



13 October 2021

ANNUAL GENERAL MEETING - NOTICE AND PROXY FORM

Dear Shareholder

Lunnon Metals Limited (ASX:LM8) (Company) is convening an Annual General Meeting of shareholders to be held on Tuesday, 16 November 2021 at 11:00am (WST) at Fellowes Room, Trinity on Hampden, 230 Hampden Road, Crawley WA 6009 (Meeting).

In accordance with amendments to the Corporations Act in August 2021, the Company will not be dispatching physical copies of the Notice of Annual General Meeting (Notice). Instead, a copy of the Notice is available at the following link <https://lunnonmetals.com.au/asx-announcements/>, and has also been lodged on the Australian Securities Exchange (ASX), and should be read in its entirety prior to voting.

You may vote by attending the Meeting in person, by proxy or by appointing an authorised representative.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by the time and in accordance with the instructions set out in the Proxy Form.

In accordance with section 249L of the Corporations Act, shareholders are advised that:

- each shareholder has a right to appoint a proxy;
- the proxy need not be a shareholder of the Company; and
- a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy Forms must be received by 11:00am (WST) on Sunday, 14 November 2021.

Details on how to lodge your Proxy Form can be found in the enclosed Proxy Form.

Should you wish to discuss the matters in the Notice of Meeting, please contact the Company Secretary by telephone at +61 8 6245 2050.

If COVID-19 social distancing restrictions change prior to the Meeting, the Company will advise via an ASX announcement as to any changes in the manner in which the Meeting will be held and as to whether shareholders will still be able to attend in person and participate in the usual way.

Yours faithfully

Jessamyn Lyons
COMPANY SECRETARY

LUNNON METALS LTD

ACN 600 008 848

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am WST

DATE: 16 November 2021

PLACE: Fellowes Room, Trinity on Hampden,
230 Hampden Road, Crawley WA 6009

IMPORTANT NOTES

COVID-19

Should there be restrictions on indoor gatherings in Western Australia at the time of the Annual General Meeting as a result of the COVID-19 Pandemic, the Company encourages shareholders NOT TO ATTEND THE ANNUAL GENERAL MEETING IN PERSON and to vote by proxy or on-line and attend by electronic means provided.

Please note that the Company will strictly comply with any applicable limitations on indoor gatherings in force at the time of the Annual General Meeting. If any restrictions are in force at the time of the Annual General Meeting voting by you at the Annual General Meeting will not be possible if entry is denied to you unless a proxy is appointed by you and is in attendance at the meeting or you vote on-line.

If submitting a proxy form, it is strongly recommended that the chair is appointed as your proxy to ensure the proxy will be in attendance at the Annual General Meeting. It is also recommended that you direct your proxy how to vote on the voting form.

General

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 8 6245 2050.

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IMPORTANT INFORMATION**Time and place of meeting**

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on 16 November 2021 at the Fellowes Room, Trinity on Hampden, 230 Hampden Road, Crawley WA 6009

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (WST) on 14 November 2021.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. Should there be restrictions on indoor gatherings in Western Australia at the time of the Annual General Meeting as a result of the COVID-19 Pandemic, the Company encourages shareholders NOT TO ATTEND THE ANNUAL GENERAL MEETING IN PERSON and to vote by proxy or on-line and attend by electronic means provided.

Poll

Shareholders are advised that all Resolutions to be considered at the General Meeting will be put to a poll, in accordance with the provisions of the Company's Constitution.

Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on 16 November 2021 at:

Fellowes Room, Trinity on Hampden, 230 Hampden Road, Crawley WA 6009

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Glossary which accompanies this Notice. References to the “Corporations Act” are to the *Corporations Act 2001* (Cth) unless the context requires otherwise.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report, directors’ report, the remuneration report and auditor’s report for the Company and its controlled entities for the year ended 30 June 2021.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2021.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Election of Mr Liam Twigger as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 14.4 of the Constitution and for all other purposes, Mr Liam Twigger, a Director who was appointed on 24 February 2021, retires, and being eligible, is elected as a Director.”

3. Resolution 3 – Election of Mr Ashley McDonald as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 14.4 of the Constitution for all other purposes, Mr Ashley McDonald, a Director who was appointed on 24 February 2021, retires, and being eligible, is elected as a Director.”

4. Resolution 4 – Re-Election of Mr Ian Junk as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ian Junk, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. Resolution 5 – Approval of 10% Placement Facility – Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Appointment of Auditor at first AGM

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, Armada Audit and Assurance Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the meeting.”

DATED: 13 October 2021
BY ORDER OF THE BOARD

Jessamyn Lyons
Company Secretary
Lunnon Metals Ltd

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 11:00am (WST) on 16 November 2021 at:

Fellowes Room, Trinity on Hampden, 230 Hampden Road, Crawley WA 6009

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

There is no requirement for shareholders to approve these reports. The Chairman will allow a reasonable time for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://lunnonmetals.com.au/company-reports/>.

1. Resolution 1 – Adoption of the Remuneration Report

The remuneration report for the Company is set out in the Company's 2021 Annual Report. The remuneration report outlines the Company's remuneration framework and the remuneration outcomes for the financial year the subject of the remuneration report for the Board and Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

Under the Corporations Act if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (**Spill Resolution**) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report was passed.

This is the first time Shareholders are voting on the remuneration report. Accordingly, the requirement for a Spill Resolution will not arise at this Meeting irrespective of the outcome of the vote on Resolution 1.

If you are appointing the Chair as your proxy, please note that the proxy form accompanying this Notice expressly authorises the Chair to vote any undirected proxies in favour of Resolution 1 even though the resolution is connected directly or

indirectly with the remuneration of a member of the Key Management Personnel. Accordingly, if you are appointing the Chair as your proxy and do not wish your proxy to vote in favour of Resolution 1, you will need to mark “against” or “abstain” where indicated in the proxy form in relation to Resolution 1.

2. Resolution 2 – Election of Mr Liam Twigger as a Director

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Liam Twigger, appointed by the Board as a Director on 24 February 2021, will retire in accordance with clause 14.4 of the Constitution at the Meeting and, being eligible seeks election.

During the financial year, Mr Liam Twigger was the Managing Director and Principal of PCF Capital Group Pty Ltd (**PCF**), a licensed and independent investment banking and corporate advisory business based in Perth, Western Australia. Subsequent to the year end, he became Deputy Chairman of Argonaut Securities Pty Ltd when PCF merged with that company. He holds a Graduate Diploma in Business, a Bachelor of Economics and is a Certified Practicing Accountant.

Mr Liam Twigger is Chairman of SolGold Plc, a London and TSX listed resources company focussed on the discovery, definition and development of copper and gold deposits in Ecuador. He is also a Non-Executive Director of the Western Australian Government owned Gold Corporation (trading as the Perth Mint).

Mr Liam Twigger does not have any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

The Board considers that Mr Liam Twigger will, if elected, qualify as an independent Director.

The Board (other than Mr Liam Twigger who has a material interest in the outcome of Resolution 2) supports the election of Mr Liam Twigger as a Director.

3. Resolution 3 – Election of Mr Ashley McDonald as a Director

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Ashley McDonald, appointed by the Board as a Director on 24 February 2021, will

retire in accordance with clause 14.4 of the Constitution at the Meeting and, being eligible seeks election.

Mr Ashley McDonald is the Vice President Corporate Development with Gold Fields Limited (**Gold Fields**) and has a demonstrated transactional deal history in the mining and metals industry. Skilled in Corporate Law, Mining, Minerals, Mergers & Acquisitions (**M&A**), and Corporate Governance, Mr Ashley McDonald joined Gold Fields in 2006 and prior to that was a legal advisor on the acquisition of St Ives and Agnew gold mines whilst a Senior Associate with Minter Ellison. He has a strong information technology background with a LLB BComm focused in Bachelor of Laws and a Bachelor of Commerce (Accounting) from Murdoch University.

Mr Ashley McDonald is not currently a director of any other ASX listed company.

Mr Ashley McDonald is Gold Fields' nominee Director on the Board of Directors of the Company, which company, through a subsidiary, is a substantial shareholder in the Company holding approximately 31.65% of the Shares. The Board considers that Mr Ashley McDonald will, if elected, not qualify as an independent Director due to this relationship.

The Board (other than Mr Ashley McDonald who has a material interest in the outcome of Resolution 3) supports the election of Mr Ashley McDonald as a Director.

4. Resolution 4 – Re-election of Mr Ian Junk as a Director

Clause 14.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors and 2 are retiring above under clause 14.4 of the Constitution.

Accordingly, 1 Director must retire under clause 14.2 of the Constitution.

Mr Ian Junk, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Ian Junk has been a Director of the Company for a period of approximately 7 years since 18 August 2014.

Mr Ian Junk has a Bachelor of Engineering (Mining) (Hons) from the WA School of Mines and has a detailed understanding and long history with nickel mining in Kambalda. In the past, having worked as a Mine Manager at various Kambalda nickel mines for Western Mining Corporation Ltd (**WMC**), he then played an integral role in

the revitalisation of many WMC Kambalda nickel mines when they were divested in the early 2000s. Mr Ian Junk, along with his brother Leigh, and their company Donegal Resources Pty Ltd, initiated the joint venture with Mincor Resources NL at the Miitel, Mariners, Wannaway and Redross nickel mines, and subsequently executed another joint venture with Panoramic Resources Ltd at the Lanfranchi nickel mine. Donegal Resources Pty Ltd also managed and operated the Carnilya Hill nickel mine when that was sold by WMC to View Resources Ltd. Mr Ian Junk has played significant roles in the exploration, development and commissioning of various other mining operations around Australia, through his own mining entities and contracting companies.

Mr Ian Junk is not currently a director of any other ASX listed company.

The Board considers that Mr Ian Junk will, if re-elected, not qualify as an independent Director.

The Board (other than Mr Ian Junk who has a material interest in the outcome of Resolution 4) supports the re-election of Mr Ian Junk as a Director.

5. Resolution 5 – Additional 10% Placement Facility – Listing Rule 7.1 A

5.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

There are no proposed issues by the Company under this proposed Resolution if the Resolution is passed. If Resolution 5 is not passed then the Company will not have the availability of the additional 10% placement capacity under ASX Listing Rule 7.1A. Accordingly, if the Company intends to issue securities over and above its placement capacity under ASX Listing Rule 7.1 then Shareholder approval will be required to issue such securities.

5.2 Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: LM8).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement to issue:
 - (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (ii) plus the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (A) the convertible securities were issued or agreed to be issued more than 12 months before; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - (iii) plus the number of fully paid ordinary securities issued in the last 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (A) the agreement was entered into more than 12 months before; or
 - (B) the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - (iv) plus the number of any other fully paid ordinary securities issues in the previous 12 months with approval under Listing Rule 7.1;
 - (v) plus the number of partly paid shares that became fully paid in the previous 12 months; and
 - (vi) less the number of Shares cancelled in the previous 12 months.
- D is 10%.

- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement where the issue or agreement has not been subsequently approved by the holders or ordinary securities under Listing Rule 7.4.

5.3 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Purpose of Issue under 10% Placement Capacity

The Company must issue Equity Securities under the 10% Placement Capacity for cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration) and for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 2.7, 3.10.3 and 7.1A(4) upon issue of any Equity Securities under the 10% Placement Capacity.

(d) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (**Variable 'A'** in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.243 50% decrease in Issue Price	\$0.485 Issue Price	\$0.970 100% increase in Issue Price
141,247,065 (Current Variable 'A')	Shares issued - 10% voting dilution	14,124,707 Shares	14,124,707 Shares	14,124,707 Shares
	Funds raised	\$3,425,241	\$6,850,483	\$13,700,965
211,870,598 (50% increase in Variable 'A')	Shares issued - 10% voting dilution	21,187,060 Shares	21,187,060 Shares	21,187,060 Shares
	Funds raised	\$5,137,862	\$10,275,724	\$20,551,448
282,494,130 (100% increase in Variable 'A')	Shares issued - 10% voting dilution	28,249,413 Shares	28,249,413 Shares	28,249,413 Shares
	Funds raised	\$6,850,483	\$13,700,965	\$27,401,931

*The number of Shares on issue (**Variable 'A'** in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 141,247,065 Shares on issue;
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 24 September 2021.

- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own individual shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
 - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- (e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the

Company;

- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

- (f) Previous Approval under Listing Rule 7.1A

The Company has not previously obtained approval under Listing Rule 7.1A

- (g) Compliance with Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 7.1A.4 for release to the market.

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

6. Resolution 6 – Appointment of Auditor at First AGM

The Company is required to appoint an auditor at its first annual general meeting pursuant to section 327B(1) of the Corporations Act.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for Armada Audit and Assurance Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Armada Audit and Assurance Pty Ltd has given its written consent to act as the Company's auditor subject to shareholder approval of this resolution.

If this resolution is passed, the appointment of Armada Audit and Assurance Pty Ltd as the Company's auditor will take effect at the close of this Meeting.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 5.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by this Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Lunnon Metals Ltd ACN 600 008 848.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group Company means the Company or any of its subsidiaries.

Key Management Personnel has the same meaning as in the accounting standards (as that term is defined in the Corporations Act) and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, directly or indirectly, including any director (whether executive or non-executive) of the Company or if the Company is part of a consolidated entity of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Sunday, 14 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ANNEXURE A – SHAREHOLDER NOMINATION

28 September 2021

Directors
Lunnon Metals Limited
Suite 5, 11 Ventnor Avenue
West Perth, WA 6005

I, Edmund Ainscough, being a member of Lunnon Metals Limited (**Company**), nominate Armada Audit and Assurance Pty Ltd in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (Act) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 28 September 2021:

A handwritten signature in black ink, appearing to be 'E. Ainscough', with a large, sweeping flourish extending to the right.

Edmund Ainscough