

22nd May 2023

Northam Resources Ltd CEO Update to Shareholders - May 2023

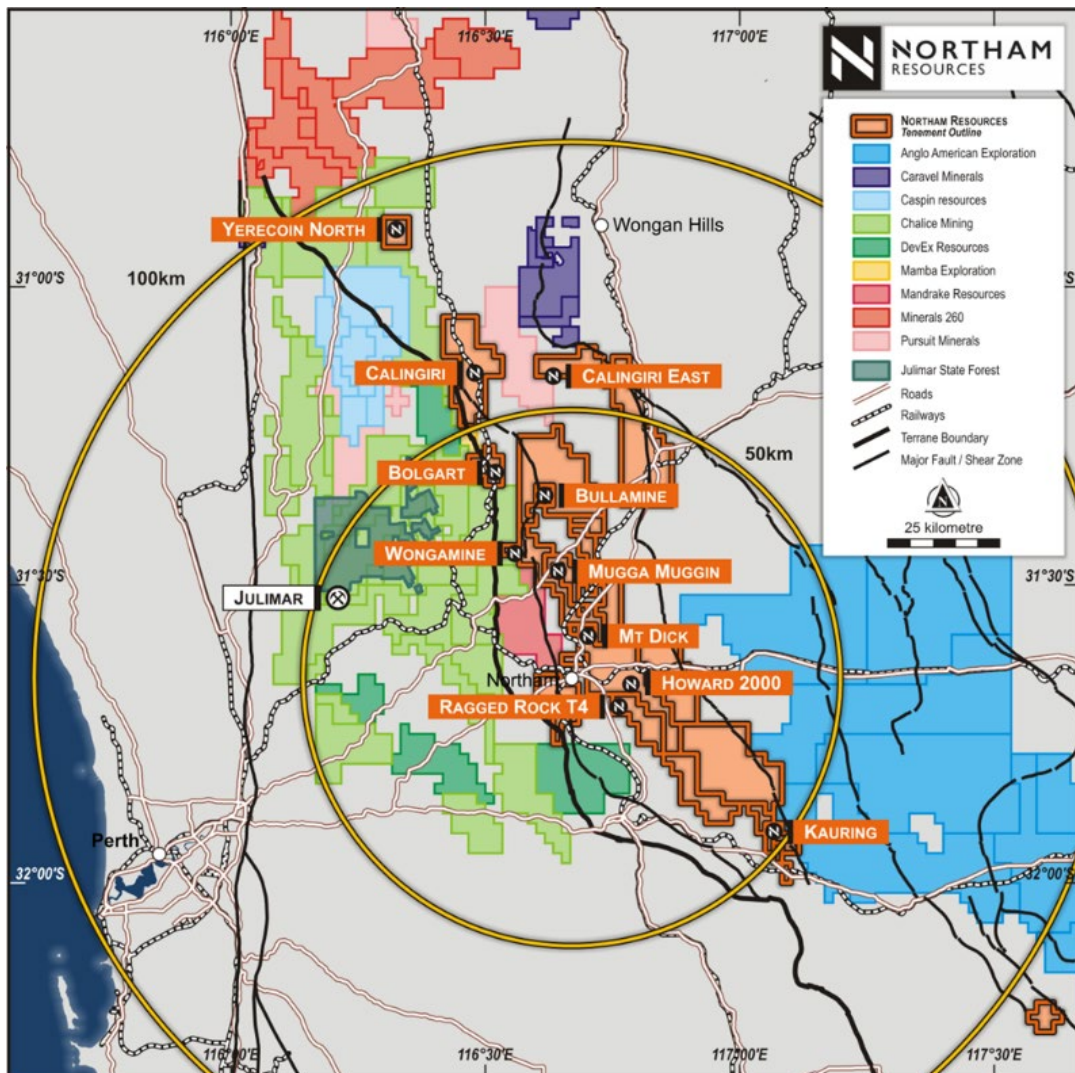
- Chalice Commence Exploration at Bolgart
- Capital Raising
- NRL Exploration Update

Dear Shareholders,

Northam Resources Ltd (**NRL** or the **Company**) is a public unlisted exploration company focused on the discovery of economic Nickel-Copper-Platinum Group (Ni-Cu-PGE) mineralisation hosted within layered mafic / ultramafic intrusive rocks. The Company has a large and prospective portfolio of tenements (~1600km²) covering a ~200km corridor, centred around the town of Northam, in Western Australia's wheatbelt about 100km from Perth.

Chalice Mining Limited (**Chalice**) discovered the [Gonneville](#) Ni-Cu-PGE deposit (Julimar Project) in March 2020. This Julimar Project is located approximately 35km to the west of the Company's project portfolio.

NRL Project Tenements



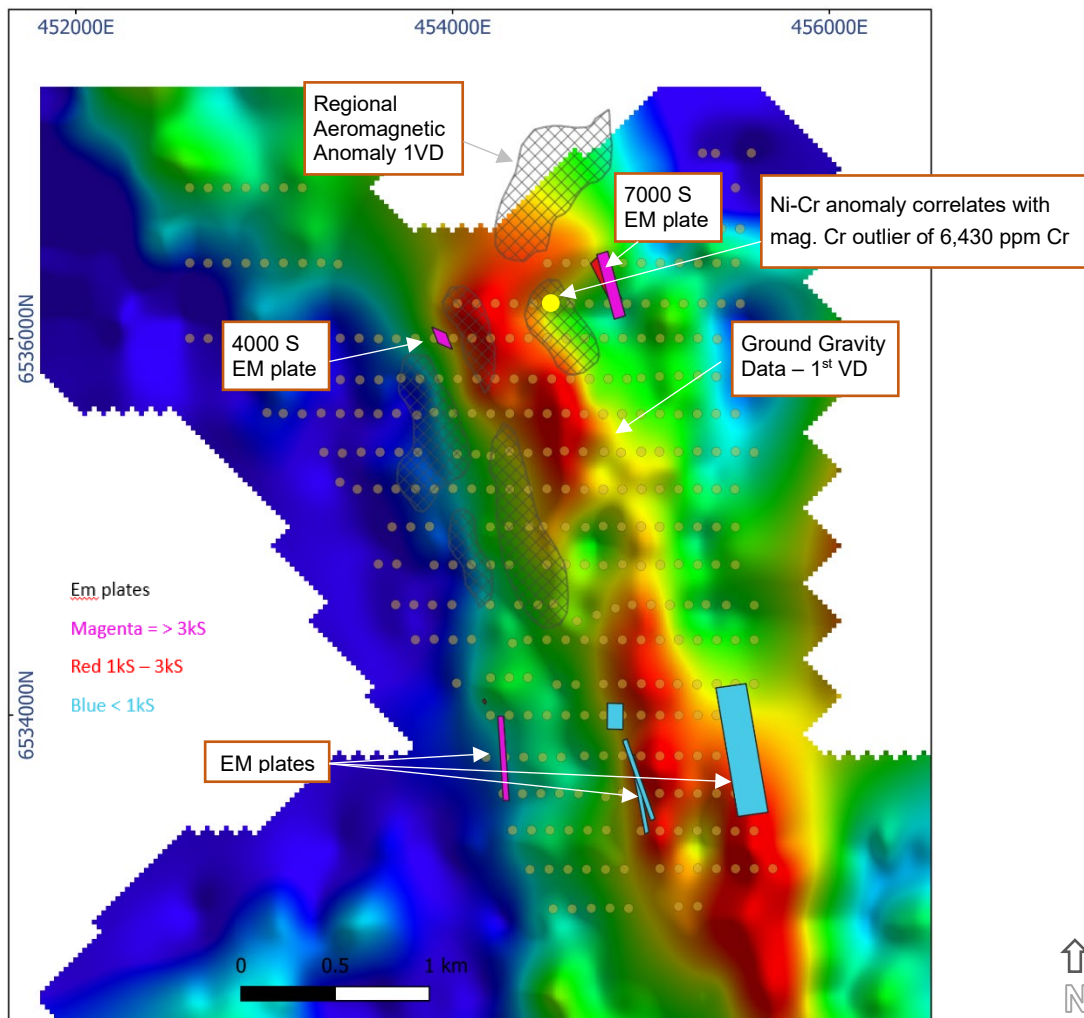
Chalice Commences Exploration at Bolgart (E70/5151)

The Company negotiated a \$4m farm-in agreement with **Chalice** over tenement E70/5151 (**Bolgart**). The total area covered by this agreement is less than 2% of the total project portfolio. A second commitment agreement requires Chalice to support the Company's future IPO by contributing a further \$1m.

The Company and Chalice recently held an inaugural JV meeting to review Chalice's exploration activity for Q1,2023 at Bolgart. The key highlights from this meeting are summarised below:

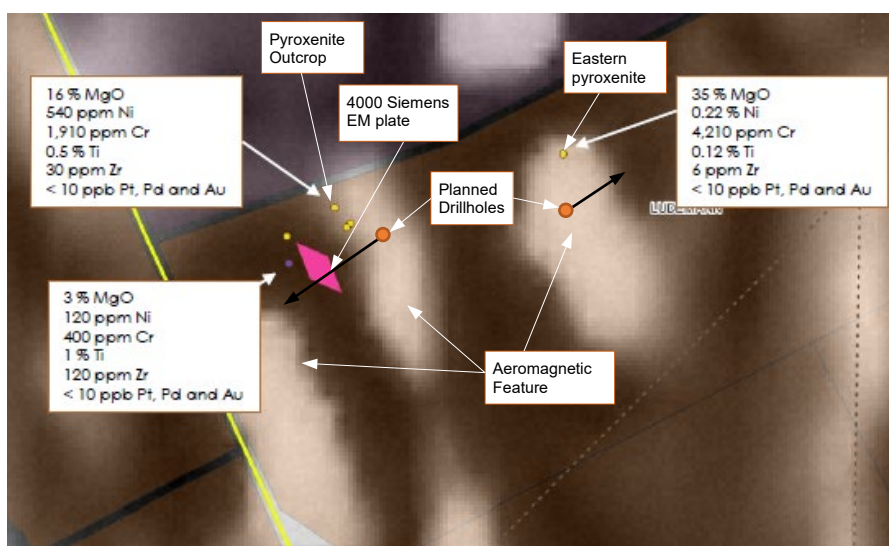
- **Land Access** - Chalice have completed five land access agreements with local landowners for non-ground disturbing exploration activities.
- **Ground Gravity** - 210 ground gravity stations were acquired with a spacing of 400m x 100m.
 - These higher-resolution gravity data show a continuation of the existing southern trend and correlates well with the existing aeromagnetic data.
- Five lines of **MLEM** (Moving Loop Electromagnetic) data were acquired, comprising 117 stations at a spacing of 200m x 50m.
 - These data were integrated with NRL's AEM (Airborne EM survey) data flown in January 2022.
 - 7 discrete EM conductors were then modelled, three with a conductance of greater than 2000 Siemens and one with a conductance of 4000 siemens.

Gravity and MLEM Plates at Bolgart (E70/5151)



Chalice Commences Exploration at Bolgart (E70/5151) (Continued)

- **Soil Samples** - 352 soil samples were collected and processed using the [CSIRO ultrafine fraction](#) method.
 - These soil samples were submitted for laboratory analysis with results expected early this month.
- **Ground Truthing** - The AEM targets were inspected in the field, with numerous ultramafic [pyroxenite](#) float¹ samples and one pyroxenite outcrop identified.
 - Initial pXRF² analysis of these rock chips returned: 13% MgO, 2,000ppm Cr, 1,000ppm Ni which supports the source as being from ultramafic rocks.
 - These rock chip samples have also been submitted for multi-element laboratory analysis.
 - The data appears to indicate two different ultramafic suites. With the eastern ultramafic, possibly a more primitive pyroxenite, returning pXRF values of 35% MgO, 0.2% Ni, 4210ppm Cr.
- **FLEM** (Fixed Loop EM) - Further Fixed Loop EM data (96 stations) was collected over the eastern ultramafic.
- **Diamond Drilling** - Chalice plan to drill two diamond core holes from surface. One to the west into the ultramafic and the MLEM 4000S plate; the second hole will be drilled into the eastern ultramafic.
 - Both holes will aim to drill through the bottom of the intrusion, and downhole EM will be used to screen for massive sulphides proximal to the hole.



Work planned by Chalice for Q2,2023 includes:

- Collection, and submission for laboratory analysis, of the Phase 2 infill soil samples
- Submission of Programme of Work (POW) applications for a diamond drilling program.
- Acquisition of fixed loop EM data over the eastern ultramafic to refine the drill target location.
- Completion of two diamond holes, planned for June, as shown above.

¹ Rock float = not able to determine the original location of the rocks at surface

² pXRF = Portable X-ray fluorescence

Capital Raising

The Board continues to explore various pathways towards an ASX listing, or alternative funding more generally. Ideally this will occur via the resubmission of the prospectus for an IPO, should market conditions improve sufficiently, however other pathways, such as an RTO, are also being considered.

Participation in the Convertible note, largely by existing investors, has helped provide ongoing working capital. Blue Ocean Equities is also using this instrument to facilitate discussions with supportive, mining-focused investment houses. Should a material investment be secured via the convertible note process, it is currently intended that the proceeds will be used to execute an initial drilling campaign that can demonstrate the Ni-Cu-PGE prospectivity of the portfolio, and therefore garner investor momentum for the IPO.

We have also engaged in early discussions with several large mining / exploration companies to explore potential JV partner opportunities over some, or all, of the remaining portfolio. These conversations are bound by confidentially agreements, however at the date of writing, the Company has yet to engage in any formal negotiations.

NRL Exploration Update

In parallel to commercial activities, exploration planning and target prioritisation is continuing to ensure that the Company's prospects are drill ready when funds become available. Exploration plans for various scenarios are being developed by John Harris, NRL's Exploration Manager, which can then be executed according to the level of funds raised. Currently five of the eight priority prospects are drill ready, with ILUA's (Indigenous Land Use Agreements), Land Access Agreements completed and DMIRS Programmes of Work (POW's) approved for aircore, reverse-circulation and diamond drilling.

Priority targets and their "drill-ready" status is summarised below.

Priority	Prospect	ILUA	Land Access	POW	Drill Ready
1	Bolgart ³	Completed	Pending	Pending	Pending
2	KL Bulldog	Completed	Yes	Approved	Yes
3	Wongamine	Completed	Yes	Approved	Yes
4	Bullamine	Completed	Yes	Approved	Yes
5	Muggamuggin	Completed	Yes	Approved	Yes
6	Kauring	Completed	Yes	Pending	Pending
7	Wongamine East	Completed	Yes	Pending	Pending
8	Yerecoin North	Completed	Yes	Approved	Yes

Conclusion

It is exciting to see initial exploration activity commence on the Company's tenements with Chalice's recent exploration activity at the Bolgart JV. This work independently affirmed the presence of ultramafic intrusive rocks, i.e., the required geological environment for layered intrusive Ni-CU-PGE mineralisation, and has also identified some interesting electromagnetic targets, which potentially represent mineralisation. So, it is an understatement to say that the relationship with our JV partner Chalice is off to a great start.

In parallel to the current exploration activity, we are working closely with our financial advisors, pursuing every genuine opportunity to secure sufficient funding, and ultimately to list the Company on the ASX once market conditions improve.

³ Exploration at Bolgart is being managed by Chalice Mining Limited under a farm-in agreement with the Company.

NORTHAM

RESOURCES

I sincerely thank you for your support and your patience. Please do not hesitate to contact me if you would like to discuss any of the information in the announcement.

Sincerely



Craig

Craig Moulton

CEO

Northam Resources Ltd

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Appendix 1: JORC Table 1 – Bolgart Ni-Cu-PGE Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Bolgart soils samples collected from below the surface organic layer at a depth of approximately 30cm. Soil samples are sieved on site and the -2mm fraction is retained for geochemical analysis. Bolgart soil samples weights are approximately 200gm. All sieved material collected is collected in paper assay bags Sampling has been carried out under Chalice protocols and QAQC procedures as per industry best practice. Soil sample locations were surveyed by handheld GPS units which have an accuracy to +/- 3 metres. Soils samples were analysed by Labwest using the Ultrafine+ method. A 2g portion of the 2-micron fraction is extracted for assay.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling results reported
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No drilling results reported
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Soil sample sites are described noting landform and nature of soil media Rock chip samples are described noting landform and geology Sample descriptions are considered qualitative in nature

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Sample preparation of Chalice samples follows industry best practise standards at accredited laboratories. • The lab extracted a 2g sample of the 2 micron (clay fraction) for assay • Preparation techniques are laboratory standard and considered appropriate for the accuracy of assaying methods • Field duplicates were taken from selected sample sites • Bolgart soil samples collected on a 200m x 100m grid to provide initial coverage over the target area. • Sample sizes are considered appropriate for the technique
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • All soil samples were submitted to Labwest in Malaga for analysis using UFF-PE • All rock chip samples underwent sample preparation and geochemical analysis by ALS Perth. Au-Pt-Pd was analysed by 50g fire assay fusion with an ICP-AES finish (ALS Method code PGM-ICP24). A 48-element suite was analysed by ICP-MS following a four-acid digest (ALS method code ME-MS61) including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr. Additional ore-grade analysis was performed as required for elements reporting out of range for Ni, Cr, Cu (ALS method code ME-OG-62). • Certified analytical standards, blanks and field duplicates were inserted at appropriate intervals in sample batches • Fixed-Loop EM was collected using a 700m x 500m loop, 100m line spacing and 50m station spacing. 60 A effective current, 0.5 Hz frequency and fluxgate receiver. • Moving-loop EM was collected using a 100m x 100m loop, 200m line spacing and 50m station spacing. 100 A effective current, 1 Hz frequency and an EMIT fluxgate receiver • Gravity was collected on 400 m lines and 100 m stations.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of winned holes. • Documentation of primary data, data entry procedures, data verification, data storage 	<ul style="list-style-type: none"> • No drilling results reported • Both soil and rock chip sampling data was collected in hard copy and entered into excel spreadsheets before being transferred to the master SQL database. • No assay data has been adjusted

Criteria	JORC Code explanation	Commentary
	<p><i>(physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sample locations are recorded by Chalice employees using a handheld GPS with a +/- 3m margin of error • The grid system used for the location of all soil sample sites is GDA94 - MGA (Zone 50). • Nominal RLs were assigned from 1 sec (30m) satellite data
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Bolgart soil samples collected on a 200m x 100m grid. • Unknown sample representivity at this early stage of exploration sampling • No compositing undertaken for soil samples
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The orientation of the soil sampling lines has not considered to have introduced sampling bias • No compositing undertaken on soil samples
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Soil samples are delivered directly from site to Labwest Perth • Rock chip samples are collected in polyweave bags and delivered by Chalice employees to ALS laboratories in Wangara, Perth
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No review has been carried out to date