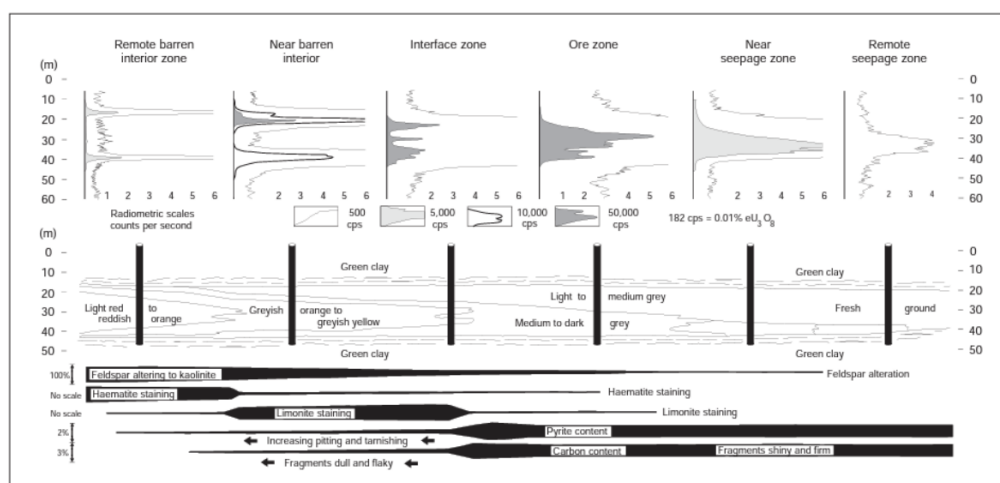


Figure 2. Schematic alteration fronts across uranium 'roll-front' mineralisation

(Reference - Sandstone-type uranium deposits in South Australia and North America:

A comparison of their geophysical characteristics Mike Dentith & Mark Randell

https://www.tandfonline.com/doi/epdf/10.1071/ASEGSpec12_18?needAccess=true&role=button)

Downhole geological data from Linc Energy wells were reviewed to create a preliminary oxidation model (REDOX) (**Figure 3**) for the Walloway Basin within the area of previous exploration drilling. Specifically, the colour of the basal Upper Tertiary sediments (typical host of gamma anomalies) was recorded spatially in GIS to create oxidation gradients and infer contacts between oxidized sediments and reduced equivalents. The trace of major basement bounding faults interpreted from gravity data are shown as dashed blue lines. The structures are thought to exert a fundamental control on the distribution and thickness of sediments within the Walloway basin, and control a deeper basal sandstone and coal horizon within the Lower Tertiary sediments. Oxidized sediments contain hematite and goethite clay alteration, and typically red to yellow. Transitional sediments are pink, white and khaki typical of selective and or less intense oxidation. Reduced sediments lack oxidation and alteration clay minerals and are grey to dark grey.

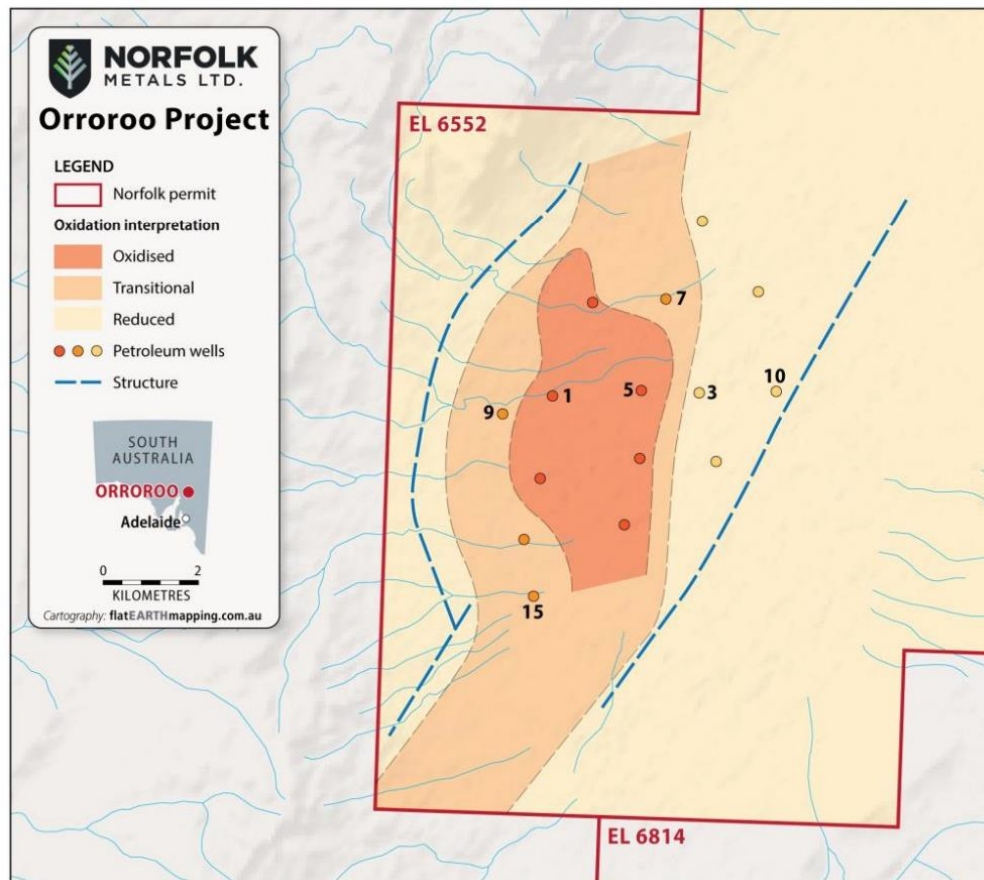


Figure 3. Schematic REDOX model – Walloway Basin

Key observations from the integrated ground gravity, REDOX and stratigraphic studies include:

- Within the western channel, central historical well(s) are oxidized as shown by a predominance of yellow and red clay alteration minerals. Wraparound gamma anomalies are located on the northern (7), western (9) and southern (15) margin of the oxidized zone.
- The northern (7) and southern (15) anomalies are characterized by pink-white alteration minerals typical of transitional zones moving towards a theoretical mineralised roll-front. In both areas, potential exists for roll-front uranium mineralisation near the interface between the western and eastern basin margins, as interpreted from the gravity data.
- The western anomaly (9) is characterized by yellow clay alteration minerals, which is similar to the redox environment for wells 7 and 15, however a theoretical roll-front is possibly limited to the western margin of the channel containing basal sands.
- It is interesting to note the similarities with the sedimentary architecture of the Walloway basin and the Yarramba paleochannel (host to the Honeymoon uranium deposit) with both channels containing basal sands. In the case of the Yarramba channel, all known uranium mineralisation occurs on the margins of the basal sand where oxidised fluids are juxtaposed against reduced siltstones (**Figure 4**). A similar environment could occur on the western margin of the Walloway basin, which to date remains untested by drilling (**Figure 5**).

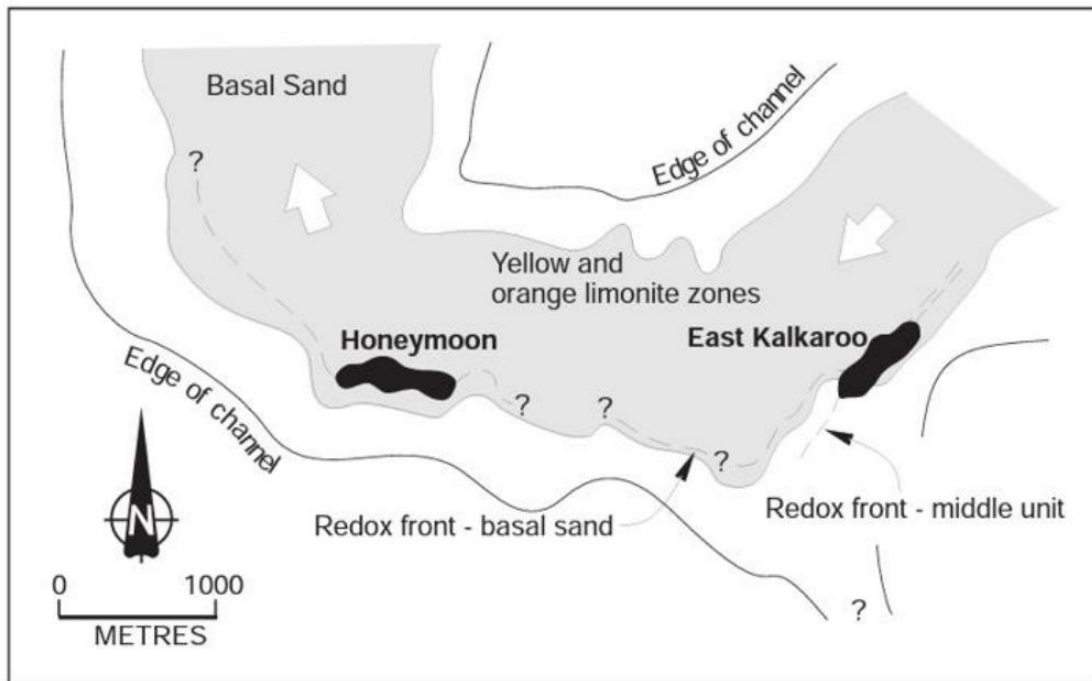


Figure 4. Schematic REDOX model – Yarramba Paleochannel

(Reference - Sandstone-type uranium deposits in South Australia and North America:

A comparison of their geophysical characteristics Mike Dentith & Mark Randell

https://www.tandfonline.com/doi/epdf/10.1071/ASEGSpec12_18?needAccess=true&role=button)

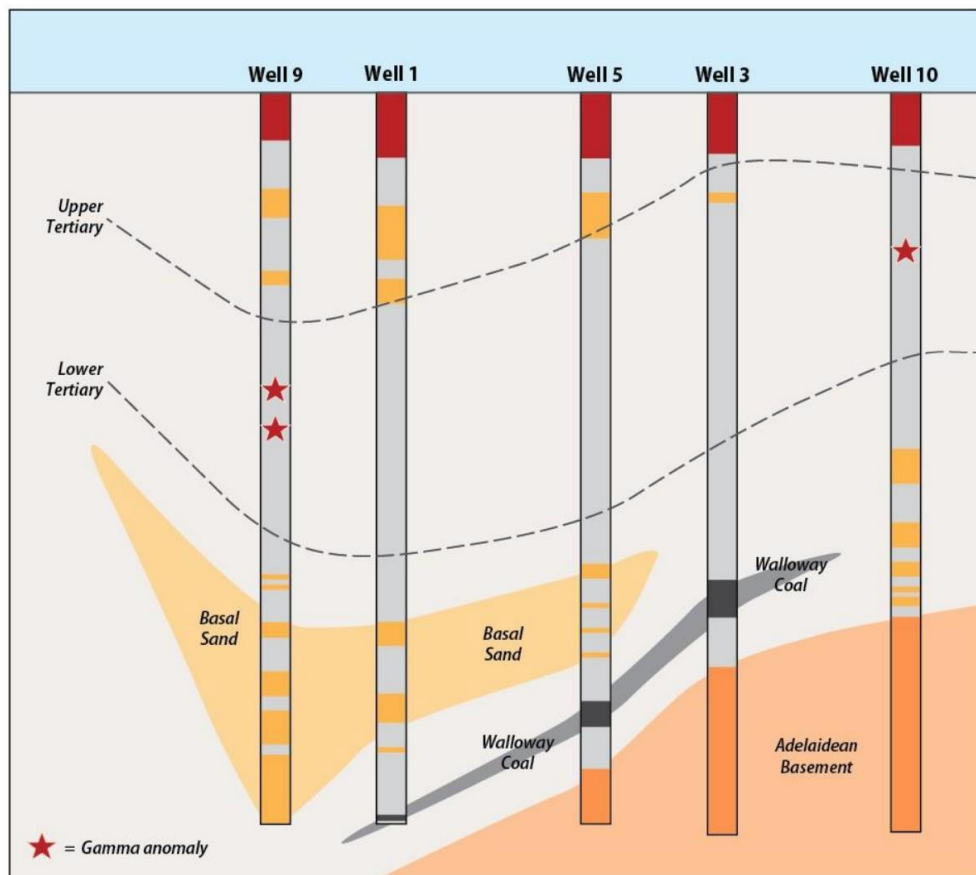


Figure 5. Stratigraphic log and cross-section through the Wallaway basin

Roger River, Tasmania

Exploration Activities

A surface geochemical sampling program was conducted at the Roger River Project with 98 samples collected and recently sent for analyses. The samples were taken over the Anomaly 2 (A2) area to provide a lateral vector for the copper mineralisation intersected in the first diamond drill hole 22RRD001 (**Figure 6**). Results are expected to be received mid Q3 2023 and will assist in determining the next phase of drilling over the A2 prospect.

In addition, several historical soil samples (not sampled for Cu) over the White Water and A2 Prospects will be re-submitted for Cu analysis. This will provide a broader data set and possibly provide a better understanding of the orientation of the Cu mineralisation over the two prospects. It is also important note that there are coincident gold and arsenic soil anomalies within the White Water Prospect that remain untested and will also be considered in the next phase of drilling.

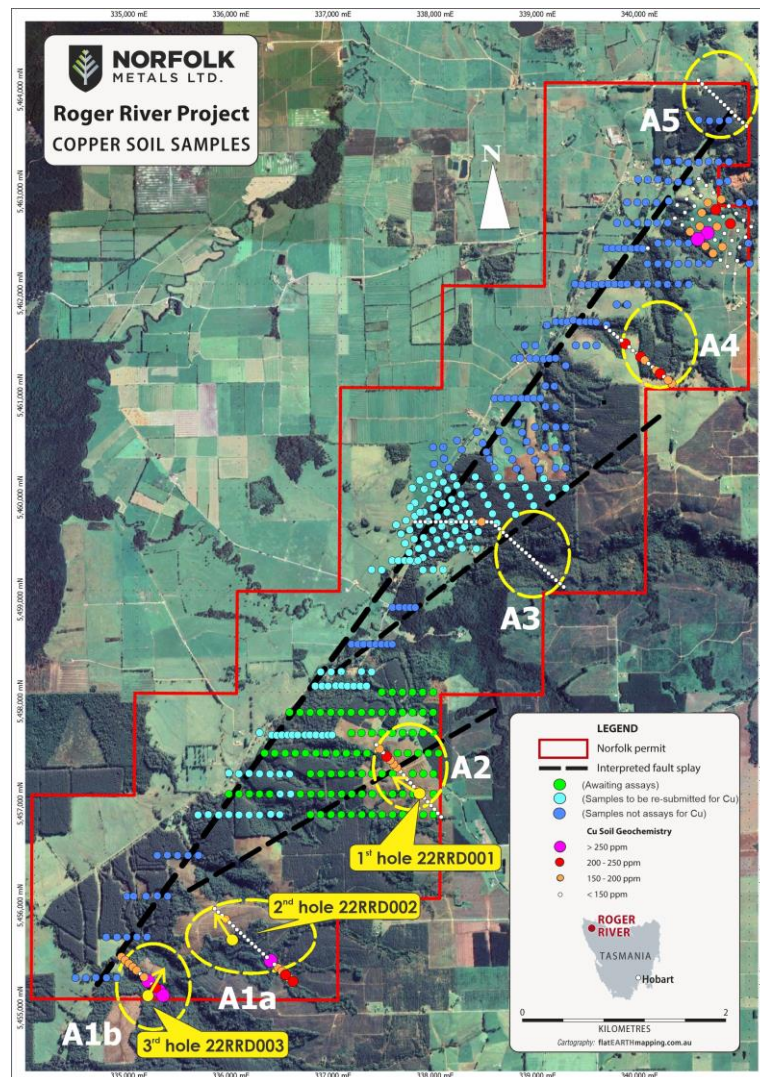


Figure 6. Roger River Project – Soil Geochemistry Status

ESG Report

The inaugural Environmental, Social & Governance (ESG) report from Norfolk Metals has been published (refer to link at bottom of page) to provide stakeholders with an overview of how the Company has adopted and integrated ESG considerations into its operations. The report includes a review of the ESG topics deemed most material to the Company during the reporting period of the 2022 Calendar Year (CY22). The report has been facilitated by Norfolk's ESG Advisors, ESG Capital, and produced based on the organisational boundary of Norfolk Metals Limited, with reference to the following Standards: United Nations Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), and the Taskforce on Climate-related Financial Disclosures (TCFD).

Norfolk committed to ESG reporting prior to listing on the ASX and has provided stakeholders with updates on its ESG focus and progress since listing. Over the course of 2022, Norfolk outlined five ESG commitments. The Company is pleased to report its progress on these, having successfully achieved all five commitments.

| NFL's ESG Commitments | NFL's Progress |
|---|-----------------------|
| Achieve carbon neutral status (Scope 1 & 2) for maiden drilling program at the Roger River project. | Achieved |
| Measurement of NFL's corporate Scope 1 & 2 greenhouse gas emissions. | Achieved |
| Develop NFL's stakeholder engagement registers for both Roger River and Orroroo projects. Capture and record all stakeholder engagement data. | Achieved |
| Gap analysis and development of best-practice ESG policies. | Achieved |
| Align and integrate global reporting standards (i.e., UN SDGs, GRI and TCFD) into our inaugural ESG Report. | Achieved |

Norfolk Metals identified its material ESG topics through consultation with the Company's stakeholders. These material topics were then validated by the Board:

- 1) Climate Change,
- 2) Environmental Compliance,
- 3) Stakeholder and Local Communities Engagement,
- 4) Health, Safety, & Wellbeing, and
- 5) Business Ethics & Transparency.

The report has been published on the Company website and is available for download.
<https://norfolkmetals.com.au/wp-content/uploads/NFL-CY22-ESG-Report-FINAL-120523-1.pdf>

Loyalty Options Offer

The loyalty options offer, which was undertaken as a non-renounceable, pro rata entitlement offer of options (Offer) made to eligible shareholders of Norfolk pursuant to the prospectus announced to ASX on Tuesday, 30 May 2023 (Prospectus), closed on Thursday, 22 June 2023.

| | Number of Loyalty Options | Gross Proceeds (\$) |
|--|---------------------------|---------------------|
| Entitlements accepted under the Offer | 6,538,316 | \$65,383 |
| Loyalty Options to be issued under Shortfall Offer | 3,461,492 | \$34,615 |
| Loyalty Options to be issued to Directors participating in Shortfall Offer (subject to shareholder approval) | 1,000,000 | \$10,000 |
| Total | 10,999,808 | \$109,998 |

\$109,998 was raised under the Offer, which shall be allocated towards the expenses of undertaking the Offer and to working capital. The Company proceeded to allocate 9,999,808 Loyalty Options to the respective participants on Thursday, 29 June 2023 in accordance with the timetable in the Prospectus. The Loyalty Options issued under the Shortfall Offer have been allocated at the Board's discretion via a matrix of loyalty and responsibility to the Company since the IPO. The Loyalty Options to be issued to the Directors under the shortfall offer will be issued subject to shareholder approval at an Extraordinary General Meeting to be held within 3 months of the closing date of the Offer.

Corporate

The cash flows relating to the quarter included \$44k in exploration and evaluation spend on the Company's Roger River and Orroroo projects and \$156k in staff and admin costs managing the corporate requirements of the Company.

The Company had a closing cash balance of \$3.21 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 in section 5.4 of the Company's Prospectus.

| Activity Description | Funds Allocated (\$) | Actual to Date (\$) |
|--------------------------|----------------------|---------------------|
| Exploration (2 years) | 2,401,000 | 976,125 |
| Administration (2 years) | 1,028,750 | 914,009 |
| 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")

30 June 2023

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 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 | (51) | (217) |
| | (e) administration and corporate costs | (105) | (490) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 15 | 15 |
| 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 | (141) | (692) |

| | | | |
|-----------|---|------|-------|
| 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 | (44) | (675) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 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 | (44) | (691) |

| | | | |
|-------------|---|-------------|------------|
| 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) | (4) |
| 3.10 | Net cash from / (used in) financing activities | (12) | (4) |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,407 | 4,597 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (141) | (692) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (44) | (691) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (12) | (4) |

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 (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 3,210 | 3,210 |

| 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 | 1,710 | 907 |
| 5.2 | Call deposits | 1,500 | 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) | 3,210 | 3,407 |

| 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 | 64 |
| 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) | (141) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (44) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (185) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,210 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 3,210 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 17 |
| <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

- 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.

Date: 28 July 2023

Authorised by: By the Board
(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.

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.