

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

- The Company has identified 8 key anomalies for drilling in November 2022, following an airborne EM survey at Narryer in May 2022
- Stream sediment sampling, rock chip and mapping program underway for Ni-Cu-PGE and REE at the Mt Nairn and Taccabba target areas at Narryer Project. First stage of work complete, with assays pending
- At the Ceduna Project, portable XRF testing for REE from historical drill samples stored at the South Australian Drill Core Library is near completion
- Entered into an option agreement to acquire 100% of the Rocky Gully REE Project in the southwest of Western Australia. Project targets ionic clay absorption REE mineralisation, hosted in saprolite

NARRYER METALS

Narryer Metals Limited (**Narryer Metals** or **Company**) is a nickel-copper-platinum-group-elements and rare earth elements (Ni-Cu-PGE-REE) exploration company with three wholly owned projects, in strategic geological domains in Australia. The Company also holds an option to acquire 100% of the Rocky Gully REE project in southern Western Australia.

The Company's focus over the Quarter has been the generation of Ni-Cu-PGE targets at the Narryer Project for its maiden drill program which commenced at the end of October 2022. The Company also continues its low-cost exploration for REE mineralisation at the Ceduna Project, with the testing of previous drilling material stored in the South Australian Drill Core Library.

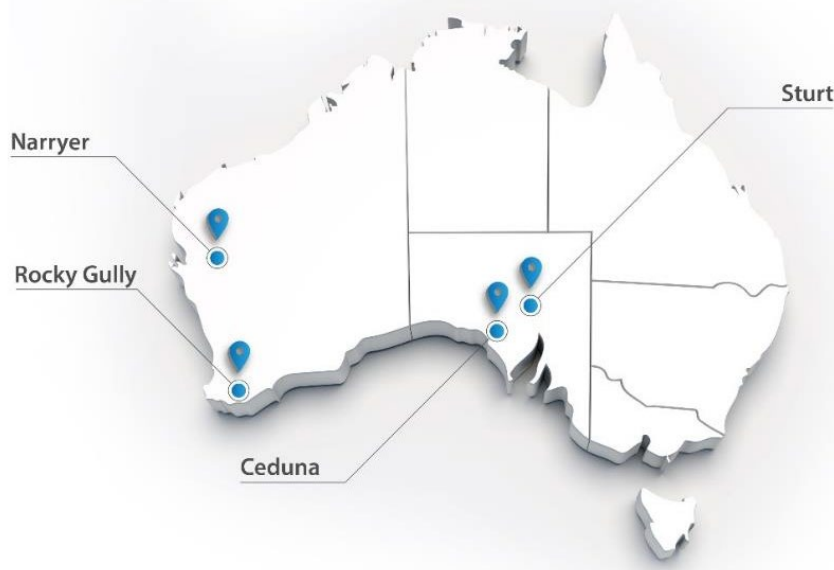


Figure 1: Location of Narryer Metals Limited's Ni-Cu-PGE and REE projects in Australia

NARRYER PROJECT

The Company is focussed on the discovery of high-value, magmatic Ni-Cu-PGE sulphide deposits, at Mt Nairn and Mt Gould (Figure 2). These projects cover a combined area of granted tenure of $\approx 1,900\text{km}^2$ in the Narryer Terrane, and are located along the western edge of the Archaean Yilgarn Craton. This portion of the craton has been identified as the West Yilgarn Ni-Cu-PGE Province and hosts the Ni-Cu-PGE Julimar discovery (ASX:CHN). The Narryer Project area shows evidence of mafic-ultramafic intrusive from field exposure and magnetics data. Recent drilling by Desert Metals¹ (ASX:DM1) has shown the Narryer Terrane to contain potential nickel sulphides mineralisation (along strike from Mt Nairn) at its Innouendy Prospect (Figure 2).

The area also demonstrates opportunity in exploration for ionic clay-hosted and alluvial-hosted REE mineralisation, similar to Krakatoa Resources' (ASX:KTA) recent REE discovery in the Narryer Terrane at Mt Clere² (Figure 2) and the Innouendy Project³ of Desert Metals (ASX:DM1) .

The exploration focus at the Narryer Project has been:

- A 200m-spaced helicopter EM (Electromagnetic) survey in May, over key areas identified at both Mt Nairn (including the Milly Milly Ultramafic Zone) and Mt Gould tenement areas⁴
- Follow-up fieldwork of nineteen key EM anomalies⁵, with eight of those conductors (Figure 2) prepared for reverse circulation (RC) drilling in the November. This has included Program of Works approvals and heritage clearances.
- Mapping and surface sampling over the Taccabba Well Mafic-Ultramafic Complex (Figure 2), targeting Ni-Cu-PGE and Fe-Ti-V mineralisation. An airborne magnetic survey at 100m spacing was completed at the Taccabba area in May 2022⁵.
- Planning for drilling at the Taccabba Well Cr-PGE prospect⁵. This target will be drilled at the same time as the EM targets.
- First stage of stream sediment sampling at Mt Nairn for PGE (Ni-Cu) and REE (Figure 3). Assays pending.

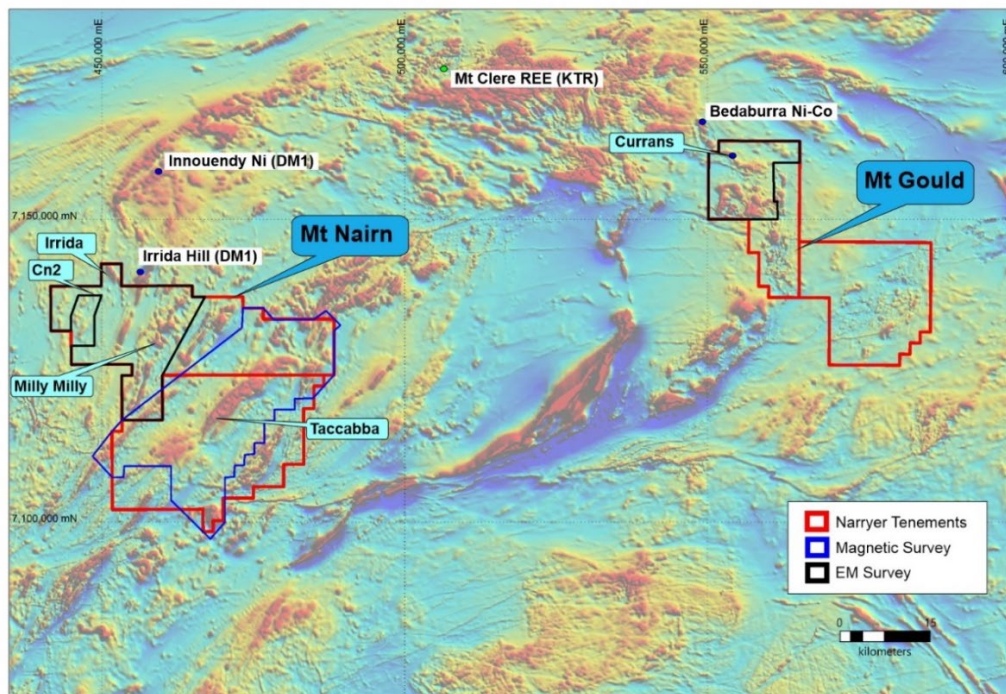


Figure 2: Location of geophysical surveys of recent airborne EM and magnetic surveys, at the Narryer Project (Coordinates, MGA zone 50, GDA94)

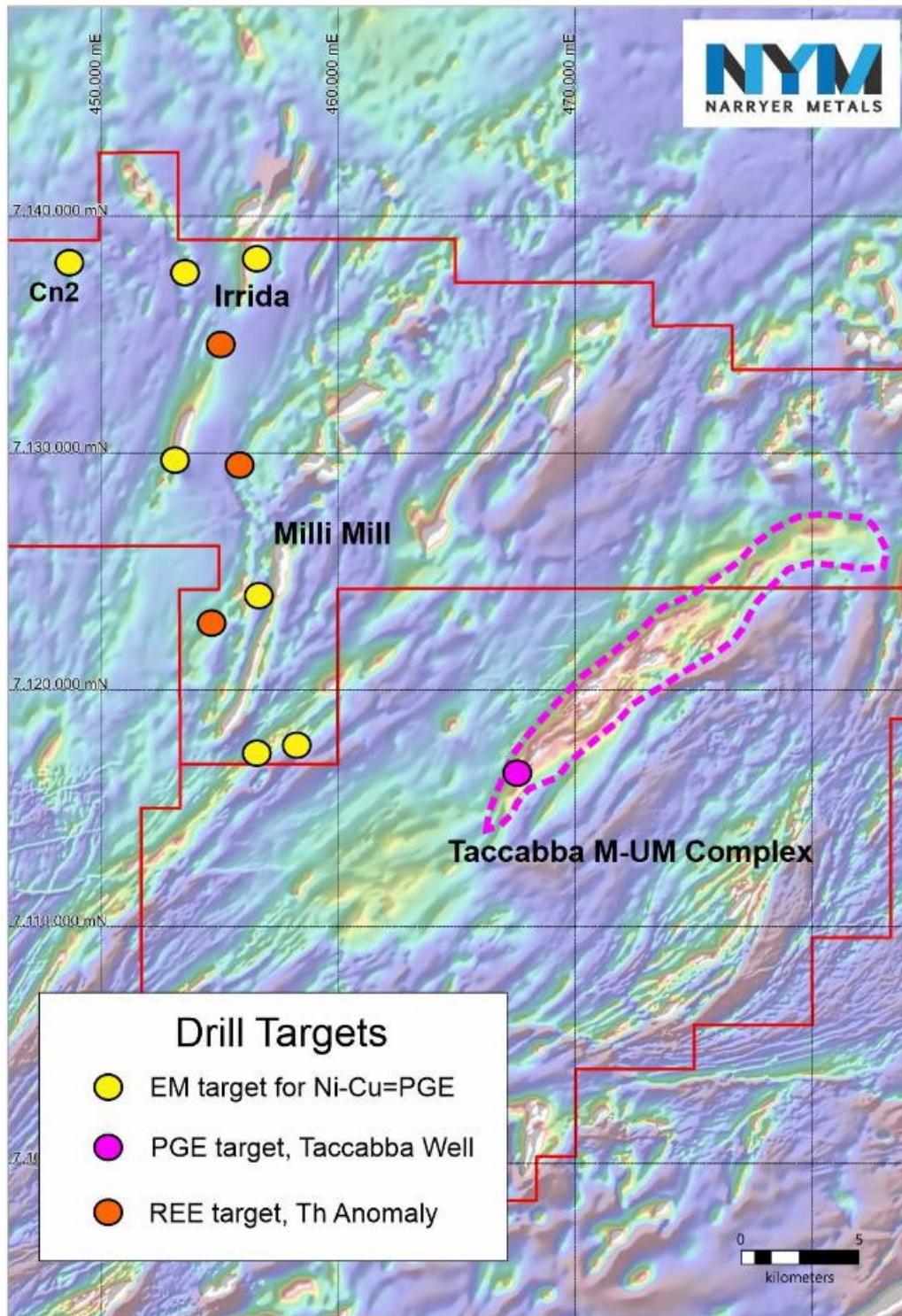


Figure 3: Drill targets for Ni-Cu-PGE and REE at Mt Nairn within the Narryer Project



Figure 4: Stream sediment sampling underway in the Milly Milly Area, Narryer Project, WA

STURT AND CEDUNA PROJECTS

The Sturt and Ceduna Projects now comprises six exploration tenements in the Gawler Craton of South Australia (Figure 5) with two tenements granted recently, adding 1,200km² to the existing tenure now covering more than 2,000km². The projects primarily target magmatic hosted Ni-Cu-(Co)-(PGE) mineralisation and Tunkillia-style gold deposits. Data derived from previous exploration and new government-funded geological studies of the Gawler Craton has helped identify underexplored prospective mafic-ultramafic intrusive along major crustal structures, similar in characteristic to both Julimar (SW Yilgarn) and Nova Bollinger (Albany Fraser Belt) deposits in Western Australia. Historic drilling in the project area has shown evidence Ni sulphide mineralisation and anomalous PGE mineralisation⁶.

Petratherm Limited (ASX:PTR) has recently identified potential ionic clay hosted REE mineralisation at its Comet Discovery⁷ in the northern Gawler Craton, approximately 25km NNE of the Sturt Project. While the Sturt Project was identified as a Ni-Cu-PGE and Au target related to the Muckanippie Anorthosite complex⁶, it also contains similar regional stratigraphy (Mulgathing Complex) to the Petratherm tenure which host the Comet discovery (Figure 6). The Company will begin assessing the REE potential on the Sturt Project in similar stratigraphy.

Work on the South Australian exploration tenements during the quarter has included:

- Portable XRF sampling of historic drill samples stored at the State Core Library, for clay-hosted REE mineralisation⁸. Over three quarters of the ~ 400 drillholes have now been tested, with the focus on the Ceduna Project area (Figure 7). The portable XRF is being used as a preliminary screen, with further quantification of results from selected samples using conventional XRF analysis at ALS Laboratories, Perth. These results are still pending.
- REE targets identified from the portable XRF testing and the existing Ni-Cu-PGE target at the Cooper Hill Prospect, will be the first RAB drilling program planned for the Ceduna Project
- Review of historic EM surveys over the Ceduna Project, with plans for potential EM surveys in the next 6 months

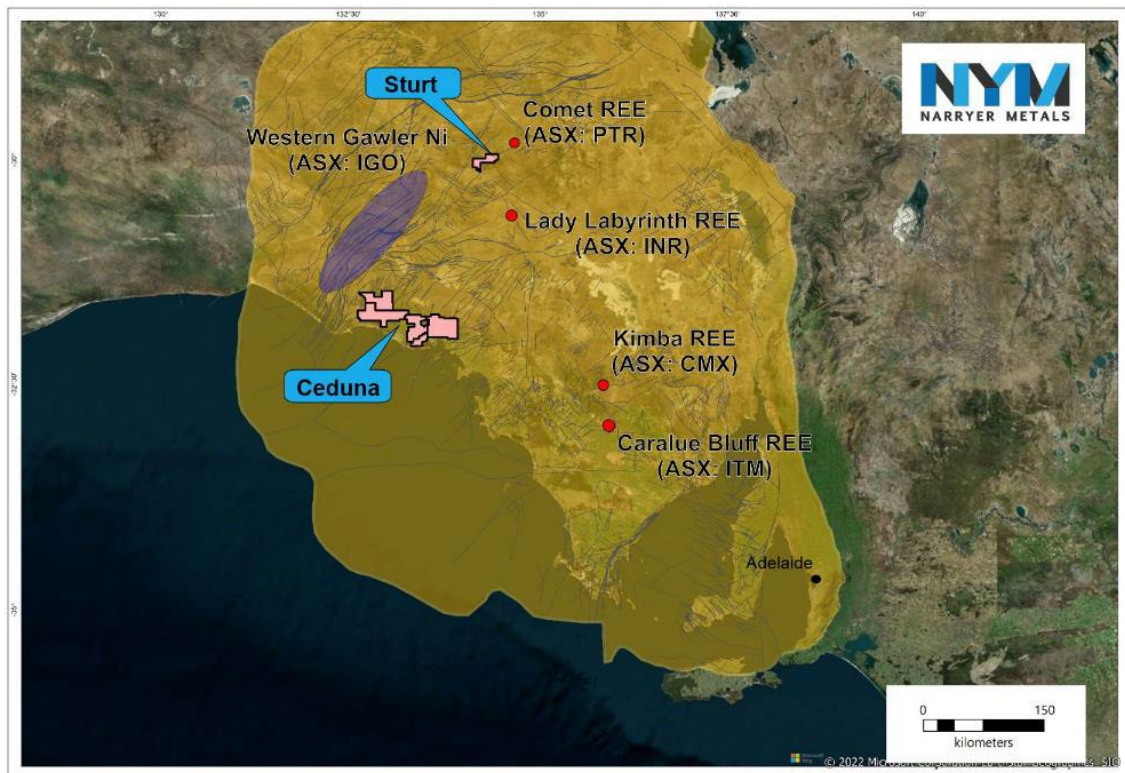


Figure 5: Sturt and Ceduna Projects in South Australia

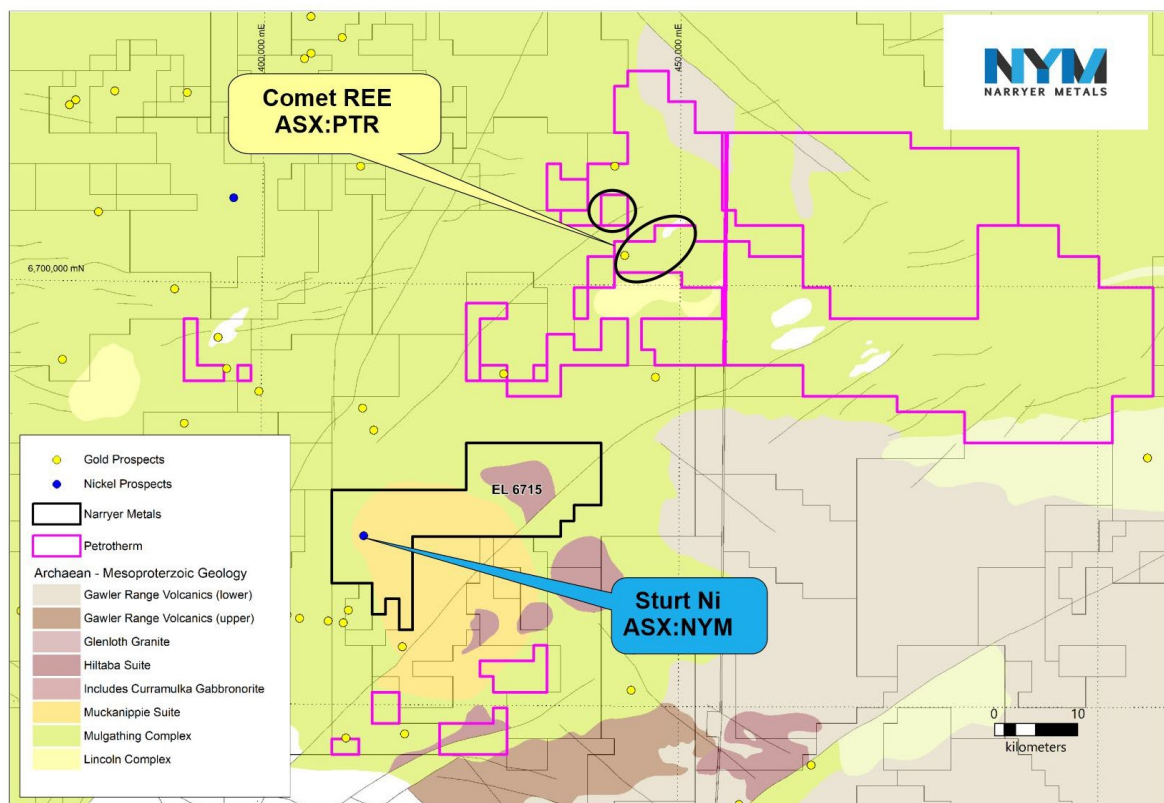


Figure 6: Sturt Project GSSA bedrock geology and nearby Petratherm Ltd Comet REE discovery in Gawler Craton, South Australia (GDA 94, Zone 53)

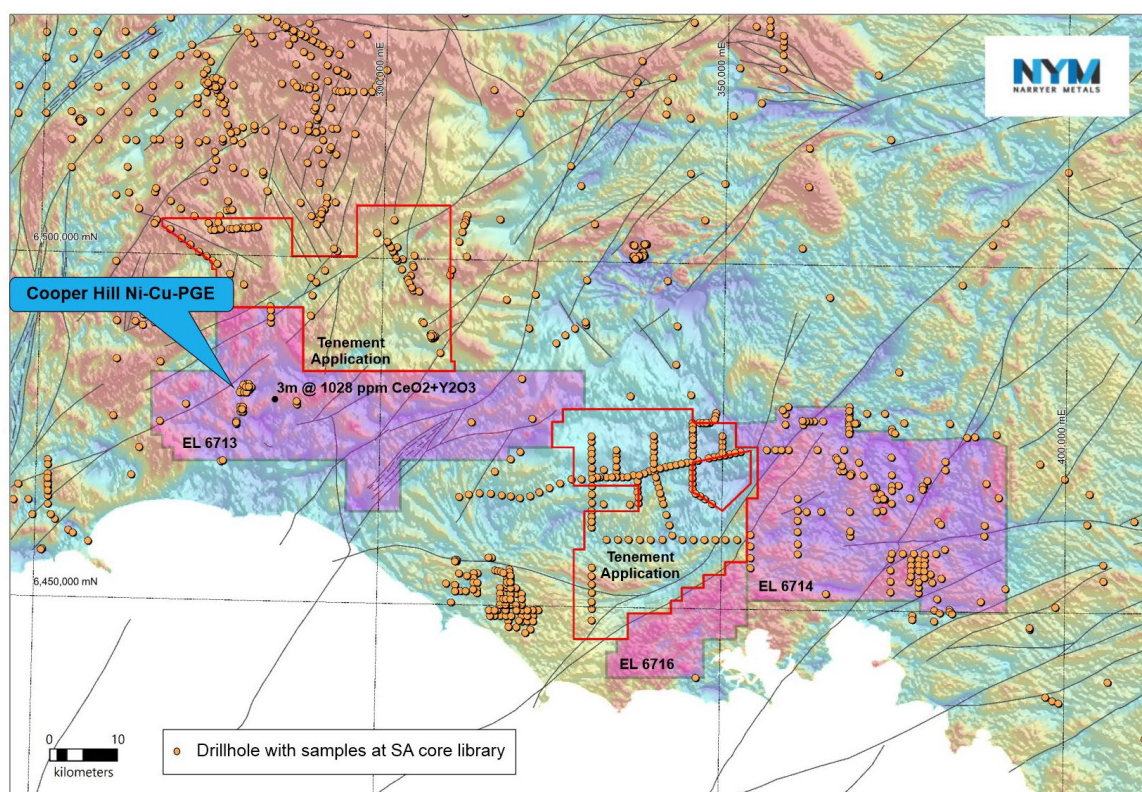


Figure 7: Ceduna Project showing granted and application tenements with previous drillholes

ROCKY GULLY PROJECT

During the quarter the Company entered into an option agreement to acquire 100% of the Rocky Gully REE Project⁹. The Project comprises two exploration tenements covering ~ 78 km² in total area, hosted in the Proterozoic western Albany-Fraser Mobile Belt of Western Australia approximately 43 km west of Mt Barker and 80 km north-west of the port town of Albany (Figure 8).

Historic exploration drilling shows significant REE mineralisation in saprolite, with geological logging and geochemistry suggesting the potential for ionic absorbed clay hosted REE mineralisation. Previous exploration work of the area also shows good prospectivity for both magmatic and lateritic Ni-Cu-Co mineralization.

The hardrock geology of the Rocky Gully area is dominated by orthogneisses, with lesser metasediment, metavolcanics, and granites of the Birunip Gneissic Suite, as well as later phase mafic-ultramafic intrusives (Figure 8). While some of the area is covered by a thin sedimentary overburden of 1m to 5m, much of the area has laterite formed at surface, with regolith profile containing pallid zone and saprolite observed in drilling 20 to 40m in depth. These saprolite zones are the typical host for ionic absorption clay REE.

The key target is the the Ivar Prospect (Figure 9), with previous RC drilling by Herron Resources predominately intersected a sequence of biotite-rich pyroxene gneissic rocks of the Proterozoic Biranup Gneiss Complex. In addition, the drilling also identified carbonatite intrusives and related alteration⁹. Carbonatite intrusives are often associated with REE, with examples being Mt Weld (ASX: LYN) and the recent discovery in the West Arunta by WA1 Resources (ASX: WA1). The Company will further evaluate the potential for bedrock REE mineralisation related to carbonatites at Rocky Gully. The bedrock geochemistry from this drilling does show anomalism in REE. The clay hosted REE mineralisation present at Ivar Prospect in the saprolite appears to be a regolith enrichment of the anomalous REE protolith bedrock.

Of the 16 RC drillholes at the Ivar Prospect assayed for REE, 15 holes intersected significant REE mineralisation in the top 40m of depth (see Figure 10). The mineralisation is hosted in saprolite and lateritic clays and is often seen from the surface. These intersections are rich in 'high value' magnet rare earths and extend over a ~ 1.5km strike length⁹.

The Company is currently assessing historic data and attempting access previous drilling material for further REE analysis. Narryer's intention is to drill test the Rocky Gully Project within the next 6 months.

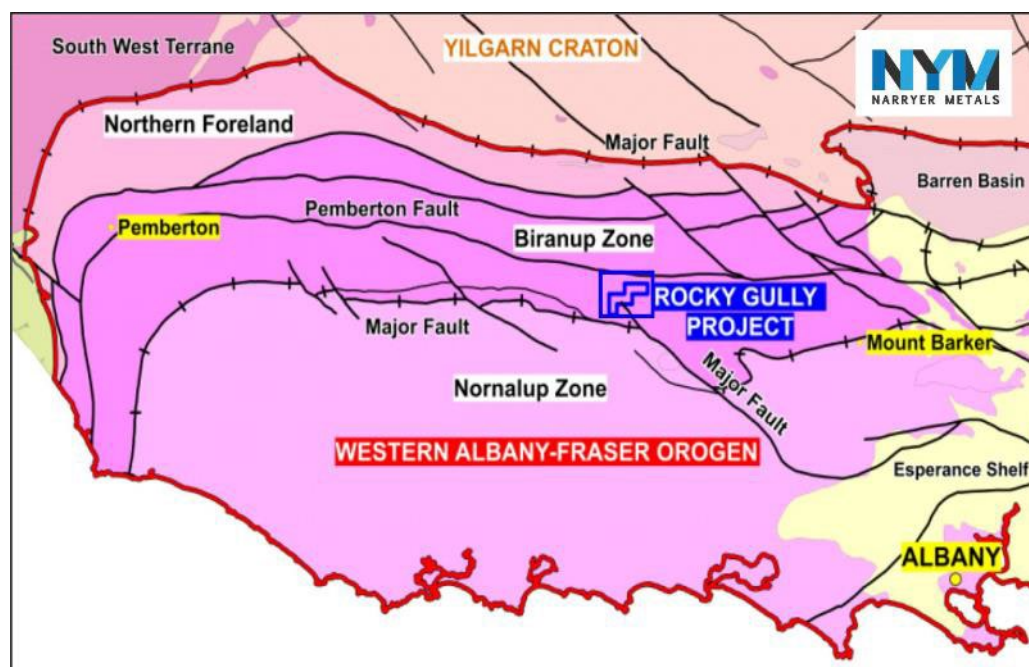


Figure 8: Rocky Gully Project along the Albany-Fraser Orogen Belt, 80km NW of Albany

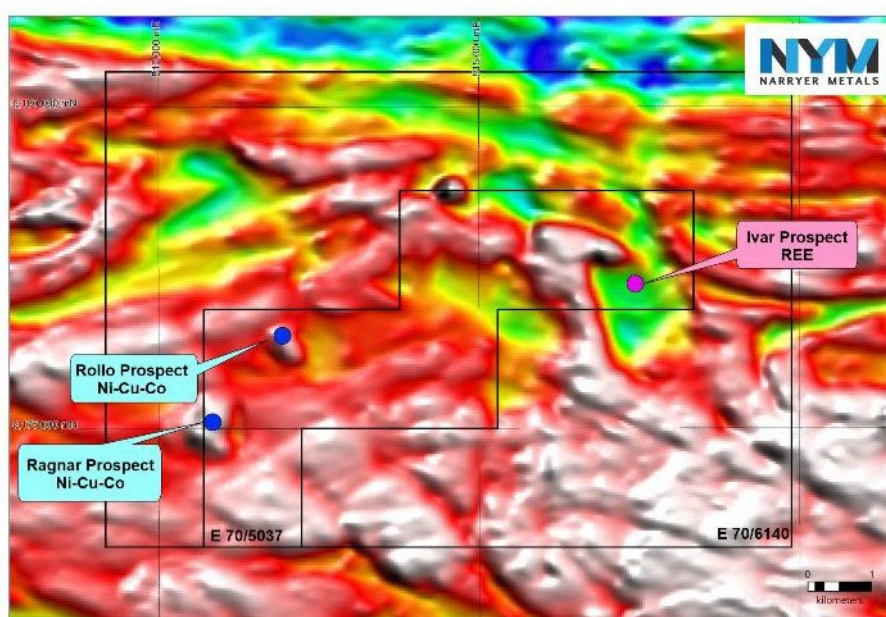


Figure 9: Prospects of the Rocky Gully Project

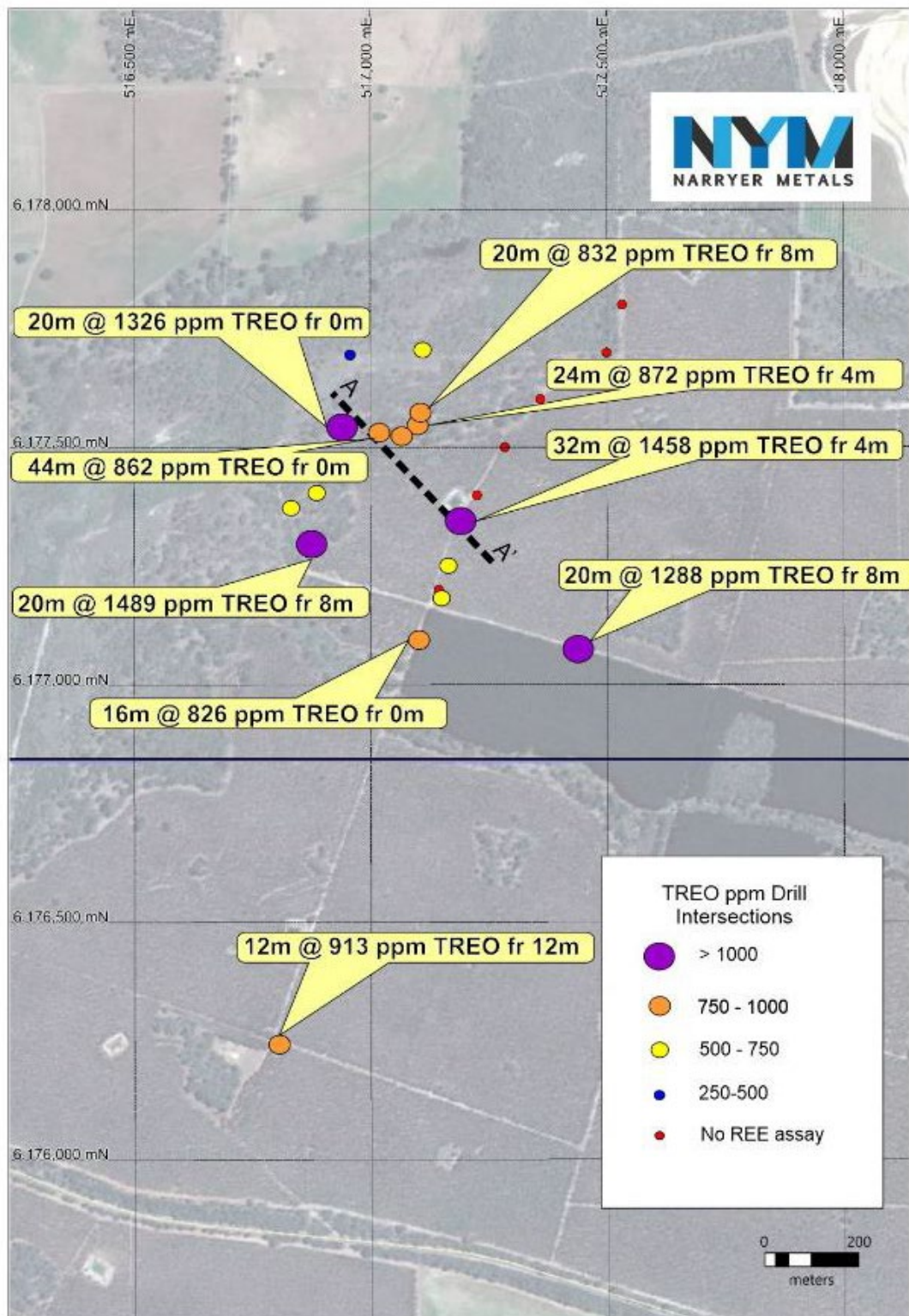


Figure 10: TREO ppm drill intersections at the Ivar Prospect area

CORPORATE

Key expenditure during the quarter comprised staff costs and exploration and evaluation activities associated with the recent EM Survey and rock chip sampling. The Company also used funds for geological consulting, database management and tenement management during the quarter across all four projects.

Narryer Metals held cash reserves of ≈\$3.3M as at 30 September 2022.

In accordance with ASX Listing Rule 5.3.2, the Company advise that no Mining Development or Production activities were conducted during the quarter.

Related Party Transactions

In accordance with ASX Listing Rules 4.7C.3 payments to related parties of the entity and their associates outlined in the Company's Appendix 5B for the quarter relate to Directors fees and professional fees paid to Grange Consulting for company secretarial and financial management services, rent paid to Outback Trees of Australia and consulting fees paid to Clare Geological.

Prospectus – Proposed Use of Funds

In accordance with ASX Listing Rule 5.4.4, the Company provides the following comparison of its actual expenditure on the individual items in the “use of funds” statement in its IPO Prospectus since the date of its admission to ASX against the estimated expenditure on those items in the “use of funds” statement in the IPO Prospectus and an explanation of any material variances. The material variances are due to the Company only being admitted to the Official List of ASX on 14 April 2022.

Item	Proposed Use of Funds ¹	Actual Use of Funds	Variance Under/(Over)
Exploration at Narryer Project	\$2,700,000	\$816,092	\$1,883,908
Exploration at Ceduna Project	\$600,000	\$52,351	\$547,649
Exploration at Sturt Project	\$200,000	-	\$200,000
Administration costs & working capital	\$1,416,168	\$565,029	\$851,139
Expense of the Offer	\$633,832	\$661,858	(\$28,026)
Total	\$5,550,000	\$2,095,330	\$3,454,670

¹ Proposed Use of Funds for the first two years following Admission as outlined in the Company's IPO Prospectus dated 28 February 2022.

Performance Rights

A summary of the Performance Rights on issue at the end of the quarter is outlined below. No Performance Rights vested or were converted or cancelled during the quarter.

Class	Milestone	Expiry	Number	Vested (Yes/No)
Class A Performance Rights	Each Class A Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a volume weighted average price for 20 consecutive trading days (20 Day VWAP) exceeding \$0.40.	Five (5) years from the date of issue.	2,550,000	No
Class B Performance Rights	Each Class B Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a 20 Day VWAP exceeding \$0.60.	Five (5) years from the date of issue.	1,650,000	No
Class C Performance Rights	Each Class C Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a 20 Day VWAP exceeding \$0.70.	Five (5) years from the date of issue.	510,000	No
Total			4,710,000	

TENEMENT SCHEDULE

Narryer Metals Tenement Holding Sept 2022 quarter end

As required by listing rule 5.3.3

Leasingham Metals Pty Ltd (a wholly owned subsidiary company of Narryer Metals Limited)

Narryer Minerals Pty Ltd (a wholly owned subsidiary company of Narryer Metals Limited)

Project	Tenement Number	Holder	Narryer Ownership (at end of quarter)	Change in Ownership
Narryer (Western Australia)	E20/961	Narryer Minerals Pty Ltd	100%	Nil
	E09/2413	Narryer Minerals Pty Ltd	100%	Nil
	E52/3875	Narryer Minerals Pty Ltd	100%	Nil
	E51/2072 (application)	Narryer Minerals Pty Ltd	100%	Nil
Ceduna (South Australia)	EL6713	Leasingham Metals Pty Ltd	100%	Nil
	EL6714	Leasingham Metals Pty Ltd	100%	Nil
	EL6716	Leasingham Metals Pty Ltd	100%	Nil
	EL6851	Leasingham Metals Pty Ltd	100%	Nil
	EL6852	Leasingham Metals Pty Ltd	100%	Nil
Sturt (South Australia)	EL6715	Leasingham Metals Pty Ltd	100%	Nil

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results for the Narryer Project, Ceduna and Sturt Projects and Rocky Gully Project is extracted from the ASX Announcements listed below which are available on the Company website www.narryer.com.au and the ASX website (ASX code: NYM):

Date	Announcement Title
20 June 2022	Completion of Mt Nairn Airborne EM Survey
26 July 2022	Drilling Targets defined at Narryer NI-CU-PGE Project
1 August 2022	Ceduna Project Rare Earths Testing Begins
19 September 2022	Narryer identified significant REE Project at Rocky Gully

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirm that form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcements.

Footnotes

- ¹ Desert Metals Limited ASX announcement on the 19 April 2022
² Krakatoa Resources ASX announcement on the 13 April 2022
³ Desert Metals Limited ASX announcement on the 20 August 2022
⁴ Narryer Metals Limited ASX announcement 20 June 2022
⁵ Narryer Metals Limited ASX announcement 26 July 2022
⁶ Additional information in Narryer Metals Limited Prospectus IGR released to ASX 14 April 2022
⁷ Petrotherm Limited ASX announcement on the 20 April 2022
⁸ Narryer Metals Limited ASX announcement 1 August 2022
⁹ Narryer Metals Limited ASX announcement 19 September 2022

Authorised for release by the Narryer Metals Limited Board.

About Narryer Metals: Narryer Metals is an Ni-Cu-PGE exploration company listed on the Australian Securities Exchange (ASX:NYM) and is pursuing a well-funded and aggressive exploration program at its 100% owned Narryer Project in the Gascoyne Murchison region of Western Australia and its Ceduna and Sturt Projects in South Australia. The Company is also now targeting REE mineralisation at the Rocky Gully Project, Western Australia

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Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr Gavin England, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Dr England is Managing Director of Narryer Metals Limited. Dr England has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr England consents to the inclusion in the report 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

Narryer Metals Limited

ABN

60 651 575 898

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation	(361)	(361)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(21)	(21)
	(e) administration and corporate costs	(220)	(220)
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 (GST)	28	28
1.9	Net cash from / (used in) operating activities	(574)	(574)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(20)	(20)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(20)	(20)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,908	3,908
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(574)	(574)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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	Cash and cash equivalents at end of period	3,313	3,313

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	3,313	3,908
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,313	3,908

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	133
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>		

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

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)	(574)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(574)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,313
8.5	Unused finance facilities available at quarter end (item 7.5) ¹	-
8.6	Total available funding (item 8.4 + item 8.5)	3,313
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.77
	<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: n/a	
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: n/a	

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: n/a

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.

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 2022.....

Authorised 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.
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.