

# QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2023

**Date:** 31 October 2023

**ASX Code:** NFL

## Capital Structure

Ordinary Shares: 33,000,000

Unlisted Options: 9,490,000

Listed Options: 10,999,808

Performance Shares: 1,400,000

Current Share Price: 17.0c

Market Capitalisation: \$5.61m

Cash: \$3.03m (30 Sept 2023)

Debt: Nil

## Directors

Ben Phillips

Executive Chairman

Leo Pilapil

Technical Director

Patrick Holywell

Non-Executive Director

Arron Canica

Company Secretary

## Contact Details

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Cottesloe WA 6011

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[norfolkmetals.com.au](http://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 September 2023.

## ORROROO URANIUM PROJECT

- Land access and drill permitting progressed
- Key contractors secured for upcoming maiden drill program
- Gravity survey combined with historical data assisting mineralisation targeting

## ROGER RIVER GOLD/COPPER PROJECT

- Subsequent exploration progressing with surface geochemistry and desktop studies

## CORPORATE

- Strong financial position with \$3.03m cash at September 2023 quarter end

## Orroroo Uranium Project, South Australia

### Exploration Activities

The Company has elected to contract Watson Drilling (Watsons) for the maiden drill program at the Orroroo Uranium Project (Project). Watsons embodies sound uranium exploration experience in South Australia having completed successful programs for **Boss Energy** (ASX:BOE), **Alligator Energy** (ASX:AGE) and **Heathgate Resources** in 2023. Watsons retain relationships with the downhole logging crew contracted by Norfolk in Q1 2023 who will be required to work with Watsons on

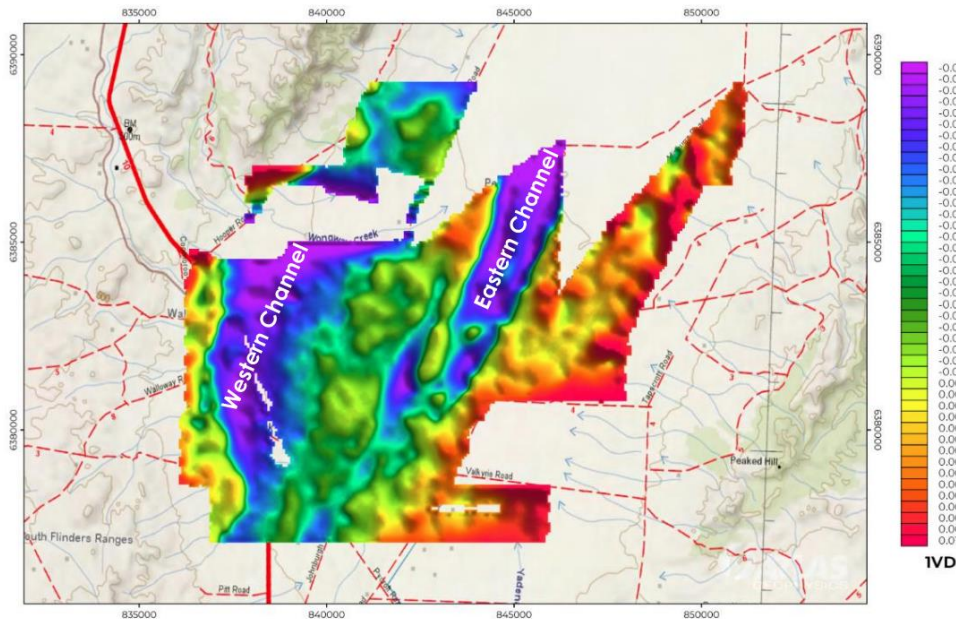
daily basis throughout the drill program.

The expectation of the maiden drill program is to **reconfirm the proven uranium mineralisation of the Walloway Basin** with Prompt Fission Neutron (PFN) downhole logging within uncased drill holes. The additional drilling of step out traverses may achieve vector orientations to delineate potential 'tails' and 'heads' (higher grade ore zones) of sandstone hosted uranium roll front style deposit.

Earlier in the quarter, 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 was 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.

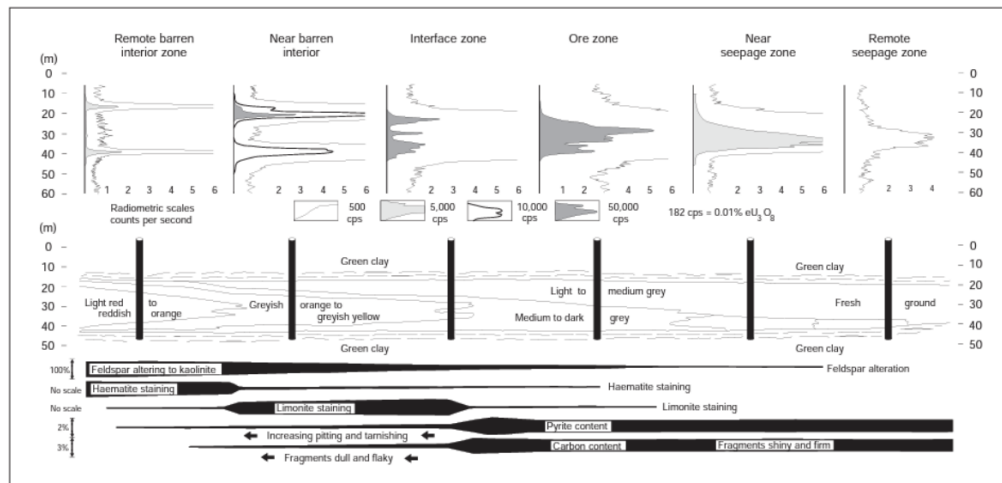


**Figure 1. First Derivative (1VD) gravity survey displaying two distinct channels**

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**.



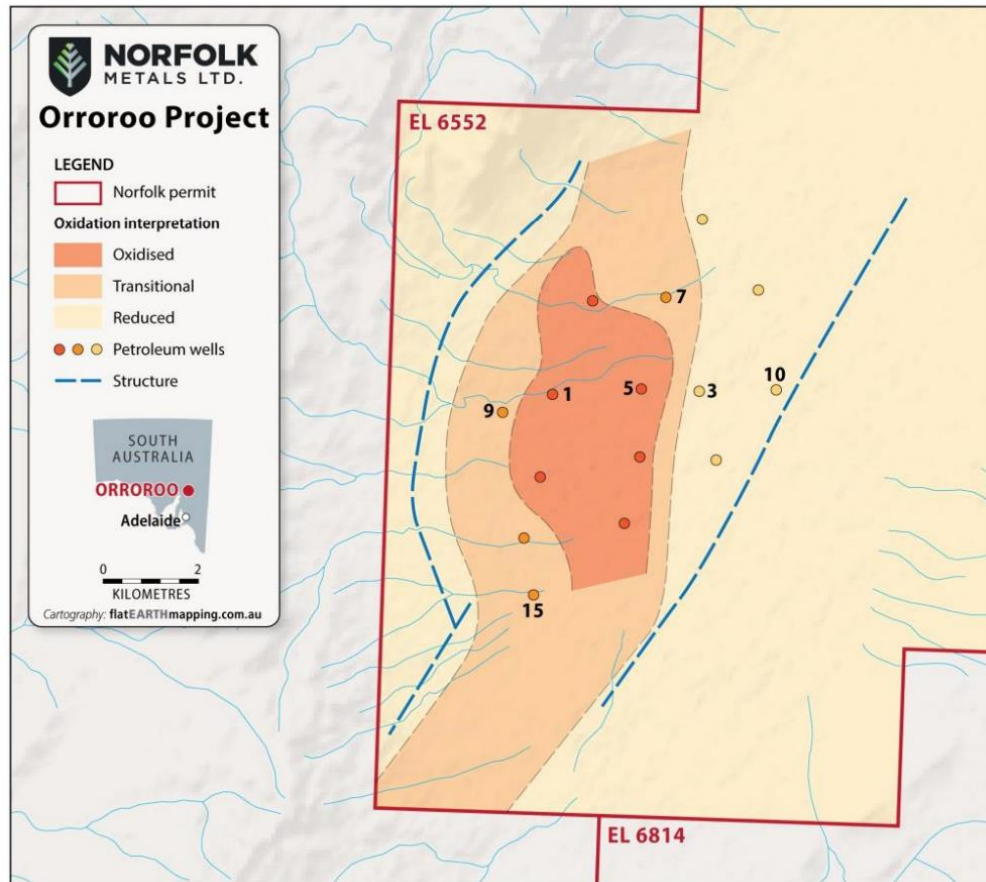
**Figure 2. Schematic alteration fronts across uranium 'roll-front' mineralisation**

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

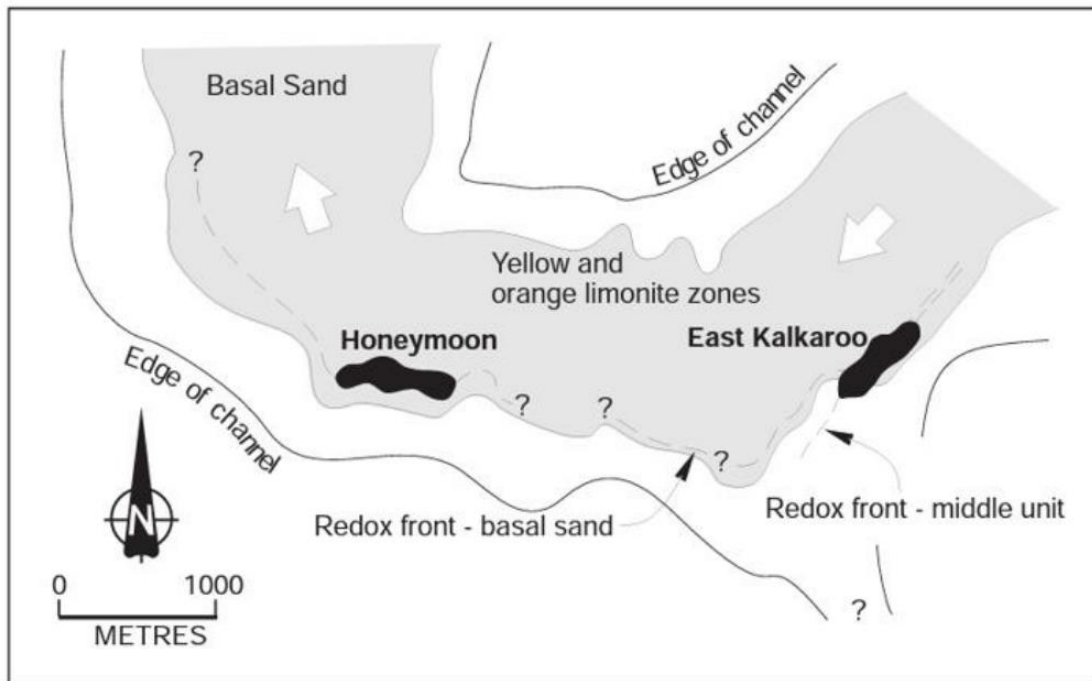
Downhole geological data from Linc Energy wells were reviewed to create a preliminary oxidation model (REDOX) (**Figure 3**) for the Walloway Basin within the area of previous exploration drilling. Specifically, the colour of the basal Upper Tertiary sediments (typical host of gamma anomalies) was recorded 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**).

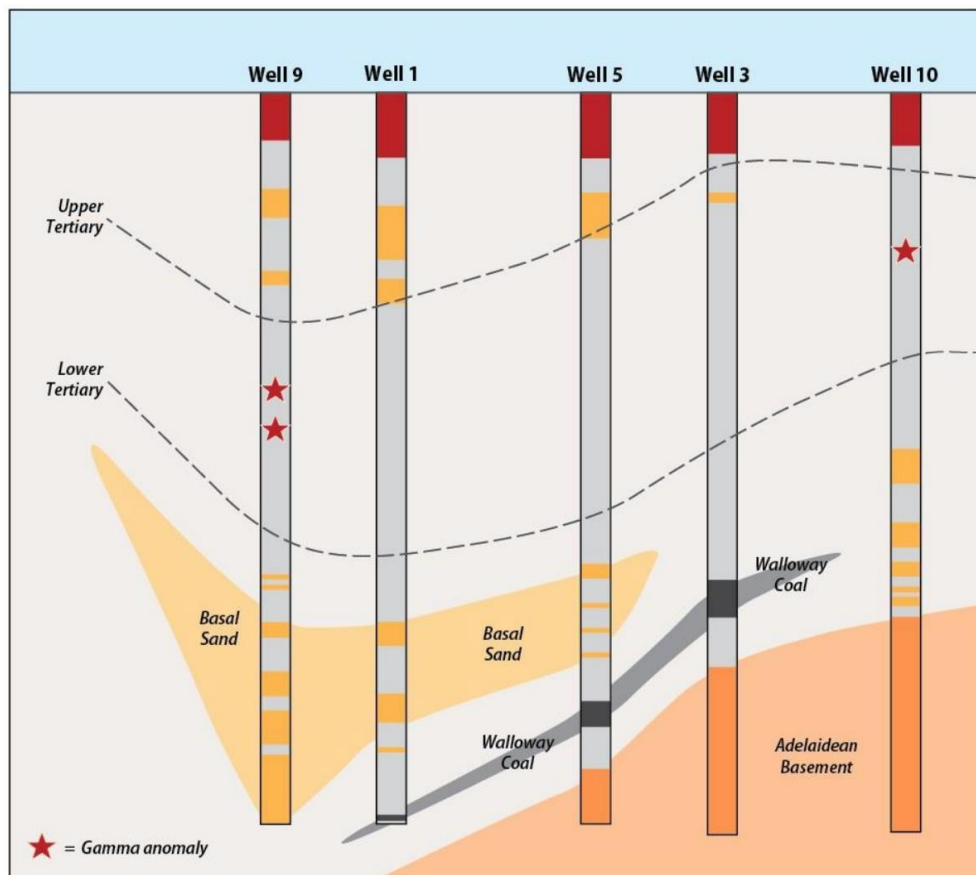


**Figure 4. Schematic REDOX model – Yarramba Paleochannel**

(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](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**



### **Drill Permitting Activities**

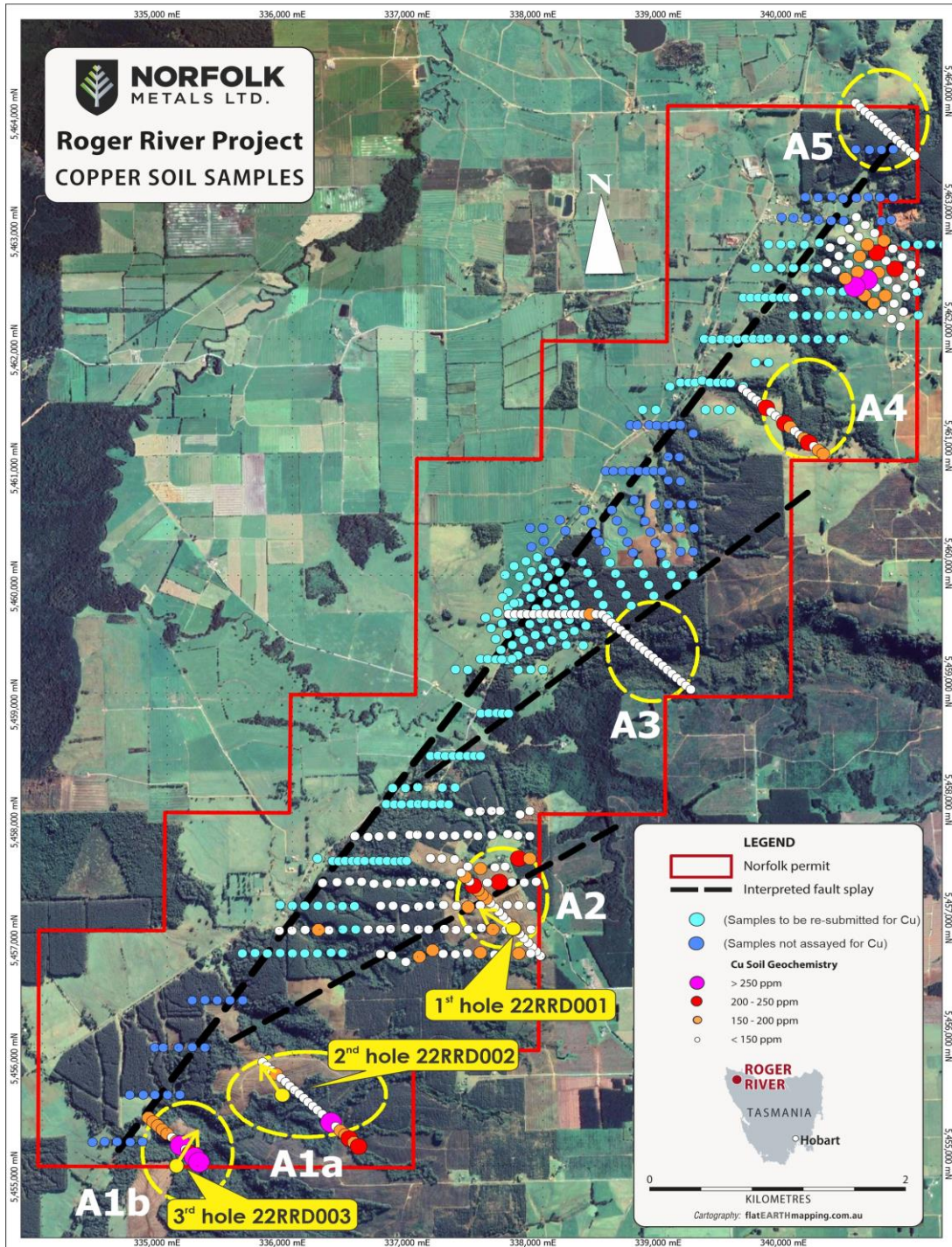
Norfolk has continued to progress towards the commencement of the maiden drill program at the Orroroo Uranium Project, utilising the REDOX interface model. A number of site visits have been undertaken. Suitable drill targets will be selected based on prospectivity, access and safety.

The Company made excellent progress throughout the quarter (and subsequently in October 2023) securing key contractors (released 13<sup>th</sup> September 2023 and 23<sup>rd</sup> October 2023) and pivotal Land Access Agreements (released 5<sup>th</sup> October 2023). Norfolk submitted the Program for Environmental Protection and Rehabilitation (PEPR) application paperwork, a prerequisite to drill permitting shortly after the Land Access Agreements were secured. The Company has progressed further towards acquiring all of the necessary permits by addressing all relevant queries requested by the Department of Energy and Mining South Australia.

### **Roger River Gold/Copper Project, Tasmania**

#### **Exploration Activities**

Norfolk is continuing the work to obtain a better understanding of the copper and gold mineralisation at Roger River to guide the next exploration phase including drilling. On the 25 July 2023 Norfolk announced the commencement of a surface geochemical sampling program along with the proposed submission of historical samples. The program aimed to provide a lateral vector of the copper mineralisation intersected in the first diamond drill hole over the Anomaly 2 (A2). The Company is endeavouring to determine if all of the preferred historical soil samples (not sampled for Cu) over the White Water and A2 Prospects can be re-submitted for Cu (multi-elements) analysis (Figure 6). It is important to note that there are coincident gold and arsenic soil anomalies within the White Water Prospect that remain untested with drilling. The program, including full interpretation, is ongoing and once completed, the findings will be released to market.



**Figure 6 – Roger River Project Soil Sampling Status**

## Corporate

The cash flows relating to the quarter included \$148k in exploration and evaluation spend on the Company's Roger River and Orroroo projects and \$113k in staff and admin costs managing the corporate requirements of the Company.

The Company had a closing cash balance of \$3.03 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	1,123,832
Administration (2 years)	1,028,750	1,029,115
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 and consulting 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 261km<sup>2</sup>, 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 659km<sup>2</sup>, and a small (64km<sup>2</sup>) contiguous tenement under application ELA2023/000024, 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 Adalaidian basement.

For further information please visit [www.norfolkmetals.com.au](http://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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(38)	(38)
	(e) administration and corporate costs	(75)	(75)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(108)</b>	<b>(108)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(148)	(148)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(148)</b>	<b>(148)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	110	110
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	(27)	(27)
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	(8)	(8)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>75</b>	<b>75</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,210	3,210
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(108)	(108)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(148)	(148)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	75	75

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,029</b>	<b>3,029</b>

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	1,529	1,710
5.2	Call deposits	1,500	1,500
5.3	Bank overdrafts	-	-
5.4	Other (Corporate Credit Card)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,029</b>	<b>3,210</b>

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	48
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	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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)	(108)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(148)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(256)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,029
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,029
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	12
<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: 31 October 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.

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

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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.