

Pro Forma Historical Financial Information

Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income

The table below sets out the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income of Native Mineral Resources for FY2020, on the basis that the Company raised \$5,742,700 under the Offer. The Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial performance:

A\$	Audited Historical	Pro Forma Historical (Actual Amount Raised)	
	Year ended 30 June 2020	Pro forma adjustments	Year ended 30 June 2020
Revenue	-		-
Other income	-		-
Exploration activities	(33,110)		(33,110)
Tenement acquisition / management 1	(372,821)	(426,000)	(798,821)
Corporate and administration 2	(54,635)	(484,000)	(538,635)
Interest expense	-		-
Profit (loss) before income tax	(460,566)	(910,000)	(1,370,566)
Income tax expense	-		-
Profit (loss) for the year	(460,566)	(910,000)	(1,370,566)
Other comprehensive income	-		-
Total comprehensive income (loss)	(460,566)	(910,000)	(1,370,566)

Notes:

¹ The pro forma adjustments to 'Tenement acquisition / management' relate to costs associated with the acquisition of tenements in W.A. and the Palmerville Project Land Access agreement.

² The pro forma adjustments to 'Corporate and administration' relate to the issue of Share Options to employees and Directors, and costs associated to the ASX listing, including ASIC fees, a portion of the Investigating Accountants fees, a portion of the legal fees, a portion of the printing costs, and a portion of the Geologist Report fees.

³ Further commentary on the above pro forma adjustments is provided in the Assumptions adopted in compiling the Pro Forma Historical Financial Information, as shown below.

Pro Forma Historical Statement of Financial Position

The table below sets out the Pro Forma Historical Statement of Financial Position of Native Mineral Resources as at 30 June 2020, on the basis that the Company raised \$5,742,700 under the Offer. The Pro Forma Historical Statement of

Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position:

A\$	Audited Historical	Pro Forma Historical (Actual Amount Raised)	
	As at 30 June 2020	Pro forma adjustments	As at 30 June 2020
ASSETS			
Current assets			
Cash and cash equivalents 1	5,438	4,882,700	4,888,138
Trade and other receivables	11,537		11,537
Other current assets	-		-
Total current assets	16,975		4,899,675
Non-current assets			
Right-of-use leased asset	-		-
Total non-current assets	-		-
Total assets	16,975		4,899,675
LIABILITIES			
Current liabilities			
Trade and other payables	41,787		41,787
Borrowings	-		-
Total current liabilities	41,787		41,787
Total liabilities	41,787		41,787
Net assets (liabilities)	(24,812)		4,857,888
EQUITY			
Issued capital 2	973,056	5,490,700	6,463,756
Reserves 3	-	302,000	302,000
Accumulated profits (losses) 4	(997,868)	(910,000)	(1,907,868)
Total equity (deficiency)	(24,812)		4,857,888

Notes:

¹ The pro forma adjustments to 'Cash and cash equivalents' relate to the proceeds of the capital raise completed on 7 August 2020 of \$10,000, the actual cash raised under the Offer of \$5,732,700, the costs of the share issue under the Offer payable in cash of \$445,000, the costs of the ASX listing payable in cash of \$329,000, the costs of the acquisition of tenements in W.A. in cash of \$80,000, and the costs of the Palmerville Project Land Access agreement in cash of \$16,000.

² The pro forma adjustments to 'Issued capital' relate to the proceeds of the capital raise completed on 7 August 2020 of \$10,000, the actual cash raised under the Offer of \$5,732,700, the costs of the share issue to employees of \$34,000, the costs associated with the acquisition of tenements in W.A. in shares of \$60,000 and the Palmerville Project Land Access agreement in shares of \$270,000, and the costs of the share issue under the Offer payable in cash of \$626,000, which include ASIC fees, a portion of the Investigating Accountants fees, a portion of the legal fees, a portion of the printing costs and the Advisor fees payable in cash. The balance of the pro forma adjustment to 'Issued capital' is comprised of options to be issued to Advisors.

³ The pro forma adjustments to 'Reserves' relate to the options issued to Directors on 17 August 2020.

⁴ The pro forma adjustments to 'Accumulated profits (losses)' relate to the total comprehensive income (loss) reflected in the pro forma adjustments to the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income.

⁵ Further commentary on the above pro forma adjustments is provided in the Assumptions adopted in compiling the Pro Forma Historical Financial Information, as shown below.

Assumptions adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information is based on the Historical Financial Information of Native Mineral Resources as at 30 June 2020, together with pro forma adjustments to reflect the operating and capital structure of the Company that will be in place following completion of the Offer as if it were in place on 30 June 2020.

Below is a summary of the key assumptions adopted in compiling the Pro Forma Historical Financial Information.

Subsequent Events:

On 7 August 2020 Native Mineral Resources Pty Limited issued 2,000,000 ordinary shares to raise capital of \$10,000. Total issued capital became 55,000,000 ordinary shares with paid up share capital of \$983,056. The increase in share capital of \$10,000 has been reflected in the pro forma adjustments to the Pro Forma Historical Statement of Financial Position as an increase in cash and cash equivalents and an increase in share capital.

On 7 August 2020 the Company was incorporated for the purposes of completing a share purchase agreement (SPA) for Native Mineral Resources Pty Limited. On 14 September 2020 the SPA was executed and 55,000,000 ordinary shares were issued to the existing shareholders of Native Mineral Resources Pty Limited. The paid-up share capital was recorded as \$983,056. However, the execution of the SPA does not give rise to an adjustment in the Pro Forma Historical Financial Information.

On 17 August 2020 the Company issued to employees 170,000 Share Options vesting the day after ASX listing with an exercise price of \$0.00 and an expiry date of 5 years. This has been reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an increase to corporate and administration expenses of \$34,000 and in the Pro Forma Historical Statement of Financial Position as an increase to issued capital for the same amount.

On 17 August 2020 the Company issued 756,000 Share Options to James Walker and 756,000 Share Options to Philip Gardner vesting over a three year period starting from one month after ASX Listing (21,000 Options vest per month while James Walker and Philip Gardner remain a Director), with an exercise price of \$0.00 and an expiry date of 5 years. This has been reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an increase to corporate and administration expenses of \$302,400 and in the Pro Forma Historical Statement of Financial Position as an increase to reserves for the same amount.

There are no other events that have arisen subsequent to 30 June 2020 which give rise to an adjustment in the Pro Forma Historical Financial Information.

Pro forma impact of the Offer:

The Offer resulted in the issue of 28,713,500 Shares and raised \$5,742,700 at an issue price of \$0.20 per Share. The Offer is reflected in the pro forma adjustments to the Pro Forma Historical Statement of Financial Position as an increase to cash and cash equivalents and an increase to issued capital.

Costs associated with this Prospectus and the Offer including payment of broker fees, commissions and other IPO related costs totalling approximately \$910,000 (Minimum Subscription) and is reflected in the pro forma adjustments as follows:

- \$762,000, being the costs of the share issue have been attributed to issued capital. This is reflected in the Pro Forma Historical Statement of Financial Position as a decrease to cash and cash equivalents and a decrease to issued capital in respect of the component payable in cash, and as an increase and corresponding decrease to issued capital in respect of the component payable in shares; and
- \$148,000, being the costs associated with the ASX listing process, are reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an expense and in the Pro Forma Historical Statement of Financial Position as a decrease to cash and cash equivalents in respect of the component payable in cash. The component payable in shares is reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an expense and in the Pro Forma Historical Statement of Financial Position as an increase to issued capital.

Costs associated with the exercise of the options to acquire the Tenements in W.A. totalling \$140,000 are reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an increase to Tenement acquisition / management expense and in the Pro Forma Historical Statement of Financial Position as a decrease to cash and cash equivalents in respect of the payment of the cash component of \$80,000 and an increase in the issued capital in respect of the share payment component of \$60,000.

Costs associated with the execution of the Palmerville Project Land Access agreement totalling \$286,000 are reflected in the Pro Forma Historical Statement of Profit or Loss and Other Comprehensive Income as an increase to Tenement acquisition / management expense and in the Pro Forma Historical Statement of Financial Position as a decrease to cash and cash equivalents in respect of the payment of the cash component of \$16,000 and an increase in the issued capital in respect of the share payment component of \$270,000.

Audit costs associated with the IPO are already reflected in the Historical Financial Information and as such, are not included as part of the pro forma impact of the Offer.

2,500,000 Share Options (Minimum Subscription) with an exercise Option price of \$0.25 and an expiry date of three years from the date of quotation of the Company's Shares are to be issued to the Lead Manager and/or its nominees (as remuneration for services) in connection with the Offer, have been attributed to issued capital, resulting in no impact on the issued capital account.