

Northam Shareholder Update

Chalice JV Exploration

Recap Of Chalice and Northam JV and Farm In Arrangements

In 2022 Northam Resources Ltd (**NRL** or the **Company**) and Chalice Mining Ltd (**Chalice**) entered into a joint venture over Northam's strategic Bogart project, this was followed in July 2023 with a more expansive farm in arrangement over the remainder of Northam's tenements including 24 separate exploration permits totalling more than 1600 km².

The following exploration update focuses predominantly on the progress made by the Chalice team over the expanded exploration Joint Venture announced in July 2023. For details of work on the Bolgart Joint Venture please refer to the update provided by Northam on 16 October 2023.

Northam sets out below the exploration activity and other work undertaken by Chalice during the period from October 2023 to January 2024. Firstly it is important to address the framework which informed our decision to enter into the joint venture and farm in arrangements with Chalice.

1. Northam at the time balanced the deteriorating valuations the capital markets attributed to Northam which did not support funding a separate listed structure (and associated overheads) to sustain an appropriate exploration team of our own;
2. Since Northam took this decision, the Nickel market and associated capital markets have further deteriorated reinforcing the correct decision taken by the company.
3. The ability to leverage the comparable knowledge, and potential synergy that may be afforded by a neighbour and partner such as Chalice; and
4. Given the size and prospectivity of Northam's land holdings and proximity to Chalice, whole of project exploration drawing on the skill and knowledge of the Chalice team enhanced the chances of a discovery on the Northam tenements.

Northam cannot speculate on the likely outcomes of future exploration that Chalice may commit to, or the likely success of such activity. We note the peer set of ASX listed companies focused on nickel exploration in the broader South West Yilgarn region have suffered very significant deterioration in market capitalisation and enterprise value. Ultimately, Northam, was unable to achieve valuation and

funding proposals comparable to the benefits offered by the joint venture arrangements with Chalice. The nickel market is undergoing a significant down cycle due to over supply by Chinese interests in the Indonesian nickel industry, in the longer term the fundamentals of demand remain and are likely to see future rebound in the market and renewed interest in significant nickel projects.

Some shareholders have referenced the share price volatility of Chalice to the prospectivity of Northam's projects. Chalice is progressing through feasibility and construction of large long life mine, Chalice's capex and financing requirements and start up risks of very long life mines impact the market view as opposed to the resource potential and prospectivity of the district. As mining infrastructure is built in the district to support Julimar, exploration success in Northam's projects have greater value, being able to leverage off the infrastructure and the teams in place to unlock value.

Ultimately exploration success and discovery of new mineral resource capable of estimation will be the most important determinant of underlying equity value for existing Northam shareholders.

Quarterly JV Exploration Update

Northam is pleased to provide an update on the first quarter of exploration by Chalice under the farm in agreement. Chalice brings a wealth of nickel exploration experience gained through the discovery and definition of the Julimar project to the west of the farm in tenements. Chalice has a team of geologists, geophysicists and contractors actively exploring the tenement holding drawing on their discovery experience, building on the work of the Company's team over the last 4 years. Chalice have spent approximately one million dollars on exploration since commencement of the farm in addition the expenditure on the Bolgart Joint Venture. The company gets the benefit of this exploration while maintaining its current funding position.

In a recent JV meeting with Chalice, the Company was provided with an update of exploration activities on the JV tenements during the last quarter. A summary of these activities is provided below:

Highlights

- There was no reported safety, environmental or community incidents.
- Chalice is conducting very active exploration having spent approximately one million dollars since the commencement of exploration.
- 4 aeromagnetic surveys were completed for a total of 33,733m. As shown in **Figure 1**, this close spaced (50m/100m line spacing) high-resolution survey cover most of the JV tenements.
- Following the integration of this survey with NRL's existing data, and historical WAMEX data, Chalice have identified 31 new targets (refer **Figure 2**).

- 11 of the 15 targets sampled to date contained ultramafic sub-crop and were sampled.
- So far, this work has resulted in the definition of two new ultramafic trends (refer **Figure 3**).
 - The Fehlberg trend extends for 25km.
 - The Caro-Kann trend extends for 10km.

Other exploration activity completed by Chalice has Included:

- Relogging of 12 of the 29 2012 Cliffs diamond drill core holes from Yerecoin identified disseminated copper mineralisation, highlighting intrusions with fertile regions.
- 800 of a planned 1200 auger soil samples have been completed and sent off for analysis.
- 350 of a planned 650 Moving-Loop-EM (**MLEM**) stations have been collected over 8 targets, confirming conductors at Howard Kelpie, Chamberlain, and Schrodinger targets.
- Ongoing negotiation of land access agreements and submitting Permits of Work with DMIRS.

Further work Planned:

Feb / Mar 2024

- Finish soil auger grids.
- Finish MLEM stations.

April / May 2024

- Expected return of auger soil assay results potential infill/extension sampling.
- Model AEM and MLEM conductors at Howard Kelpi, Chamberlain, Schrodinger targets.
- Model AEM MLEM conductors on Fehlberg trend targets.

Figure 1- Airborne Magnetics coverage

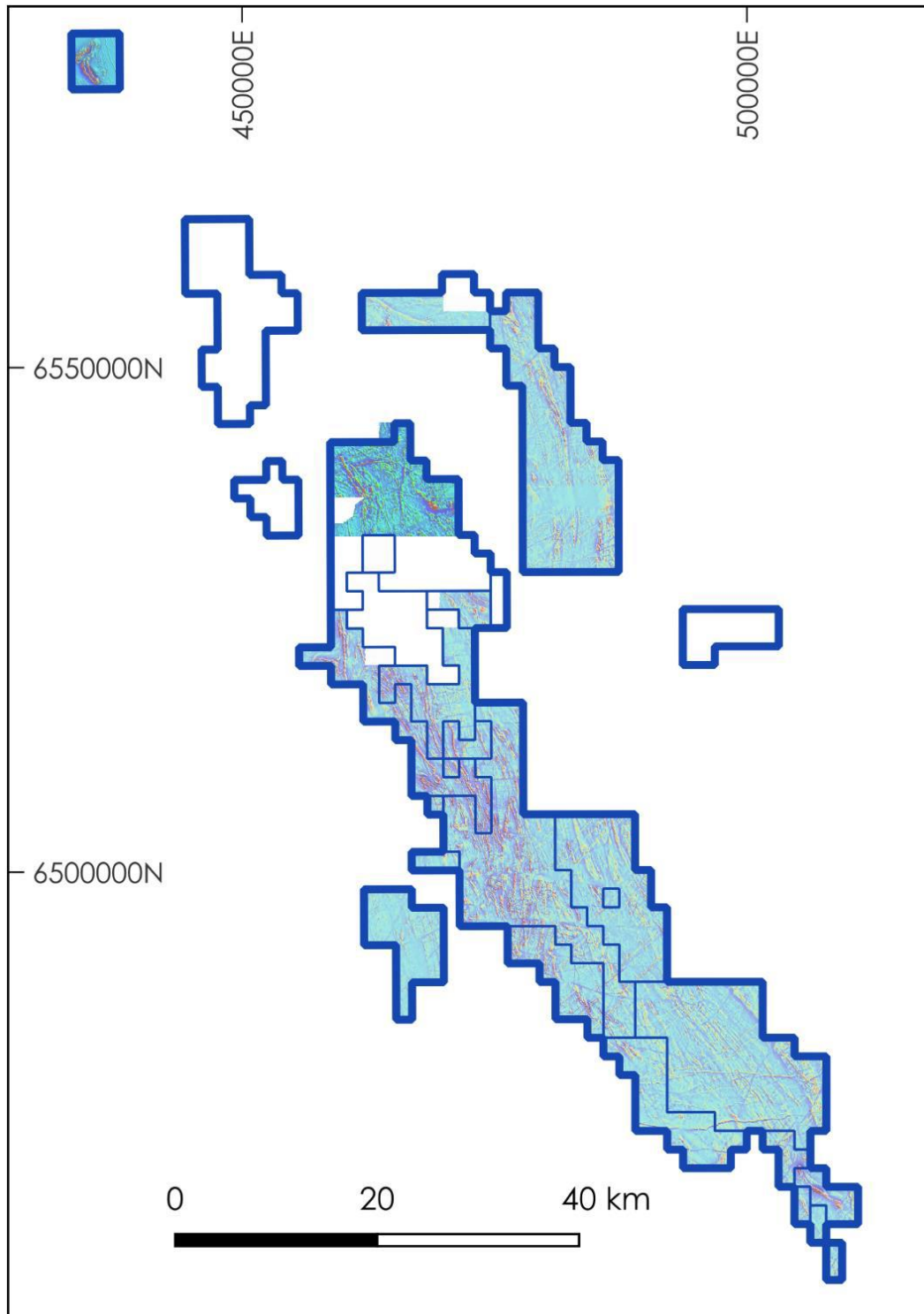


Figure 2 – Data analysis, 31 new targets identified

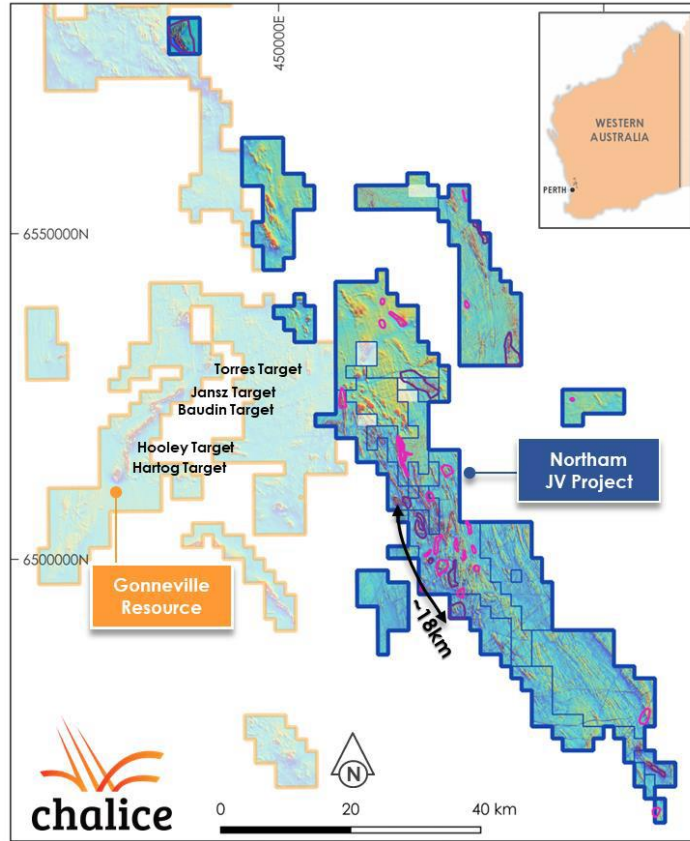
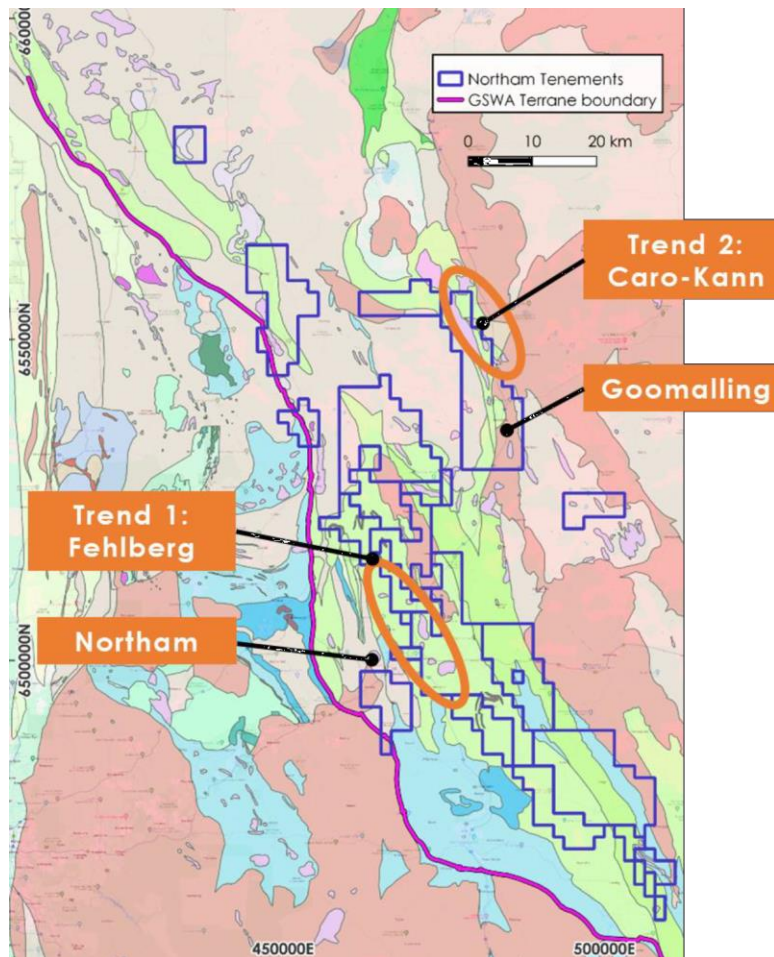


Figure 3 – 2 Newly Identified ultramafic trends



Mr Mathew Longworth Chairman of the Company said *"I am very pleased with the speed, extent and technical quality of the exploration Chalice has completed in the first quarter of the farm in. Field activities are concentrated ahead of commencement of seeding on the farming properties we are exploring in May. We expect analytical results and interpretation of all exploration to be the focus of Chalice's work during the cropping season ahead of further field work commencing after harvest in late 2024."*

The Company

Northam 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, approximately 100km east of Perth. The Company's tenements are being explored, under a joint venture and farm-in agreement with Chalice. Chalice brings a wealth of knowledge in nickel exploration gained through the discovery and definition of the Julimar project.

Chalice are committed to active exploration of the Company's tenements, bringing knowledge and skills developed in the discovery and study of the Julimar project. We eagerly look forward to the next quarters results.

Sincerely



Mathew Longworth

**Chairman
Northam Resources Ltd**