BAKER PRELIMINARY FEASIBILITY STUDY
A RISING STAR IN THE MAKING

22 MAY 2023

KEY POINTS

- **Strong financial returns with low start-up capital requirements.**
- **Initial Probable Ore Reserve of 612kt averaging 2.86% Ni for 17.5kt contained nickel[1].**
- **Indicated Mineral Resource converted 73% to Ore Reserve.**
- **Pre-tax and post-tax free cash flow generation of $196 million and $145 million.**
- **Pre-tax $NPV_{8\%}$ of $164 million and 324% internal rate of return (IRR).**
- **Pre-production capex of $18.6 million, maximum cash drawdown of $26.4 million including working capital.**
- **A premium sulphide concentrate, averaging ~14.6% Ni, Fe:MgO ratio of ~18.8 and low arsenic of ~440ppm.**
- **Detailed offtake discussions can now commence for Baker's high grade nickel sulphide ore.**
- **Significant upside potential from the initial base case outlined in the PFS:**
  - **No Inferred Mineral Resources included in PFS**
  - **Likely future extensions to Baker with the deposit remaining open down plunge**
  - **Potential contribution from East Trough deposit (approx. 450m from Baker)**
  - **Scale and synergies with Foster's Mineral Resources.**

Lunnon Metals Limited (**ASX: LM8**) (**the Company** or **Lunnon Metals**) is pleased to announce the completion of the Preliminary Feasibility Study (**PFS**) and the initial Probable Ore Reserve for the Baker deposit of **612,000 tonnes at 2.86% Ni for 17,500 contained nickel tonnes**[1].

The PFS confirms that the Baker Project is a commercially robust high-grade nickel sulphide orebody (2.86% Ni), with a modest pre-production capital cost ($18.6 million), located in a Tier 1 jurisdiction in the heart of Kambalda, Western Australia. The PFS also confirms that Baker will produce a premium nickel concentrate, the results of which now enable detailed offtake discussions for the Project. The PFS leaves significant future upside potential, with a depth of mining of less than 200m below surface and the deposit remaining open down plunge. Lunnon Metals will now continue further studies (including reviewing scale and synergy benefits with Foster's Mineral Resources), as the Company looks to build on its initial Ore Reserve for the Kambalda Nickel Project, which comes less than two years since listing and 18 months after Baker's discovery.

Key PFS Outcomes and Assumptions

A summary of the initial physical and financial evaluation of the Project is shown in **Table A**, with additional details provided in the PFS Executive Summary.

[1] Refer to Section 7 of the Preliminary Feasibility Study – Executive Summary below for a full breakdown of the Ore Reserve.

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Table A: Key Production and Financial Outcomes and Assumptions

Parameter	Unit	Project Total
Physicals		
Life of Mine Ore Mined	dmt	612,000
Average Head Grade of Ore	% Ni	2.86
Nickel Contained in Ore	t Ni	17,500
Average Metallurgical Recovery	%	91.2%
Average Concentrate Grade	% Ni	14.6%
Nickel Contained in Concentrate	t Ni	15,970
Average Mining Rate	dmt per month	17,500
Life of Mine[1]	months	35
Average Nickel Sold Per Annum	t Ni pa	4,100
Unit Costs (per tonne Ore Milled)		
C1 Cash Costs[2]	**A$/t**	**279**
Royalties	A$/t	30
Total Operating Costs	**A$/t**	**309**
Sustaining Capital (including rehabilitation)	A$/t	32
All-in Sustaining Costs	**A$/t**	**340**
Pre-Production Capex	A$/t	30
All-in-Costs	**A$/t**	**371**
Financial Metrics		
Gross Revenue[3]	A$ M	437
Operating Costs	A$ M	184
Pre-Production Capital Expenditure[4]	A$ M	18.6
Total Life of Mine Expenditure[5]	A$ M	241
Free Cash Flow – Pre-Tax[6]	A$ M	196
Free Cash Flow – Post-Tax[6,7]	A$ M	145
EBITDA	A$ M	231
IRR (Pre-Tax)	%	324
$NPV_{8\%}$ (Pre-Tax)[8]	A$ M	164
Payback (Pre-Tax)	years	0.7
Key Assumptions		
Nickel Price	US$/t	24,000
AUD:USD	A$1:US$	0.68
Inflation	%	0
Discount Rate	%	8
Corporate Tax Rate[9]	%	30

Notes:

1: Life of Mine is calculated from first stope ore, being approximately four months into Project commencement.

2: C1 Cash Costs includes Operating Costs, including mining, processing (excluding penalties), surface haulage, G&A, less by-products, divided by ore tonnes for processing. Excludes pre-production and sustaining capital expenditure, rehabilitation cost and royalties.

3: Gross Revenue excludes deduction of penalties from revenue and excludes revenue credits to Pre-Production Capital.

4: Pre-Production Capital Expenditure is to first stope ore, not commercial production.

5: Total LOM Expenditure includes Operating Costs, Royalties, Sustaining Capital, Closure Costs and Pre-Production Capital. It excludes any by-product or revenue credits.

6: Free Cash Flow is Gross Revenue (less penalties) minus Operating Costs, Capital Expenditure (pre-production and sustaining), Royalties, and Closure Costs.

7: Post-Tax includes an assumption of $30 million in accumulated tax losses to 31 March 2024 and 30% Corporate Tax Rate.

8: NPV is based on real cash flow forecasts and represents value as at projected start date of 1 April 2024.

9: Corporate Tax Rate may be less, with a tax rate of 25% if aggregated turnover is less than $50 million in any financial year.

Managing Director, Ed Ainscough, commenting said:

"Kambalda has been one of Australia's most prolific nickel production centres for over 55 years. Despite this long history, the district is still a globally relevant nickel belt and remains an important strategic source of high-grade, premium quality nickel sulphides. Baker continues this proud Kambalda tradition and the Company is likewise proud to report the results for that deposit's PFS and initial Ore Reserve. These impressive results come within two years of listing on the ASX and at a time when Kambalda is once again in the headlines, this time as a sought after key production centre driven by its many positive attributes including its high-grade, superior concentrate quality and consequent low energy and capital intensity to exploit.

I would like to thank the Lunnon Metals' team who have worked to deliver these outcomes over the past two years. They more than anyone know that this is just the start, these are very much initial results, with plenty more to come from our growing Mineral Resource base already defined at Baker and Foster but also from the many exciting exploration programs across the rest of our portfolio. To have access to such high-quality tenure in the heart of Kambalda is truly amazing and sets the Company and its shareholders up for a bright future."

CAUTIONARY STATEMENT

The PFS referred to in this announcement is based on a Probable Ore Reserve derived from the Indicated category of the Baker Mineral Resource estimate (**MRE**). No Inferred category MRE material has been included in the estimation of Ore Reserves.

Unless otherwise stated, all cash flows are in Australian dollars, are undiscounted and are not subject to inflation/escalation factors, and all years are financial years. The PFS has been prepared to an overall level of accuracy of approximately -15% to +25%.

The Company has concluded that it has a reasonable basis for providing forward looking statements included in this announcement and believes that it has a reasonable basis to expect that it will be able to fund its stated objectives for the Project (refer to Section 19.2 for further details). All material assumptions on which the forecast financial information is based are set out in this announcement (refer to Section 18.2 for further details).

Certain statistical and other information included in this material is sourced from publicly available third-party sources and has not been independently verified.

Numbers in tables may not add up due to rounding.

FORWARD-LOOKING STATEMENTS

This ASX Release has been prepared by Lunnon Metals and consists of written materials concerning Lunnon Metals. By reading this material, you agree to be bound by the following conditions.

No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information, contained in this material or of the views, opinions and conclusions contained in this material. To the maximum extent permitted by law, Lunnon Metals, and its respective directors, officers, employees, agents and advisers disclaim any liability (including, without limitation any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

Some statements in this material are forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales, sales growth, estimated revenues and reserves, the construction cost of a new project, projected operating costs and capital expenditures, the timing of expenditure, future cash flow, cumulative negative cash flow (including maximum cumulative negative cash flow), the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "would", "could", "expect", "anticipate", "believe", "likely", "should", "could", "predict", "plan", "propose", "forecast", "estimate", "target", "outlook", "guidance" and "envisage". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Lunnon Metals' control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, suppliers or customers, activities by governmental authorities such as changes in taxation or regulation. Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of this ASX Release. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Lunnon Metals does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements contained in this material, whether as a result of any change in Lunnon Metals' expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

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PRELIMINARY FEASIBILITY STUDY – EXECUTIVE SUMMARY

1. INTRODUCTION

1.1 Location

The Kambalda Nickel Project (**KNP**) is located approximately 570km east of Perth and 50–70km south-southeast of Kalgoorlie, in the Eastern Goldfields of Western Australia.

The KNP is approximately 47km^2 in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases, all situated within the famous Kambalda Nickel District which extends for more than 70km south from the township of Kambalda. The KNP is broadly surrounded by tenements held by St Ives Gold Mining Co. Pty Ltd (**St Ives**), a wholly owned subsidiary of Gold Fields Limited (JSE: GFI) and the Company's major shareholder.

The two components of the KNP are located to the immediate north (SLF) and south (FBA) of Lake Lefroy. The KNP is accessed via public roads, well-established mine road infrastructure and the main St Ives lake causeway (which extends from the northern shoreline near the Kambalda township to the south side of the lake adjacent to St Ives' main administration office).

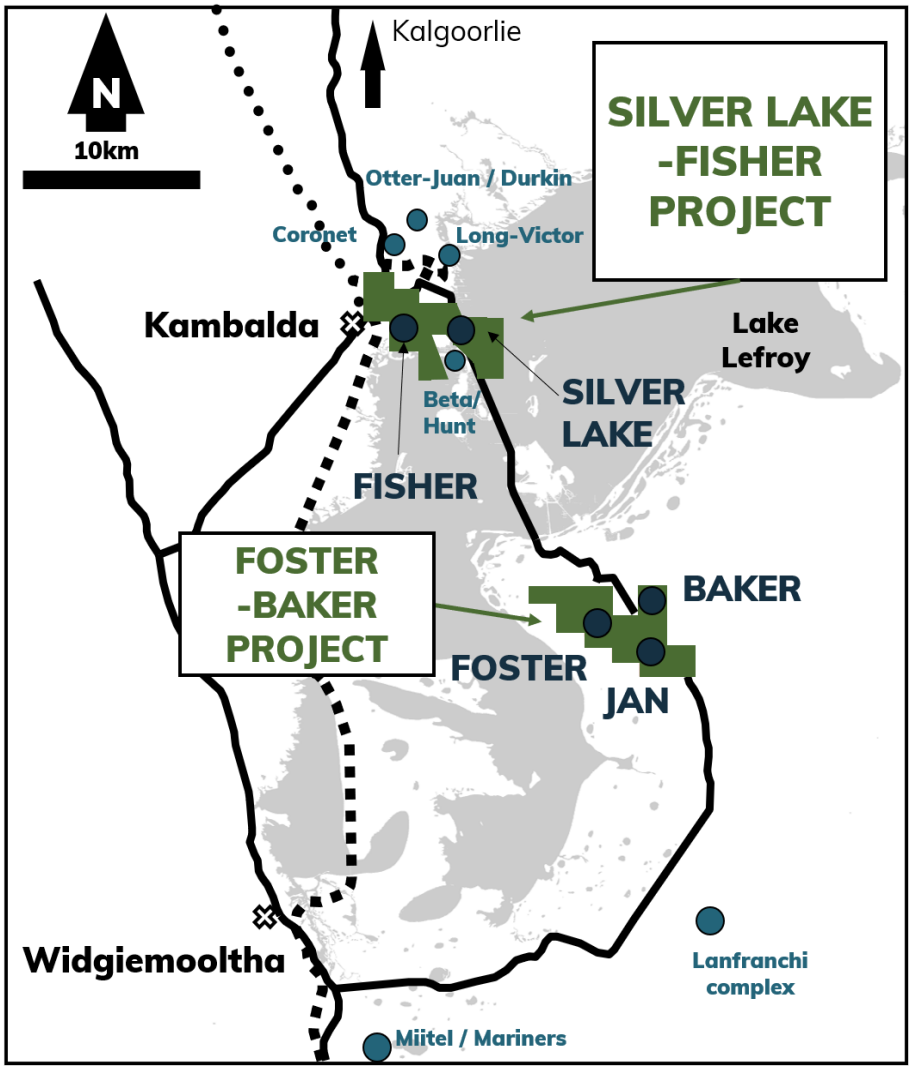

Figure 1: Regional location of the KNP and other nearby nickel deposits

The Kambalda Nickel Concentrator owned and operated by BHP Group Limited subsidiary, Nickel West Pty Ltd (**Nickel West**), is located to the immediate east of the SLF component of the KNP and approximately 25km to the north of Baker.

The KNP is located in the semi-arid climatic region of the Goldfields and experiences cool winters and hot, generally dry summers. The average daily maximum temperature is approximately 34.8°C in summer and 19.7°C in winter.

1.2 Tenement Details

The Project is located on granted Mining Leases. Lunnon Metals currently holds 100% of the mineral rights and title to its leases at the FBA element of the KNP, subject to certain rights retained by St Ives, principally relating to the right to gold in defined areas and the rights to process at their nearby Lefroy Gold Plant any future gold ore mined. Baker is hosted on **M15/1548**, and Baker will be accessed from the old West Idough Pit on **M15/1546**.

2. BAKER HISTORY

The Baker nickel deposit was discovered by Lunnon Metals in January 2022. The area in which it is hosted, termed East Cooee, had been drilled historically by WMC Resources Ltd (**WMC**). Despite a broadly spaced grid of diamond drill (**DD**) holes by WMC, WMC did not progress the identified nickel mineralisation at the base of the second flow unit of the hangingwall Kambalda Komatiite. Accordingly, there has been **no historical production from the area**.

An Exploration Target range for the East Cooee area that covered the Baker deposit was estimated by the Company in 2020 in accordance with the guidelines of the JORC Code (2012) and contained in its Prospectus at the Initial Public Offering (**IPO**) of Lunnon Metals. This work identified multiple mineralised surfaces in basalt-ultramafic contact trough locations, contact flanking locations, footwall positions and extensive hangingwall surfaces.

Lunnon Metals budgeted for drilling in its Prospectus to test the Exploration Target within 18 months of listing. This drilling led directly to the discovery of Baker in January 2022, with headline reverse circulation (**RC**) drilling results of **7.0m @ 9.22% Ni** (from 123.0 downhole), **8.0m @ 2.52%** from 97.0m downhole and **6.0m @ 3.67% Ni** from 132.0m downhole[2]. In total, some 15km of RC drilling (86 holes) and close to 5km of DD (19 holes) have been completed by the Company and inform the current Mineral Resource estimate (**MRE**) along with 9 historical WMC DD holes.

An initial MRE for Baker of 568,000 tonnes @ 2.8% Ni for 15,800 contained nickel tonnes[3] was announced less than six months after the discovery results in June 2022[4]. An updated MRE for Baker was announced a further six months later in December 2022, materially increasing Baker's MRE to 929,000 tonnes at 3.3% Ni for 30,800 contained nickel tonnes[5]. The December 2022 MRE forms the basis for this PFS.

This Baker Preliminary Feasibility Study (**PFS**) has been completed less than 18 months from discovery and less than two years since IPO.

[2] Refer to ASX Announcement dated 17 January 2022.
[3] Refer to Table 16 for a full breakdown of the Mineral Resource for the KNP.
[4] Refer to ASX Announcement dated 14 June 2022.
[5] Refer to ASX Announcement dated 7 December 2022.

3. STUDY PARAMETERS

The PFS is based on the following key parameters:

- December 2022 JORC Code (2012) compliant Baker MRE updated on 7 December 2022, in particular the **638,000 tonnes @ 3.8% Ni for 24,000 nickel tonnes**[6] in Indicated Resource category (the PFS excludes 291,000 tonnes @ 2.3% Ni for 6,800 nickel tonnes[6] in Inferred Resources at Baker and excludes other Mineral Resources associated with the Kambalda Nickel Project, including the 1.95Mt @ 3.2% Ni for 57,000 nickel tonnes[6] accessible from the historical Foster mine decline and workings).
- Underground mining operations conducted by contractors, with targeted production of 15,000 tonnes of ore per month (above an operating cut-off of 1.5% Ni).
- Surface haulage of ore to the Kambalda Nickel Concentrator owned by Nickel West, and treatment of the ore and sale of the concentrate under an Ore Tolling and Concentrate Purchase Agreement (**OTCPA**).
- Power supply from a hired diesel power station.
- Management of project implementation by the Lunnon Metals' Owner's Team (**Owner's Team**).

4. STUDY PARTNERS

The following external consultants and contractors have been engaged to contribute to the various discipline areas during the course of the PFS:

Resource Estimation CUBE CONSULTING	Environmental Consulting talis consultants
Geotechnical, Mining Engineering, Ore Reserve Estimation MINEGEOTECH	Hydrogeological and Hydrological AQ2
Zero Based Mining Cost Estimation RIPAGO	Mining Cost Estimate entech.
Metallurgical Consulting Cloutt Consulting	Vegetation and Fauna Survey BOTANICA CONSULTING
Metallurgical Test-work imo EVERYTHING METALLURGY METALLURGY	Waste Rock and Soil Classification Landloch
Financial Model cfo corporate advisory	Paste-fill aquila
Surface Infrastructure Estimate CPC ENGINEERING	Power and Dewatering UON ENERGY FOR EVERY FUTURE
Heritage HERITAGEWA	Surface Haulage MLG

[6] Refer to Table 16 for a full breakdown of the Mineral Resource for the KNP.

5. GEOLOGY

The KNP sits within the Kambalda-St Ives region, itself part of the Norseman-Wiluna greenstone belt, which comprises regionally extensive volcano-sedimentary packages. These rocks were extruded and deposited in an extensional environment between 2700Ma and 2660Ma. The mining district is underlain by a north-northwest trending corridor of basalt and komatiite rocks with several prominent dolerite intrusions (**Figure 2**).

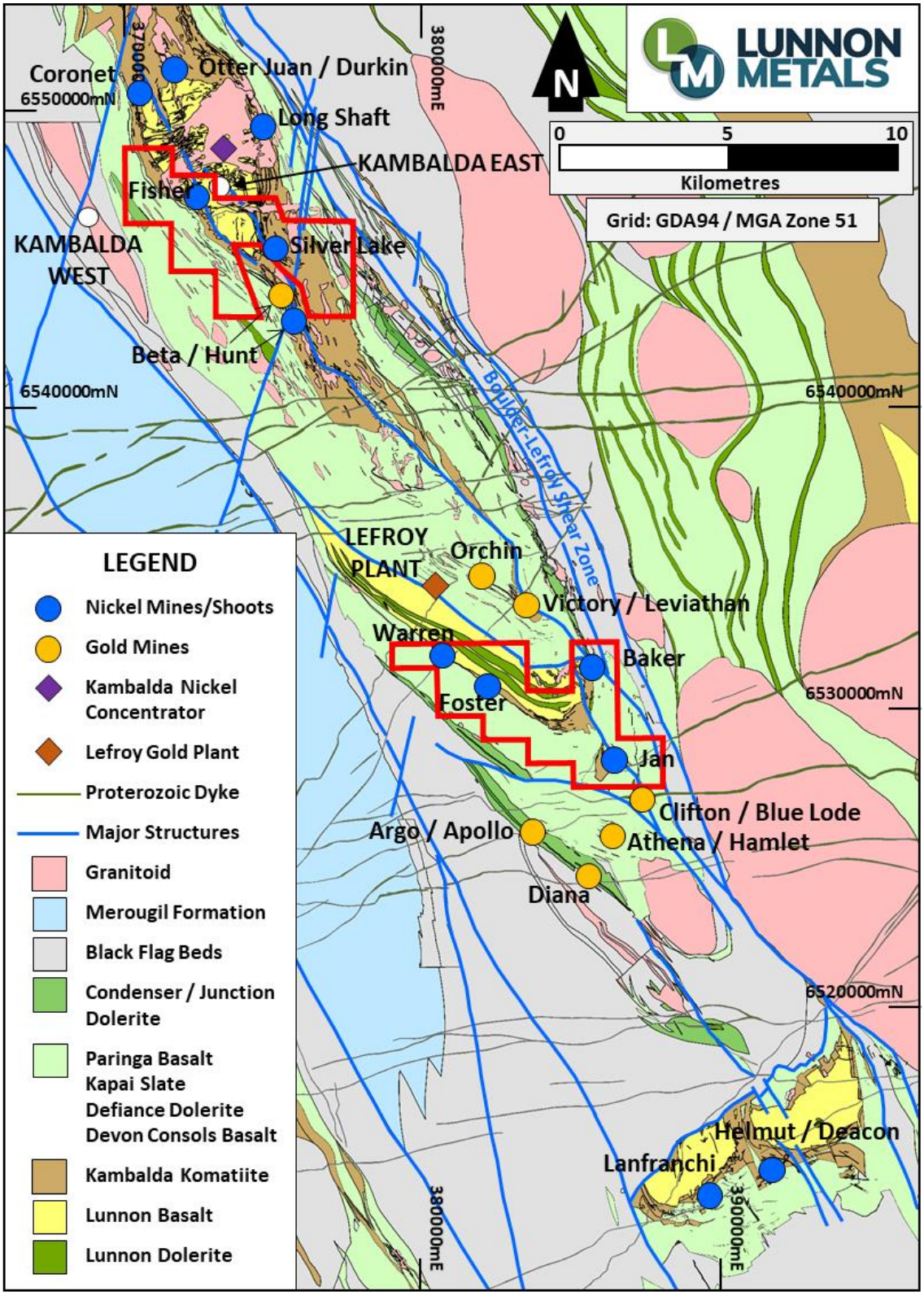

Figure 2: KNP (red outline) with Kambalda regional geology and key mines/infrastructure

Nickel mineralisation is normally accumulated towards the base of the thick Silver Lake Member of the Kambalda Komatiite Formation immediately above or on the contact with the Lunnon Basalt. The Lunnon Basalt and favourable komatiite stratigraphy is exposed around the Kambalda Dome, then again in the Company's Foster-Baker area and also in the Lanfranchi-Tramways area further south due to structural folding and later thrust faulting.

The modelled Baker deposit is defined by an undulating horizon at the base of second ultramafic flow position, located 30–50m above the more traditionally prospective basal contact position between the first komatiite flow and the Lunnon Basalt footwall. Baker has an overall average strike and dip of approximately 245°/25°-30° southeast. The outline of the deposit is one of an irregular elongate ovoid shape with a long axis plunge of approximately 21° towards 125° currently extending for more than 600m.

The across plunge dimension approaches 200m. The vertical extent of the deposit is approximately 300m ranging from +270m above sea level (ASL) (47m below ground level) to -30m ASL (347m below ground level). The mineralised horizon is interpreted to have been structurally cut, offset and disrupted by late fault and fold structures which locally mobilise and concentrate the pre-existing base of ultramafic flow mineralisation. The modelled sub-domains are identified as either BOF (base of flow) or MOB (structurally mobilised) after their respective mineralisation style.

The western one (termed MOB02), which hosts significant re-mobilised massive nickel sulphide itself, was the structure that was identified as a steep conductive surface in both downhole transient electromagnetic and surface fixed-loop electromagnetic surveys during exploration by Lunnon Metals, providing the catalyst to Baker's discovery.

6. MINERAL RESOURCE

Subject to the commentary provided below, there is no change to the Baker MRE released in the announcement dated 7 December 2022 ("*Fabulous Baker Buoys Lunnon to 79,300 Tonnes of Nickel Metal*") and updated on 5 April 2023 (reporting the addition of palladium (**Pd**), platinum (**Pt**) and arsenic (**As**) estimations to the Baker MRE). In regard the requirements of ASX Listing Rule 5.8.1 and the details previously provided in JORC Code (2012) Table 1, Sections 1, 2 and 3, contained in the Annexure to the above announcements, these remain materially the same other than changes required by date and/or tense. Those same annexures, appropriately adjusted, are appended to this announcement for completeness.

The above statement covers the required technical summaries of *Drilling Techniques, Sampling and Sampling Techniques, Sample Analysis Method, Geological Modelling and Interpretation, Estimation Methodology, Cut-Off Grade and Resource Classification Criteria*.

In regard to *Reasonable Prospects for Eventual Economic Extraction (**RPEEE**) Including Consideration of Material Modifying Factors*, the commentary previously provided in the prior mentioned ASX announcements is superseded by the data provided today in the reporting of initial Ore Reserves for Baker and the results of the PFS.

The Baker MRE was completed by Cube Consulting Pty Ltd (**Cube**) in consultation with, and based upon, geological interpretations and three-dimensional (**3D**) models compiled by Lunnon Metals' staff. The current MRE table, as last updated on 5 April 2023, and geological isometric images and a cross section are provided below.

Further commentary on the relevant input parameters for the MRE are contained in JORC Code (2012) Table 1, Sections 1, 2 and 3, in Appendix E to this announcement.

Table 1: December 2022 MRE for Baker – by geological sub-domain

Shoot	Tonnes	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)	As (ppm)	Ni metal tonnes
BOF01	94,100	3.9	0.32	0.07	0.79	0.39	24	3,640
BOF02	277,600	2.8	0.21	0.05	0.49	0.20	10	7,620
MOB02	155,600	4.0	0.36	0.08	0.60	0.25	408	6,220
MOB03	82,200	7.3	0.64	0.13	1.29	0.50	7	6,000
MOB04	28,500	1.8	0.19	0.03	0.43	0.18	7	520
Indicated	**638,000**	**3.8**	**0.32**	**0.07**	**0.66**	**0.28**	**109**	**24,000**
BOF02	252,500	2.5	0.16	0.05	0.46	0.20	9	6,140
MOB04	38,500	1.7	0.30	0.03	0.41	0.17	7	660
Inferred	**291,000**	**2.3**	**0.18**	**0.05**	**0.45**	**0.20**	**8**	**6,800**
Total	**929,000**	**3.3**	**0.27**	**0.06**	**0.60**	**0.25**	**77**	**30,800**

Note: Tonnes, grade and metal figures have been rounded and hence may not add up exactly to the given totals.

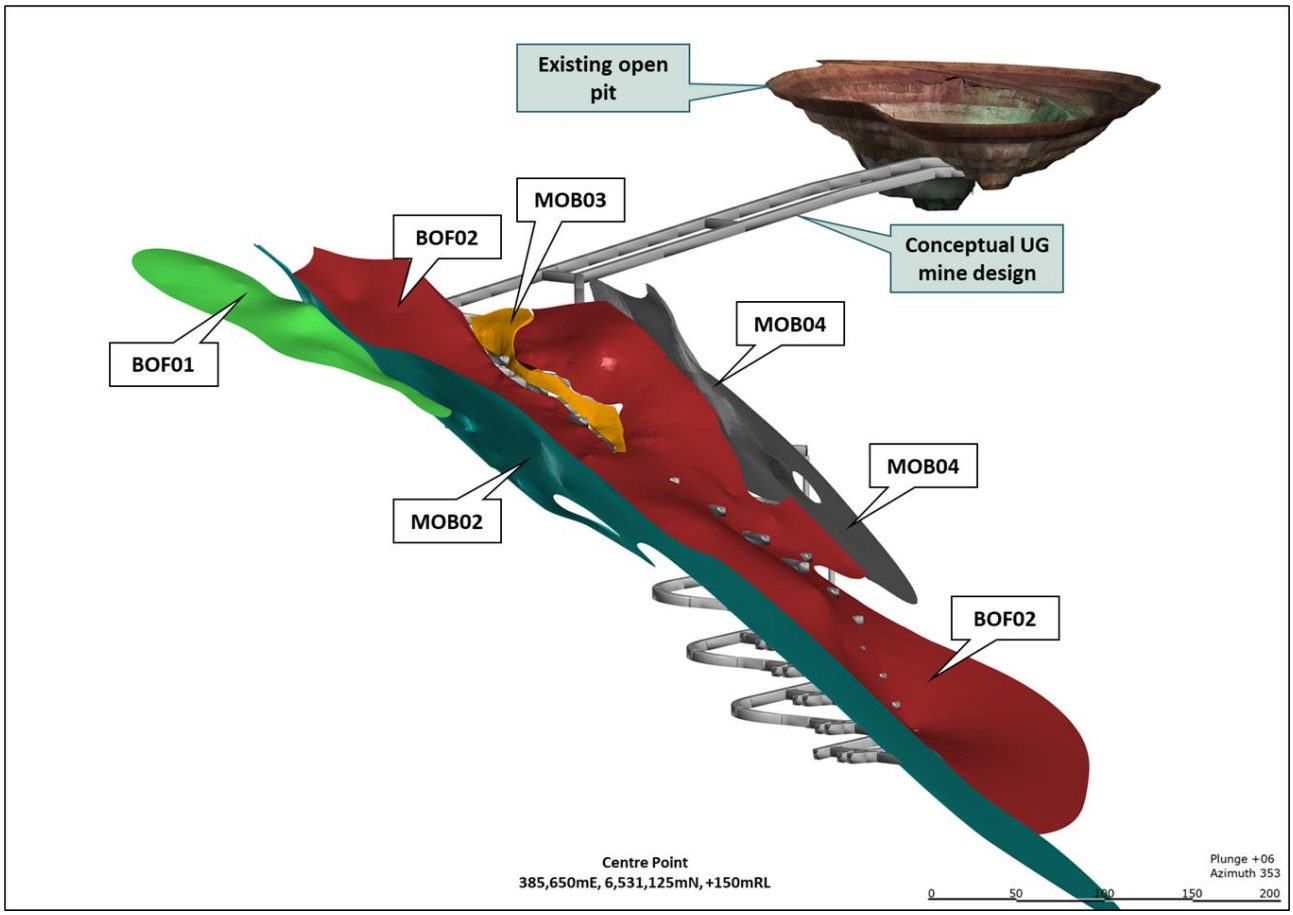

Figure 3: Isometric view of the Baker mineralised surfaces looking north (coloured solids represent modelled sub-domains as labelled and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit)

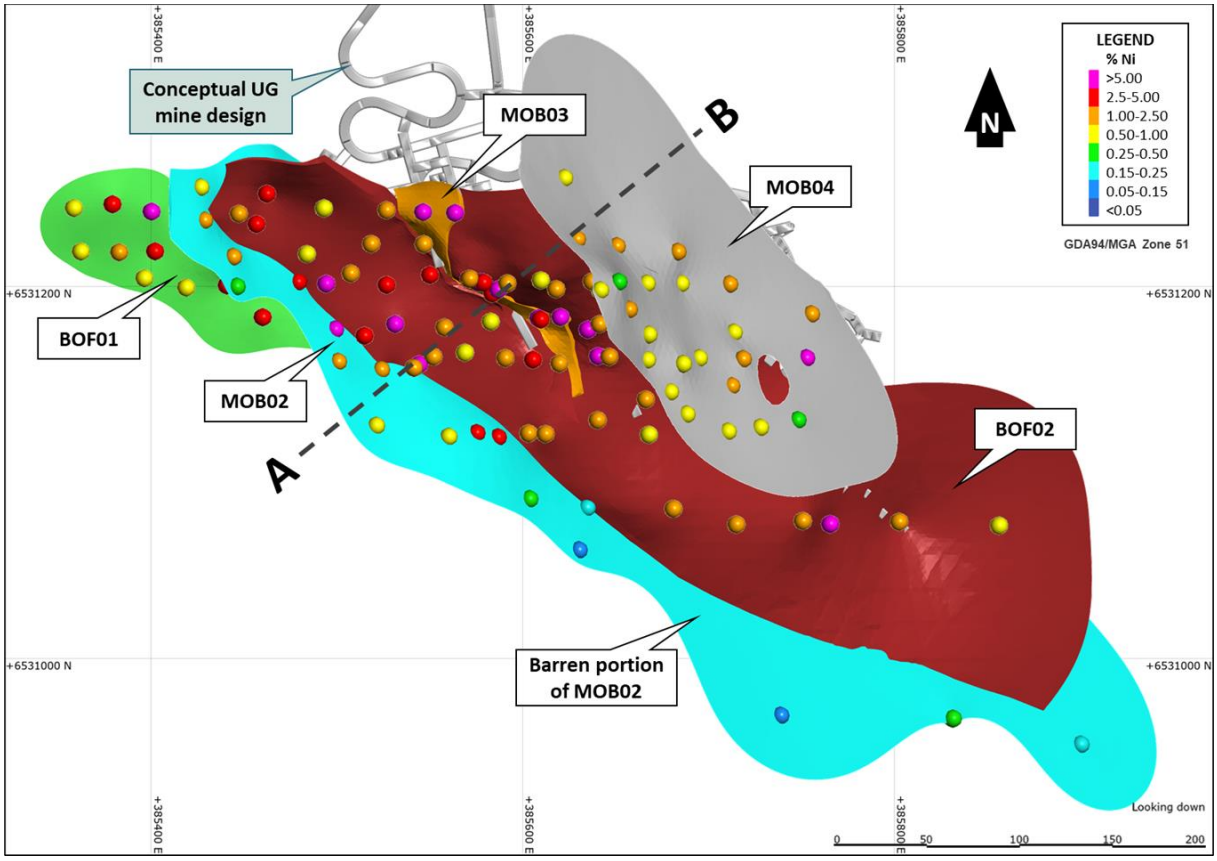

Figure 4: Plan of the Baker nickel deposit showing drillhole composites that informed the December 2022 MRE update, geology sub-domains and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit

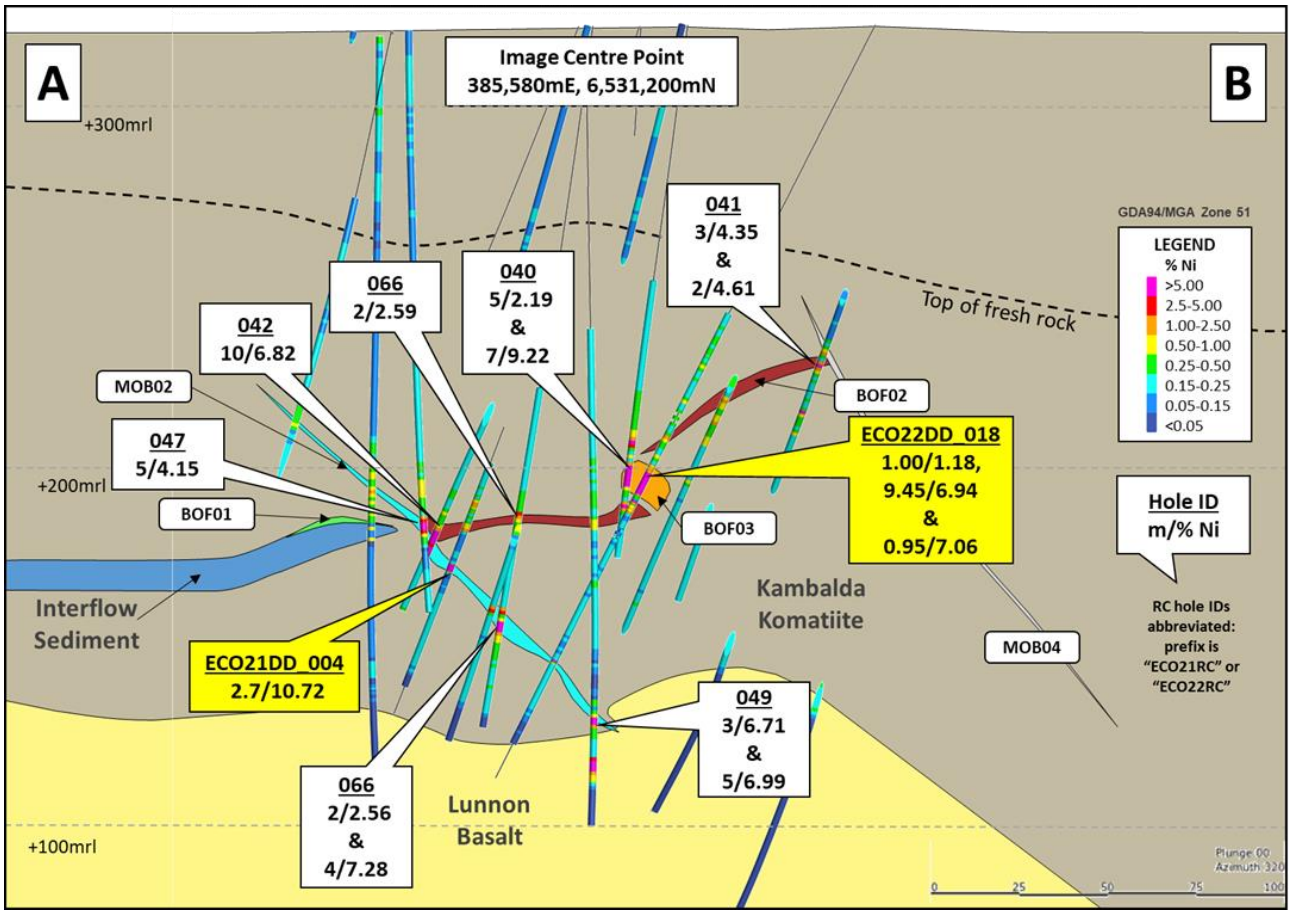

Figure 5: Cross section orthogonal to the geological interpretation and sub-domains, looking northwest through Baker mineralised surfaces (refer **Figure 4** or section line)

7. ORE RESERVE

Baker's initial Ore Reserve estimate has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition.

The Probable Ore Reserve estimate is based on MRE classified as Indicated Resource after consideration of all modifying factors determined by geotechnical inputs, mining methods, metallurgical characteristics, infrastructure, social, environmental, governmental, and financial aspects of the operation.

The grades and metal stated in the Ore Reserves estimate include diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by a study at a PFS level as appropriate that includes application of modifying factors.

The Ore Reserve estimate is determined from a mine design, plan and production schedule that is technically achievable and economically viable. All material was subjected to an economic evaluation in a detailed cost model underpinned by the PFS analysis. The mine plan returns a positive net present value assuming a discount rate of 8%, and a flat nickel price assumption of A$35,294/t (US$24,000/t; 0.68 AUD:USD) was used for the Ore Reserve financial evaluation. Ore processing was assumed to be undertaken at the Kambalda Nickel Concentrator under an OTCPA with Nickel West. The PFS on which the Ore Reserve estimate is based demonstrates, that at the time of reporting, extraction could be reasonably justified.

A summary of the Baker Ore Reserve is provided in **Table 2** below, and an isometric graphical representation of the Ore Reserve mine plan shown in **Figure 6**. The Reserve was calculated based on Indicated Mineral Resources only. There are currently no Measured Mineral Resources defined.

Further commentary on the relevant input parameters for the Ore Reserve are contained in JORC Table 1, Section 4 in Appendix E to this announcement, and a summary of the Material Assumptions is provided in **Table 14** of this announcement pursuant to the requirements of ASX Listing Rule 5.9.1.

Table 2: Initial Ore Reserve for the Baker deposit as of 22 May 2023

Category	Tonnes	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)	As (ppm)	Ni metal tonnes
Proved	-	-	-	-	-	-	-	-
Probable	612,000	2.86	0.24	0.052	0.49	0.20	110	17,500
Total	**612,000**	**2.86**	**0.24**	**0.052**	**0.49**	**0.20**	**110**	**17,500**

Note: Tonnes and nickel grade have been rounded to three significant figures, other grades to two significant figures, and nickel metal has been rounded to the nearest 100-tonne.

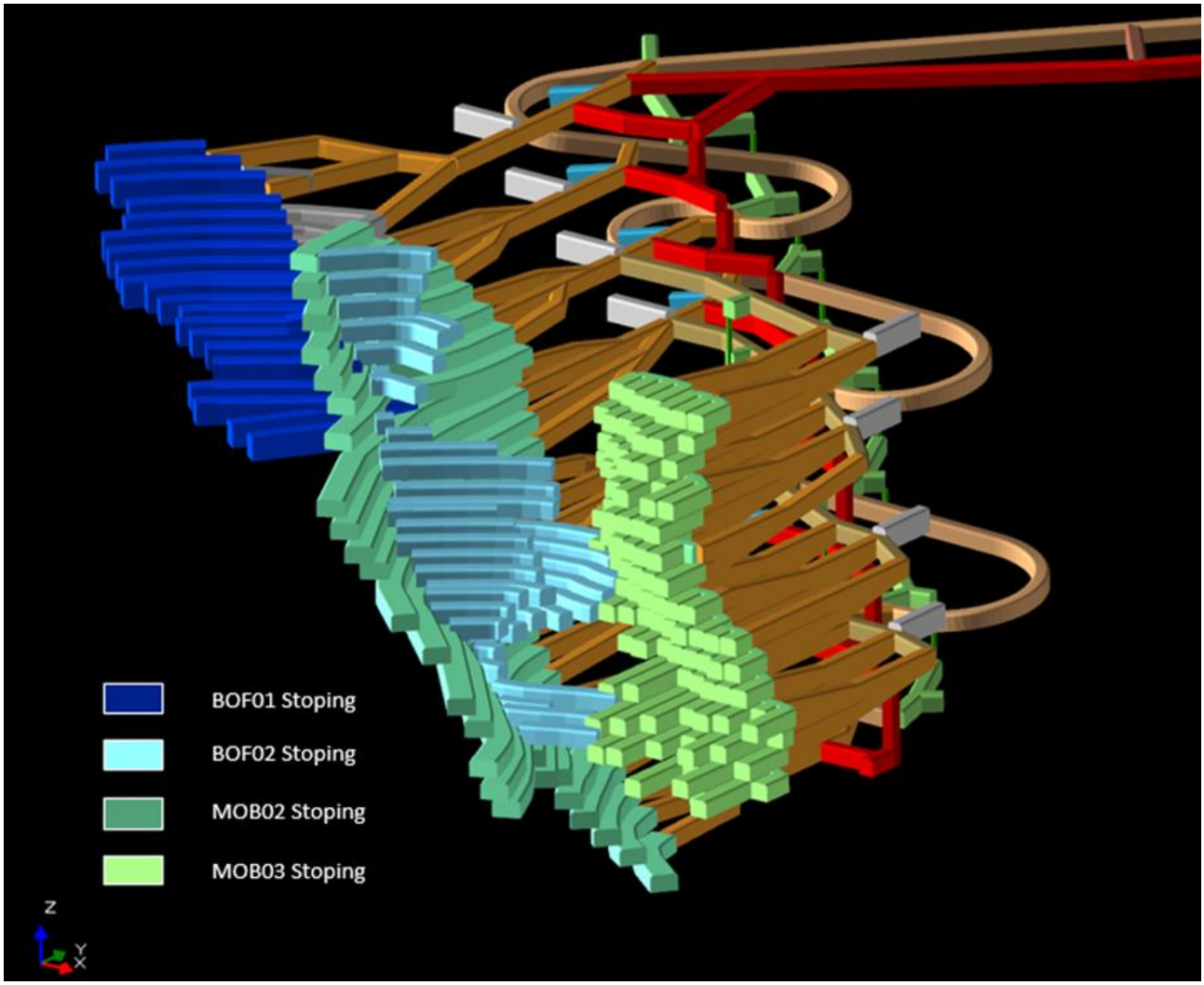

Figure 6: Isometric representation of the Baker Ore Reserve, showing stoping in the various geological domains with decline and ramp access shown in the background

8. GEOTECHNICAL

8.1 Overview

A comprehensive analysis of geotechnical data collected from the Project enabled assessment and description of the ground conditions expected at the Baker Project. This geotechnical data has been used by independent consultants, MineGeoTech Pty Ltd (**MGT**), to characterise the rock mass and inform the mine design methodology and ground support requirements.

8.2 Geotechnical Data

Geotechnical data for the Project was collected from the following sources:

- Geotechnical rock mass logging of all available cut and uncut core, (cut core was photo logged to obtain rock quality designation (**RQD**) and fracture frequency), from 19 DD holes totalling 2,593m;
- Structural logging of uncut core;
- Geophysics acoustic televiewer-optical televiewer from 13 RC holes and four DD holes, totalling 2,414m;
- Intact rock property testing of 63 Hoek cell single-stage triaxial and 23 indirect tensile strength tests;
- Stress regime has been estimated by extrapolating measurements from within the region;
- Photogrammetry of the West Idough Pit for mapping of structures around the proposed portal; and
- Geotechnical inspection of proposed portal location.

8.3 Geotechnical Domains

Two principal fresh rock geotechnical domains are described:

- the Lunnon Basalt; and
- Ultramafic (Kambalda Komatiite). The ultramafic can be subdivided into waste ultramafic and mineralised ultramafic. They have similar material properties and are expected to have similar rock mass responses to excavation.

The rock strength testing confirmed that:

- the Lunnon Basalt is evaluated with a very strong intact strength from the International Society for Rock Mechanics' (**ISRM**) standards; and
- the ultramafic and ore zone is evaluated with a strong intact strength from the ISRM standards.

8.4 Mine Design Requirements

The geotechnical program has defined mining spans and ground support requirements incorporated in the mine plan.

A software program for two-dimensional (**2D**) finite element analysis of geotechnical structures, RS2, was used to assess sill pillar and drive stability through ore domains BOF01, MOB02, and BOF02. The models show a very high extraction ratio of the ore is achievable with appropriate filling (e.g. cemented paste) and ground support. Where pillar damage is predicted, it is mostly minor and not considered critical to the mining method selection.

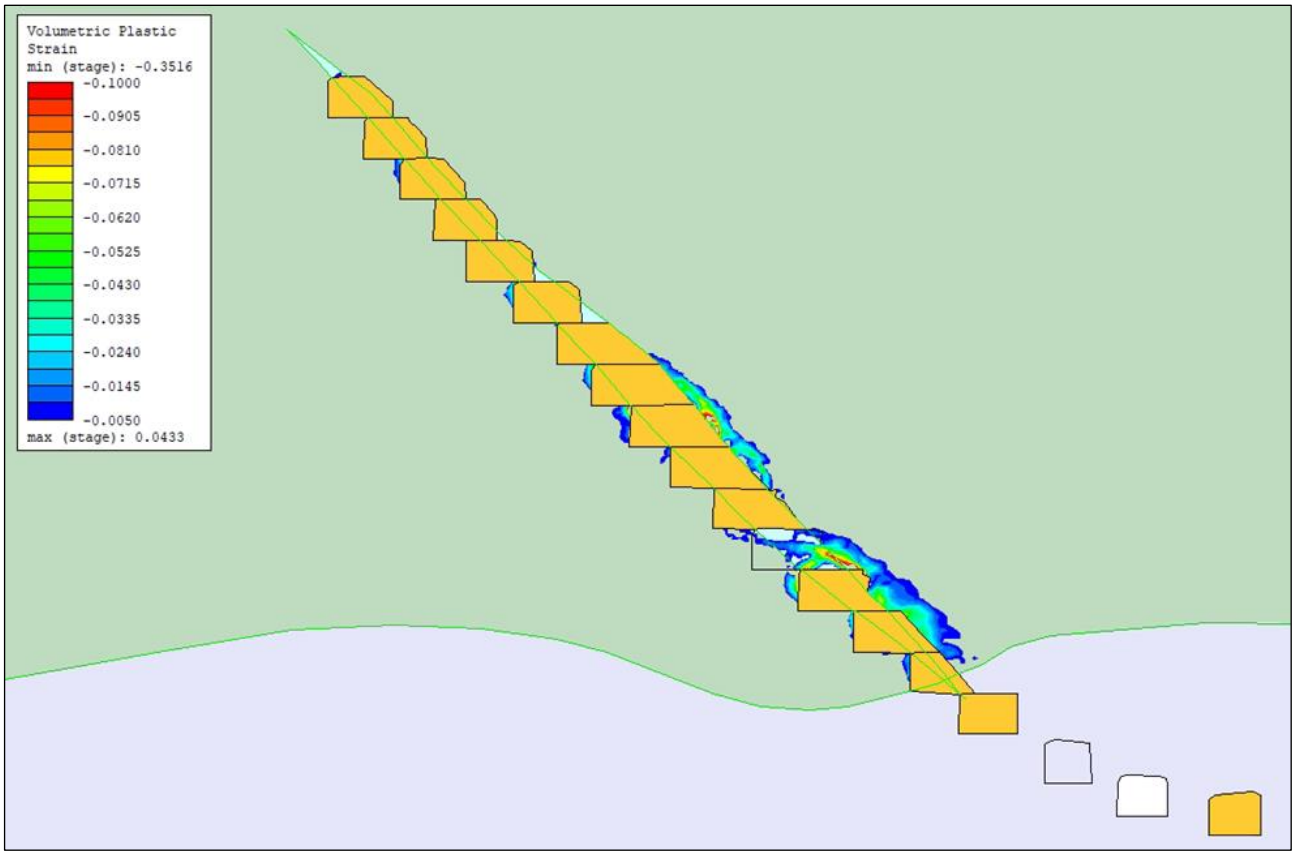

Figure 7: Numerical modelling indicated minor damage in hangingwall and sill pillar during final phases of stoping

The ground support scheme has been defined for the ultramafic/ore-zone and the basalt units based on empirical rock mass classification plus kinematic (for the basalt). Spans in ultramafic are designed not to exceed the ground support scheme capacity. The results are relatively insensitive to the stress state. No in-situ stress measurements were taken as it was deemed unnecessary due to the relatively shallow planned mining depth. The stress regime was estimated by extrapolating measurements from within the region.

Geotechnically, cut and fill mining is recommended as the most appropriate technique given the dip, strike and intersecting geometry of the multiple lodes and the expected rock mass performance of the ultramafic. A quality paste-filling placement methodology is required to achieve tight filling and provide confinement to the ultramafic and is considered critical in achieving high extraction ratios. The access decline and permanent infrastructure will be located in the Lunnon Basalt to minimise geotechnical risk due to the Lunnon Basalt's higher rock strength.

9. UNDERGROUND MINING

9.1 Overview

An underground mine plan has been developed to a PFS level of accuracy (-15%/+25%) defining the exploitation of the Baker underground nickel deposit. The mine plan quantifies the Initial Baker Ore Reserve based on Indicated Mineral Resources. While the Baker Ore Reserve is based solely on the conversion of Indicated Resources, and only these are included in the economic evaluation, consideration of Inferred Mineral Resources has been reviewed to ensure that infrastructure location does not impact the future conversion of Inferred Mineral Resources (if justified).

Assessment of the orebody geometry, grade and geotechnical conditions demonstrates that the Project can be extracted via cut and fill mechanised mining techniques.

The Project will be accessed via a nominal 5.0m wide, 5.5m high decline from the existing West Idough open pit. Once the decline is adjacent to the ore zone, the decline will continue progressing down dip at a 1:7 gradient in the footwall position. A second parallel decline will be developed to intersect the West Idough open pit providing ventilation and emergency egress.

Appropriate Modifying Factors have been applied to determine the production profile, ore quantities and mining schedule. Production profiles have been generated by limiting development and production rates based on reasonable equipment productivities.

Stope mining will commence at approximately 70m below surface and extend to a depth of mining of less than 200m below surface, being the extent of Indicated Mineral Resources at depth.

All mining will be completed via conventional underground equipment, including electro-hydraulic jumbo drills, electro-hydraulic longhole/production drill, diesel-powered load-haul-dump (**LHD**) loaders and diesel-powered haul trucks. Vertical development will be completed via raise-bore drills and box-hole drills.

The Baker PFS indicates:

- The Probable Ore Reserve is 612kt ore @ 2.86% for 17.5kt of contained nickel[7];
- Mechanised overhand cut-and-fill (or the drift-and-fill variation, depending on ore width and dip) utilising cemented paste-fill is the preferred mining method;
- The orebody is amenable and economically mineable using overhand cut-and-fill and drift-and-fill mining methods; and
- There is limited technical risk in the design and schedule, with the proposed mining method and schedule based on standard industry practices.

The Project can be technically and economically mined, and extraction can be reasonably justified.

9.2 Mining Method

Mechanised overhand cut-and-fill will be the primary underground stoping technique employed with the shallow dip of the ore zone in some areas requiring drift-and-fill. Stope horizons are typically 5.0m high with widths varying from 4.5m up to 8.0m (maximum) according to ore width with openings profiled to the hanging-wall contact where possible

[7] Refer to Section 7 above for a full breakdown of the Ore Reserve.

The stoping method will utilise cemented paste-fill to minimise ore loss and maximise the extraction ratio. This cut-and-fill method was chosen as the best technique for the following reasons:

- It provides the most accurate method for maximum extraction of nickel ore to the identified geological boundaries;
- It accommodates the range, strike and average dip of the nickel mineralisation which is ~30° to the southeast; and
- It provides immediate support of the hangingwall via the reticulated placement of cemented paste-fill.

The **overhand cut-and-fill stoping method** (**Figure 8** below) entails access ramps to be developed from the decline, intersecting the ore zone at various horizons. The ore zone is then developed to its strike extremities. On completion of mining, the void is then filled from surface with reticulated cemented paste-fill. The paste-fill provides both hangingwall support and a working platform to facilitate extraction of the next horizon. Stope access is regained by stripping the backs of the access ramp to the level of the next extraction horizon. The ore zone is again developed to the strike extremity ahead of filling. This process is repeated with the extraction horizon following the ore zone progressively up dip.

The method has been applied routinely and successfully in the immediate Kambalda District nickel operations over a number of years.

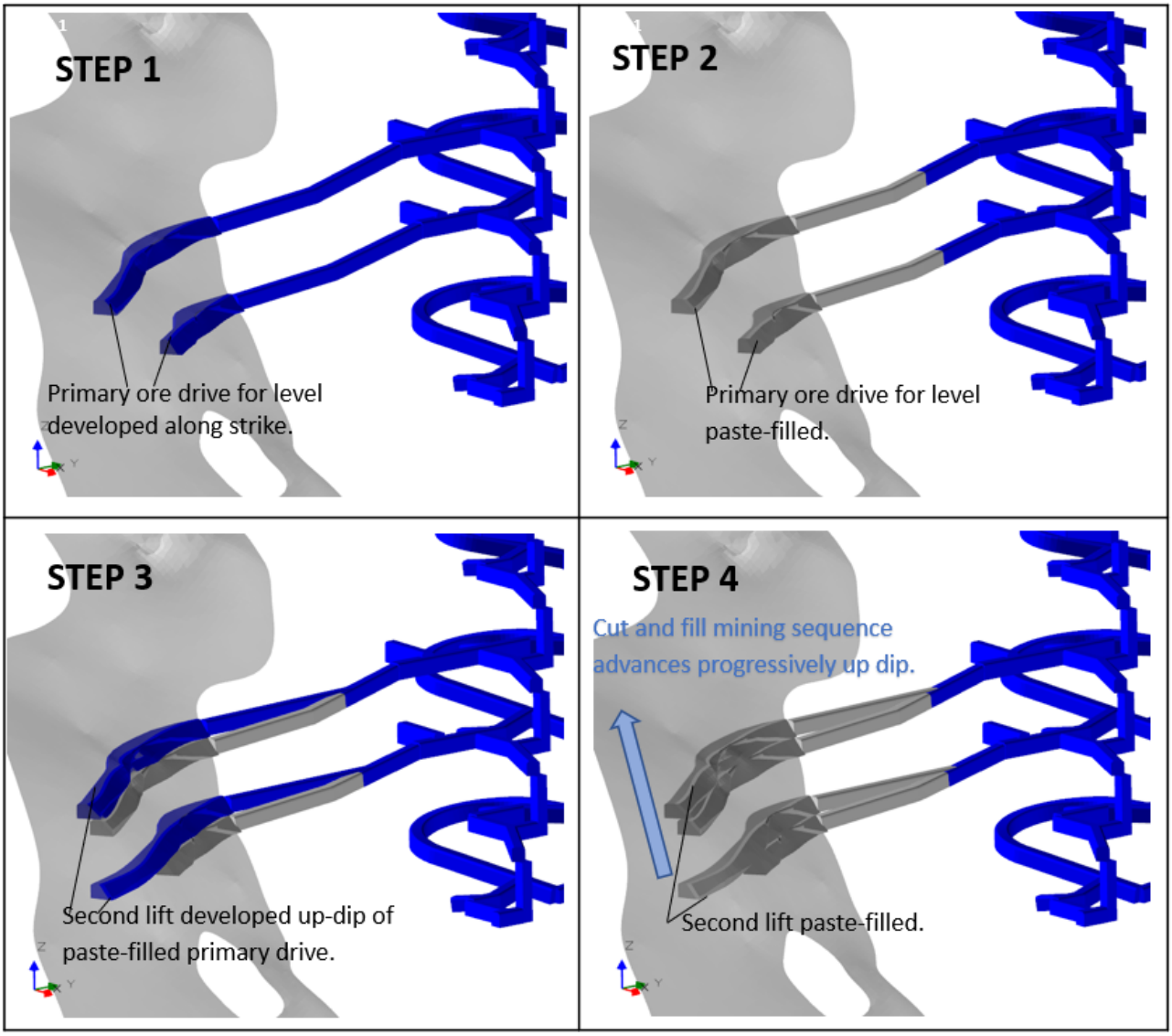

Figure 8: Schematic of overhand cut-and fill stoping method

Another variation of the cut-and-fill mining method, the **drift-and-fill stoping method**, will be utilised in flatter portions of the orebody. Drift-and-fill requires partial exposure of cemented fill from the previous extraction horizon in the sidewall. Access ramps are developed from the decline, intersecting the ore zone at various horizons. The ore zone is then developed along strike to its extremities at these horizons. On completion of mining, the void is filled with cemented paste-fill. Stope access to the next mining horizon is gained by stripping the backs of the access ramp to the level of the next planned extraction horizon, however, due to the flat dip of the ore zone, this will be adjacent to the previously mined horizon requiring partial exposure of paste-fill in the sidewall. The extraction sequence and progression of mining up dip is unchanged. A schematic of the drift-and-fill stoping method is shown in **Figure 9** below.

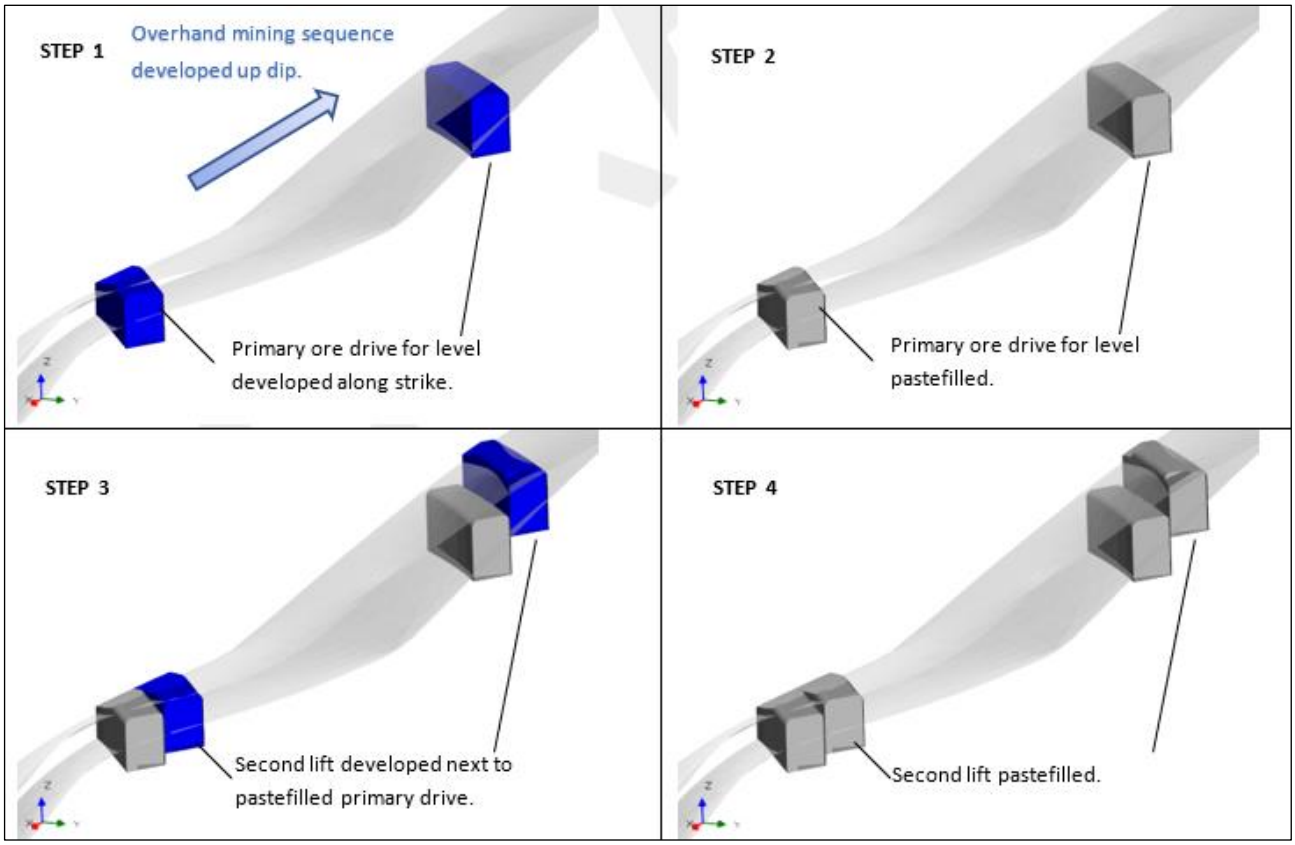

Figure 9: Schematic of drift-and-fill stoping method

The mine design and schedules assume the following predominant stoping methods for the following domains of the Baker orebody (as shown in **Figure 10** below):

- Domain 1 (BOF01): Drift-and-fill;
- Domain 2 (BOF02): Overhand cut-and-fill;
- Domain 3 (MOB03): Overhand cut-and-fill; and
- Domain 5 (MOB02): Combination of drift-and-fill and overhand cut-and-fill.

Domain 4 (MOB04) is not included in the Ore Reserve, primarily due to the limited size and width of the domain and inability to mine the Mineral Resource with the selected mining method (or variations) without significant dilution.

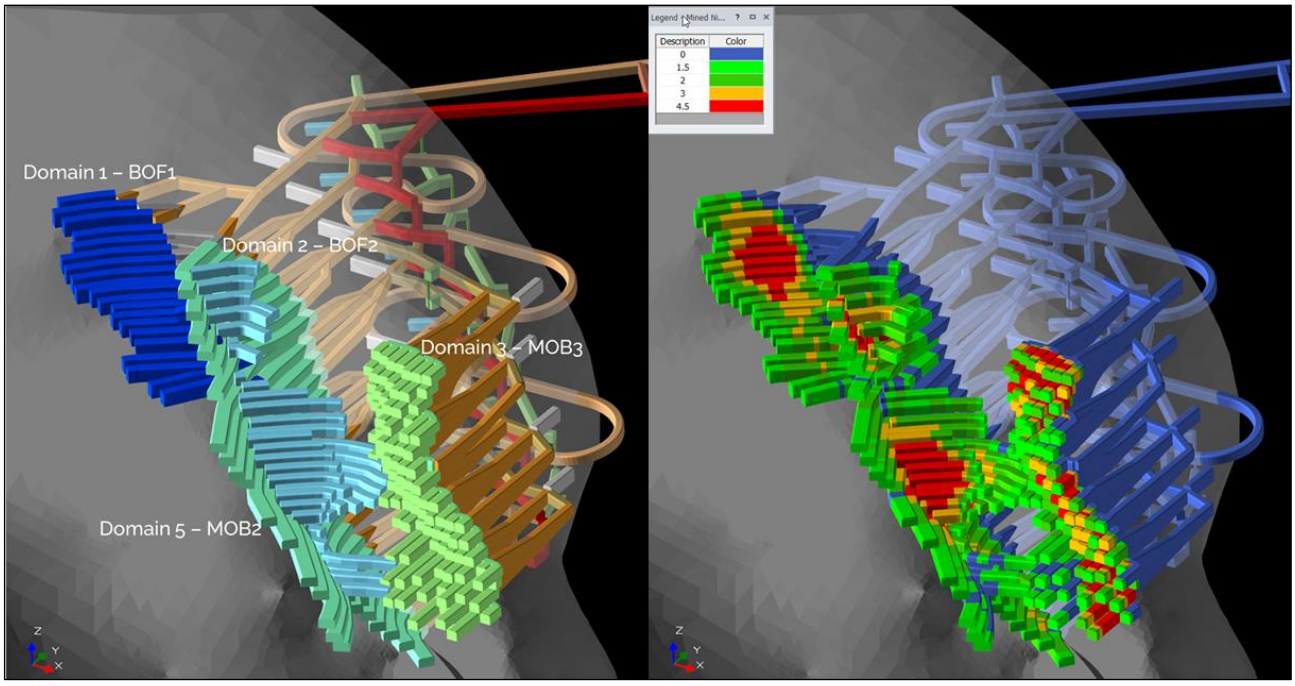

Figure 10: Isometric view (looking down to the northwest) of the mine design (coloured by domain – left and Ni % cut-off – right)

9.3 Underground Mining Infrastructure

Baker will be accessed via two parallel declines developed from portals established within the previously mined West Idough gold open pit. One decline will serve as the main access and haulage-way, and the other will be utilised for ventilation and provide an emergency egress (negating the need to establish a raise-bore hole through the weathered profile to surface). The two declines, ventilation raises, and internal egress raises are all planned to be in mafic basalt rock types, including the **Lunnon Basalt**, in the immediate footwall of the komatiite unit hosting the Baker deposit, which the geotechnical study defined as a **high to very high strength rock**.

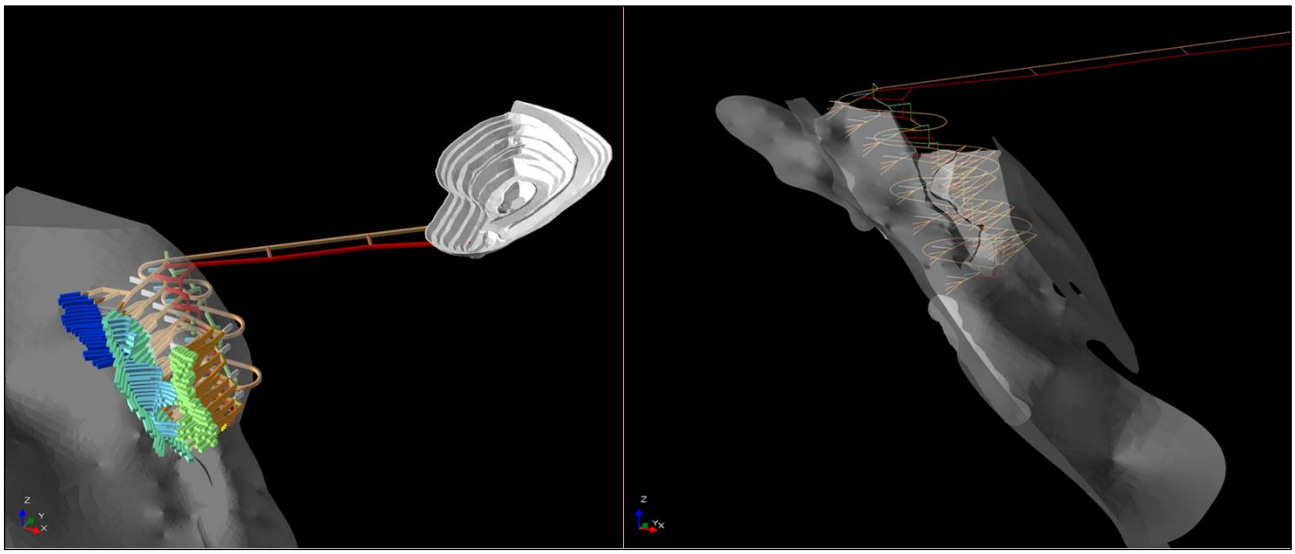

Figure 11: Isometric view (looking down to the north-northwest) of the twin decline system accessing Baker (grey MRE outlined to right)

Development metres categorised as decline, other capital, stope access ramps and ore strike driving are shown in **Figure 12** below and total **13,220m over 39 months** (current Project life based on Indicated Resources only). There is also approximately 304m of vertical development for ventilation and escapeways.

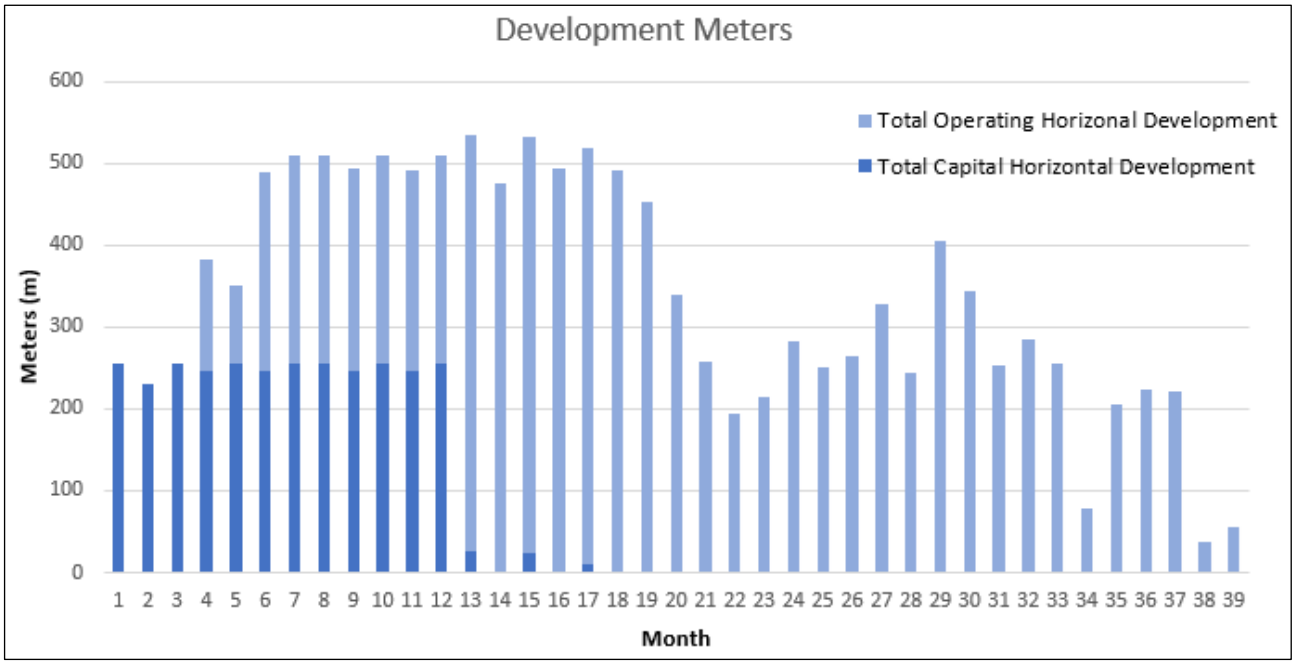

Figure 12: Baker development schedule – operating and capital horizontal development

9.4 Surface Mining Infrastructure

The Company has completed initial layout designs for surface infrastructure, including the surface dewatering system, go-line, shift change facilities, service bay and paste-fill/diesel power plant hardstand areas.

Other surface infrastructure requirements such as the run-of-mine (**ROM**) pad, haul road, waste dump and Foster workshop are already in place and will only require the re-establishment of access and minor refurbishment to bring them back into serviceability. An engineering consultancy firm, CPC Engineering, has reviewed the Baker pre-development infrastructure requirement. A capital cost estimate for the provision of site offices, shift change rooms, ablution facilities, equipment service bay, fuel storage facility and associated infrastructure has been provided and is included in the Pre-Production Capital estimate (refer to Section 16.1 for further details).

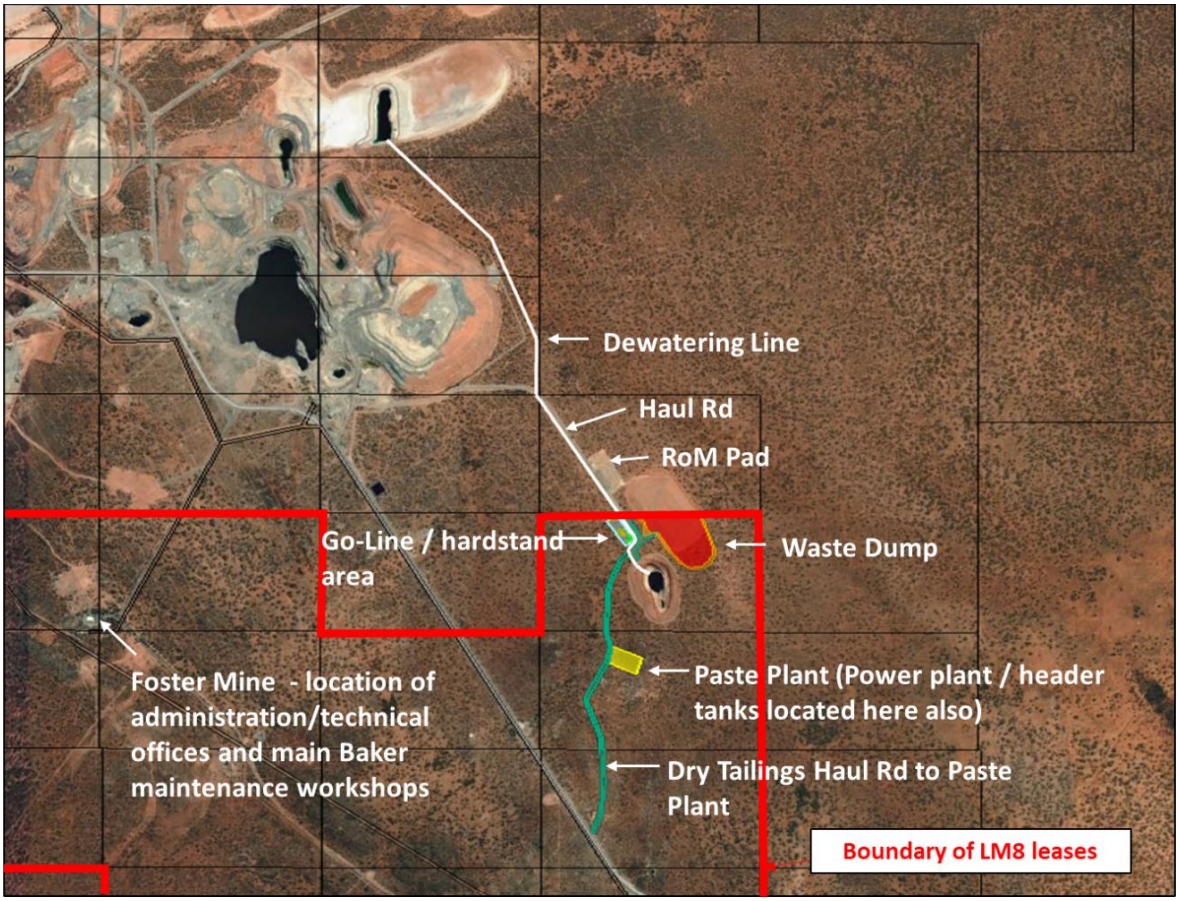

Figure 13: Baker site surface layout with key infrastructure design

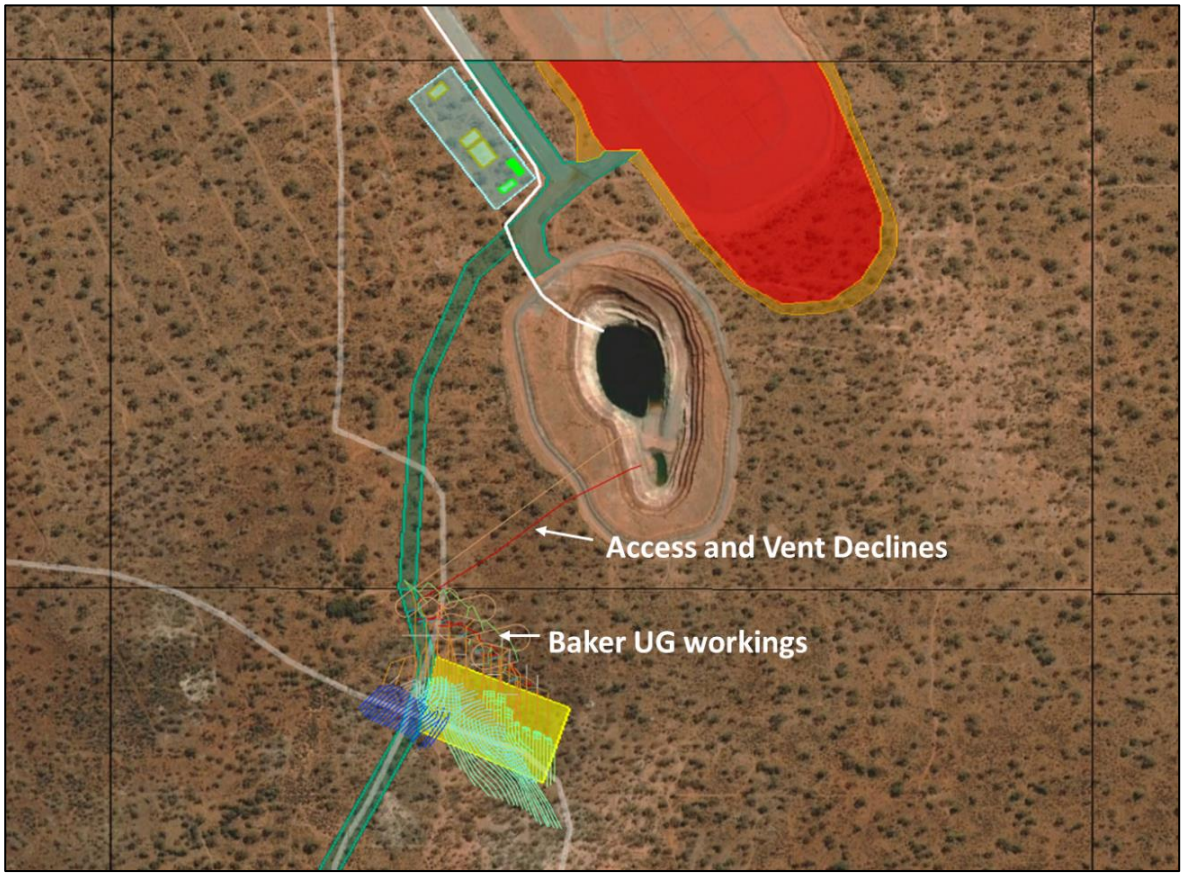

Figure 14: Close-up of immediate Baker mine site design layout

9.5 Ventilation

Primary ventilation will be provided by appropriately sized, underground wall-mounted fans. Fresh air will be drawn down the ventilation decline from surface and be distributed through the mine via a series of internal ventilation rises, with return air venting back to surface via the decline. Secondary ventilation fans will draw air from the primary ventilation circuit and distribute the air to the working faces via ducting.

The escapeway system will be located on the intake side of the ventilation circuit.

9.6 Paste-fill

Cemented paste-fill will be produced on site by a contractor utilising a mobile paste-fill plant and will be distributed underground via a vertical borehole connecting to a network of paste-fill reticulation pipes. The paste-fill will be produced by mixing dry tailings with appropriate water and cement quantities to meet a strength specification. Dry tailings will be reclaimed from a decommissioned tailings facility located on the Company's Mining Leases. This process of paste-fill mixing and reticulation has been used successfully in the region for a number of years.

9.7 Modifying Factors

Consideration of the Modifying Factors affecting extraction have been estimated, including diluting materials and allowances for losses which occur when the material is mined.

The minimum mining width for each domain is controlled by the ore drive profile. The ore drives follow the strike of the orebody and vary in width, height and shape to suit the orebody geometry. An external dilution allowance has been included on all development in accordance with good mining practice (where an overbreak of approximately 20cm can be reasonably expected) for the selective mining method. As dilution will vary with mining practices, drive profiles, host rock and paste-fill exposure, a simplified global dilution of 10% at a dilutant grade of 0% Ni has been applied.

Ore recovery is affected by:

- ore wedges located at the top and bottom of a panel that are unable to be extracted; and
- ore left against backfill and unable to be extracted due to irregularities of the ore-backfill contact surface.

A mining recovery of 95% has been determined. Mining losses have been applied post-mining dilution.

9.8 Cut-Off Grade

The fully costed cut-off grade includes all costs for mining and processing ore material. This value was used to generate focused mining zones that determine the extents of the ore development.

The incremental cut-off grade is applied to low grade development necessary to provide access to high grade areas that would not normally be targeted for mining. The incremental cut-off grade includes surface haulage and processing costs.

The fully costed cut-off grade ore has been termed "high grade" and the incremental cut-off grade ore has been termed "low grade". The defined cut-off grade values for each are as follows:

- High grade 1.5% Ni; and
- Low grade 1.0% Ni.

Table 3 below shows a breakdown of the tonnes, grade and contained metal in each ore category.

Table 3: Summary of ore categories

Baker	Tonnes	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)	As (ppm)	Ni metal tonnes
High Grade	477,000	3.31	0.28	0.060	0.56	0.23	95	15,800
Low Grade	135,000	1.27	0.11	0.026	0.23	0.10	160	1,700
Total	**612,000**	**2.86**	**0.24**	**0.052**	**0.49**	**0.20**	**110**	**17,500**

Note: Tonnes and nickel grades have been rounded to three significant figures, other grades to two significant figures, and nickel metal has been rounded to the nearest 100-tonne.

9.9 Mining Schedule

All mining will be completed via traditional underground equipment, including electro-hydraulic jumbo drills, electro-hydraulic longhole/production drill, diesel-powered LHDs (loaders) and diesel-powered haul trucks. Vertical development will be completed via raise-bore drills and longhole rises.

A modern diesel mechanised fleet will load and haul broken material to surface. Waste will be delivered to the existing waste rock landforms at West Idough. Ore will be delivered to the existing pad for subsequent haulage to the toll-treatment processing plant by road trains.

Due to the short mine life, a contracted operation is considered the most appropriate operational method. Specialist underground contractors will provide equipment, personnel and consumables required for the works.

Lunnon Metals will supply technical support, environmental health and safety support, site management, transfers to and from site, accommodation and messing, and fuel.

Mining schedules have been generated by limiting development and production rates based on reasonable equipment productivities.

The mining schedule has been designed to:

- ramp-up ore production to approximately 15,000 tonnes per month of high-grade ore as quickly as possible;
- account appropriately for paste-filling cycles;
- limit surface ore stockpiles; and
- reduce the variation in production rates towards the end of the mine plan.

The output of the mine scheduling is an average mining rate of approximately 17,500 tonnes of ore per month (high-grade and low-grade ore) over an approximate period of 35 months from first stope mining.

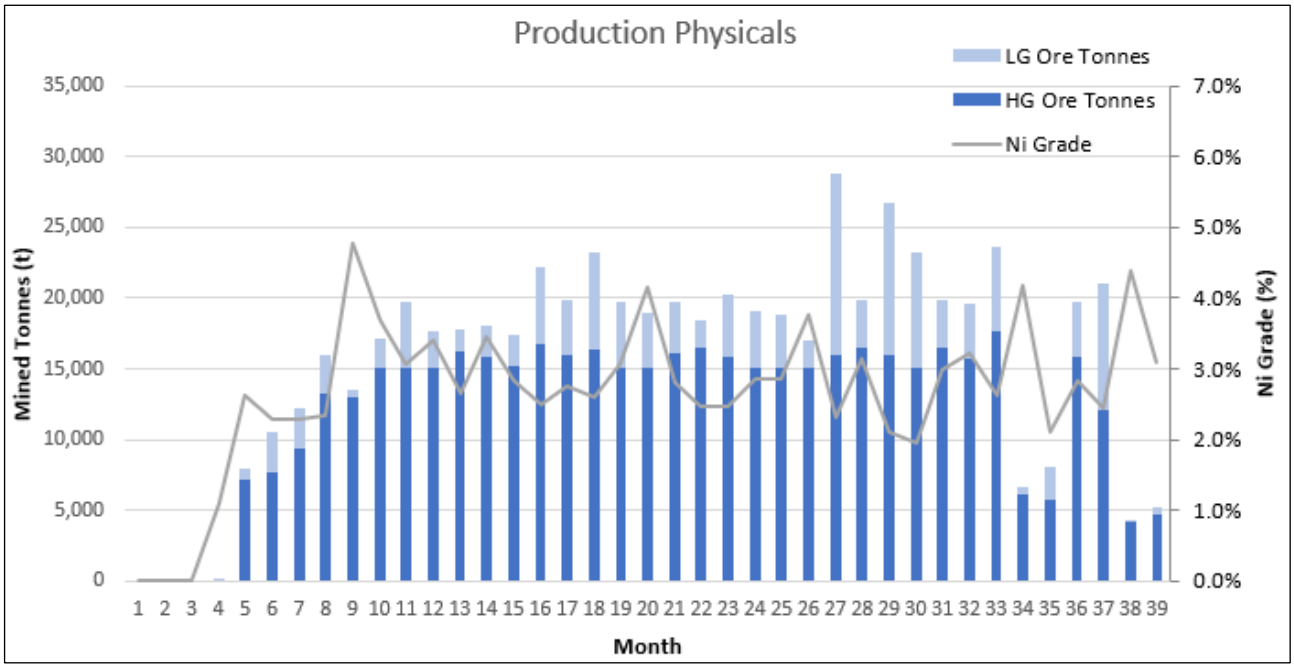

Figure 15: Baker production schedule

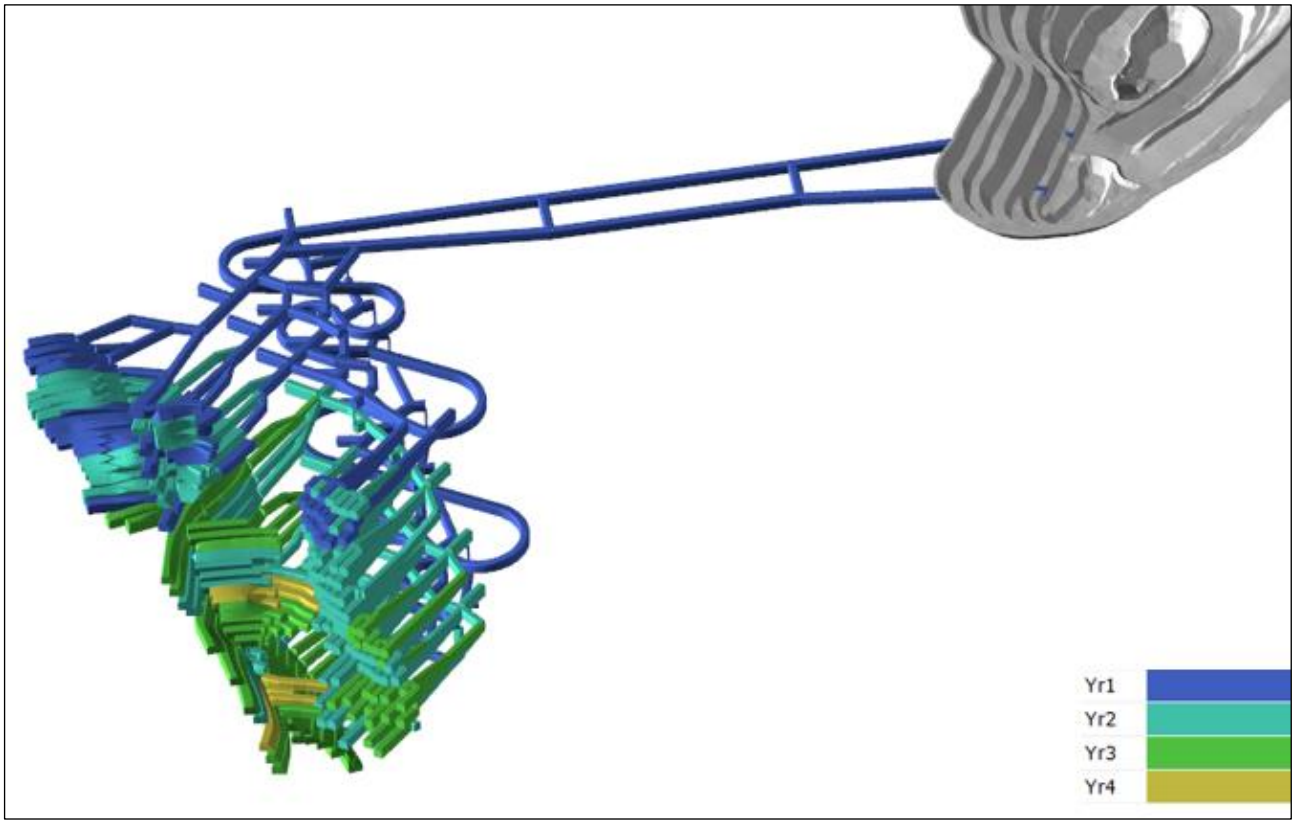

Figure 16: Isometric of Baker production schedule by year

10. METALLURGY

10.1 Overview

The metallurgical testwork for the PFS focused on demonstrating Baker's suitability for treatment through third party processing facilities, specifically in the first instance, Nickel West's Kambalda Nickel Concentrator (**KNC**). The testwork was completed by Independent Metallurgical Operations Pty Ltd (**IMO**) under the supervision of Cloutt Consulting.

Lunnon Metals has also had preliminary discussions with various other downstream third party treatment providers. In support of these discussions, Lunnon Metals continues to investigate the flotation characteristics of the Baker ore from a kinetic perspective, which assists in determining the ultimate nickel recovery and concentrate quality aspects (without the constraint of the Nickel West testwork procedure) and offers the potential to yield more favourable results than those reported herein under the Nickel West flotation regime.

10.2 Metallurgical Testwork Program

Initial grind/flotation work was carried out to understand the sample amenability to grinding and flotation response. Rougher grind/flotation sighter tests were conducted at grinds of P80 75 µm, 106 µm and 125 µm. Thereafter, flotation testwork programs were completed in line with procedures developed by Nickel West that best approximate the treatment conditions at the KNC. The subsequent flotation testwork was conducted at a grind size of P80 53 µm that best simulates the process flow at the KNC.

10.2.1 Baker Master Composite

The initial metallurgical testwork at Baker was completed and reported to the ASX on 1 September 2022. The initial sample selection for the flotation testwork programs was based on an initial whole of deposit Baker Master Composite (**BMC**) sample of 170kg. Samples were in the form of diamond drill core cut in either half or quarter core. All core had been pre-assayed and selected on the basis of location, mineralogy and grade to produce a composite sample.

The Company highlights that these samples were collected and this testwork commenced prior to the completion of the geological interpretation and reporting of the first-time Baker MRE in June 2022. As a consequence, over 40% of the core samples collected originated from outside the MRE interpreted model, with this additional material predominantly being sourced from the weakly mineralised hangingwall komatiite to make up the sample weight required.

The testwork recorded high nickel recoveries producing a very clean concentrate, low in contaminates and high in saleable nickel, copper and cobalt. Results for the BMC are included in **Table 4** below.

10.2.2 Ore Domain Specific Composites

In light of the significant widths and very high grades that were recorded in diamond drilling following the June 2022 Baker MRE and the improved control on geological interpretation capable from the additional drilling data gathered, the Company was able to commit to further testwork to generate domain specific metallurgical characteristics to use as inputs to the Ore Reserve, mine plan and economic model for the PFS.

A diamond drilling campaign was completed at Baker designed to provide the core samples for metallurgical testing of the geological domains subsequently identified in Baker's December 2022 MRE. In order to maximise the recovery of the requisite weight of core at the average grade specific to each domain, DD holes were planned to "twin"[8] existing DD core intervals of known width and grade via wedging off the original "parent" hole above the target interval.

To ensure the DD core presented for testwork was as "fresh" as possible, and to prevent any potential oxidation of the sulphide minerals present, the representative core chosen was vacuum sealed immediately after geological logging and stored in a freezer pending dispatch to IMO.

[8] The term "twin" is used here to describe two drillholes intersecting targeted mineralisation as close as possible to each other.

The samples were categorised based on the geological domain within which they had been interpreted, the mineralisation style and the depth of the intercept relative to the oxide/weathering profile. The domain-specific composites are as follows:

- BOF01 Domain;
- BOF02 Domain;
- MOB02 Domain; and
- MOB03 Domain.

The MOB03 domain was presented as two separate samples (MOB03A and MOB03B) based on the depth of the selected intervals relative to the oxide/weathering profile. BOF01 was also later further separated on the basis of depth towards the end of the program and the results for these further tests are still pending.

All composites collected incorporated both the nickel sulphide mineralisation targeted together with the requisite quantity of hangingwall and footwall dilutionary material that the mine design process had estimated as being likely to be extracted during the production process.

Figure 17: MOB02 flotation test in progress

10.3 Key Results

Overall, the metallurgical testwork completed to date has shown that the Baker deposit is amenable to conventional flotation techniques. All samples tested have shown the ability to achieve high metal recovery and produce a clean, high-grade nickel concentrate with a high Fe:MgO ratio and containing relatively low levels of deleterious elements, in particular arsenic. There has been a rigorous focus on deleterious elements during the assaying and reporting of all exploration samples and again in the metallurgical testwork program completed to date.

The domain-specific and BMC flotation testwork program results are summarised in **Table 4** below.

Table 4: Baker flotation testwork program results

Result	Ore Domain Specific Samples					BMC
	MOB02	BOF02	MOB03A	MOB03B	BOF01	Average
Head grade (% Ni)	3.8	2.94	7.43	6.76	4.27	**2.81**
Recovery (% Ni)	92.1	83.4	94.2	95.9	91.8	**86.0**
Concentrate grade (% Ni)	14.7	17.7	14.3	13.7	14.2	**16.9**
Concentrate grade (% Cu)	1.00	1.93	1.00	2.96	1.52	**1.53**
Concentrate grade (% Co)	0.29	0.32	0.23	0.20	0.25	**0.30**
Fe:MgO (in concentrate)	27.6	11.1	19.1	17.0	16.3	**16.8**
As (ppm) (in concentrate)	271	<20	<20	<20	319	**95**

Note: At the date of this announcement, recoveries for platinum and palladium have not been received.

Primary nickel mineralisation predominantly consists of pyrrhotite-pentlandite-pyrite plus subordinate chalcopyrite and magnetite. X-ray diffraction (**XRD**) analysis has recorded the secondary alteration of a minor portion of the massive sulphides in select samples to violarite-pyrite proximal to the oxide/weathering boundary, however, this is localised. All other domain results were within the range expected and indicated by the original BMC.

The additional detail provided by the domain specific testwork program will enable the individual metallurgical characteristics of the different Baker ore streams to be factored into mine planning and scheduling, thus helping to ensure a consistent product is delivered to the ROM pad and subsequent third party treatment partner.

10.4 Indicative Metallurgical Performance and Concentrate Quality

The indicative metallurgical performance and concentrate quality for the Baker Ore Reserve has been calculated by applying the domain specific testwork (as shown in **Table 4** above) to the mine physicals schedule (derived from the Ore Reserve estimate), which generates the following indicative parameters.

Table 5: Indicative metallurgical performance and concentrate quality

Parameter	Unit	Value
Average nickel recovery	%	91.2
Average nickel grade in concentrate	% Ni	14.6
Average copper recovery	%	96
Average copper grade in concentrate	% Cu	1.29
Average cobalt recovery	%	88
Average cobalt grade in concentrate	% Co	0.26
Average platinum grade[1] in concentrate	g/t Pt	0.58
Average palladium grade[1] in concentrate	g/t Pd	2.35
Fe:MgO ratio	ratio	18.8
Arsenic content[2] in concentrate	ppm	440

Notes:

1: Recovery for platinum and palladium was based off the BMC sample.

2: Arsenic has been modelled in the Baker MRE and thus is able to be estimated at the local scale in the Ore Reserve schedule.

The weighted average recovery of nickel to concentrate for the Baker Ore Reserve mine schedule is 91.2%, yielding an indicative concentrate grade of 14.6% Ni. The nickel recovery ranged between 83.4% (BOF02) and 95.0% (MOB03), and as expected is influenced by nickel head grade. Metallurgical testwork will continue focusing on deriving nickel head grade vs recovery data for each modelled domain to fine-tune the ultimate mine physicals schedule even further.

The weighted average grade in concentrate for the other elements reflects the modelled estimate in the Baker MRE for each element, modified by the mine design process that generated the Ore Reserve, then weighted by and factored for the metallurgical recovery performance recorded for each domain for that element during the flotation testwork.

As a result, the indicative grades shown in **Table 5** above may be lower, or as in the case of arsenic higher, than the simple weighted average of the domain testwork and also the BMC result shown in **Table 4**.

11. PROCESSING AND OFFTAKE ARRANGEMENTS

11.1 Processing Options

The Baker PFS assumes an OTCPA will be executed with Nickel West, enabling processing of nickel ore at the KNC, located approximately 25km to the north of the Baker Project. Lunnon Metals has commenced early-stage discussions with Nickel West. As part of those initial discussions, the Company has received an indicative OTCPA, which has been used to inform the PFS, including financial modelling. On the basis of an OTCPA with Nickel West, no processing capital will be required.

The PFS did analyse the likely cost of constructing the Company's own nickel concentrator at a suitable site within the KNP. The review concluded that currently there is insufficient nickel metal in the Company's Mineral Resource to justify the deployment of that capital. This assessment may change over the course of time, including the discovery of extensions to the existing MRE and/or a significant new nickel sulphide deposit.

Lunnon Metals is also in early discussions with other alternative potential offtake partners in the Eastern Goldfields region. These parties may have both the capacity and strategic need to enter into an OTCPA for ore production from Baker and the Company's other KNP assets.

The Company notes that if it did enter into an agreement with a third party other than Nickel West, Nickel West has a pre-emptive option to process any nickel mineralisation mined at KNP (including Baker) under the terms agreed at the time of the sale of the St Ives gold assets by WMC to Gold Fields Ltd in 2001. If Nickel West does not exercise their right of pre-emption, Nickel West may charge a royalty on any nickel produced from the KNP (in an amount of 1% of the number of metric tonnes of refined nickel sold during the month multiplied by the weighted average London Metal Exchange (**LME**) cash settlement price for nickel for the calendar month converted into Australian dollars).

11.2 Kambalda Nickel Concentrator and Downstream Processing

The PFS assumes that under the OTCPA with Nickel West, Lunnon Metals will require processing capacity of approximately 170–220ktpa of nickel sulphide ore at the KNC. The KNC has processed ore from 35 different orebodies from within the Kambalda region over more than 50 years.

The KNC has a notional processing capacity of 1.6Mtpa (subject to ore hardness), and has ample capacity with its main customer, Mincor Resources NL (ASX: MCR) (**Mincor**) contracted to supply up to 600ktpa of ore until December 2025[9]. Karora Resources Inc. (TSX: KRR) (**Karora**) is the other main customer, having mined 24,604 tonnes of ore for the full year 2022. Karora released a Preliminary Economic Assessment in August 2022, in which it forecast nickel ore production of 150–175ktpa from Year 2 to Year 4 of the project[10].

Ore mined will be trucked to the surface and then via road-train onto stockpiles at KNC. A front-end loader will then be used to transport ore from the surface stockpile at the KNC into the ROM bin to feed the mill at a pre-determined blending mix. The KNC design was based on a conventional sulphide processing route using traditional grinding and flotation technology to produce saleable nickel-copper-cobalt concentrate.

[9] Reference: Page 35 of the Target's Statement, Mincor Resources NL: https://www.mincor.com.au/site/pdf/f6e77285-80e3-4934-8cd2-38fd1d907fcc/Targets-Statement.pdf

[10] Reference: Karora Resources Announces Positive Nickel PEA for Beta Hunt Mine Producing 9,400 Payable Nickel Tonnes and Base Case Pre-Tax IRR of 105%, Karora Resources Inc: https://www.karoraresources.com/2022-08-12-Karora-Resources-Announces-Positive-Nickel-PEA-for-Beta-Hunt-Mine-Producing-9,400-Payable-Nickel-Tonnes-and-Base-Case-Pre-Tax-IRR-of-105

The nickel concentrates produced at KNC will be sold to Nickel West and blended with concentrate from Mount Keith and Leinster, for further downstream processing at the Kalgoorlie Nickel Smelter located in the industrial area of Kalgoorlie. The smelter uses a flash furnace to smelt concentrate to produce nickel matte.

Nickel West then refines granulated nickel matte from the Kalgoorlie Nickel Smelter into premium-grade nickel powder and briquettes containing 99.8% nickel at the Kwinana Nickel Refinery. Nickel powder may be further processed into nickel sulphate at Australia's first nickel sulphate plant, co-located at the Kwinana Nickel Refinery. Nickel metal and nickel sulphate is exported to overseas markets via the Port of Fremantle.

Figure 18: Kambalda Nickel Concentrator

11.3 Indicative OTCPA

The terms of the indicative OTCPA are commercially sensitive and confidential. However, Lunnon Metals provides the following commentary of the indicative OTCPA:

- The Company will be required to:
  - pay a treatment charge per tonne of ore delivered to Nickel West. The treatment charge will vary based on the annual quantity delivered and processed at Nickel West by the Company and third parties, with the charge reducing in defined increments linked to corresponding annual tonnages;
  - deliver a minimum annual quantity of ore to Nickel West which will be agreed for each annual period; and
  - meet maximum thresholds for arsenic content and a minimum threshold for the ratio of iron to magnesium oxide (Fe:MgO) in the imputed concentrate, otherwise Nickel West may reject the ore. The Company must also minimise tramp (metallic scrap e.g. rock bolts or mesh) in the ore.
- Nickel West will:
  - process the ore (subject to a minimum quantity of ore available to process from the Company and other third parties);
  - determine the recovery of nickel and other commodities in the produced concentrate based on an agreed formula (imputed recovery), with one of the key drivers of recovery being grade;
  - pay a percentage of the value of the nickel and other commodities for the deemed concentrate produced (payability). The payability will be determined based on a number of commercial and market factors, which may include the price and grade of the relevant commodity;
  - if required, deduct a penalty fee for the presence of any deleterious elements such as arsenic and magnesium oxide outside agreed thresholds in the imputed concentrate; and
  - pay a provisional percentage of the imputed amount one month after processing, with the final balance paid a further one month later. The final balance will include a commodity price adjustment based on the final quotational period for calculating the commodity prices.

As Lunnon Metals' ore will be blended with other ore from third parties at the KNC, it will be necessary to calculate the imputed metallurgical recovery of nickel and other commodities based on testing of Lunnon Metals' ore using Nickel West's flowsheet for the KNC. It will also be necessary to impute the concentration of arsenic, iron and magnesium oxide. Effectively, the aim is to calculate what the concentrate outcomes would have been if the ore was not blended to ensure each party receives a fair outcome.

12. INFRASTRUCTURE, TRANSPORT AND SERVICES

12.1 Power Supply

A diesel genset plant was assumed in the PFS, given uncertainty of timing and availability of a potential power supply agreement from St Ives, and a mine life sufficient to justify capital investment in renewable energy.

The Company is currently analysing other power options including connection to the St Ives 11kV powerline located approximately 2.8km from Baker, which represents a potentially significant cost saving opportunity.

12.2 Water Supply

Potable water requirements will be minimal and limited to use in kitchen and ablution facilities. A potable water supply will be established from an existing pipeline line located approximately 1.2km to the west of the Baker Project and supply of potable and service water is covered by a services agreement between Lunnon Metals and St Ives.

A portion of water from mine dewatering activity will also be recycled for use underground and in the paste plant, minimising the potable water requirement.

12.2.1 Surface Infrastructure

A substantial workshop already exists at Foster (see **Figure 19**) and will only require the re-establishment of access and minor refurbishment to bring it back into serviceability.

Lunnon Metals has completed initial layout designs for surface infrastructure, including the surface dewatering system, go-line, shift change facilities, service bay and paste-fill/diesel power plant hardstand areas. Other surface infrastructure requirements such as the ROM pad, haul road, and waste dump are already in place at Baker, established for previous mining activity, and will only require the re-establishment of access. An engineering consultancy firm, CPC Engineering, has reviewed the Baker pre-development infrastructure requirement.

Figure 19: Foster Mine workshop

12.3 Roads

The Baker Project is accessible via a combination of gazetted roads from Kambalda and Kalgoorlie and private roads owned by St Ives. Lunnon Metals has access rights across various St Ives owned roads via an Option and Joint Venture Agreement, and a separate Access Deed specifically relating to the Baker Project.

12.4 Accommodation

Personnel will be employed on either a residential or fly-in/fly-out (**FIFO**) basis. FIFO employees will be accommodated in one of several accommodation facilities in Kambalda that will be supplied by one of several local accommodation providers.

12.5 Airstrip

Personnel employed on a FIFO basis will fly in and out of Kalgoorlie from Perth using a commercial airline.

Kambalda also has an airport, which has recently seen commercial services re-introduced. Utilisation of the Kambalda airport will be part of the Company's ongoing investigations to minimise travel and transit times.

12.6 Communications

Communication at Foster is provided by a Starlink Satellite service that links via a Virtual Private Network (**VPN**) to Perth Head Office for a secure connection between Head Office and site. An on-site server at Foster provides all requirements for site data. Communications will be extended to Baker by adding a Point-to-Point microwave link from Foster to Baker ensuring effective, quick and reliable communications for data, internet and voice between all key locations.

12.7 Ore Haulage

Ore produced from Baker will be stockpiled on surface at an existing ROM pad constructed adjacent to the West Idough open pit, where the Baker Decline daylights. The stockpiled ore will be transported approximately 25km on privately owned roads by 180-tonne road-trains to Nickel West's KNC for processing.

The Baker ROM pad is designed to have sufficient surge capacity to ensure continuous production from Baker can be maintained, while an appropriately blended surface stockpile is built prior to the commencement of a processing campaign at KNC.

The road-trains will be loaded at the ROM pad by a front-end loader. A typical road-train loading and haulage arrangement is shown in **Figure 20**.

Figure 20: Typical road-train loading and haulage arrangement

On delivery and exit to the KNC ROM pad, each truck will be weighed over a certified weighbridge and will discharge via side tipping trailers to a stockpile at the KNC for rehandling by Nickel West into the crusher.

A 1.5% moisture content was assumed for costing purposes.

13. ENVIRONMENTAL

13.1 Environmental Conditions

The Project is located within the Eastern Goldfields Province in the Archaean Yilgarn Craton of Western Australia.

The regional topography is gently undulating with occasional ranges of low hills. Soils are principally brown calcareous earths and are poorly developed over greenstone belts. Saline and subsaline soils are common adjacent to drainage channels and salinas. Groundwater salinity in the region is generally in the range of 50,000 mg/L to greater than 300,000 mg/L total dissolved solids (**TDS**).

The Project area is within the immediate vicinity of Lake Lefroy, a salt-lake covering an area of 554km^2. Playa lakes such as Lake Lefroy are prominent within the Salina Land Division and occur as dendritic and partly interconnected chains that outline fossil drainage systems.

The vegetation in the region is dominated by Eucalypt woodlands, which become more open and develop a saltbush/bluebush understorey on the more calcareous soils.

The Project is located in an area in which previous land disturbance exists. The Project will utilise existing infrastructure and aims to limit land use to previously disturbed areas where possible, thereby minimising new disturbance.

13.2 Environmental Studies

The following environmental studies were undertaken as part of the assessments required to support the approvals associated with the development of the Project.

13.2.1 Detailed Flora Survey and Basic Fauna Assessment (including targeted searches for Mallee fowl)

The surveys found no Environmentally Sensitive Areas, no threatened flora species, no significant flora species, no significant ecological communities, and no significant fauna in the survey area. There were no Mallee fowl mounds or other evidence of Mallee fowl activity during the field survey.

The flora survey categorised the native vegetation condition within the survey area as "very good" to "completely degraded". Disturbances within the survey area include previous mining operations, exploration access tracks, low levels of grazing and historical impacts. Assessment of the results from the survey found that the proposed vegetation clearing activities are unlikely to be at variance to the clearing principles listed under Schedule 5 of the *Environmental Protection Act 1986* (WA).

13.2.2 Hydrology and Hydrogeology Studies

The hydrology and hydrogeology studies determined the likely abstraction requirement, location of the discharge to the environment (via historical open pit) and changes to hydrological regimes associated with existing and proposed new mining infrastructure.

13.2.3 Soil Characterisation Studies

The soil characterisation studies were undertaken to classify the soil types present in proposed disturbance areas and determine their suitability as a growth medium.

13.2.4 Waste Characterisation Studies

Waste characterisation studies were undertaken to quantify various waste rock types, their suitability as rock armouring material for waste landforms and their potential for acid generation so that an appropriate waste disposal plan could be developed. The potential for acid formation was shown to be low.

The information gathered by the various studies will be used to update the site environmental management plans and procedures, and will ensure the construction, operation and closure of the Project can be done to the highest level of environmental management and protection.

Lunnon Metals has reasonable grounds to expect that all necessary approvals and contracts will eventuate within the anticipated timeframe required by the mine plan.

13.3 Aboriginal Cultural Heritage Surveys

All Company activities that disturb the land at the KNP have taken into consideration the *Aboriginal Heritage Act 1972* (WA) (**AHA**) requirement to not disturb any aboriginal artefact or site. The number of prior and existing surveys is significant and includes extensive line and quadrat surveys (spatially the most extensive type of survey) undertaken throughout the duration of exploration and mining activities for some 50 years. There are no Aboriginal Cultural Heritage sites or issues which impact on the development of the Baker deposit.

Lunnon Metals is progressing discussions with the Ngadju Native Title Aboriginal Corporation (**Ngadju**) towards a formal land access agreement, which will include a Heritage Protection Agreement. In the interim, the Company engages the appropriate archaeological external consultants where required (e.g. in the limited areas of the Project that have not previously been extensively surveyed), to ensure its ongoing compliance with the AHA.

13.4 Carbon Emissions

Lunnon Metals recognises the importance of understanding and taking action to reduce its greenhouse gas emissions. The Company's Scope 1 emissions are direct greenhouse gas emissions from operations, in particular production of electricity by burning diesel and burning diesel fuel in trucks. Lunnon Metals is investigating options to reduce Scope 1 emissions primarily through the use of different sources of electricity other than diesel (see Section 20.1 for further details). The Company does not currently forecast any Scope 2 emissions (indirect emissions from the generation of purchased electricity).

Scope 3 emissions includes all indirect emissions that occur in the value chain of a reporting company. As Lunnon Metals is the primary producer, the bulk of Scope 3 emissions will be downstream emissions associated with the processing of its ore by its offtake partner, further downstream processes (refer to Section 11.2 for further details), transport of the downstream products, and production of end-products using the nickel and transport to customers (e.g. rechargeable batteries or stainless steel). Scope 3 emissions also include indirect gas emissions for purchased or acquired goods (e.g. mobile equipment used for mining) or services (transport of goods or services). Scope 3 emissions also include employees commuting from their residence to and from their place of work and business travel.

Based on initial investigations, the Company has estimated its Scope 1 and 2 emissions in **Table 6** below.

Table 6: Carbon emissions

Emission type	Total carbon emissions (tonnes of CO_2e)	Average carbon emissions (tonnes of CO_2e per annum)	Carbon intensity (tonnes of CO_2e per A$1 M gross revenue)	Carbon intensity (tonnes of CO_2e per ore tonne processed)
Scope 1	33,993	10,459	77.8	0.056
Scope 2	0	0	0	0
Total Scope 1 and 2	**33,993**	**10,459**	**77.8**	**0.056**

The carbon emission estimates include pre-production activities but exclude corporate and exploration carbon emissions. The estimated carbon emissions include emissions from the Company's mining contractor, paste plant contractor and surface haulage contractor. It does not include emissions following delivery of ore to the KNC. Lunnon Metals has not currently undertaken any analysis of its Scope 3 emissions.

14. SOCIAL AND COMMUNITY

14.1 Overview

Lunnon Metals has a proud relationship with the communities near its operations and is giving back to these communities. The Company recognises that contributing to the local community beyond direct operations can build better and stronger communities and enhance the quality of life for those people living and working in the region.

14.2 Traditional Owners

The Baker Project is located within the Native Title Determination area of the Ngadju, which encompasses an area of over 102,000km^2. The Ngadju people have lived on this land for perhaps as long as 50,000 years. The Ngadju were determined by the Federal Court of Australia to hold native title rights over the land that hosts the Baker Project area on 17 July 2017[11]. Lunnon Metals acknowledges the Traditional Owners of the land upon which Baker is located, the Ngadju people, and recognises their unique cultural heritage, beliefs and connection to these lands, waters and communities. The Company pays its respects to their Elders past, present and emerging.

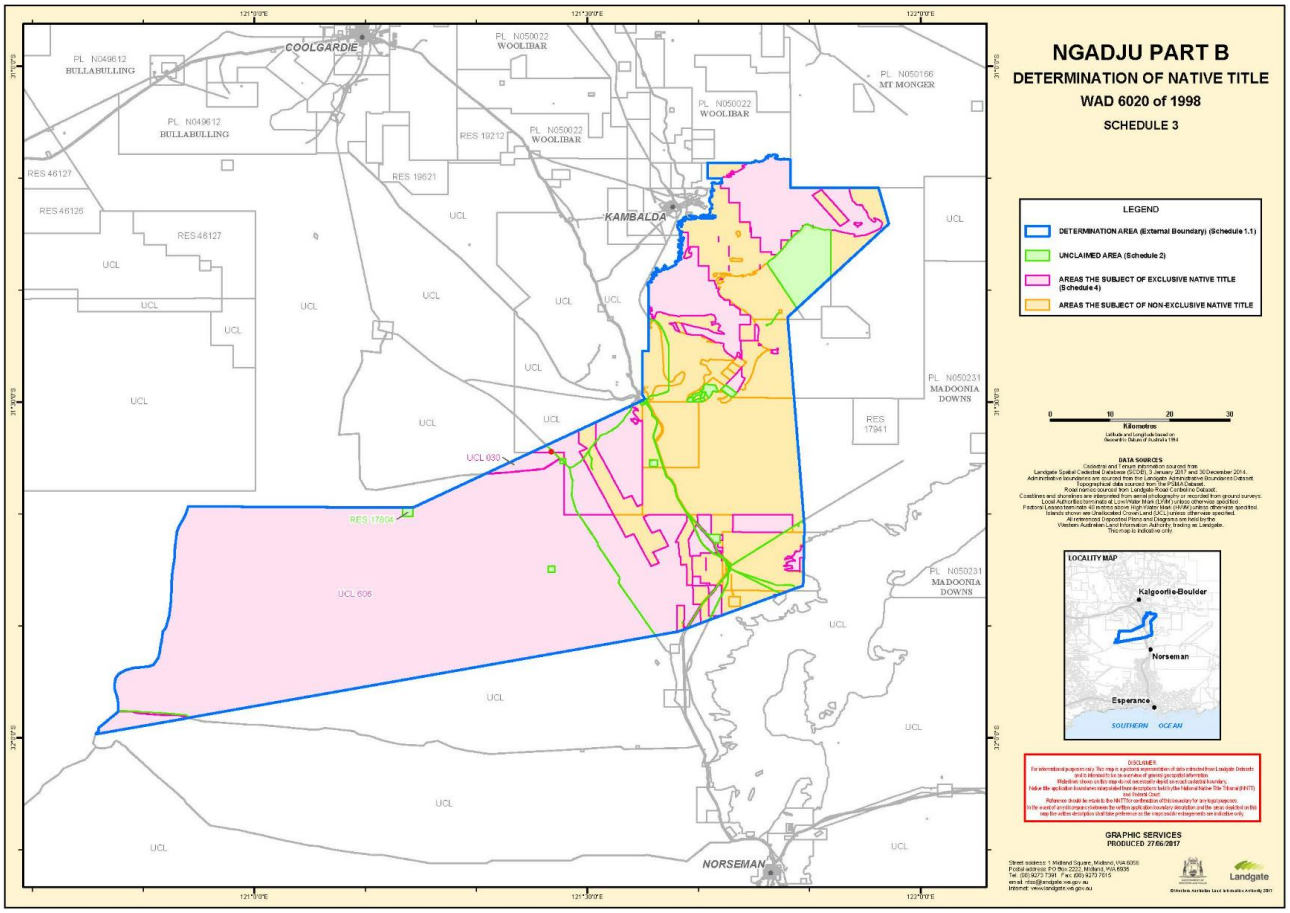

Figure 21: Native Title Determination area of the Ngadju

[11] Federal Court Native Title Determination – WCD2017/002 – Ngadju Part B.

14.3 Shire of Coolgardie

The Project is located within the Shire of Coolgardie, which encompasses an area of 30,400km^2 and includes the towns of Coolgardie, Kambalda, Widgiemooltha and the Aboriginal community of Kurrawang. Over 3,600 people live in the Shire.

The closest town is Kambalda, approximately 20km to the north of the Project.

14.4 City of Kalgoorlie-Boulder

The City of Kalgoorlie-Boulder is immediately to the north of Shire of Coolgardie, encompassing an area of 95,500km^2, with over 30,000 living in the city and surrounding regions.

14.5 Benefits to the Community

During construction and operations, the Project will deliver significant opportunities, increased support for local and regional businesses and improved quality of life for those people in the Company's communities.

The Project is expected to make a significant contribution to the economy over its life of approximately $292 million (refer to **Table 7** below), with the vast majority of all Project spend going to local Western Australian and Australian suppliers and businesses. This economic value-add incorporates:

- payments to suppliers for goods and services;
- payment to staff through wages and salaries; and
- taxes and royalties paid to government (such as corporate tax, payroll and royalties). The Project is also predicted to offer significant employment opportunities.

Table 7: Economic benefits to the community

Economic benefits to the community	Unit	Outcome
Life-of-mine (**LOM**) royalties and corporate taxes	A$ M	69.1
Other LOM expenditure	A$ M	222.9
Total economic value-add	**A$ M**	**292.0**

15. PROJECT APPROVALS

15.1 Mining Lease and Mining Proposal

Lunnon Metals is the 100% owner of granted Mining Leases which cover the Baker deposit, the West Idough pit, part of the waste dump, maintenance workshop, location of paste plant (and tailings reclaim area), and administration and technical office. The Mining Leases expire on 23 December 2025 but may be renewed for a further term of 21 years, subject to approval from the Department of Mines, Industry Regulation and Safety (WA) (**DMIRS**).

Before carrying out any mining activities on the Mining Leases, the Company must lodge a Mining Proposal (including Mine Closure Plan) with DMIRS, and DMIRS must approve the Mining Proposal. Lunnon Metals has prepared a draft Mining Proposal and Mine Closure Plan and intends to lodge it once proposed disturbance areas are finalised. It is expected that the Mining Proposal will take between three and six months for DMIRS to approve the proposal once lodged.

15.2 Native Title and Aboriginal Heritage

Ngadju was determined by the Federal Court of Australia to hold native title rights over the area of the Mining Leases and associated infrastructure associated with the Project on 17 July 2017[12]. As the Mining Leases were granted before native title rights were determined, a Native Title Agreement was not entered into in connection with the grant of the Mining Leases. For any new tenure (e.g. any Miscellaneous Licence) required for the Project, the Company would be required to negotiate with Ngadju prior to the grant of this tenure. At present, Lunnon Metals do not have plans to apply for any additional tenure, with all infrastructure located on granted Mining Leases or the Company having access agreements to construct infrastructure on granted Mining Leases or Miscellaneous Licences owned by third parties.

Lunnon Metals is progressing discussions with Ngadju towards a formal land access agreement detailing the manner by which the Company and the Ngadju people can develop a mutually beneficial relationship for the KNP, which is intended to include the consent of the Ngadju people to the development and future production from Baker (**Land Access Agreement**).

The AHA and the *Aboriginal Cultural Heritage Act 2021* (WA) (**ACHA**), which will supersede the AHA following a transition period, provides statutory protection for Aboriginal cultural heritage. The Project area has been significantly disturbed due to past mining activities (and pastoral activities) and extensive ethnographical and archaeological surveys have previously been undertaken, both across the Foster-Baker component of the KNP and in the local area of Baker. Regardless, as part of the proposed Land Access Agreement, the Company will undertake any necessary Aboriginal cultural heritage surveys under an agreed Heritage Protocol once those agreements are complete and executed.

15.3 Third Party Access

Aside from native title rights, there is no underlying third-party tenure which would inhibit the planned development of the Project (e.g. Freehold Land or Pastoral Leases).

Lunnon Metals requires vehicular access and infrastructure corridors on its neighbouring tenements, owned by St Ives, a wholly owned subsidiary of Gold Fields Ltd[13]. Lunnon Metals has entered into an Access Deed with St Ives for vehicular access to the Company's Baker Project via the West Idough Haul Road, access to develop and utilise infrastructure required for Baker (including dewatering infrastructure, expansion of existing waste dumps and re-commissioning of the West Idough ROM pad), and dewatering from the West Idough Pit into a nearby historical open pit owned by St Ives.

No other third-party access requirements have been identified. However, third-party access may be required if Lunnon Metals elects to develop and install a powerline as part of a power supply agreement (instead of the currently planned diesel power station).

15.4 Environmental

The Company has been granted the following licences by the Department of Water and Environmental Regulation (WA):

- Licence to Take Water: Licence for dewatering for mining purposes; and
- Prescribed Premises Licence – Licence for discharge of mine dewatering.

Currently, Lunnon Metals estimates that land clearing will be less than 10 hectares. Accordingly, a land clearing permit will not be required, with the clearing permitted under the Mining Proposal.

The Company has not identified any unique flora and fauna which may require special permitting.

[12] Federal Court Native Title Determination – WCD2017/002 – Ngadju Part B.

[13] As at the date of this announcement, St Ives is the Company's largest shareholder, with an interest of 34% of the Company's current issued capital.

16. CAPITAL COST ESTIMATE

16.1 Pre-Production Capital Estimate

The pre-production capital estimate of $18.6 million represents costs for the overall Project as at calendar quarter 2, 2023. An amount of $1.3 million has been included as Project contingency. The accuracy of the estimate is -15% to +25%.

The pre-production capital cost estimate has been developed with inputs from CPC Engineering, MGT, Ripago, Entech, and the Owner's Team.

The pre-production capital estimate excludes:

- Study costs to complete a Definitive Feasibility Study;
- Underground mining fleet, which is assumed to be hired from a mining contractor. Investigations are ongoing as to whether it would be more beneficial for Lunnon Metals to own the mining fleet;
- The costs of a processing plant, with ore transported by road to a third-party concentrator as part of offtake arrangements;
- A power station, which is assumed to be hired from a contractor. Investigations are ongoing to construct a powerline to connect into Gold Fields power infrastructure and obtain a power supply agreement;
- Capital costs following first production. There is no additional cost estimated to ramp up to commercial levels of production (net of revenue credits);
- Exploration and other project costs associated with the KNP which are not within the scope of the Baker PFS; and
- Financing and corporate costs, other than those personnel who are solely dedicated to the Project (i.e. the Owner's Team).

The major costs are summarised in **Table 8**.

Table 8: Major pre-production capital costs

Item	Unit	Value
Foster Area[1]	A$ M	1.8
Baker Area[2]	A$ M	4.7
Lateral Capital Development[3]	A$ M	8.8
Contingency[5]	A$ M	1.3
Pre-Production Operating Costs	A$ M	1.9
Total	**A$ M**	**18.6**

Notes:

1: Includes refurbishment of the Foster workshop and offices (including washdown pad), and establishment of ablution block at Foster.

2: Includes establishment of an access portal in the West Idough pit, dewatering infrastructure, primary ventilation fan, shift change room, vehicle washdown pad, service bay, diesel storage and establishment of associated hardstand areas.

3: Includes access decline, ventilation decline, crosscuts, stockpiles and sumps.

4: Includes vent rises and escapeways.

5: A value of 20% calculated on the costs for the Foster Area and Baker Area.

16.2 Sustaining Capital Estimate

Economic modelling has incorporated a sustaining capital estimate of $19.5 million, with costs commencing from first production (first stope ore). The cost estimate represents costs expended to sustain and/or maintain the capital assets to perform to the Project design criteria during the LOM and where there is a useful life of greater than 12 months. Due to the limited LOM of the Baker Project, the sustaining capital primarily relates to underground mine development and mine closure costs. In the last 12 months of mining, all costs (including development) are categorised as operating costs.

The major costs are summarised in **Table 9.**

Table 9: Sustaining capital costs

Item	Unit	Value
Lateral Capital Development[1]	A$ M	17.2
Vertical Capital Development[2]	A$ M	1.2
Closure Cost[3]	A$ M	1.0
Total	**A$ M**	**19.5**

Notes:
1: Includes access decline, ventilation decline, crosscuts, stockpiles and sumps.
2: Includes vent rises and escapeways.
3: Closure Cost excludes any salvage cost.

17. OPERATING COST ESTIMATE

The total estimated LOM operating cost for mining, surface haulage, processing, and general and administration is approximately $184 million. The accuracy of the estimate is -15% to +25%. Unless otherwise indicated, all financial values are stated in real Australian dollars as of calendar quarter 2, 2023. The operating costs do not allow for escalation or inflation.

The operating costs have been compiled and developed from a variety of sources, including:

- First-principle estimates based on a ground up build approach based on key physical drivers, volumes and consumption rates;
- Benchmarking by an external consultant against current unit costs for mines operating at a similar scale and utilising similar mine methods;
- Contractor request for quotation or request for pricing (RFQ or RFP), in particular for mining, paste-fill, surface haulage, power station, diesel and cement, accommodation, and flights;
- Indicative terms for the OTCPA;
- Key consultant and vendor recommendations/inputs;
- Metallurgical testwork;
- General and administrative costs determined by Lunnon Metals, based on prior experience and input from consultants; and
- Personnel numbers and salary costs determined by the Company, based on prior experience and input from consultants.

The major operating costs for the PFS are detailed in **Table 10** below. In relation to the operating cost estimate, the following should be noted:

- Operating costs commence from first production (first stope ore);
- Exploration and other project costs associated with the KNP which are not within the scope of the Baker PFS are excluded, including any potential conversion of Inferred Mineral Resources or extensions to the Baker MRE; and
- General corporate costs and financing costs. General and administration includes an allocation of corporate costs for those directly working on the Project. It does not include a full allocation of corporate costs.

Table 10: Major operating costs

Item	Total LOM (A$ M)	Unit cost (A$/t ore mined)	Unit cost (A$/lb Ni contained in concentrate)[1]
Mining	131.2	214	3.73
Processing (including Surface Haulage)[2]	46.1	75	1.31
General and Administration[3]	7.2	12	0.20
By-product credits[4]	(14.0)	(23)	(0.40)
C1 Cash Cost	**170.5**	**279**	**4.84**
Royalties[5]	18.4	30	0.52
Total Operating Costs	**188.9**	**309**	**5.36**
Sustaining Capital (including closure costs)[6]	19.5	32	0.55
All-in Sustaining Costs	**208.3**	**340**	**5.92**

Notes:

1: Nickel contained in concentrate is not equivalent to nickel payable. Nickel payable requires an assumption for payability.

2: Processing costs exclude penalties, which are deducted from revenue. Processing costs (including surface haulage) would be deducted from revenue in any operating reporting.

3: General and Administration includes an allocation of corporate costs for those directly working on the Project. It does not include a full allocation of corporate costs.

4: By-product credits are associated with the sale of copper, cobalt, platinum and palladium in the nickel concentrate.

5: Royalties includes an assumption for a royalty payable to the native title party. It does not include any assumption for a royalty to BHP in the event the offtake was not sold to BHP (refer to Section 11.1 for details).

6: Refer to Section 0 for details of sustaining capital (including closure costs).

18. FINANCIAL MODELLING AND EVALUATION

18.1 Overview

Economic modelling was undertaken internally by Lunnon Metals, with the model being reviewed by a consultant for logic and calculation errors. The modelling utilises the capital and operating costs estimates, mine production physicals and metallurgical results discussed above.

18.2 Key Financial Assumptions

The Key Financial Assumptions used in the financial modelling for the PFS (outlined in **Table 11**) were chosen based on consideration of market forecasts (in particular broker forecasts) for commodity prices and the exchange rate, and recent realised pricing in the last 12 months. Commodity and exchange rate assumptions have been applied on a **flat-line basis** over the LOM. Discount rates are based on rates utilised by peers in similar prefeasibility and feasibility studies, and these rates may not represent the Company's cost of capital. For simplicity, the financial model is based on real numbers as at calendar quarter 2, 2023, and accordingly assumes no inflation for either revenue or costs.

Table 11: Key financial assumptions

Assumption	Unit	Assumption value	Spot price or current rate (as at 18 May 23)
Nickel price[1]	US$/t	24,000	21,334
Copper price[1]	US$/t	7,500	8,302
Cobalt price[1]	US$/t	40,000	34,930
Platinum price[1]	US$/oz	850	988
Palladium price[1]	US$/oz	1,250	1,356
AUD:USD	A$1:US$	0.68	0.66[2]
Inflation	%	0	7.0%[3]
Discount rate	%	8	N/A
Model start date	date	1 April 2024	N/A
Corporate tax rate[4]	%	30	30
Accumulated tax losses[5]	A$ M	30	N/A
Diesel price (after rebate)[6]	A$/litre	1.32	1.39
State royalties[7]	% of contained metal	2.5	2.5

Notes:

1: *Commodity prices assume a flat price over the LOM. Spot Prices are the three-month delivery closing price specified by the LME on the relevant date for nickel, copper and cobalt. Spot prices are the EUR – PM specified on the relevant date for platinum and palladium by the LME.*

2: *The spot price for AUD:USD is the rate as at 4pm Sydney Time on the specified date published by the Reserve Bank of Australia.*

3: *The current rate of inflation is based on the Consumer Price Index, Australia for the 12 months to the March 2023 quarter, published by the Australian Bureau of Statistics.*

4: *Corporate tax rate is 25% if aggregated turnover is less than $50 million in any financial year. No assumption has been made for the 25% rate.*

5: *Accumulated tax losses is an estimate of tax losses to 31 March 2024 and is not based on audited numbers or completed tax returns.*

6: *The diesel fuel rebate for liquids fuels for other business uses (excluding travelling on public roads) to 30 June 2023 is currently 47.7c per litre. The current rate of diesel is the Regional Average retail rate for diesel in Western Australia specified on the relevant date by Fuel Watch (WA), less the current diesel fuel rebate.*

7: *State royalties are calculated on the value of the contained metal, not the payable metal.*

18.3 Summary of PFS Financial Outcomes

The financial analysis was undertaken using an A$35,294/t nickel price (US$24,000/t nickel price at 0.68 AUD:USD) and assumes a constant price for nickel (and other commodities) throughout the LOM and no inflation on costs.

The key financial outcomes of the PFS are presented in **Table 12** below.

Table 12: Summary of PFS financial outcomes

Measure	Unit	Outcome
Nickel Contained in Concentrate	Ni kt	15,970
Gross Revenue[1]	A$ M	437
Operating Costs	A$ M	184
Pre-Production Capital Expenditure[2]	A$ M	19
Total LOM Costs[3]	A$ M	241
Free Cash Flow – Pre-Tax[4]	A$ M	196
Free Cash Flow – Post-Tax[4,5]	A$ M	145
IRR (Pre-Tax)	%	324
IRR (Post-Tax)5	%	219
$NPV_{8\%}$ (Pre-Tax)[6]	A$ M	164
$NPV_{8\%}$ (Post-Tax)[5,6]	A$ M	121
C1 Cash Costs[7]	A$/t ore processed	279
AISC Cost[8]	A$/t ore processed	340
AIC Cost[9]	A$/t ore processed	371
Payback (Pre-Tax)	years	0.7

Notes:

1: Gross Revenue excludes any deduction of penalties from revenue and revenue credits to Pre-Production Capital

2: Pre-Production Capital expenditure is to first stope ore, not commercial production

3: Total LOM Costs includes Operating Costs, Sustaining Capital, Closure Costs and Pre-Production Capital.

4: Free Cash Flow is Gross Revenue (less penalties) minus Operating Costs, Capital Expenditure (pre-production and sustaining), Royalties, and Closure Costs.

5: Post-Tax includes an assumption of $30 million in accumulated tax losses to 31 March 2024 and 30% Corporate Tax rate.

6: NPV is based on real cash flow forecasts and represents value as at projected start date of 1 April 2024.

7: C1 Cash Costs includes Operating Costs, including mining, processing (excluding penalties), surface haulage, G&A, less By-Products divided by ore tonnes for processing). It excludes pre-production and sustaining capital expenditure, rehabilitation cost and royalties.

8: AISC (All-in Sustaining Cost) is C1 Cash Cost plus royalties, sustaining capital expenditure (including closure costs), divided by ore tonnes for processing. It excludes pre-production capital.

9: AIC (All-in Cost) is AISC plus pre-production capital, divided by ore tonnes for processing

18.4 Cash Flow Analysis

The Project is forecast to be cash positive, with pre-tax capital payback estimated to be achieved within 0.7 years from the Project commencement date.

The post-tax free cash flow projection for the Project is shown in **Figure 22**.

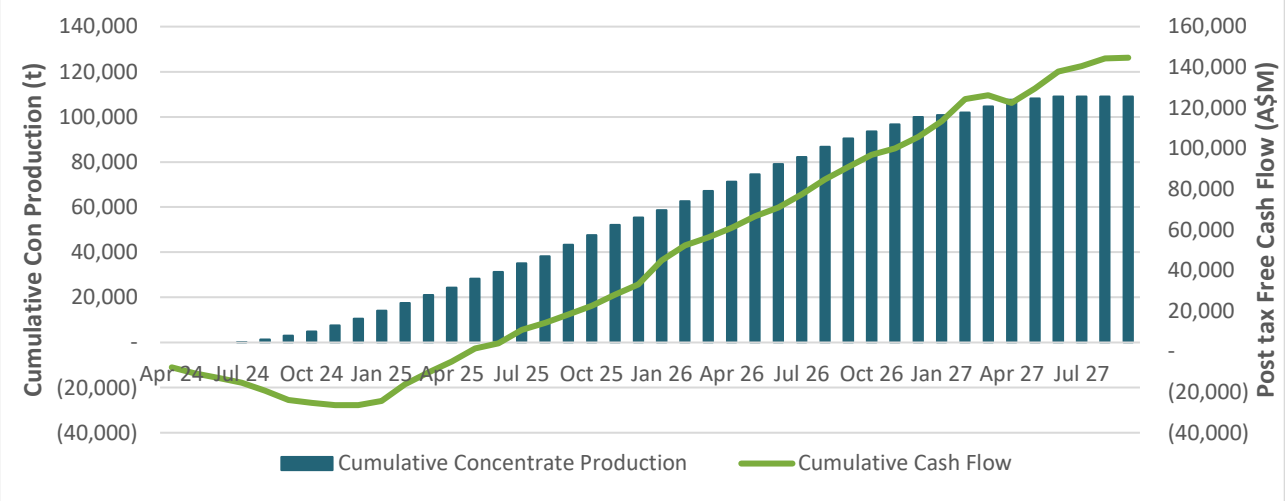

Figure 22: Post-tax free cash flow projection for the Project

18.5 Financial Analysis

The following **Table 13** summarises some of the key drivers of the financial model.

Table 13: Financial analysis

Measure	Unit	Outcome
Nickel Revenue	% of Gross Revenue	96.8%
Other Revenue	% of Gross Revenue	3.2%
Mining (includes diesel for mining and power)	% of Operating Costs	71.1%
Diesel[1]	*% of Operating Costs*	*7.4%*
Processing (including surface haulage)	% of Operating Costs	22.6%
General and Administration	% of Operating Costs	3.9%

Notes:

1: Rounding of numbers may result in slight differences in calculated and cumulative numbers.

2: Diesel cost includes diesel usage associated with sustaining costs (in particular mining development). Accordingly, the diesel cost directly related to operating cost would be a slightly lower percentage of operating cost.

18.6 Sensitivity Analysis

The PFS was subjected to a sensitivity analysis against key variables, including:

- Nickel price;
- Exchange rate;
- Discount rate;
- Nickel grade;
- Recovery;
- Total operating cost;
- Pre-production capital expenditure; and
- Sustaining capital.

The analysis showed that the pre-tax NPV of the Project is most sensitive to nickel price and nickel grade, exchange rates. However, the Project is less sensitive to changes in pre-production capital, sustaining capital and discount rates.

Results of the sensitivity analysis of +10/-10% on the pre-tax NPV are shown in **Figure 23** below.

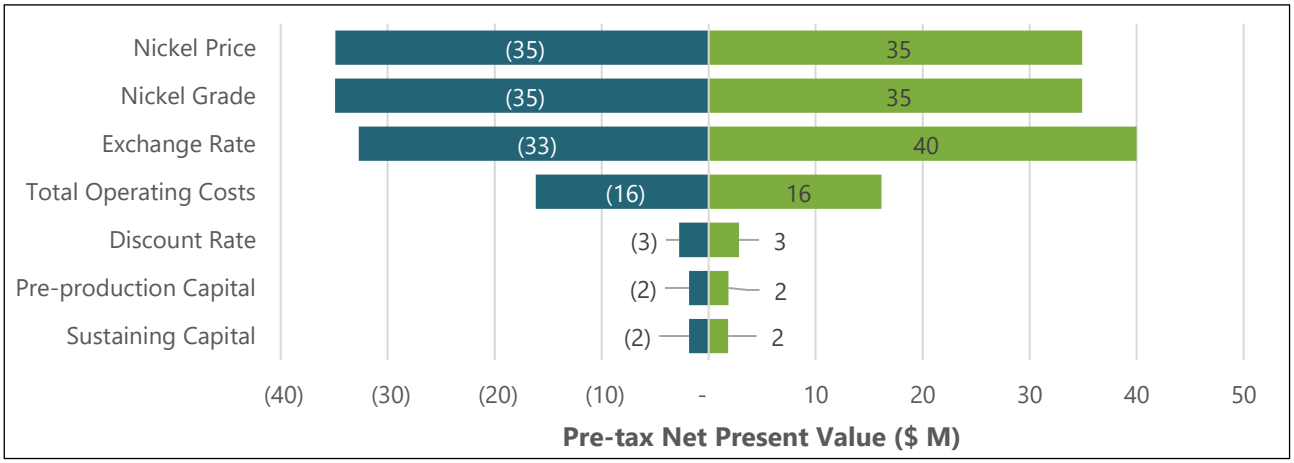

Figure 23: Sensitivity analysis (+10%/-10%) on pre-tax NPV

19. FUNDING REQUIREMENTS

19.1 Overview

To achieve the range of outcomes indicated in the PFS, pre-commercial production funding of approximately $26.4 million may be required, being the estimated maximum cash drawdown (before funding costs and interest). The difference between the pre-production capital expenditure of $18.6 million and the pre-commercial production funding requirement of $26.4 million represents:

- Costs of ramp-up of ore production until the revenue of ongoing ore production is sufficient to pay operating and sustaining costs. These costs will be partially offset by the revenue earned during this ramp up period. It is noted that there is significant ongoing mine development after first stoping ore which is required to enable production from multiple areas to enable the targeted production of approximately 15,000 tonnes of ore per month from stopes.
- Working capital requirements due to the indicative offtake arrangement, in particular:
  - minimum quantities of ore must be stockpiled before a batch of ore can be processed; and
  - payment terms are deferred until after the month of processing of the ore, with a provisional payment, and later a final payment.

The pre-commercial production funding requirement excludes funding requirements for other activities, including ongoing exploration at the KNP, study or project costs associated with Foster or other projects (which may run in parallel to the development of the Baker Project), and ongoing corporate costs.

Typical project development financing would involve a combination of debt and equity. Initial considerations are that the debt component would consist of the working capital requirement and an amount to accommodate any potential cost overrun or delay in revenue. However, the final mix will be dependent on the equity markets; the share price of Lunnon Metals; the cost, availability and terms of debt; the outcomes of further work, including a Feasibility Study; and the final terms of any offtake agreement.

19.2 Reasonable Basis for Funding Assumption

The Project's technical and economic fundamentals provide a strong platform for Lunnon Metals to source traditional financing through equity and debt markets, in addition to pursuing other financing strategies should this be to the benefit of shareholders (including financing from potential offtake partners). However, there is no certainty that Lunnon Metals will be able to source funding as and when required.

While no formal funding discussions have commenced, the Company has received proposals from non-financial institutions and these institutions have expressed a high level of interest in being involved in funding of the Project.

Lunnon Metals has formed the view that there is a reasonable basis to believe that requisite future funding for development of the Baker Project will be available when required. There are grounds on which this reasonable basis is established including:

- Lunnon Metals has a current market capitalisation of approximately $200 million and no debt. The Company has an uncomplicated, clean corporate and capital structure. Lunnon Metals owns 100% of the Baker Project. These are all factors expected to be highly attractive to potential financiers
- The Lunnon Metals Board and management team has extensive experience in mine development, financing and production in the resources industry;
- The Company has a strong track record of raising equity funds as and when required to further the exploration and growth of the KNP, as evidenced by:
  - the initial $15 million IPO on 15 June 2021; and
  - $30 million placement to professional and institutional investors announced on 14 April 2022;
- Global debt and equity finance availability for high-quality nickel sulphide projects remains robust, particularly in low-risk jurisdictions and jurisdictions which may qualify for tax incentives (e.g. nickel sourced from Australia may enable downstream producers to qualify for tax-credits associated with electric vehicles, batteries or other renewable power production infrastructure in the United States of America under the *Inflation Reduction Act of 2022*). A recent example of significant funding being made available for development of a single asset nickel company located in Australia in the last 12 months was Mincor's $63.7 million (before costs) in December 2022.
- The Baker Project provides attractive economics with a very low capital cost to NPV ratio, which is atypical for most mining projects. Release of these PFS results provides a platform for the Company to discuss the outcomes with potential financiers.

20. FURTHER WORK

20.1 Power Supply

A diesel power station was assumed in the PFS, given the uncertainty of timing and availability of a potential power supply agreement from St Ives, and a mine life sufficient to justify capital investment in renewable energy.

Several power supply options will continue to be investigated, including:

- A power supply agreement with St Ives. St Ives currently sources its power from Nickel West, which is due to expire at the end of 2023. St Ives are currently investigating a standalone renewable power supply, utilising a 40MWp solar farm, 60MW windfarm, 30MW/30MWh battery energy storage system and up to 40MW diesel generation[14], which targets 85% renewable energy supply. A decision on the Feasibility Study is expected by St Ives in 2023.
- From initial investigations, a power supply agreement with St Ives would increase upfront capital costs by less than $2 million to construct a power line and acquire an 11kV transformer. However, the savings in operating costs are expected to be significant. A capital contribution or operating cost contribution for capital committed by Gold Fields Ltd would be required to benefit from an 85% targeted renewable energy solution.
- A hybrid solar, battery and diesel power station. Options include purchasing, hiring or entering into a build own operate arrangement with a third party.

[14] Reference: St Ives Hybrid Microgrid Project – Community Consultation Sessions July 2022, Gold Fields Limited. https://www.goldfields.com/pdf/investors/presentation/2022/st-ives-microgrid-consultation-presentation.pdf

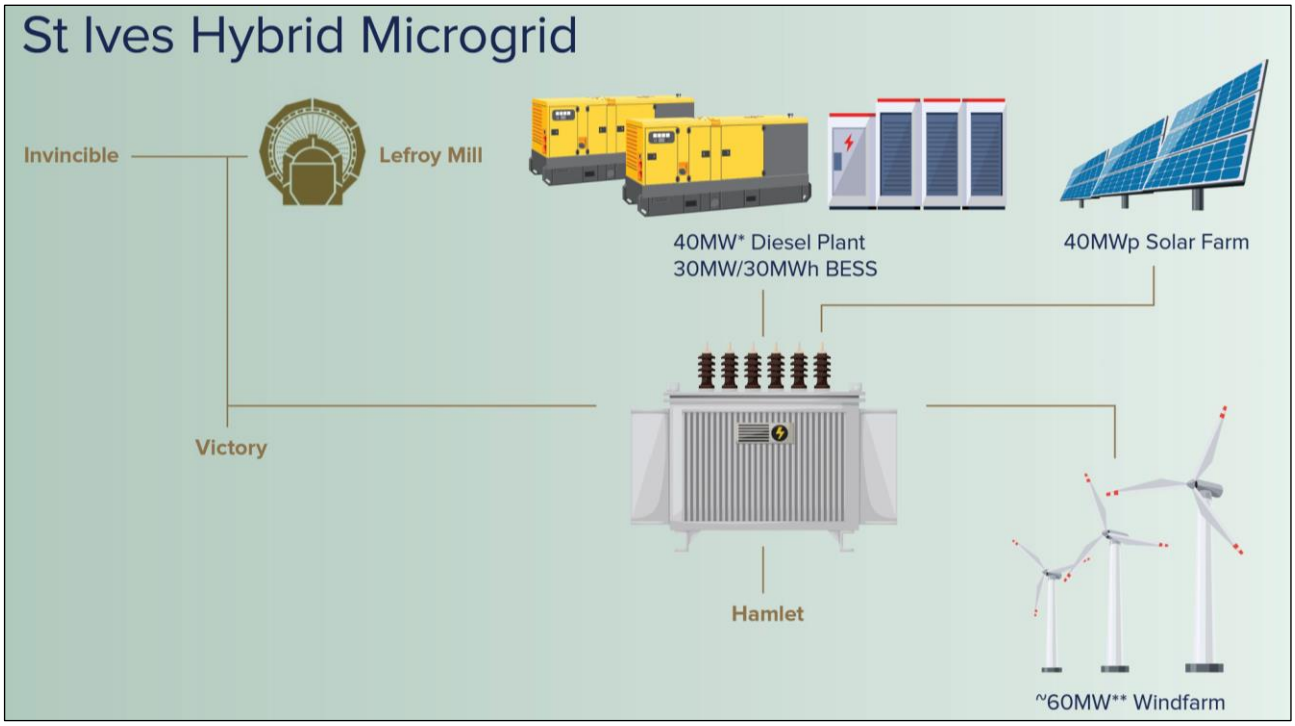

Figure 24: Conceptual plan for St Ives Hybrid Microgrid

20.2 Mine Design

Lunnon Metals has undertaken limited iterations of its underground mine design and schedule. The mine design is development intensive, and the Company will investigate options to further optimise its mine design, in particular access development. One area in particular has been identified associated with MOB03 and BOF02, with BOF02 having its own individual access.

20.3 Offtake Discussions

Lunnon Metals will progress its offtake discussions with Nickel West and other potential offtake partners in the Eastern Goldfields region. The offtake discussions will also likely involve discussions regarding potential offtake from Foster. The Company aims to have a negotiated offtake arrangement to enable a financial investment decision by quarter 2, FY2024 (Q4 CY2023).

20.4 Contractor Mining Discussions

The Company has had initial engagement with potential mining contractors, which includes one mining contractor providing indicative pricing. Lunnon Metals will continue its discussion with potential mining contractors, including discussions on mine design optimisation, contract scope and framework (including which party is best to acquire and own the mobile equipment), availability and timing, and contract pricing.

21. UPSIDE OPPORTUNITIES

21.1 Mine Life Extension at Baker

The scope of the Baker PFS was limited to Indicated Mineral Resources (as reported to the ASX on 7 December 2022 and updated for palladium, platinum and arsenic estimations on 5 April 2023). Accordingly, the PFS does not consider a more wholistic financial investment analysis of the Mineral Resource options and potential future extension of Mineral Resources at the Baker Project.

For example, the PFS does not consider:

- Baker Inferred Mineral Resources, currently being **291,000 tonnes @ 2.3% Ni for 6,800 contained nickel tonnes**[15]. The limit of Indicated Mineral Resources included in the PFS is approximately 200m below surface, which is extremely shallow for an underground nickel mine in Kambalda. Inferred Mineral Resources extend to approximately 400m below surface (see **Figure 25**);
- Potential future extensions to Baker, with the deposit remaining open down plunge. The current extent of drilling is approximately 400m below surface covering a plunge extent of some 500m. Kambalda nickel sulphide deposits are renowned for their long aspect ratios, i.e. significant plunge extents relative to their across-strike extents; and
- The potential for future nickel mineralisation to be defined on the basal contact below Baker between the komatiite hangingwall and footwall Lunnon Basalt. Surface RC hole ECO21RC_049 recorded 5.0m @ 6.99% Ni (above a 1.0% Ni cut-off and from 203m downhole – shown on **Figure 5** previously in this report[16]) at this key and highly prospective contact, indicating reasonable prospects for further extension to the MRE once underground diamond drilling is possible in close proximity.

Lunnon Metals notes its previous commentary that it does not currently intend to infill drill beyond approximately 200m below surface; the plan being to infill this area and undertake further extensional drilling once suitable underground development is in place.

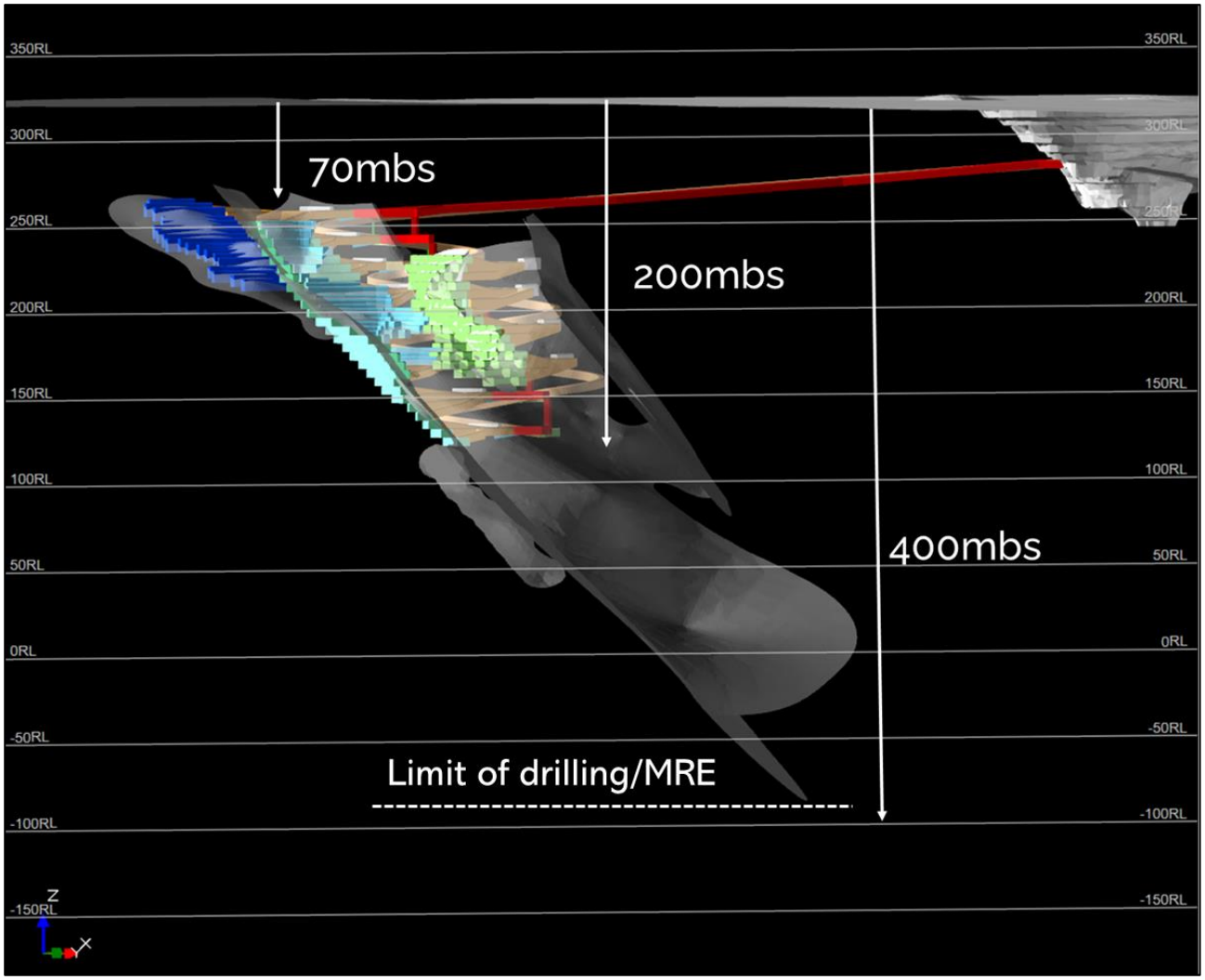

Figure 25: Isometric view of PFS mine design for potential future Baker underground mine accessed from adjacent historical West Idough gold open pit (view looking north illustrating approximate depth below surface in metres – "mbs")

[15] Refer to Table 16 for a full breakdown of the Mineral Resource for Baker.
[16] Refer ASX announcement 11 July 2022 for details.

21.2 Increasing Scale of Operations from the Foster Baker Area

The Baker PFS does not incorporate the Company's Mineral Resource accessible from the Foster mine decline (once dewatered), presently **1.95Mt @ 2.9% Ni for 57,000 tonnes of contained nickel metal**[17], which is only 3km away from Baker (see **Figure 26** below). Following completion of this Baker PFS, the focus of Lunnon Metals for ongoing studies will shift to Foster.

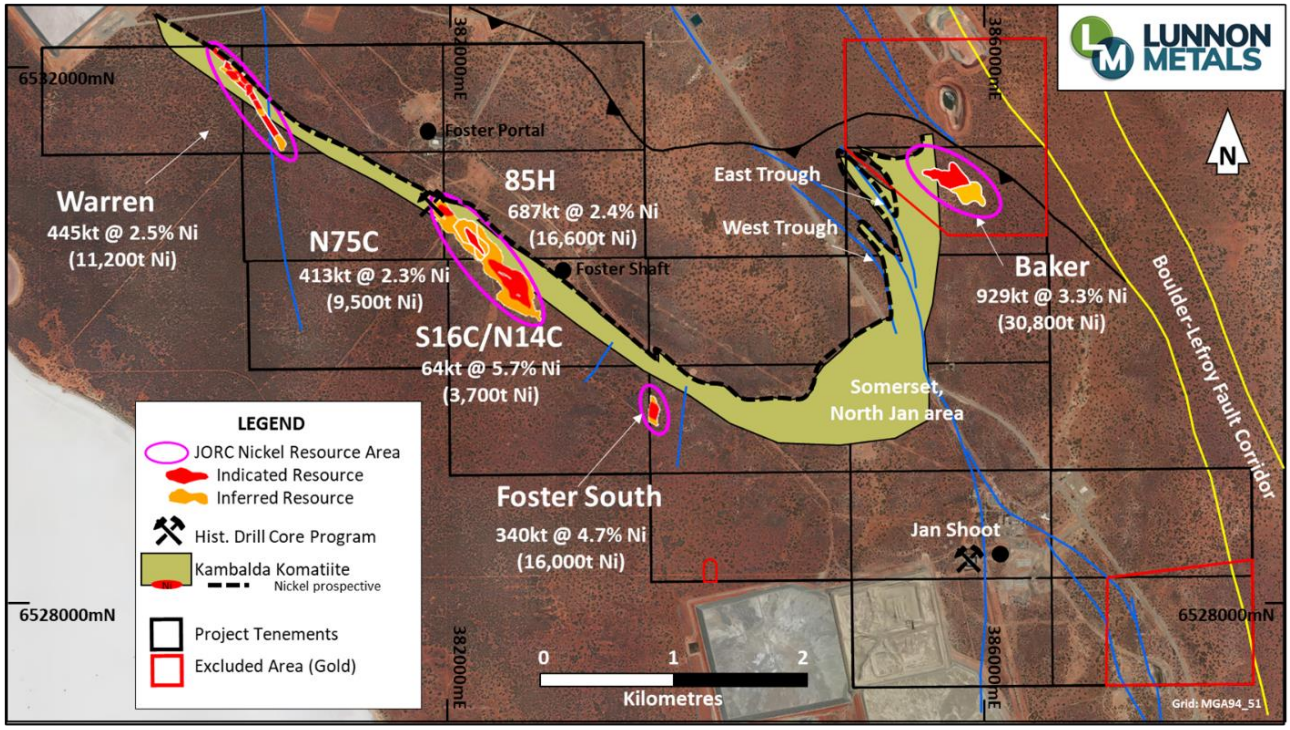

Figure 26: Plan view of the Foster-Baker area of the KNP showing location of reported programs and the current Mineral Resources (as at 31 March 2023) represented in plan projection

The Company highlights there is the potential for increased scale and operational synergies if Foster's MRE is considered in future analyses with Baker, which may offer reduced unit capital and/or operating costs (per tonne of ore mined). Potential synergies include:

1) Increased utilisation of mining personnel and mining equipment, with mine scheduling enabling activities to move across the operations with minimal transit time;
2) Increased utilisation of paste plant and surface haulage equipment;
3) General and administrative costs being shared across a larger production base;
4) Reduction in treatment charges under the proposed OTCPA, with treatment charges reducing as annual ore tonnage meets defined delivery ranges;
5) Increase in payabilities due to an increase in the size of annual tonnages and/or potential duration of any offtake arrangement; and
6) Increased production scale enabling investment in company owned power infrastructure, which will reduce power unit costs.

A combined scenario of Baker and Foster will be considered as part of further studies into Baker, which will be carried out in parallel to a PFS for the Foster mine. A combined Baker and Foster project study is targeted for quarter 2, FY24 (calendar quarter 4, 2023).

[17] Refer to Table 16 for a full breakdown of the Mineral Resource accessible from the Foster decline.

Lunnon Metals also notes the potential of the East Trough target, which is approximately 450m from Baker and potentially accessible from Baker's underground development (refer to **Figure 27** below). Subject to ongoing success and positive diamond drilling results, the East Trough area may be the subject of a Mineral Resource estimation exercise to report an initial Inferred Mineral Resources, enabling this nickel mineralisation to be factored into the considerations of any potential future Baker underground operation.

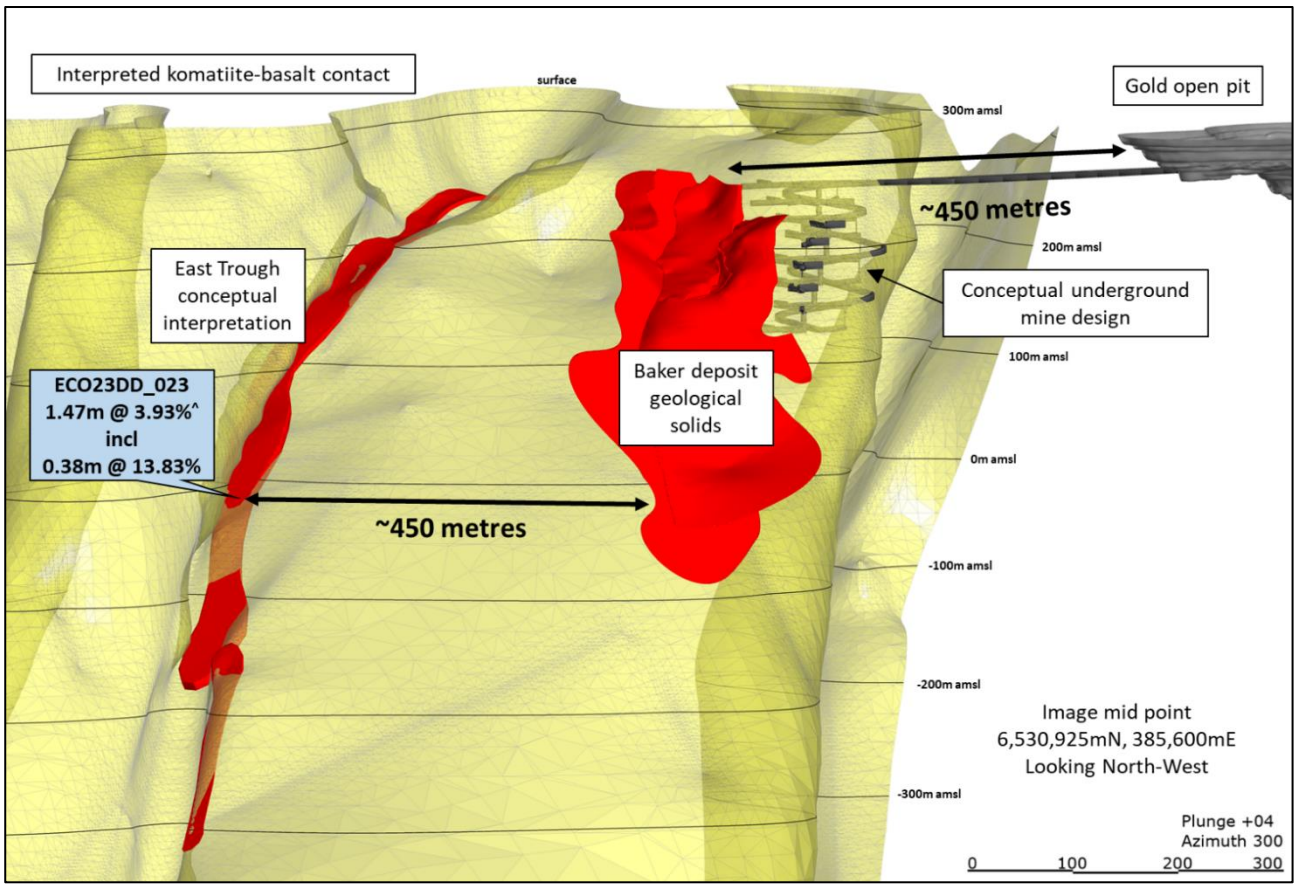

Figure 27: Perspective view looking (northwest) from the komatiite hangingwall towards the basalt footwall, illustrating the spatial relationship between East Trough (left) and Baker (right) (intercept marked ^ are >0.5% Ni cut-off, otherwise >1.0% Ni)

21.3 Power Supply

As discussed in Section 20.1, there is potential for reductions in operating cost and carbon emissions associated with a power supply agreement with St Ives or amortising the cost of a hybrid solar, battery and diesel power station across a larger-scale operation.

21.4 Mine Design

Lunnon Metals has undergone limited iterations of its underground mine design and schedule. The mine design is capital development intensive, and the Company will investigate options to optimise this capital development without unnecessarily compromising on mining flexibility and the ability to blend ore from different mining domains.

21.5 Waste Haulage

There is potential to dispose of waste rock from Baker within the West Idough open pit. This would reduce waste haulage distances significantly reducing haulage costs and negate the need to re-establish access to the existing surface waste dump.

22. KEY RISKS

22.1 Economic Assumptions

Project economics are most sensitive to the nickel price. A prolonged suppression of the nickel price or a substantial strengthening of the Australian dollar has the potential to significantly reduce the Project NPV and free cash flow generation of the Project. The financial model is based on a flat Australian denominated nickel price derived from recent realised pricing in the last 12 months and broker consensus pricing. Global uncertainty, a decline in global economic activity, an increase in supply of nickel (particularly planned production from Indonesia), and delayed demand for electric vehicles and batteries may all impact on the Australian denominated price of nickel and other commodity pricing assumed in the financial model.

22.2 Offtake Risks

Lunnon Metals has yet to secure an OTCPA with Nickel West. There is no certainty that an agreement will be successfully negotiated with Nickel West or that the negotiated terms will be on the same basis as assumed in the financial model, despite ongoing early discussions to date.

If the Company is unable to negotiate a successful agreement with Nickel West, Lunnon Metals may be required to incur additional costs in treating and trucking the ore, or otherwise expend a significant amount of capital to construct a Concentrator, and costs of trucking and/or shipping this concentrate to offtake parties, the costs of which may not be offset by more favourable offtake terms.

Lunnon Metals has estimated the potential payability for the concentrate, however, the payability that may ultimately be negotiated is based on a multitude of factors, including the nickel market demand and supply (in particular the nickel sulphide demand and supply), the nickel price, the contracting requirements of any particular offtake party, the quality of the offtake product (in particular the quantity of deleterious materials like arsenic or magnesium oxide), and the size and term of any offtake arrangement.

The treatment charge of ore is based on an assumption of ore supply from third parties to the KNC, and the Company delivering the minimum contractual requirement of ore in any annual period. Currently, Mincor has an OTCPA which expires on 31 December 2025. There is a risk that this agreement will not be extended or that Mincor will not deliver the minimum quantities of ore required under the OTCPA, and this quantum of ore is not supplied by other third parties to the KNC. There is a risk that Lunnon Metals will not be able to deliver the minimum annual contract requirement in any year due to operational issues.

Based on metallurgical testwork to date (which includes dedicated DD holes drilled specifically for metallurgical testing of each identified geological area, with at least one metallurgical sample per ore domain), the Company is confident of satisfying any future concentrate specifications and of not breaching the typical rejection limits for the Fe:MgO ratio or arsenic content.

However, despite the drill spacing of samples that have informed the MRE and the level of metallurgical testing to date, there is inevitably a level of uncertainty with new projects and it is possible that discrete sections of the Ore Reserve may not align with all prior testing and exceed the limits for penalties on a local scale. Although this risk is considered minor, actions available to Lunnon Metals to mitigate or limit any such impact include the option to blend ore from other domains within the orebody (noting the mine schedule mines multiple domains at any one time). The Company intends to undertake assays of the ore during the production cycle to ensure a premium ore blend for the concentrator at all times and to minimise the risk of penalties or rejection of ore due to local effects. Lunnon Metals also notes that it has modelled arsenic as part of the MRE (noting all drillholes have been assayed for arsenic) and has a reasonable level of confidence on the locations where there is higher arsenic.

There is a risk that Nickel West will be unable to process the ore due to a force majeure event. In that event, the Company may have limited opportunities to sell its ore without further treatment (i.e. the sale of ore rather than a concentrate) and generate revenue from the sale of ore produced. Any alternative options may result in significant increased cost in treatment and transport and may be on more unfavourable terms than it would otherwise receive, including payability and penalties.

22.3 Mineral Resources and Ore Reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice at the time of the estimate. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, MREs are imprecise and depend to some extent on interpretations, which may prove to be inaccurate, in particular the grade or tonnage of payable commodities estimated or the presence of deleterious materials in the MRE. As further information becomes available through additional drilling, mining, or analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Mining Inventory for Ore Reserves are Probable Reserves based on Indicated Mineral Resources. There is no Proven Ore Reserves or Measured Mineral Resources. There has been no inclusion of Inferred Mineral Resources in the Ore Reserve or production. Mineralised blocks within about 25m of sampling have been classified as Indicated. The remaining resource outside the Indicated area is classified as Inferred, which has a general drillhole spacing of about 40m by 40m or broader.

22.4 Geotechnical Risks

There has been no geotechnical assessment of the first 450m of decline between the portal and the uppermost mining horizon. This development is expected to intersect several lithologies including Black Flag sediments, a regional shear (Foster Thrust), Devon Consols Basalt, and ultramafic rock before reaching the Lunnon Basalt. To mitigate this risk, a geotechnical cover hole is planned to be drilled from the portal location along the proposed decline route defining the rock mass conditions to be expected along this section of decline.

Geotechnical data has been collected from holes oriented to define the MRE and there is consequently a directional bias from this data.

The access decline and permanent infrastructure will be located in the Lunnon Basalt to minimise geotechnical risk due to the Lunnon Basalt's higher rock strength. The basalt characterisation relies on data collected proximal to the ore zones, however, the decline and other capital development, is located further into the basalt where there are no holes with geotechnical coverage. It is assumed that the condition of the basalt is consistent across the decline route.

No in-situ stress measurements were taken. The stress regime was estimated by extrapolating measurements from within the region. In-situ stress is considered a low risk due to the shallow depth of mining.

Tight filling is required to maintain hangingwall integrity and global stability and is key to achieving a high extraction ratio and minimising dilution. Mining induced stress and sill pillar damage is possible and has the potential to complicate the final stages of ore extraction. Numerical modelling of the extraction sequence has been undertaken to quantify this risk and has concluded that where pillar damage is predicted, it is mostly minor.

General ground control risks will be managed via the implementation of a Ground Control Management Plan.

22.5 Hydrology/Hydrogeology

A hydrogeological model was completed to predict likely groundwater inflow. Predicted inflows are moderate and considered likely to be conservative in that hydraulic interference between various parts of the mine have not been taken into account and that aquifer permeability at depth could be significantly lower than modelled, however, variations can occur.

All drillholes have been grouted to eliminate the risk of unexpected inflow resulting from underground workings intersecting drillholes.

There is a low risk of flooding due to surface runoff resulting from a 1% annual exceedance probability (**AEP**) or 1-in-100-year storm event. Flood modelling of the Project area was completed with the model indicating the existing bund around the West Idough Pit is sufficient to prevent external surface water from overtopping the bund during a 1% AEP. The assessment also found that the storage volume within the pit void was sufficient to reduce the risk of inundation of the portal following a 1% AEP.

22.6 Mining Risks

The proposed mine schedule and mining method is considered conventional for narrow width orebodies. The targeted production of 15,000 tonnes of ore per month (above a 1.5% Ni operating cut-off) is reasonably conservative and is aimed at managing dilution risk.

Production, grade and ore quality risk will be mitigated by the number of production fronts available at any one time, enabling acceptable ore quality to be achieved through an appropriate blending strategy.

Dilution and ore loss is a key risk in any mining operation. The selected mining method of mechanised cut and fill utilising cemented paste-fill is a highly selective mining method and considered key to managing this dilution risk and maximising extraction given the orebody geometry, providing the following advantages:

- Allows efficient extraction of a relatively flat dipping ore zone;
- Facilitates accurate drill and blast practices;
- Can rapidly adjust for short range variations in ore strike length, orientation and dip;
- Can adjust to cater for ore width variation to maximise extraction;
- Allows for close spaced ground support as necessary to covering varying ground conditions in general and hangingwall conditions in particular;
- Paste-fill providing a quality working surface minimising fill dilution and ore loss to fill; and
- Passive support of hangingwall by paste-fill over extended dip expanses preventing deep failure of the hangingwall span and crushing of sill pillars.

The operational aspects of development and production are generally considered low risk, other than geotechnical and hydrogeology risks mentioned above. Paste-fill is considered low risk with the proposed paste-fill system utilising tried and proven technology and techniques practiced locally for more than 20 years.

Mining is intended to be undertaken by a selected mining contractor which brings a layer of complexity and risk as the mining contractor is biased by its own profitability and may have competing demands from other customers. The terms of the contract to manage unforeseen issues will be considered by Lunnon Metals, in particular any incentives to deliver production, manage dilution and to enable sufficient flexibility in the mining schedule.

The mining costs are material in value and are derived from a first principles, zero-based cost model based on a ground-up build approach considering key physical drivers, volumes and consumption rates. The mining costs were verified via a mining cost estimate supplied independently by a reputable mining consultancy firm specialising in mine cost estimation. There is a risk that these rates may not reflect market rates, or market rates may change before rates are negotiated into a contract. There is a risk that key physical drivers, volumes or consumption rates may vary from that anticipated.

22.7 Metallurgical Risks

Lunnon Metals has completed a range of metallurgical testwork and mineralogical analysis to date. This has included a bulk composite as reported to the ASX on 1 September 2022 and domain-specific testwork derived from dedicated DD holes, reported herein. Testwork continues with a focus on deriving nickel head grade vs recovery data to further refine the economic model. There is a risk that future testwork results may differ from, and therefore modify, the weighted metallurgical performance of the Baker Ore Reserve as currently scheduled.

22.8 Laws, Regulations, Rules, Approvals, Licences and Permits

The Company's operations will be subject to various Federal, State and local laws and plans, including those relating to mining, development permit and licence requirements, industrial relations, environment, land use, taxation, royalties, water, native title and cultural heritage, mine safety and occupational health. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development.

Approvals, licences and permits required to comply with such rules and regulations are subject to the discretion of the applicable government officials. No assurance can be given that Lunnon Metals will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with mining or development. There can be no assurance that the costs involved in retaining or obtaining such approvals will not exceed those estimated by Lunnon Metals.

Mining operations can be subject to public and political opposition. Opposition may include legal challenges to development permits or approvals, political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity, all which may delay or halt development or expansion.

22.9 Operational Risks

The Company's planned operations, as any others, will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, geology metallurgical recovery or unanticipated metallurgical issues (including the presence of deleterious materials), infill resource drilling, the level of experience of the workforce, operational environment, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, or the health and safety of its workforce, storms, floods, bushfires or other natural disasters. Mining operations could also suffer from poor design or poor reliability of equipment, impacts to supply chain, and transport of plant equipment and the workforce to and from site.

The occurrence of any of these circumstances could result in Lunnon Metals not realising its operational or development plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance. As the Project is the only planned operating asset, any operational risks which materialise at the Project will have a greater effect on Lunnon Metals than a diversified company with two or more operations.

22.10 Amount of Capital, and Timing, to Commercial Production

The majority of the pre-production capital is associated with mine development costs. Mine development assumes a conservative advance rate of 250m per month over 60 shifts per month. The key risk to the pre-production capital is ensuring the Project obtains capable and experienced mining staff when required. For construction costs, a contingency of 20% has been assumed.

The key risk is a delay in ramp-up from first production due to the inability to access capable and experienced mining staff, inability to achieve estimated productivity rates or other operational issues which may affect production (including geotechnical, hydrogeology, health and safety). An increase in the amount of capital to commercial production or a delay in achieving commercial production levels will result in additional funding requirements, and if adequate funding requirements are not available, the cost of the additional funding or dilutionary impacts of equity funding could be significant.

22.11 Financing Risks

Lunnon Metals is yet to secure financing for the Project. Although the Company is confident that it will obtain financing on acceptable terms, there is no guarantee that funding will be available or that it will be available on acceptable terms. Financing on acceptable terms will be dependent on numerous factors, including the quantum of financing required, equity markets; the share price of Lunnon Metals; interest rates; the cost, availability and terms of debt; and the outcomes of further work, including a Feasibility Study; and the final terms of any offtake agreement. Refer to Section 19 for further details on financing and funding requirements.

22.12 Availability of Labour

The resources sector has experienced extreme tightness for skilled and professional staff over recent years, especially due to restrictions on travel during the COVID-19 pandemic. Since the lifting of these restrictions, the labour market has eased, however, there remains a risk that suitable and adequately trained and experienced staff may not be able to be recruited in a timely fashion prior to Project start-up and/or when needed in future as a result of normal staff turnover. Availability of labour is particularly an issue in underground mining. The Project's location, proximal to a well serviced regional mining centre such as Kalgoorlie, and the relatively small size of the required workforce are both factors that mitigate and limit these risks.

22.13 Climate Change

Climate change risk to Lunnon Metals includes the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.

Climate change may cause certain physical and environmental risks that cannot be predicted by Lunnon Metals, including events such as increased severity of weather patterns (e.g. increased prevalence of heavy rainfall events, resulting in flooding, or longer duration of heatwaves) and incidence of extreme weather events (e.g. increased severity of flooding events or increased maximum temperatures) and longer term physical risks such as shifting climate patterns.

All these risks associated with climate change may significantly change the industry within which Lunnon Metals operates. Increased severity of flooding may result in loss of production or damage equipment and infrastructure, significantly increase dewatering costs and require changes in mine design to mitigate risk. A longer duration of heatwaves or increased maximum temperatures will impact on the efficiency of equipment and the workforce (decreasing productivity and increasing unit costs), require additional power and water for cooling and ventilation, and increase the risk of severe bushfires. The Company's planned operations requires minimal water; however, water is a crucial requirement for downstream processing of ore.

23. FUTURE PLANS AND NEXT STEPS

The future plans and next steps for Lunnon Metals are:

- The immediate focus for ongoing studies will shift to a PFS for Foster, where the Company has 57,000 tonnes of nickel metal[18] accessible from the Foster mine;
- Detailed discussions with potential ore tolling and concentrate purchase partners with respect to future Baker nickel sulphide production, and a potential Baker and Foster development scenario;
- Financing considerations for a potential accelerated project development timeframe for Baker and for a combined Baker and Foster development scenario;
- Ongoing refinement of the PFS at Baker and further engagement with prospective contractors and suppliers;
- Investigating options for grid power supply to Baker and Foster from St Ives;

[18] Refer to Table 16 for a full breakdown of the Mineral Resource for the KNP.

- Continue progressing discussions with Ngadju towards a formal land access agreement for the KNP;
- Continue to advance the Mining Proposal/Mine Closure Plan for Baker and Foster; and
- Ongoing exploration at KNP with a view to identifying new Mineral Resources to provide multiple future production sources, and increased operational life, once operations have commenced.

24. ABBREVIATIONS AND UNITS OF MEASUREMENT

Abbreviation	Description
°	degrees
°C	degrees Celsius
µm	micron(s)
2D	two-dimensional
3D	three-dimensional
A$	Australian dollars
A$ M	million Australian dollars
ACHA	Aboriginal Cultural Heritage Act 2021 (WA)
AEP	annual exceedance probability
AHA	Aboriginal Heritage Act 1972 (WA)
AIC	all-in cost
AISC	all-in sustaining cost
As	arsenic
ASL	above sea level
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BMC	Baker Master Composite
cm	centimetres
Co	cobalt
Cr	chromium
Cu	copper
Cube	Cube Consulting Pty Ltd
DD	diamond drill
DMIRS	Department of Mines, Industry Regulation and Safety
dmt	dry metric tonnes
FBA	Foster and Baker
Fe	iron
FIFO	fly-in/fly-out
g/t	grams per tonne
IMO	Independent Metallurgical Operations Pty Ltd
IPO	initial public offering
IRR	internal rate of return
ISRM	International Society for Rock Mechanics
Karora	Karora Resources Inc.
kg	kilograms
km, km^2	kilometres, square kilometres
KNC	Kambalda Nickel Concentrator
KNP	Kambalda Nickel Project

Abbreviation	Description
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts
LHD	load-haul-dump
LME	London Metal Exchange
LOM	life-of-mine
Lunnon Metals	Lunnon Metals Ltd (or the Company)
M	millions
m	metres
mg/L	milligrams per litre
MgO	magnesium oxide
MGT	MineGeoTech Pty Ltd
Mincor	Mincor Resources NL
mm	millimetres
Moz	million ounces
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
Ngadju/NNTAC	Ngadju Native Title Aboriginal Corporation
Ni	nickel
Nickel West	Nickel West Pty Ltd
NPV	net present value
OTCPA	Ore Tolling and Concentrate Purchase Agreement
pa	per annum
Pd	palladium
PFS	Preliminary Feasibility Study
ppm	parts per million
Pt	platinum
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
RQD	rock quality designation
SLF	Silver Lake and Fisher
St Ives	St Ives Gold Mining Co. Pty Ltd
t	tonnes
t/m^3	tonnes per cubic metre
TDS	total dissolved solids
US$	United States of America dollars
VPN	Virtual Private Network
WMC	WMC Resources Ltd
XRD	x-ray diffraction

BAKER ORE RESERVE

1. OVERVIEW OF ORE RESERVE

On the basis of the completed Baker PFS, Lunnon Metals has declared an initial Ore Reserve for the Baker Project.

The Ore Reserve for the Project is reported according to the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, JORC Code 2012. The Mineral Resource was converted to an Ore Reserve in consideration of the level of confidence in the Mineral Resource estimate and reflecting modifying factors. Mineral Resource estimates are reported inclusive of those Mineral Resources converted to Ore Reserves. The Proved Ore Reserve estimate is based on Mineral Resource classified as Measured. The Probable Ore Reserve estimate is based on Mineral Resource classified as Indicated. **Table 14** presents a summary of the Ore Reserves on a 100% Project basis at a A$35,294/t nickel price (US$24,000/t at US$0.68:A$1.00)

Table 14: Ore Reserve for the Baker deposit as of 22 May 2023

Category	Tonnes	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)	As (ppm)	Ni metal tonnes
Proved	-	-	-	-	-	-	-	-
Probable	612,000	2.86	0.24	0.052	0.49	0.20	110	17,500
Total	**612,000**	**2.86**	**0.24**	**0.052**	**0.49**	**0.20**	**110**	**17,500**

Note: Tonnes and nickel grade have been rounded to three significant figures, other graded to two significant figures, and nickel metal has been rounded to the nearest 100-tonne.

2. MATERIAL ASSUMPTIONS

Pursuant to ASX Listing Rule 5.9.1, and in addition to the information contained in the body of this report and the details provided pursuant to ASX Listing Rule 5.9.2 in Appendix E, namely JORC Code (2012) Table 1, Sections 1, 2, 3 and 4, Lunnon Metals provides the following summary of material assumptions:

Table 15: Ore Reserves material assumptions

Material assumption	Outcome
Mineral Resources (Appendix E: JORC Table 1, Section 3, Pages 78-91)	The Mineral Resource estimate (**MRE**) (refer ASX announcement 7 December 2022 and republished Appendix E: JORC Table 1, Sections 1 to 3 in this announcement) for the Baker deposit, which formed the basis of this Ore Reserve estimate, was completed by Cube Consulting Pty Ltd (**Cube**) in consultation with, and based upon, validated drillhole data, geological interpretations and 3D models compiled by the Lunnon Metals' Competent Person. The geological model is based on 86 Reverse Circulation (**RC**) holes and 19 diamond drill holes (**DD**) and associated assay data. The data set, geological interpretation and model was validated using Lunnon Metals' internal processes. Cube produced a mineral resource grade and tonnage estimate (the MRE) using standard processes and procedures including data selection, compositing, variography, estimation using 3D ordinary kriging (OK) techniques, with massive sulphide and disseminated sulphide sub-domains defined by categorical indicator estimation. Estimates were made and are reported for nickel, copper, cobalt, platinum and palladium as well as bulk density, iron, MgO and arsenic. Cube was not required to sign off on the MRE, however, the estimation work and resource classification completed by Cube is to a standard consistent with the JORC Code (2012) guidelines, and the resulting Mineral Resource classification was established by discussions between Lunnon Metals and Cube.

	The Competent Person(s) is satisfied that the MRE has been reported and classified according to the guidelines set out in the JORC Code (2012) and in line with industry best practice. The Minerals Resources are reported inclusive of the Ore Reserve.
Mining method and assumptions (Section 9, Pages 17-24 and Appendix E: JORC Table 1, Section 4, Pages 92-98)	Underground mining via mechanised cut and fill mining techniques utilising cemented paste-fill was chosen as the preferred mining method following assessment of the orebody geometry, grade, and geotechnical conditions. The Project will be accessed via a decline from the existing West Idough open pit, some 450m to the immediate northeast. The decline will be developed down dip in the footwall position. A second parallel decline will be developed to intersect the West Idough open pit providing ventilation and emergency egress. Appropriate Modifying Factors have been applied to determine the production profile, ore quantities and mining schedule. Production profiles have been generated by limiting development and production rates based on reasonable equipment productivities. Underground stopes were designed with a minimum mining width of 1.5m, additionally 0.25m stope dilution skins on both footwall and hanging wall were applied at zero grade. Mining recovery of 90% was applied in stopes. Ore development includes 10% dilution at zero grade with 95% mining recovery applied. Cemented paste-fill will be mixed in a mobile plant on surface and delivered underground via a borehole and placed via a paste-fill reticulation pipe network. All mining will be completed via conventional underground equipment, including electro-hydraulic jumbo drills, electro-hydraulic long hole/production drill, diesel-powered Load Haul Dump (**LHD**) loaders and diesel-powered haul trucks. Vertical development will be completed via raise bore drills and box hole drills.
Metallurgical assumptions and offtake arrangements (Sections 10 & 11, Pages 26-30 and Appendix E: JORC Table 1, Section 4, Pages 92-98)	The metallurgical test work completed to date has shown that the Baker deposit is amenable to conventional flotation techniques. All samples tested have shown the ability to achieve high metal recovery (83.4-95.9%) and produce a clean, high-grade nickel concentrate (13.7-17.7% Ni) with a high Fe:MgO ratio (11.1 – 26.1) and containing relatively low levels of deleterious elements, in particular arsenic (<20-319ppm). The Baker PFS assumes an OTCPA will be executed with Nickel West, enabling processing of nickel ore at the KNC, located approximately 25 kilometres to the north of the Baker Project. The Company has commenced early-stage discussions with Nickel West. As part of those initial discussions, the Company has received an indicative OTCPA, which has been used to inform the PFS, including financial modelling. On the basis of an OTCPA with Nickel West, no processing capital will be required.
Cut-off grades (Section 9.8, Page 23 and Appendix E: JORC Table 1, Section 4, Pages 92-98)	Cut-off grades were estimated based on forecast Project operating costs, metallurgical recoveries, royalties, revenue factors and corporate hurdles. The fully costed COG ore has been termed "high grade" and the incremental COG ore has been termed "low grade". The defined values for each are as follows: • High Grade 1.5% Ni; and • Low Grade 1.0% Ni.
Estimation methodology (Appendix E: JORC Table 1, Section 3, Pages 78-91)	Categorical indicator estimation was used to estimate the proportions of massive and disseminated nickel sulphides (using a threshold of 3.5% Ni), with ordinary kriging applied to estimate the indicator categories. As there are some discrete massive sulphide zones towards the footwall of some domains, this indicator approach attempts to localise the estimates for the massive sulphide portion and avoid over smoothing this high-grade zone.

Material modifying factors (Sections 13,14 & 15, Pages 33-37 and Appendix E: JORC Table 1, Section 4, Pages 92-98)	The Baker Project area has been the subject of several vegetation and fauna surveys over several years, the most recent during 2022. Waste rock characterisation studies have been completed to determine potential acid formation for consideration in waste landform design. A Mining Proposal and Mine Closure Plan will be submitted to the Western Australian government Department of Mines, Industry Regulation and Safety (DMIRS) for approval prior to the commencement of mining. There are not expected to be any environmental impediments that would prevent the future development of Baker. Baker is located on a granted mining lease 100% owned by Lunnon Metals Limited and is in good standing. A Licence to Take Water under Section 5C of the Rights in Water and Irrigation Act 1914 has been granted (GWL207868/1). A Licence to undertake prescribed activity (mine de-watering) issued under Part V Division 3, Environmental Protection Act 1986 Environmental Protection Regulations 1987 has been granted (L9353/2022/1). Most required mine site surface infrastructure is in place and will require minor refurbishment to recommence operations. Sufficient land exists around the mine to install any further required facilities. Access to the site is via gazetted public roads. Within the site, access is granted via the relevant Joint Venture Agreement or Access Deed with St Ives Gold Mining Co. Pty Ltd (St Ives), a wholly owned subsidiary of Gold Fields Ltd, operator of the adjacent St Ives gold operations. Power supply will be from a modular style diesel powered generating plant located on site. Service water will mainly be sourced by recycling mine water. Potable water will either be supplied from the St Ives Gold Mine, governed by a Service Agreement, or trucked in from Kambalda or Kalgoorlie. Personnel will be employed either on a residential in Kambalda or Kalgoorlie or on a FIFO basis, flying in and out of the Kambalda airport. Accommodation will be supplied by one of several local accommodation providers or in local Kambalda or Kalgoorlie townships. Costs associated with FIFO and accommodation have been sourced from suppliers. Pre-production capital cost estimates for provision of infrastructure establishment and refurbishment as necessary, were provided by a reputable engineering company and incorporated into the cost model. Operating costs assume mining via a mining contractor and processing at a third-party nickel concentrator under an offtake agreement. Mine operating costs used in the PFS are derived from a zero-based cost model compiled by a reputable and experienced consultant having extensive experience in underground mining cost estimation.

This PFS report and ASX announcement has been approved and authorised for release by the Board.

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Managing Director

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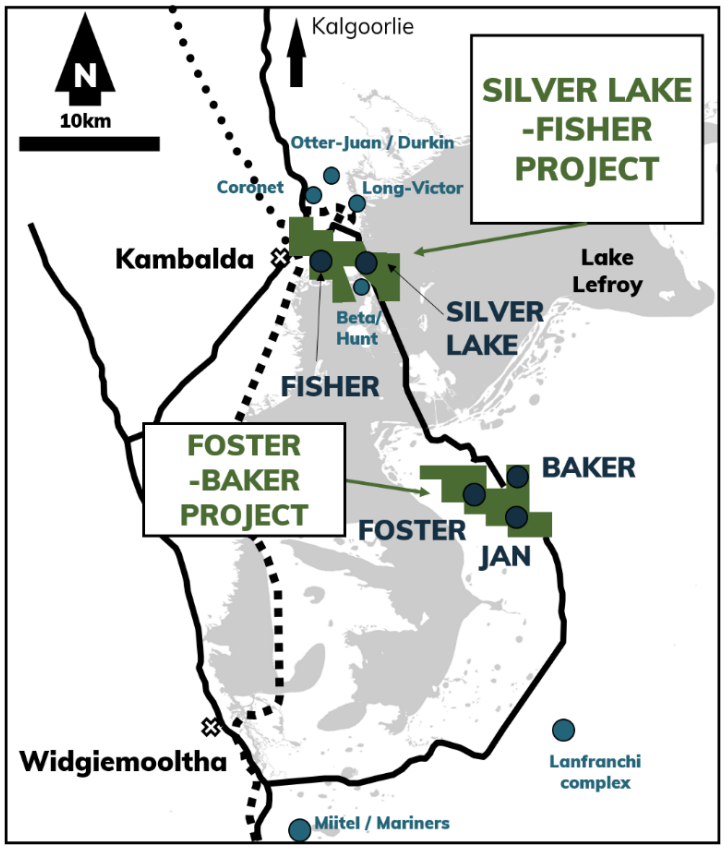
Appendix A:
About the Kambalda Nickel Project

Lunnon Metals Limited (**Lunnon Metals** or the **Company**) currently holds 100% of the mineral rights at the Foster and Baker elements of the Kambalda Nickel Project, subject to certain rights retained by St Ives Gold Mining Co. Pty Ltd (**St Ives**)*. Full details of the Company's Initial Public Offering and the transactions involved are in the Prospectus submitted to the ASX dated 22 April 2021 and lodged with the ASX on 11 June 2021.

The Kambalda Nickel Project, shown in its regional location in the figure below, inclusive of the acquired rights as detailed in the announcement dated 12 April 2022, is approximately 47km^2 in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70km south from the township of Kambalda (**Tenements**).

This world-renowned nickel district has produced in excess of 1.4Mt of nickel metal since its discovery in 1966 by WMC Resources Ltd (**WMC**). In addition, close to 15Moz of gold in total has been mined with WMC accounting for 5.9Moz and over 8.3Moz produced by Gold Fields Ltd since the purchase of the operation in December 2001 from WMC, making the Kambalda/St Ives district a globally significant gold camp in its own right.



Regional location of the Kambalda Nickel Project and other nearby nickel deposits

* St Ives retains rights to explore for and mine gold in the "Excluded Areas" on the Tenements at the Foster and Baker elements of the expanded Kambalda Nickel Project, as defined in the subsisting agreements between Lunnon Metals and St Ives.

This right extends to gold mineralisation which extends from the Excluded Area to other parts of the FBA Tenements with select restrictions which serve to prevent interference with, or intrusion on, Lunnon Metals' existing or planned activities and those parts of the FBA Tenements containing the historical nickel mines.

St Ives has select rights to gold in the remaining areas of the FBA Tenements in certain limited circumstances as described in detail in the Company's Solicitor Report attached to the Prospectus submitted to the ASX dated 22 April 2021 and lodged with the ASX on 11 June 2021.

Appendix B:
Competent Person's Statement and Compliance

The information in this report that relates to nickel geology, nickel Mineral Resources, Exploration Target and Exploration Results, is based on, and fairly represents, information and supporting documentation prepared by Mr. Aaron Wehrle, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Wehrle is a full-time employee of Lunnon Metals Ltd, a shareholder and holder of employee options; he has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Wehrle consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Information in this report that relates to previous and new metallurgical test results is based on and fairly represents information and supporting documentation compiled by Mr Barry Cloutt, a Competent Person who is principal of Cloutt Consulting, a company engaged by Lunnon Metals Ltd. Mr Cloutt is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cloutt is a Lunnon Metals Ltd shareholder. Mr Cloutt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Cloutt consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

The information in this report that relates to the mining, metallurgical and environmental modifying factors or assumptions as they have been applied to the Company's MREs and subsequent financial analysis is based on, and fairly represents, information and supporting documentation prepared by Mr. Max Sheppard and Mr. Edmund Ainscough, who are Competent Persons and Members of the AusIMM and full time employees of Lunnon Metals Ltd. Mr. Ainscough is a shareholder and both are holders of employee options/performance rights. Both employees have sufficient experience that is relevant to the style of mineralisation, the types of deposit under consideration, the activity that they are undertaking and the relevant factors in the particular location of the Baker deposit, the Foster mine and the KNP generally, to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Sheppard and Mr. Ainscough consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this report that relates to nickel Ore Reserves at Baker is based on information compiled by Mr. Sheppard, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Sheppard is a full-time employee of the Company and is the holder of employee options/performance rights. Mr. Sheppard has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking 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'. Mr Sheppard consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix C:
Mineral Resources

The detailed breakdown of Lunnon Metals Limited's Mineral Resources as updated, 31 March 2023, is as follows:

Table 16: Kambalda Nickel Project Mineral Resource estimate tabulation

	Cut-off (Ni %)	Indicated Ni			Inferred Ni			Total Ni		
		Tonnes	%	Ni Tonnes	Tonnes	%	Ni Tonnes	Tonnes	%	Ni Tonnes
FOSTER MINE										
Warren	1.0	345,000	2.6	8,800	100,000	2.4	2,400	445,000	2.5	11,200
Foster Central										
85H	1.0	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
N75C	1.0	270,700	2.6	6,900	142,000	1.9	2,600	412,700	2.3	9,500
S16C / N14C	1.0	-	-	-	64,000	5.7	3,700	64,000	5.7	3,700
South	1.0	223,000	4.7	10,500	116,000	4.8	5,500	340,000	4.7	16,000
Sub total		**1,225,700**	**3.2**	**39,000**	**722,000**	**2.5**	**18,000**	**1,948,700**	**2.9**	**57,000**
BAKER AREA										
Baker	1.0	638,000	3.8	24,000	291,000	2.3	6,800	929,000	3.3	30,800
Sub total		**638,000**	**3.8**	**24,000**	**291,000**	**2.3**	**6,800**	**929,000**	**3.3**	**30,800**
TOTAL		**1,863,700**	**3.4**	**63,000**	**1,013,000**	**2.4**	**24,800**	**2,877,700**	**3.1**	**87,800**

Note: Figures have been rounded and hence may not add up exactly to the given totals.

Appendix D:
Disclaimer

References in this announcement may have been made to certain previous ASX announcements, which in turn may have included Exploration Results, Exploration Targets and Mineral Resources. For full details, please refer to the said announcement on the said date. Lunnon Metals Limited is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, Lunnon Metals Limited confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. Lunnon Metals Limited confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Appendix E: JORC Table 1

Section 1: Baker Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	All drilling and sampling were undertaken in an industry standard manner both historically by WMC Resources Ltd (**WMC**) and by Lunnon Metals Limited (**Lunnon Metals** or **the Company**) in 2021 and 2022. 17 diamond drill (**DD**) holes and 85 reverse circulation (**RC**) holes were completed by Blue Spec Drilling Pty Ltd (**Blue Spec**) on behalf of Lunnon Metals at the Baker prospect following protocols and quality assurance/quality control (**QAQC**) procedures aligned with industry best practice. The Baker Mineral Resource model is informed by surface drilling only. **RC – Lunnon Metals** RC samples were collected directly into calico sample bags on a 1m basis from a cone splitter mounted on the drill rig cyclone. 1m sample mass typically averages 3kg splits. Duplicate samples were also collected directly into calico sample bags from the drill rig cyclone, at a rate of 1 in every 25 samples and more frequently in the expected mineralised zones. Subsampling techniques and sample preparation are described further below in the relevant section. Sample sizes are considered appropriate for the material sampled. The samples are considered representative and appropriate for this type of drilling. RC samples are appropriate for use in a resource estimate. **DD – Lunnon Metals** Core samples are collected with a DD rig typically drilling HQ (63.5mm core diameter) and/or NQ2 (51mm core diameter) either from surface or as tails from RC pre-collars. All DD core is stored in industry standard plastic core trays labelled with the drillhole ID and core depth intervals. Subsampling techniques and sample preparation are described further below in the relevant section. Sample sizes are considered appropriate for the material sampled. The samples are considered representative and appropriate for this type of drilling. DD core samples are appropriate for use in a resource estimate. **WMC Historical Data** Sampling procedures followed by WMC in the drilling, retrieval, and storage of DD core are in line with industry standards at the time (1966 to 2001). Surface DD obtaining NQ and/or BQ diameter drill core, were the standard exploration sample techniques employed by WMC.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	

Criteria	JORC Code explanation	Commentary
Sampling techniques (continued)		The drill core was typically collected in steel core trays of 1m lengths comprising five to seven compartments depending on drill core diameter. The core trays were labelled with the drillhole number and numbered with the downhole metreage for the start of the first 1m run and the end of the last 1m run on the lip of the core tray and typically included core blocks within the core trays demarcating the depth metreage of rod pull breaks. The earlier drilling was collected in wooden, and hybrid wooden/steel core trays and occasionally depths recorded in feet.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	**RC – Lunnon Metals** RC holes were drilled with a 5 1/2-inch bit and face sampling hammer. Holes are drilled dry with use of booster/auxiliary air when/if groundwater is encountered. **DD – Lunnon Metals** Core samples are collected with a DD rig typically drilling HQ (63.5mm core diameter) and/or NQ2 (51mm core diameter) either from surface or as tails from RC pre-collars. The DD core was orientated during the drilling process by Blue Spec, using a downhole Reflex ACTIIITM Rapid Descent Digital Core Orientation Tool, and then reconstructed over zones of interest by Lunnon Metals field staff for structural and geotechnical logging. **WMC Historical Drilling** Historical DD completed by WMC comprised surface NQ and BQ size drill core. Pre-collars to the surface diamond drillholes are typically PQ and HQ size and occasionally comprised RC drilling techniques. The pre-collars are not typically mineralised. Although no documentation is available to describe the drilling techniques used by WMC at the time, it is understood that the various drilling types used conventional drilling methods consistent with industry standards of the time. None of the historical WMC diamond drill core was oriented. The vast majority of drilling utilised in constructing the Baker Mineral Resource estimate (**MRE**) comprised Lunnon Metals surface RC drilling. WMC historical and Lunnon Metals surface diamond drilling of HQ, NQ and BQ size drill core was also used in MRE.
Drill sample recovery	*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.*	Every RC sample is assessed and recorded for recovery and moisture by Lunnon Metals field staff in real time during the drilling process. Samples are monitored for possible contamination during the drilling process by Lunnon Metals geologists. DD core recovery is measured for each drilling run by the driller and then checked by the Lunnon Metals geological team during the mark-up and logging process. No sample bias is observed. There is no relationship between recovery and nickel grade nor bias related to fine or coarse sample material.

Criteria	JORC Code explanation	Commentary
Drill sample recovery (continued)		There are no available records for sample recovery for diamond or RC drilling completed by WMC; however, re-logging exercises completed by Lunnon Metals of surface DD holes from across the KNP between 2017 and present found that on average drill recovery was good and acceptable by industry standards.
Logging	*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.*	**RC and DD – Lunnon Metals** Geology logging is undertaken for the entire hole recording lithology, oxidation state, mineralisation, alteration, structural fabrics, and veining. DD orientated structural logging, core recovery, and rock quality designation (**RQD**) are all recorded from drill core over intervals of interest and relevance. Detailed geotechnical logging and rock property testwork is completed over intervals of relevance by independent consulting engineers, MineGeoTech Pty Ltd (**MGT**). Geological logging (and where required, geotechnical logging) is completed in sufficient detail to support future Mineral Resource estimation, mining and metallurgical studies. General logging data captured are qualitative (descriptions of the various geological features and units) and quantitative (numbers representing structural attitudes, and vein and sulphide percentages, magnetic susceptibility and conductivity). DD core and RC chip trays are photographed in both dry and wet form. **WMC Historical Data** There is no available documentation describing the logging procedures employed by WMC geologists in the Kambalda Nickel Project (**KNP**) area; however, the historical graphical hardcopy logs and other geoscientific records available for the Project are of high quality and contain significant detail with logging intervals down to as narrow as 0.01m. The geological logs document lithology, textures, structures, alteration, and mineralisation observed in drill core captured both graphically and in a five-character logging code (Lunnon Metals notes that a previous logging legend employed at WMC's Kambalda nickel operations utilised a three-letter code which is often represented on hard copy plans and cross sections of an older vintage and which was converted by WMC to the latter five-character code at some later time). Stratigraphy is also captured in a three-character logging code. Sample intervals are recorded on the graphical log. These logging legends are well documented in lieu of a recorded procedure and are utilised by Lunnon Metals in current logging practices. In regard to geotechnical logging or procedures, there is no record of any formal relevant procedures or logging and based on personal experience of the Competent Person, such logging was not routinely completed prior to the introduction of Regulation 10:28 in the *WA Mine Safety and Inspection Act*, requiring the same in approximately 1996.

Criteria	JORC Code explanation	Commentary
Logging (continued)		Based on the personal experience of the Competent Person to this announcement, having worked for WMC in Kambalda between 1996 and 2001, it is known that WMC had a rigorous and regimented system for storing and archiving the graphical logs physically, microfilmed, and drafted on to master cross sections, plans, and long sections as well as capturing the interval data (logging and assays) digitally in database format. Lunnon Metals sourced historical diamond core from the St Ives Gold Mining Kambalda core yard on Durkin Road where relevant to its investigations.
Subsampling techniques and sample preparation	*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 subsampling 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.*	**RC – Lunnon Metals** Dry RC samples were collected directly into calico sample bags on a 1m basis from a cone splitter mounted on the drill rig cyclone. 1m sample mass typically averages 3kg splits. Industry prepared certified reference material (**CRM**), or standard samples, of various grades appropriate to the mineralisation expected are inserted into the sample batches, approximately every 50 samples and more frequently in the expected mineralised zones. Lunnon Metals prepared blank samples are inserted, approximately every 50 samples and more frequently in the expected mineralised zones. Blank samples are prepared from barren reject RC chips as verified by laboratory analysis and geological logging. Duplicate samples were also collected from the drill rig cyclone, at a rate of 1 in every 25 samples and more frequently in the expected mineralised zones. After receipt of the samples by the independent laboratory the samples are dried and pulverised with >85% pulverised to 75 µm or better. For sample weights >3kg the sample is dried, split and pulverised up to 3kg. **DD – Lunnon Metals** DD core samples were collected with a DD rig drilling HQ and/or NQ2 size core. After logging, sample interval mark-up, photographing, and geotechnical rock property testwork, selected sample intervals of drill core were cut in half along the length of the drill core with a diamond saw in a Discoverer® Automatic Core Cutting Facility using a Corewise Auto Core Saw. Typically, one half of the drill core is sent to the laboratory for assay and the other half retained in its original core tray. In zones of potential metallurgical interest, the half-core sample is vacuum sealed and stored refrigerated for later use, the remaining half core is further cut into quarters with one quarter sent to the laboratory for assay and the remaining quarter retained in its original core tray. Holes were marked-up and sampled for assaying over mineralised and surrounding intervals at a typical minimum sample interval of 0.3m to ensure adequate sample weight and a typical maximum sample interval of 1.0m, constrained by geological boundaries. Specific Gravity – density measurements were taken for each mineralised DD sample for the Lunnon drillholes.

Criteria	JORC Code explanation	Commentary
Subsampling techniques and sample preparation (continued)		Sample weights vary depending on sample length and density of the rock. Industry prepared CRM, or standard samples, of various grades appropriate to the mineralisation expected are inserted into the sample batches, approximately every 50 samples and more frequently in the identified mineralised zones. Lunnon Metals prepared blank samples are inserted, approximately every 50 samples and more frequently in the identified mineralised zones. Blank samples are prepared from barren non-ultramafic Proterozoic Dyke DD core acquired locally and verified by geological logging. Field duplicate samples were collected at a rate of 1 in 25 samples by cutting the core into quarters and submitting both quarters to the laboratory for analysis as two separate samples. After receipt of the DD core samples by the independent laboratory the samples are dried, crushed to ~2mm, and pulverised with >85% pulverised to 75 µm or better. For sample weights >3kg the sample is dried, crushed to ~2mm, split, and pulverised up to 3kg. Sample sizes are considered appropriate for the style of mineralisation (potentially nickeliferous massive, matrix and disseminated sulphides, hosted in komatiite and basalt). Samples were submitted to Intertek Genalysis in Kalgoorlie for sample preparation, i.e. drying, crushing where necessary, and pulverising. Pulverised samples were then transported to Intertek Genalysis in Perth for analysis. **WMC Historical Data** All historical core that was relevant to the mineralisation drilled and sampled by WMC as sighted by Lunnon Metals was sawn with half-core or quarter-core sampling practices. It is assumed that all samples otherwise contributing to any estimation of nickel mineralisation by Lunnon Metals were processed with this standard methodology. Portions of drill core distal to the main high-grade mineralisation were sometimes “chip sampled” by WMC. Lunnon Metals has chosen not to utilise such samples in any estimation of grade or mineralisation. WMC typically sampled in interval lengths relevant to the underlying lithology and mineralisation such that sample interval lengths may vary from between minima of 0.05m and maxima up to 2.00m approximately within any mineralised zone. Intervals of no mineralisation or interest were not sampled.

Criteria	JORC Code explanation	Commentary
Subsampling techniques and sample preparation (continued)		Review of historical drill core by Lunnon Metals indicated that there were no areas of interest relevant to nickel mineralisation that were not half or quarter core sawn and sampled by WMC and that the sample sizes were appropriate for the type, style and thickness of mineralisation being tested with sample breaks corresponding to lithological or mineralisation breaks being the norm. Although faded through time, sample depth intervals are evident as marked on the remaining half core as observed by Lunnon Metals and these correlate to sample interval depths in the original paper graphical drill logs and the database. While the WMC procedure for logging, sampling, assaying and QAQC of drillhole programs was not available at the time of this announcement it is interpreted that it was of high quality and in line with industry standards at that time. It is the opinion of the Competent Person that the sample preparation, security, and analytical procedures pertaining to the above-mentioned historical WMC drilling are adequate and fit for purpose based on: • WMC's reputation in geoscience stemming from their discovery of nickel sulphides in Kambalda in the late 1960s; • identification of procedures entitled "WMC QAQC Practices for Sampling and Analysis, Version 2 - adapted for St Ives Gold" dated February 2001 and which includes practices for nickel; and • the first-hand knowledge and experience of the Competent Person of this announcement whilst working for WMC at Kambalda between 1996 and 2001.
Quality of assay data and laboratory tests	*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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Samples were submitted to Intertek Genalysis in Kalgoorlie for sample preparation, i.e. drying, crushing where necessary, and pulverising. Pulverised samples were then transported to Intertek Genalysis in Perth for analysis. Samples were analysed for a multi-element suite including, as a minimum, nickel, copper, cobalt, chromium, arsenic, iron, magnesium, lead, sulphur, titanium, zinc. Analytical techniques used a four-acid digest (with ICP-OES or ICP-MS finish) of hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for near total dissolution of almost all mineral species including silica-based samples. Within the nickel mineralised zones, the platinum group elements (palladium, platinum, gold) were also analysed using a 50g charge lead collection fire assay method with ICP-MS finish. These techniques are considered quantitative in nature. As discussed previously, CRM standard, and blank samples are inserted by Lunnon Metals into sample batches, and the laboratory also carries out internal standards in individual batches. The resultant Lunnon Metals and laboratory QAQC data is reviewed upon receipt to determine that the accuracy and precision of the data has been identified as acceptable prior to being cleared for upload to the database.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests (continued)		**WMC Historical Data** There is no data available at the time of this announcement pertaining to the assaying and laboratory procedures nor the historical field or laboratory QAQC, if any, undertaken by WMC drilling programs in the KNP area; however, it is expected that industry standards as a minimum were likely to have been adopted in the KNP area and the analytical laboratory.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Five DD wedge holes the subject of ASX announcement dated 20 February 2023 are the first twin holes to have been completed at KNP and demonstrate good correlation and verification of the original significant intersections reported. The distance between the parent DD holes and the wedged twin holes ranged between 0.5m and 2.0m. Overall RC and DD drill density is now approaching approximately 20m x 20m in areas of high grade and/or complexity, and closer spacing on select individual holes, is considered adequate in terms of verifying the numerous significant intercepts being encountered at Baker. Prior to drilling, all planned collar data is captured in a digital drillhole collar register stored on a secure site-based server which is backed up to Perth based server continuously. The collar register is updated as drilling progresses. Logging and sample intervals are captured in digital QAQC'd spreadsheets via "tough" books (rugged tablet, field-based laptops). After internal sign-off, these digital sampling and logging registers are saved by geologists in the designated folder on the server. After further data validation by the database administrator, the items in the upload folder are uploaded to a secure digital database on a separate sequel sever. Assays from the laboratory are sent directly to the database administrator via a dedicated Lunnon Metals assays email address where they are all checked and verified by the Lunnon Metals database administrator before accepting the batches into the database. No adjustments are made to the original assay data. **WMC Historical Data** Diamond core data – across the KNP, Lunnon Metals has undertaken exhaustive assessment of historical WMC underground and surface DD core to inspect and visually validate significant drill assays and intercepts, and re-sample and re-assay to validate historical assay data in the KNP database. No significant or systematic anomalies have been identified and the Competent Person is satisfied that the original data at Baker is representative of the geology and mineralisation modelled; thus no adjustments to assay data have been deemed necessary or made. No twin holes of historical holes have been completed to date.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying (continued)		Lunnon Metals notes that the Kambalda style of nickel mineralisation is highly visible permitting the nickel grade to be relatively accurately estimated by experienced geologists to validate the laboratory assay grade; this is a practise that is not uncommon in the nickel mining industry. Only verified laboratory assays are used in the Baker MRE.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	RC and DD hole collar locations are located initially by handheld global positioning system (**GPS**) to an accuracy of ±3m. Subsequently, drillhole collar locations are then picked up by a licensed surveyor using more accurate and industry standard differential GPS methods following the completion of the drilling. All drillholes were surveyed downhole at 5m intervals using the REFLEX gyro Spirit-IQ (north seeking gyro) or EZ-Gyro systems for both azimuth and dip measurements. Downhole surveys are uploaded by Blue Spec to the IMDEXHUB-IQ, a cloud-based data management program where surveys are validated and approved by trained Lunnon Metals staff. Approved exports are then downloaded to the server. After additional QAQC checks and sign off the survey data is uploaded to the digital database. The grid projection is GDA94/MGA Zone 51. Diagrams and location data tables have been provided in the previous reporting of exploration results at Baker where relevant. **WMC Historical Data** Historical methods of drill collar survey pick-up are not known, however, WMC did employ surface surveyors dedicated to the collection of exploration collar data. The easting, northing and elevation values were originally recorded in local Kambalda Nickel Operations (**KNO**) grid and later converted to the currently used GDA94/MGA Zone 51 grid. Both the original KNO grid coordinates and the converted coordinates are recorded in the database. A representative number of historical drill collars were located in the field and their locations cross checked via differential GPS and/or handheld GPS to validate the database collar coordinates. Historical hardcopy downhole survey data is generally available for the majority of surface drillholes and the records show that single shot magnetic instruments were used. A representative number of these hardcopy downhole survey records have been cross checked against the digital records in the database. No new downhole surveys have been conducted however Lunnon Metals has corrected where necessary incorrect data in the database where down hole measurements from the hardcopy data were incorrectly processed. No other significant errors or inconsistencies were deemed present or capable of being detrimental to any interpretation of nickel mineralisation including any MRE work.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *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* *Whether sample compositing has been applied.*	The RC and DD programs at Baker comprise drillhole spacings that are dependent on the target style, orientation and depth. Drillholes are not drilled to set patterns or spacing at the exploration stage of the program. Previous Lunnon Metals' drill spacing varies from approximately 40m x 40m to better than 40m x 20m, again subject to the target style dimensions, orientation and depth and inherent geological variability and complexity. The most recent drill program involved drill spacing stepping in to approximately 20m x 20m in areas of high grade and/or complexity to assist possible future mine planning activities and to refine the geological and grade estimation model. All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. No sample compositing has been applied except at the reporting stage of drill intercepts within a single hole. **WMC Historical Data for Baker** The typical spacing for the early WMC surface DD traverses at Baker is approximately 100m apart with drillhole spacing along the traverses also at 100m.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *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.*	The preferred orientation of drilling at KNP is designed to intercept the target approximately perpendicular to the strike and dip of the mineralisation where/if known. Subsequent sampling is therefore considered representative of the mineralised zones if/when intersected. In the Baker area, the majority of historical drillholes were collared vertically and lifted/drifted in towards close to perpendicular to the mineralisation with depth as the nickel contact was approached. The chance of bias introduced by sample orientation relative to structures, mineralised zones or shears at a low angle to the drillhole is possible, however, quantified orientation of the intercepted interval allows this possible bias to be assessed. Where drilling intercepts the interpreted mineralisation as planned, bias is considered non-existent to minimal. Lunnon Metals does not consider that any bias was introduced by the orientation of sampling resulting from either drilling technique. The Company has retained ABIM Solutions Pty Ltd (**ABIMS**) to use the latest generation QL40 OBI Optical Televiewer (**OTV**) and a customised logging vehicle, to conduct OTV wireline survey in Baker RC hole, ECO22RC_048, to reconcile grades with imaged geology in the bore-hole wall. The chance of bias introduced by sample orientation relative to structures, mineralised zones or shears at a low angle to the drillhole is possible in the RC drilling, however, the OTV downhole survey program discussed above allows this possible bias to be assessed. Where drilling intercepts the interpreted mineralisation as planned, bias is considered non-existent to minimal.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	**RC – Lunnon Metals** The calico sample bags are collected by Lunnon personnel stationed at the drill rig typically at the end of each day. The calico samples are collected sequentially in groups of five and placed into polyweave bags which are labelled and secured with cable ties. The polyweave bags are in turn placed in bulka bags which are secured on wooden pallets and transported directly via road freight to the laboratory with a corresponding submission form and consignment note. **DD – Lunnon Metals** Lunnon Metals' geologists mark up the drill core for cutting and sampling and record the sample intervals against unique sample numbers in a digital sample register. A Lunnon Metals core farm technician then collects the cut core samples into calico bags guided by the sample register and sampling information contained therein. The calico samples are collected sequentially in groups of five and placed into polyweave bags which are labelled and secured with cable ties. The polyweave bags are in turn placed in bulka bags which are secured on wooden pallets and transported directly via road freight to the laboratory with a corresponding submission form and consignment note. The laboratory checks the samples received against the submission form and notifies Lunnon Metals of any inconsistencies. Once the laboratory has completed the assaying, the pulp packets, pulp residues and coarse rejects are held in the laboratory's secure warehouse until collected by Lunnon Metals or approval is provided for them to be discarded. **WMC Historical Data** There is no documentation which describes the historical sample handling and submission protocols during the WMC drilling programs; however, it is assumed that due care was taken with security of samples during field collection, transport and laboratory analysis. The historical drill core remaining after sampling was stored and catalogued at the KNO core farm (now Gold Fields, St Ives core farm) and it remains at this location to the present day.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No external audits or reviews have been undertaken at this stage of the program. **WMC Historical Data** Cube Consulting Pty Ltd (**Cube**) are independent of Lunnon Metals and have been previously retained by Lunnon Metals to complete the grade estimation for nickel mineralisation models and MRE exercises but also to review and comment on the protocols developed by Lunnon Metals to deal with, and thereafter utilise, the historical WMC data, in particular the re-sampling and QAQC exercise completed by Lunnon Metals such that the data is capable of being used in accordance with current ASX Listing Rules where applicable and JORC Code (2012) guidelines and standards for the generation and reporting of MREs. Cube has documented no fatal flaws in the work completed by Lunnon Metals in this regard.

Section 2: Reporting of Exploration Results for Baker

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The property is located on granted Mining Leases. Although all of the tenements wholly or partially overlap with areas the subject of determined native title rights and interests in the two Ngadju determinations, Lunnon notes that the original grant of the right to mine pre-dates 23 December 1996 and as such section 26D of the Native Title Act will be applied to exempt any future renewals or term extensions from the right to negotiate in Subdivision P of the Act. KNP, shown in its regional location in **Figure 7** of this report above, inclusive of the newly acquired rights as detailed in the announcement dated 12 April 2022, is approximately 47km^2 in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70km south from the township of Kambalda. The Company currently holds 100% of the mineral rights and title to its leases at the FBA element of the KNP, subject to certain rights retained by St Ives, principally relating to the right to gold in defined areas and the rights to process at their nearby Lefroy Gold Plant any future gold ore mined. Full details of the Company's Initial Public Offering (**IPO**) and the transactions involved are in the Prospectus submitted to the ASX dated 22 April 2021 and lodged with the ASX on 11 June 2021. The complete area of contiguous tenements on which Baker is located is on the FBA area. Gold Fields Ltd's wholly owned subsidiary, St Ives, was the registered holder and the beneficial owner of the FBA area until the Lunnon IPO in 2021. The FBA area comprises 19 tenements, each approximately 1,500m x 800m in area, and three tenements on which infrastructure may be placed in the future. The KNP area tenement numbers are as follows: • M15/1546, M15/1548, M15/1549, M15/1550, M15/1551, M15/1553, M15/1556, M15/1557, M15/1559, M15/1568, M15/1570, M15/1571, M15/1572, M15/1573, M15/1575, M15/1576, M15/1577, M15/1590, M15/1592; and • Additional infrastructure tenements: M15/1668, M15/1669, M15/1670. Baker is hosted on M15/1548. There are no known impediments to potential future development or operations, subject to relevant regulatory approvals, over the leases where significant results have been reported. The tenements are in good standing with the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	In relation to nickel mineralisation, WMC, now BHP Nickel West Pty Ltd and a wholly owned subsidiary of BHP Group Limited, conducted all relevant exploration, resource estimation, development and mining of the mineralisation at Foster and Jan mines from establishment of the mineral licences through to sale of the properties to St Ives in December 2001.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties (continued)		St Ives has conducted later gold exploration activities on the FBA area since 2001, however, until nickel focused work recommenced under Lunnon Metals management, no meaningful nickel exploration has been conducted since the time of WMC ownership and only one nickel focused surface diamond core hole (with two wedge holes), was completed in total since WMC ownership and prior to Lunnon's IPO, which was at Foster South, not Baker. On the FBA, past total production from underground was: Foster 61,129 nickel tonnes and Jan 30,270 nickel tonnes.
Geology	*Deposit type, geological setting and style of mineralisation.*	The FBA area is host to both typical "Kambalda" style, komatiitic hosted, nickel sulphide deposits and Archaean greenstone gold deposits such as routinely discovered and mined in Kambalda/St Ives district. The Baker area subject to the current PFS exercise is host to nickel mineralisation and elements associated with this nickel mineralisation, such as copper, cobalt, palladium and platinum.
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *easting and northing of the drillhole collar* • *elevation or RL (elevation above sea level in metres) of the drillhole collar* • *dip and azimuth of the hole* • *downhole length and interception depth hole length.*	Drillhole collar location and directional information has been provided within the body of related previous ASX reports and also within the relevant Additional Details Table in the Annexures of those reports. Historical drilling completed by WMC as recorded in the drilling database and relevant to the reported Lunnon Metals MREs has been verified. Diamond drilling previously reported has included plan and cross-sectional orientation maps to aid interpretation.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Grades have been reported as intervals recording downhole length and interpreted true width where this estimation was able to be made. Any grades composited and reported to represent an interpreted mineralised intercept of significance were reported as sample-length weighted averages over that drill intercept. Lunnon Metals currently considers that grades above 0.5% Ni and/or 1.0% Ni are worthy of consideration for individual reporting in any announcement of Exploration Results in additional details tables provided. Composite nickel grades may be calculated typically to a 0.5% Ni cut-off with intervals greater than 1.0% reported as "including" in any zones of broader lower-grade mineralisation. Other composite grades may be reported above differing cut-offs, however, in such cases the cut-off will be specifically stated. Reported intervals may contain minor internal waste, however, the resultant composite must be greater than either the 0.5% Ni or 1.0% Ni as relevant (or the alternatively stated cut-off grade).

Criteria	JORC Code explanation	Commentary
Data aggregation methods (continued)		As per other Kambalda-style nickel sulphide deposits, the Lunnon Metals composites reported may include samples of very high nickel grades down to lower grades approaching the 0.5% Ni or 1.0% Ni cut-off as relevant. No top-cuts have been applied to reporting of drill assay results. No metal equivalent values have been reported. Other elements of relevance to the reported nickel mineralisation, such as copper, cobalt, iron, magnesium, palladium and platinum and the like, are reported where the nickel grade is considered significant, if they have been assayed for. Historical WMC drilling in the Baker area was typically only assayed for nickel and less frequently for copper, zinc and cobalt.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	In regard nickel exploration, the general strike and dip of the Lunnon Metals Basalt footwall contact and by extension the hangingwall related nickel mineralised surfaces at Baker are considered to be well defined by past drilling which generally allows for true width calculations to be made regardless of the density or angle of drilling. For nickel exploration at Baker, given its shallow depth, drillhole design has generally allowed drillholes to intersect target surfaces at approximately perpendicular to the strike of mineralisation. Previously reported intersections have included approximate true widths, but these may not be true widths, as ongoing interpretation of the geology and mineralisation may result in that drilling not always being exactly perpendicular to the strike/dip of mineralisation once interpreted. The above applies to the Baker mineralisation estimated in the MRE.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Plans, long projections and sections, where able to clearly represent the results of drilling, have previously been provided in prior lodged reports. Variously oriented isometric images have also previously been provided in prior lodged reports.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Drill collar locations of WMC historical and current drilling completed by Lunnon Metals and used in the Baker MRE have been previously lodged on the ASX platform and all results of the drilling, used to inform the Mineral Resource estimation have also been previously.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The KNP and FBA has a long history of geological investigation, primarily for nickel, but also gold to a lesser degree. Datasets pertinent to the KNP that represent other meaningful and material information include: • Geophysics – multiple ground and aerial based surveys of magnetic, gravity, sub-audio magnetics, electromagnetics, and downhole transient electromagnetic surveys; • Geochemistry – nickel and gold soil geochemistry datasets across the KNP and rock chip sampling in areas of outcrop; and • Historical production data recording metallurgical performance of Foster mine nickel delivered to the Kambalda Concentrator. Metallurgical testwork on Baker drill core is to be carried out by consultants Independent Metallurgical Operations Pty Ltd using methodologies consistent with the type of mineralisation encountered and the likely future processing route. Geotechnical testwork on the Baker drill core is carried out by independent consultants MGT involving on-site geotechnical logging of the drill core and off-site rock property testing of selected drill core samples. Downhole transient electromagnetic (**DHTEM**) surveys were conducted using the DigiAtlantis system and DRTX transmitter. The readings were typically recorded at 2.5m to 10m intervals. The survey used loops ranging from 300m x 200m to 690m x 290m in orientations designed relative to the target and stratigraphic setting. Downhole imaging data is collected at Baker by ABIMS using the latest generation ABI40 Acoustic Televiewer (**ATV**) and a customised logging vehicle. The ATV wireline survey in DD holes provides downhole geological definition, geotechnical rock mass characterisation, determination of fracture frequency and orientation, and primary stress orientation. The ABI40 ATV generates an image of the drillhole wall by transmitting ultrasound pulses from a rotating sensor and recording the amplitude and travel time of the signals reflected from the drillhole wall. Data is transferred back to the surface via a wireline in real time. Data collected is used by the Company's geologists in support of deposit geological and structural modelling and by MGT for geotechnical assessment purposes. Lunnon Metals also retained ABIMS to use the latest generation QL40 OBI OTV and a customised logging vehicle, to conduct OTV wireline surveys in selected holes to reconcile the 1m sample assays with imaged geology in the bore-hole wall. The QL40 OBI OTV generates an oriented 360° image of the borehole wall by way of a CCD camera recording the imaged reflected from a prism. Similar to the ATV wireline surveys in the DD holes, the OTV wireline surveys in the RC holes are particularly useful in defining geological and structural orientation data, data that is otherwise unobtainable from RC drill chips.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data (continued)		These surveys supported the extents of the sulphide mineralisation, the down hole depths of key contacts and enabled the reconciliation of the nickel assay results received visually with the apparent massive and semi-massive sulphide mineralisation imaged downhole, and provided the orientation of important shear structures within the selected RC holes.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	All work programs at Baker are continuously assessed against and in comparison to ongoing high priority programs elsewhere at the KNP; presently Foster and Warren for example. Since the Company's IPO, approximately 54,000m of either diamond or RC drilling has now been completed at the FBA. Subject to positive ongoing results and external market and price variables, this PFS in turn may form the basis of further technical and economic studies to investigate the potential to exploit the Baker deposit in the future.

Section 3: Estimation and Reporting of Baker Mineral Resource Estimate[19]

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	The project-wide Lunnon Metals KNP database (**Database**) is now hosted and maintained in-house by the Lunnon Metals Database Administrator. No data is transcribed manually between its initial collection, be it logging or assay data, and it's use in the MRE. All data is exported directly from the Database and imported into the Leapfrog Geo® software where the MRE geological and mineralisation solid modelling is undertaken. The Database, and that portion pertaining directly to the Baker prospect area, was originally sourced from the historical database transferred from St Ives, as per the provisions of the Option and Joint Venture Agreement and as such has been deemed in a general sense to be suitable for use in MRE for the KNP. This database was validated and improved by Lunnon Metals staff based on the local knowledge identifying obvious gaps in the data as it was originally handed over to Lunnon Metals. The local knowledge and experience of the Lunnon Metals geoscientific staff with respect to the history of data collected at St Ives by St Ives is a very effective verification tool. During 2017, an updated Database extract was received from MaxGeo which incorporated feedback from Lunnon Metals regarding errors and omissions identified in the previous database extracts (remediation and additional data loading). Lunnon Metals has significantly added to this database in the Baker area through the completion of its extensive RC and DD program. As such, in regard to this MRE exercise, the data is dominated by data generated by recent Lunnon Metals activities post the Company's IPO in June 2021.

[19] Commentary provided in Section 3 regarding modifying factors and Reasonable Prospects for Eventual Economic Extraction, or RPEEE, was correct at the time of lodgement of the Baker MRE Updates dated 7 December 2022 and 5 April 2023. Relevant commentary is reproduced for completeness but is superseded by the report and analysis presented herein in the Baker PFS.

Criteria	JORC Code explanation	Commentary
Database integrity (continued)		During the MRE process, a more thorough validation of those portions of the database pertaining to the Baker MRE area directly was undertaken. This included cross checking representative amounts of historical hard copy assays, downhole surveys, collar surveys, and lithological logging data against the digital database. WMC historical cross-sections containing detailed lithological, structural, and assay data, were georeferenced and considered during the interpretation and estimation work.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case*	The Competent Person is the Lunnon Metals Exploration & Geology Manager, and he has visited the KNP and Baker deposit locale on numerous occasions since early 2015 for the purposes of conducting surface exploration activities, desktop and hardcopy data retrieval, and review, logging and sampling of historical WMC drill core and more recently logging and sampling of the drill programs since the Company's IPO. He also previously worked at St Ives for WMC and Gold Fields in the period 1996 to 2005.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The deposit types in Kambalda generally are well understood through decades of nickel mining within the KNP area and immediate surrounds. The Baker deposit has direct mineralisation analogues previously mined in the district including Jan Shoot, Foster mine (85H surface) and Silver Lake hangingwall surfaces. No new detailed studies or re-interpretation of the deposit styles were undertaken as part of the MRE, nor are deemed to be required. Accordingly, the understanding of the general deposit styles is taken directly from previous experts and authors in the field and supported by direct observations of the Competent Person during logging and sampling exercises of the current RC chips and DD core. WMC historical cross-sections containing detailed lithological and structural data, were georeferenced and considered during the interpretation and estimation work. In the case of the Baker MRE, the mineralisation is part of an extensive perched hangingwall position historically drilled by WMC on broad spacing and now infilled to close spacing by Lunnon Metals. The Baker deposit is a discovery made within the area previously modelled and described as part of the East Cooee Exploration Target reported in the Company's Prospectus and ITAR dated 22 April 2021. The Company's exploration program has delivered a significant increase in drill coverage (predominantly RC with lesser diamond drilled, all completed in 2021 and 2022) which has allowed for a greatly improved geological model and understanding of the controls to mineralisation through collecting drill sample and related data. The majority of the mineralisation is interpreted to be hosted at the base of a hangingwall komatiitic basalt flow located 30m to 50m above the more traditionally prospective basal komatiite flow in contact with the Lunnon Metals basalt footwall.

Criteria	JORC Code explanation	Commentary
Geological interpretation (continued)		Two late east-dipping steeper structures have been identified which crosscut, offset, and structurally thicken the base of flow mineralisation locally. The western one, which hosts significant re-mobilised massive nickel sulphide itself, has a dip of 42° towards 066°. This structure is identified as a steep conductive surface in both DHTEM and surface fixed loop electromagnetic surveys. The mineralised horizon is interpreted to have been structurally cut, offset and disrupted by late fault and fold structures which locally mobilise and concentrate the pre-existing base of ultramafic flow mineralisation. The modelled sub-domains are identified as either BOF (base of flow) or MOB (structurally mobilised) after their respective mineralisation style. The geological model is based on 86 RC and 19 DD holes drilled by Lunnon Metals and 9 historical WMC DD holes and associated assay data. New data, since the first-time Baker MRE reported 14 June 2022, that directly informs this model update includes an additional 41 RC holes (13 with downhole OTV surveys), 14 oriented DD holes with oriented structural logging (three with downhole ATV surveys), 14 RC or DD holes with DHTEM surveys, SG data for all mineralised DD core, 91 x-ray diffraction (**XRD**) analyses on core and chips, drill core photos and RC chip photos. Understanding the structural architecture of the deposit has been an important focus of this update and was aided by the structural logging, ATV/OTV data, and DHTEM surveys. The additional data has continued to support the previous interpretation of base of second Komatiite flow mineralisation (BOF) and remobilised nickel sulphides (MOB) controlled by a discrete structures. Multi-elements have been used in support of nickel in selecting intervals for mineralised domaining. In particular, copper and cobalt assist with the distinction between BOF and MOB mineralisation styles with latter having slighted elevated copper and/or cobalt. The mineralised domains BOF01 and MOB02 have remained largely unchanged from the previous MRE in this regard, however, refinement of the model and reallocation of selected mineralised intervals to their correct domains has been aided by the additional multi-element data and structural data. The western limit of the BOF01 has now been defined by drilling where the base of second flow position is occupied by narrow interflow sediments. The MOB02, controlled by a narrow shear zone (dipping 45° towards 060°) which interacts with the BOF domains at a high angle, has been extended down plunge a significant distance using numerous <<1% Ni intercepts (selected based on structural logging) so that the domain becomes a bounding structure to the BOF02 domain in that area. Where the MOB02 has been modelled using <<1% Ni intercepts it is considered unmineralised and has not been included in the MRE.

Criteria	JORC Code explanation	Commentary
Geological interpretation (continued)		The additional drilling and supporting data have indicated that the BOF02 continues through to the east and replaces the previously modelled BOF03 and PER03 domains. Where the BOF02 was previously thought to be terminated against a second MOB-style shear zone (formerly the eastern shear) the new drilling in that area which includes three DD holes has shown this to be a zone of structural thickening and complexity which has been modelled as a discrete domain (MOB03), as a break within the now more extensive BOF02. The thickening of this zone is interpreted to be the result of "ruckle" folding and stack repeating. The domain is also identified as having a higher concentration of copper and cobalt than the remaining surrounding BOF02, which is a similar observation to the MOB02. This domain is also anomalously high in platinum + palladium relative to the other nickel domains. The DHTEM surveys of some 14 holes across the deposit have returned numerous conductive plates that support the various structural attitudes of the mineralisation observed in the oriented structural logging of DD holes and the ATV/OTV surveys of DD and RC holes. These include plates supporting the MOB02 and MOB03 domains, the basal and interflow sediment units, and even the MOB04 domain (see below). The previous MRE model used geochemical Komatiite Facies mapping (after Burley, Barnes, Fiorentini and Le Vaillant, 2016 and 2019) from downhole multi-element data (Ni/Cr and Ni/Ti) to help distinguished between BOF and MOB mineralisation. The facies ratios identify the various zones of the Komatiite pile from upper spinifex flow tops through to basal adcumulates and sulphide-bearing cumulates. The juxtaposition of basal adcumulates and flow tops could be seen across the BOF domain in the hangingwall and footwall respectively, while for the MOB the footwall and hangingwall Komatiite tended to be the same or similar facies. For this update the multi-element data has been used to map out the Kambalda ratio (Ni/Cr x Cu/Zn) across the deposit, a vectoring fertility ratio historically used by WMC. A ratio value of 10 was selected and numerically modelled as a three-dimensional (3D) isosurface in Leapfrog Geo® software which helped to identify and support the updated interpretation of a more continuous BOF02 and internal MOB03 thickened zone. Traditionally a ratio of greater than 1 was considered to be indicative of fertile ultramafic particularly in soil sampling surveys. An important outcome of the updated drilling was the recognition of a broad eastern shear zone of partitioned to pervasive shear foliation (± gold event structures and alteration) in mostly upper stratigraphy (Devon Consols Basalt) which forms the eastern termination to the nickel mineralisation. The shear zone is approximately 100m wide and dips at 45° towards 095°. The ultramafic and footwall Lunnon basalt in the vicinity of the Baker deposit sit to the west of this shear zone in its footwall. A narrow low-grade zone of remobilised nickel mineralisation/anomalism (MOB04) has been modelled subparallel to and at the approximate western margin of the shear zone.

Criteria	JORC Code explanation	Commentary
Geological interpretation (continued)		The additional RC and diamond drilling and associated core/chip photography and ATV/OTV surveys have helped to refine the regolith modelling with more confidence. The base of transitional weathering/joint oxidation in the vicinity of the up-plunge mineralisation is at an approximate 50m depth below surface. This horizon interacts with the uppermost modelled portions of the MOB02 and BOF02 domains. These domains have been cut to this horizon to remove potentially oxidised mineralisation above from the MRE.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The modelled Baker deposit is defined by an undulating plane with an overall average strike and dip of approximately 245°/25°-30° southeast. The outline of the deposit is one of an irregular elongate ovoid shape with a long axis plunge of approximately 21° towards 125° currently extending for 600m. The across plunge dimension is approaching 200m. The vertical extent of the deposit is approaching 300m ranging from +270m above sea level (47m below ground level) to -30m above sea level (347m below ground level). The across plunge extent is somewhat closed off to the southwest and to the northeast. The long axis plunge is closed off up-plunge to the northwest by the topographic surface but remains open down-plunge to the southeast. There is no expression of the nickel mineralisation at the topographic surface. The deposit is of variable thickness with a mean true width of about 2–4m, can be thickened to up to 10–12m where later fault and fold structures duplicate the deposit, and has been modelled to pinch out at its extremities as defined by non-mineralised peripheral drillholes when present.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The Baker wireframe volumes were modelled via a process of drillhole interval selection and 3D implicit "vein" modelling within the Leapfrog Geo® software. Interval selection is a manual process performed by the geologist (and Competent Person) in the Leapfrog Geo® 3D software environment whereby drillhole sample/logging intervals are tagged and coded with the relevant nickel sub-domain ID. The general rule of thumb used for the mineralised interval selection was to select contiguous samples within individual drillholes at the position of the various Baker mineralised surfaces with assays ≥1.0% Ni. Occasional single sample intervals of <1.0% Ni were selected to continue the mineralised volume when supported by the position relative to the footwall contact and surrounding drillholes. Internal dilution (Ni <1.0%) was considered on a hole-by-hole basis, rarely involving assays <0.5% Ni while the overall averaged intercept grade typically remained above the 1.0% Ni cut-off. Occasionally hangingwall samples <1.0% Ni were included if supported by the geological logging as containing noteworthy sulphides, however, samples with grades of less than 0.5% Ni in this hangingwall position were not included.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	
	The assumptions made regarding recovery of by-products.	
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques (continued)	*In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	The Leapfrog Geo® implicit "vein" modelling function was used to construct the deposit wireframes by using mathematical algorithms to derive best fit 3D model volumes from the interval selection data. The geometry, thickness and extent of the deposit wireframes are defined primarily by the footwall and hangingwall depth positions down the drillholes denoted by the selected interval. The geologist (in this case the Competent Person) has further refined geometries to honour the geological interpretation by manually creating 3D strings and points which help shape the 3D model particularly where there is insufficient drilling data to define the interpreted location, thickness and geometry of the deposit. The Baker deposit has not been previously mined; therefore no historical mining depletion was required. Cube was retained by Lunnon Metals to produce a mineral resource grade and tonnage estimate (the MRE) for the nickel deposit. Validated drillhole data and geological interpretation wireframes were supplied by Lunnon Metals, and Cube produced the MRE using standard processes and procedures including data selection, compositing, variography, estimation using 3D ordinary kriging (**OK**) techniques, with massive sulphide and disseminated sulphide sub-domains defined by categorical indicator estimation. Cube was not required to sign off on the MRE, however, the estimation work and resource classification completed by Cube is to a standard consistent with the JORC (2012) guidelines, and the resulting Mineral Resource classification was established by discussions between Lunnon Metals and Cube. **Estimation Input Data** Lunnon Metals produced wireframe solids in Leapfrog software then exported in Datamine ASCII format – they were received by Cube on 15 November 2022. Lunnon Metals provided Cube with a series of data tables in csv format, which were imported into Datamine and de-surveyed as a 3D drillhole file. Cube undertook basic data validation only and has not reviewed any QAQC data. There were 153 individual intervals identified for the Baker deposit including 73 for the two base of flow domains and 80 for the remobilised massive sulphide domains. Nickel, copper, cobalt and bulk density were all estimated and are reported. Palladium and platinum estimates are pending. Cube undertook visual validation of the coded drillhole intervals against the wireframes and did not identify any issues. **Compositing** Raw sample interval lengths in the mineralised sub-domains varied between 0.05m and 3.00m. The mean sample length for the Baker deposit was 0.83m, but the most frequent sample interval was 1m. Therefore, 1m was chosen as the composite length for the main Baker deposit. A minimum composite size was set to 0.25m – any "residual" composites of less than 0.25m at the lower limit of a sub-domain were "added" back to the final downhole composite per sub-domain.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques (continued)		**Bulk Density** Values were determined using the Archimedes principle for some 497 DD core samples within the mineralised domains with missing density values were populated using a regression equation to ensure bulk density values were available for all samples to be used for the density weighting for the composites. Calculation of the "accumulated metal" (Ni x length x SG) before and after compositing were exactly the same, meaning that no data or information had been lost during the compositing process. **Exploratory Data Analysis** After compositing in Datamine, the data was imported into Supervisor for statistical and geostatistical analysis. Cross-checking of statistics between Datamine and Supervisor ensured they were the same datasets. The mean nickel grade for the composited samples at the Baker deposit was 3.85% Ni. The nickel distributions are positively skewed, with some extreme values greater than 10% Ni and many values greater than 5% Ni. **Grade Capping** Grade capping was not used for nickel in the Baker MRE. The grade distribution, even though positively skewed, is continuous and the higher-grade zones were relatively consistent spatially. **Estimation** Estimates for Baker were run using two alternative approaches: • Standard OK within the ~1.0% Ni domain boundaries (a similar approach to the previous estimates completed by Cube prior to and post the Company's IPO at the KNP). • Categorical indicator estimation was used to estimate the proportions of massive and disseminated (using a threshold of 3.5% Ni), with OK applied to estimate the indicator categories. As there are some discrete massive sulphide zones towards the footwall of some domains, with the initial standard OK estimation tending to over smooth these high-grade zones, this second indicator approach attempts to localise the estimates for the massive sulphide zones and was Cube's final preferred estimation approach. **Variography** Given the tightly constrained geometry for the sub-domains, the data configuration essentially controlled the variography. Experimental variograms for nickel were produced in the plane of continuity for the BOF02 (plunging -20° towards 130°), and for MOB02 (plunging -30° towards 125°) with the minor direction perpendicular to the major directions, and the variograms were modelled with a nugget effect and two spherical structures. These variogram parameters were also used for the other mineralised sub-domains, with appropriate rotations applied per sub-domain.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques (continued)		For the OK estimate, the Indicator and nickel grade variograms directions were consistent with those defined for the overall domain. **Block Model Definition** The parent block size of 10mE x 10mN x 5mRL was chosen to be compatible with the drillhole spacing and the geometry of the mineralisation. Minimum sub-block size of 2mE x 2mN x 0.5mRL was used to appropriately fill the mineralisation volumes. The block model volumes compared to the deposit wireframe volumes showed a very close result of 100%. **Categorical Indicator** For the Indicator estimate, a block model was used with a smaller resolution (5mE x 5mN x 2.5mRL) than that used for the OK grade estimate – this was to produce a more granular estimate of the proportions above and below the threshold. However, the grade estimates for nickel above and below the threshold were into the 10mE x 10mN x 5mRL parent blocks. The search radius for the Baker deposit is 70m down plunge, 40m across strike, and 10m across thickness. A minimum number of samples required was set at 8, maximum number of samples was set at 16, and the block discretisation was set at 5 x 5 x 5. **Search Passes** Relatively small searches were used for the Indicator and Ni >3.5% estimates to avoid smearing of the higher grades too far from the samples. If a block was not estimated with the first search pass, a second pass twice the size of the first is used, and a third pass five times the original search was used if required with a lower number of minimum samples of two. The resulting estimate of the Indicator proportions is a reasonable representation of both the higher (massive sulphide) and lower grade (disseminated/matrix) zones. OK estimates for the separate >3.5% and <3.5% Ni were run, and these grades above and below threshold were multiplied by the appropriate block proportion to produce a final block grade. There has been no previous mining at Baker, so mining depletion was not required. **Model Validation** Model validation was conducted to check that the grade estimates within the model were an appropriate reflection of the underlying composite sample data, and to confirm that the interpolation parameters were applied as intended. Checks of the estimated block grade with the corresponding composite dataset were completed using several approaches involving both numerical and spatial aspects. It is Cube's opinion that the nickel, other element and density estimates in the Baker deposit are valid and satisfactorily represent the informing data. The output for this estimate is a Datamine block model named "BK221126m".

Criteria	JORC Code explanation	Commentary
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnage is estimated on a dry, in-situ basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	All material modifying factors have been considered and accommodated in the chosen reporting cut-off grade, which is >1% Ni. This cut-off grade was calculated as the attributed breakeven grade that in aggregate covers assumed processing and mining benchmarked unit rates, taking into account an AUD:USD exchange rate of approx. 0.6820, an assumed processing recovery, concentrator payability and standard other associated costs reported publicly, by other third parties in the Kambalda District during the operational period of nearby similar nickel mines.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	A Company employee, a mining engineer, has seven years' experience in the relevant commodity at Kambalda and has advised on appropriate access, development and stoping methodologies. Benchmarking of current industry capital start-up, development and operating costs indicate that reasonable prospects for eventual economic extraction of the MRE exist. The assumptions made regarding possible mining methods and parameters have not yet been rigorously tested, however, the tonnage of mineralisation, the grade of mineralisation above the reporting cut-off and its location, both geographically (at Kambalda) and locally at shallow depths proximal to a suitable portal site in an existing open pit, all support this assessment. Access to the mineralisation at Baker would be via decline. Only minimal new waste development would be required to access the mineralised shoots at Baker due to its shallow position (50–60m below surface to the top of the deposit). Conventional underground stoping techniques would be employed as applied routinely and successfully in the immediate Kambalda District nickel operations. The above considerations are now superseded by the analysis and work completed in this PFS.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Primary nickel mineralisation predominantly consists of pyrrhotite-pentlandite-pyrite plus subordinate chalcopyrite and magnetite. XRD analysis has recorded the secondary alteration of a minor portion of the massive sulphides to violarite-pyrite. The Baker sulphide mineralisation assemblage is very similar to that recorded for the nearby Jan Shoot. (1984 Mineral Resources Bulletin No.14, Geological Survey of Western Australia). By way of context, the nearby Jan Shoot nickel mine delivered some 1.0 million ore tonnes at 2.82% Ni for 30,270 tonnes of contained nickel between 1975 and 1987, to the Kambalda concentrator, forming approximately between 5% and 10% of the feed over that period.

[20] Correct at the time of lodgement on 7 December 2022.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions (continued)		Remaining half or quarter sawn drill core samples from the three diamond drillholes completed in late 2021 were collected by Lunnon Metals for metallurgical testwork purposes. The samples selected represented massive, disseminated and peripheral hangingwall nickel mineralisation and were combined to form a master composite to undergo various laboratory analyses. The composite sample comprised 170kg of DD core recovered at the end of 2021. The composite sample was collected from the only three diamond holes available at the time the testwork was initiated, which was prior to completing the geological interpretation and reporting of the first-time Baker MRE in June 2022. As a consequence, over 40% of the core samples collected originated from outside the June 2022 MRE interpreted model, with this additional material predominantly being sourced from the weakly mineralised hangingwall komatiite to make up the sample weight required. A testwork program was developed that best approximated the treatment conditions at the Kambalda Concentrator. Rougher/Cleaner optimisation tests were conducted at a grind size of P80 53 µm, chosen in consultation with Nickel West technical personnel, to simulate the process flow at their Kambalda Concentrator. The composite sample calculated head grade: 2.81% Ni, 0.27% Cu, 0.057% Co, 16.4% Fe, 20.6% MgO, 7.29% S, 18 ppm As. Results of the Rougher/Cleaner optimisation tests conducted at a grind size of P80 53 µm were: • Nickel recovery was 86% with a concentrate grade of 16.9% Ni; • Copper recovery 95.5% with a concentrate grade of 1.88% Cu; • Cobalt recovery 85.3% with a concentrate grade of 0.35% Co; • Arsenic in concentrate graded 95 ppm; and • Other concentrate measures included Fe:MgO ratio of 16.8 and sulphur at 36.8%. The testwork results in summary showed high nickel recoveries whilst producing a very clean concentrate that is low in contaminates and high in saleable nickel, copper and cobalt. Metallurgical testwork continues with representative nickel sulphide samples from the most recent drilling program having been vacuum sealed and stored in a freezer pending the completion of the domaining of the nickel mineralisation in this updated MRE.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions (continued)		The process covering the ongoing collection and handling of the metallurgical samples and the supervision of the testwork that aligns with Nickel West's process flow is being managed by Mr Barry Cloutt, an external independent metallurgical consultant who previously worked for WMC in Kambalda in the 1990s and directly managed the Kambalda Concentrator. This was a period in time when the plant was receiving nickel ore from between 10 and 15 separate underground sources across the Kambalda and Widgiemooltha districts from various ore suppliers. The Competent Person has concluded that there are reasonable prospects that the nickel sulphide mineralisation at Baker will be amenable to treatment at nickel concentrators proximal to the KNP. The above considerations and results were correct at the time of lodgement of the MRE in December 2022 and are now superseded and/or complemented by the analysis and work completed in this PFS.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	The Baker deposit is located in a mature mining area on granted Mining Leases with all surface infrastructure already in place or to be constructed on previously disturbed ground. The future mine workings will require minor ongoing dewatering to a permitted discharge point on adjacent tenements held by St Ives. Ore treatment is yet to be finalised but is forecast to be carried out offsite by third parties under a typical Ore Tolling and Concentrate Purchase arrangement with nickel concentrating facilities in close proximity to the KNP. The Nickel West concentrator, which has been in operation for 50 years, by way of example, has previously received ore production from the nearby Foster and Jan Shoot mines as noted above and has adequate tailing storage facilities and is a possible route for processing any ore production, though no commercial agreement has been entered into at this point in time. Baker may be a net consumer of waste material in regards that fill will be required to be supplied from surface into the underground mine to assist with cemented fill of the production stopes. All surface disturbance is within areas already previously disturbed by mining or the current exploration program and minimal new disturbance is required to commence operations. The Baker project area has been the subject of several fauna and flora surveys over a number of years, none of which have identified any rare or priority flora species, and none of the floristic communities have been identified as being of National Environmental Significance. There are not expected to be any environmental hindrances that would prevent the eventual economic extraction of ore from a future Baker development.

Criteria	JORC Code explanation	Commentary
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	During the Lunnon Metals exploration program, drill core bulk density measurements were routinely taken as determined by the standard gravimetric water immersion technique (Archimedes Principle). The drill core is generally competent and non-porous with negligible moisture content as a result. The results are consistent with similar rock types at nearby nickel mines and with Lunnon Metals' recent other diamond drilling at the KNP. In deposits where bulk density is correlated with grade, then length and density weighting during compositing is advised. This was the case at the Baker deposit. Bulk density measurements were collected by the Company for all of the Lunnon Metals Baker mineralised drill core samples and select historical WMC drill core samples when re-logged and re-sampled by Lunnon Metals. Where RC sampling occurred, a regression of density against nickel was established based on the Baker drill core bulk density measurements to derive density values for weighting where measured density values were missing, as follows: • Density = 0.1235 x Ni + 2.8341. During the MRE, post-processing exercise blocks that were not within the mineralised sub-domains were given default values based on the global statistics per rock type as follows: • 2.88 t/m^3- 0.15% Ni – Kambalda Komatiite • 3.0 t/m^3- 0.05% Ni – Lunnon Metals Basalt • 2.9 t/m^3 - 0.01% Ni – Interflow sediment.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Cube was not required to sign-off on the MRE under JORC (2012), however, the estimation work and resource classification completed by Cube is to a standard consistent with the JORC (2012) guidelines, and the resulting Mineral Resource classification was established by discussions between Lunnon Metals and Cube. In general, classification of the Mineral Resources at Baker uses criteria as follows: • Confidence in the volume, location and orientation of the geological solids which is influenced by drill spacing; • Confidence in the nickel estimate; and • Reasonable prospects for eventual economic extraction. Assessment of confidence in the estimate of nickel included guidelines as outlined in JORC (2012): • Drill data quality and quantity; • Geological interpretation (particularly aspects that impact on nickel mineralisation); • Geological domaining (for mineralised sub-domains specific to the estimation of nickel); • The spatial continuity of nickel mineralisation; and • Geostatistical measures of nickel estimate quality. In summary, the more quantitative criteria relating to these guidelines include the data density as follows: • Mineralised blocks for the Baker deposit within about 25m of the drillhole and where the confidence in the interpretation is good have been classified as Indicated;

Criteria	JORC Code explanation	Commentary
Classification (continued)		• Most of the remaining resource outside the Indicated area is classified as Inferred, which has a general drillhole spacing of about 40m x 40m or broader; and • Sparsely drilled areas at the edge of the Baker deposit are not classified as Mineral Resource and will be internal Exploration Targets. Data quality and quantity is generally considered adequate with no areas known to be defectively sampled or assayed. Cube has not analysed any QAQC data and reports, and responsibility for the data quality rests with the Lunnon Metals Competent Person who attests to its appropriateness. The following observations regarding 'Reasonable prospects for eventual economic extraction" were valid at the time of lodgement of the MRE in December 2022 and are now superseded and/or complemented by the analysis and work completed in this PFS. The observations made were: • There is extensive infrastructure already in place, with future access to the Baker deposit readily able to be established from nearby open pit in the future. • The deposit is located on a granted Mining Lease. • Grades and geometry are amenable to small-scale underground mining, like many "Kambalda-style" nickel deposits. • Ore would likely be sent to the nearby Nickel West concentrator. • Then-current (December 2022) nickel price was ~US$28,500/t (which at the then current AUD:USD exchange rate was approximately A$41,400/t). An average revenue per tonne at the average Baker Ni % grade, assuming typical metallurgical recoveries would be more than A$1,200, before any concentrator payabilities are considered. • Publicly available data for feasibility studies for similar projects (e.g. Mincor Resources Kambalda Nickel Project, 25 March 2020[21]) have operating and sustaining capital costs of approximately A$250/t (applying quoted A$/lb Ni AISC on a 100% recovered basis over the stated ore tonnage to be mined). • Capital costs to access and develop are considered to be modest due to the proximity of the open pit (approx. 300m to 350m distance; as a portal site) and the relatively shallow location of the Baker deposit. Therefore, there is no apparent reason the Baker nickel deposit could not be mined economically. The classification results reflect the Lunnon Metals Competent Person's view of the deposit.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	Internal reviews have been completed by senior Lunnon Metals personnel which verified the technical inputs, methodology, parameters and results of the geological interpretation and mineralisation modelling exercise (solid wireframe models) to the satisfaction of the Competent Persons.

[21] Reference was applicable at the time of lodgement (7 December 2022); now superseded by the technical analysis and costs estimates completed as part of this PFS.

Criteria	JORC Code explanation	Commentary
Audits or reviews (continued)		As part of the ITAR to the Prospectus (22 April 2021), Optiro reviewed the then Mineral Resources and confirmed the tonnage and nickel grades reported from the block models. The quality of input data, QAQC, interpretation and sample spacing was considered suitable and this information has been considered in applying the Mineral Resource classification. In Optiro's opinion the Mineral Resource models developed by Lunnon Metals and Cube for the KNP were appropriate and provided a realistic estimation and classification of the global Mineral Resources. Whilst not reviewed directly by Optiro or others in this case, the same procedure and processes as reviewed by Optiro have been employed in the current Baker MRE by Lunnon Metals and Cube.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Resource confidence is reflected in its classification into Inferred Resource and Indicated Resource, and is primarily based on the quality, quantity and distribution of data which supports the continuity of geology and grade distribution of the deposit. The MRE nickel grades are comparable with the historical WMC mined head grades at similar local nickel deposits. Likewise, the style of mineralisation and tonnages associated with the MRE are comparable with previous mineralisation styles and tonnages mined at Foster and Jan by WMC. The MRE is deemed sufficient both as a global estimate of Baker deposit but also as a local estimate for the purposes of economic evaluation and subsequent mine design. There has been no prior production at Baker.

Section 4: Estimation and Reporting of Baker Ore Reserve

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	*Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Baker Mineral Resource used as the basis for this Ore Reserve was estimated by independent consultants Cube Consulting and announced to the market on 7 December 2022 and updated with palladium, platinum and arsenic grade estimates on 5 April 2023. Mineral Resources stated are reported inclusive of Ore Reserves.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	The Competent Person is an employee of Lunnon Metals and visits the site regularly. The purpose of the site visits includes, but is not limited to, assessment of the condition of existing infrastructure, proposed dewatering system and discharge, the geotechnical stability of the proposed access, and selection of a portal locations. The Competent Person is familiar with the area, existing infrastructure, and access routes. The Competent Person is comfortable from these site visits, reports from other experts and colleagues, and survey data, for the estimation of the Ore Reserve.
Study status	*The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* *The Code requires that a study to at least Prefeasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	A PFS has been completed considering the material being converted from Mineral Resource to Ore Reserve. A mining study was completed by independent consultants, MGT. Modifying factors accurate to PFS level have been applied based on detailed expert design analysis. The study indicates that the mine plan defining the Ore Reserve is technically achievable and economically viable.
Cut-off parameters	*The basis of the cut-off grade(s) or quality parameters applied.*	Nickel cut-off grades used for determining ore were derived after considering mine operating, surface ore haulage, and processing costs, projected commodity prices and payability factors including product quality assessment, and metal recovery. The fully costed cut-off grade includes all costs for mining and processing ore material. This value was used to generate focussed mining zones that determine the extents of the ore development. The incremental cut-off grade is applied to low grade development necessary to provide access to high grade areas that would not normally be targeted for mining. The incremental cut-off grade includes surface haulage and processing costs. The fully costed cut-off grade ore has been termed “high grade” and the incremental cut-off grade ore has been termed “low grade”. The defined values for each are as follows: • High grade 1.5% Ni; and • Low grade 1.0% Ni.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	*The method and assumptions used as reported in the Prefeasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* *The mining dilution factors used.* *The mining recovery factors used.* *Any minimum mining widths used.* *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* *The infrastructure requirements of the selected mining methods.*	Detailed mine designs were carried out on the Mineral Resource, and these were used as the basis of the Ore Reserve estimate. The Ore Reserve is planned to be mined using a mechanised cut-and-fill or drift-and-fill stoping method (depending on prevailing ore width and dip) with cemented paste-fill to provide support and a working platform for access to subsequent stoping lifts. This mining method was selected based on a detailed analysis having regard for orebody geometry and geotechnical assessment. Diesel powered trucks and loaders will be used for materials handling. Diesel-electric jumbo drill rigs will be used for development, stoping, and ground support installation. The mining methods chosen are well-known and have been widely used previously in the local mining industry. Production rates and costing have been estimated and scheduled with a suitable degree of accuracy. The Baker mining area will be accessed via a decline developed from a portal within the existing, and now closed, West Idough open pit, which is dry and accessible at the portal horizon. A second parallel decline will also be developed connecting to the West Idough open pit providing ventilation and an escapeway. Appropriate geotechnical analyses to a PFS level of detail were completed to support the mine plan. The Baker geotechnical appraisal was undertaken by MGT extending throughout 2022. The analysis has informed the geotechnical input incorporated into mining method selection, mine design, opening size, ground support requirements and dilution assumptions for the Ore Reserve estimate. No Measured Resource category material was contained within the Mineral Resource. Only the Indicated Resource category portion of the Mineral Resource was used to estimate the Ore Reserve. The Mineral Resources used for optimisation were those discussed previously. Underground stopes were designed with a minimum mining width of 1.5m, additionally 0.25m stope dilution skins on both footwall and hangingwall were applied at zero grade. Mining recovery of 90% was applied to filled stopes. Ore development includes 10% dilution at zero grade with 95% mining recovery applied. All Inferred Resource category material has had grade set to waste (i.e. zero, 0.0% Ni) for the purposes of evaluation. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource. Paste-fill infrastructure will be required at Baker to execute the proposed mining methods.
Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *Whether the metallurgical process is well-tested technology or novel in nature.*	Ore is planned to be hauled by road train to a local nickel concentrator for toll treatment under an offtake agreement. The specific terms of the agreement are subject to ongoing negotiation. The metallurgical process (involving conventional ore crushing, grinding and flotation) has been used successfully on this style of ore for more than 50 years, and is therefore well tested and understood.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions (continued)	*The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	Flotation tests were conducted at a grind size of P80 53 µm, chosen in consultation with Nickel West technical personnel, to simulate the process flow at their Kambalda Concentrator. A metallurgical evaluation to PFS standard was undertaken by an independent expert consultant (Cloutt Metallurgy) to validate the metallurgical inputs used to generate this Ore Reserve estimate. This evaluation was underpinned by numerous core samples representing appropriate mining width that were collected from each geological domain comprising the ore reserve. The metallurgical testwork carried out on domain specific ore samples was designed to enable representation of the range of ore types scheduled to be processed. Nickel recovery is dependent on feed grade and geological domain and ranged between 83.4% and 95.9%. The testwork demonstrates that Baker ore produces a clean, high-grade concentrate, with low level deleterious element content. In addition to nickel, the resource model estimates a range of elements including relevant deleterious elements. Deleterious element penalties will be incorporated into an ore processing offtake agreement and are likely to relate mainly to arsenic and magnesium content. Penalty rates are likely to apply when these deleterious elements are present in quantities resulting in concentrate quality exceeding certain thresholds. Domain specific testwork has identified the characteristics of the ore production schedule to determine any penalties that may be applicable to the mine plan. The Baker deposit is not peculiar when compared to other Kambalda style nickel ore sources which have a long history of successful processing. No particular mineralogical specifications are applicable.
Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The Baker Project area has been the subject of several vegetation and fauna surveys over several years, the most recent during 2022, none of which have identified any rare or priority flora species, and none of the floristic communities have been identified as being of National Environmental Significance. There are not expected to be any environmental hindrances that would prevent the eventual economic extraction of ore from a future Baker development. Detailed analysis has been carried out on waste rock to determine potential for acid formation, which was shown to be low. A Mining Proposal and Mine Closure Plan will be submitted to the Western Australian government DMIRS for approval prior to the commencement of mining and the Competent Person sees no reason why approval will not be granted within a reasonable timeframe to allow mining to commence.

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Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Access to the site is via gazetted public roads. Within the site, access is granted via the relevant Joint Venture Agreement or Access Deed with St Ives Gold Mining Co. Pty Ltd (**St Ives**), a wholly owned subsidiary of Gold Fields Ltd, operator of the adjacent St Ives gold operations. Personnel will be employed either on a residential in Kambalda or Kalgoorlie or on a fly-in/fly-out (**FIFO**) basis, flying in and out of the Kambalda airport. Accommodation will be supplied by one of several local accommodation providers or in local Kambalda or Kalgoorlie townships. Costs associated with FIFO and accommodation have been sourced from suppliers. Most required mine site surface infrastructure is in place and will require minor refurbishment to recommence operations. Sufficient land exists around the mine to install any further required facilities. Power supply will be from a modular style diesel powered generating plant located on site. Service water will mainly be sourced by recycling mine water. Potable water will either be supplied from St Ives governed by a Service Agreement or trucked in from Kambalda or Kalgoorlie.
Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.* *The methodology used to estimate operating costs.* *Allowances made for the content of deleterious elements.* *The source of exchange rates used in the study.* *Derivation of transportation charges.* *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *The allowances made for royalties payable, both Government and private.*	Pre-production capital cost estimates for provision of infrastructure establishment and refurbishment as necessary, were provided by a reputable engineering company and incorporated into the cost model. Operating costs assume mining via a mining contractor and processing at a third party nickel concentrator under an offtake agreement. Mine operating costs used in the PFS are derived from a zero-based cost model compiled by a reputable and experienced consultant having extensive experience in underground mining cost estimation. The cost model includes provision for supply of required infrastructure for carrying out the mining works, including power supply and FIFO/housing/ accommodation for contractor personnel. Lunnon Metals will supply diesel, power, technical and managerial support, primary ventilation infrastructure, site business services and surface dewatering. Costs for items not supplied by the contractor have been based on supplier quotes. Penalties for deleterious elements will be incorporated into an ore processing offtake agreement and are likely to relate mainly to arsenic and magnesium content. Penalty rates are likely to apply when these deleterious elements are present in quantities resulting in concentrate quality exceeding certain thresholds. Domain specific metallurgical testwork has enabled characterisation of the ore production schedule to quantify and make appropriate allowance for any penalties that may be applicable to the mine plan. All costs were estimated in Australian dollars. Ore haulage costs have been estimated based on an estimate from a local ore haulage contractor.

Criteria	JORC Code explanation	Commentary
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Forecasts for head grade delivered to the plant are based on detailed mine plans including relevant mining factors. A payability factor has been applied to the recovered metal and based on the stated USD nickel price. The final payability factor used in the Ore Reserve estimate financial analysis is commercially sensitive and is therefore not stated publicly. A flat USD:AUD exchange rate of 0.68 was used in the financial model. A flat nickel price of US$24,000/t nickel has been assumed for the financial analysis. Other flat commodity prices assumed in the financial analysis are: US$7,500/t copper; US$40,000/t cobalt; US$850/oz platinum; and US$/1,250 palladium. Nickel revenue comprises 96.8% of revenue in the Ore Reserve plan, with the remaining 3.2% from copper, cobalt, platinum and palladium.
Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.* *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	Nickel is an openly traded commodity on the London Metal Exchange. Lunnon Metals has undertaken a detailed market analysis, and this has informed the nickel price assumption. The volume of concentrate produced by processing the estimated Ore Reserve will be too small to have an impact on the global market of nickel sulphide concentrate.
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The Baker Ore Reserve has been assessed in a detailed financial model. The Baker Ore Reserve plan is economically viable and returns a positive NPV at an 8% discount rate at the stated commodity price and exchange rate. Sensitivity analysis shows that the Project is most sensitive to commodity price/exchange rate movements and nickel grade.
Social	*The status of agreements with key stakeholders and matters leading to social licence to operate.*	Lunnon Metals, as good business practice, continue to communicate and negotiate in good faith with key stakeholders. No significant issues have been raised to date.
Other	*To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and*	A formal process to assess and mitigate naturally occurring risks will be undertaken by Lunnon Metals prior to commencement of the mining operation. A third-party offtake agreement to purchase all concentrate produced is currently under negotiation. Licence to Take Water under Section 5C of the Rights in Water and Irrigation Act 1914 has been granted (GWL207868/1). Licence to undertake prescribed activity (mine de-watering) issued under Part V Division 3, *Environmental Protection Act 1986*, Environmental Protection Regulations 1987 has been granted (L9353/2022/1).

Criteria	JORC Code explanation	Commentary
Other (continued)	*government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Prefeasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	A Mining Proposal and Mine Closure Plan will be submitted to DMIRS for approval prior to the commencement of mining. The Competent Person sees no reason why any outstanding approval will not be granted within a reasonable time frame to allow mining to commence. The Baker Project is accessed across neighbouring Mining Leases owned by St Ives. An Access Deed securing this access and outlining the terms and conditions of the access has been executed between Lunnon Metals and St Ives.
Classification	*The basis for the classification of the Ore Reserves into varying confidence categories.* *Whether the result appropriately reflects the Competent Person's view of the deposit.* *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	The Probable Ore Reserve is based on that portion of the Indicated Mineral Resource included within the mine designs that may be economically extracted and includes appropriate allowances for dilution and ore loss. None of the Probable Ore Reserves have been derived from Measured Mineral Resources. The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	*The results of any audits or reviews of Ore Reserve estimates.*	The Ore Reserve estimate, along with the mine design and life of mine plan, has been peer reviewed by MGT internally, and by Lunnon Metals technical and management staff.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*	The mine design, schedule, and financial model on which the Ore Reserve is based has been completed to a PFS standard, with a corresponding level of confidence. Considerations that may result in a lower confidence in the Ore Reserves include: • a degree of uncertainty associated with geological estimates. The Reserve classifications reflect the levels of geological confidence in the estimates; • Nickel price and exchange rate assumptions are subject to market forces and present an area of uncertainty; • Uncertainty regarding estimates of impacts of natural phenomena including geotechnical assumptions, hydrological assumptions, and the modifying mining factors, commensurate with the PFS level of detail for the study. Considerations in favour of a higher confidence in the Ore Reserves include: • Due to the shallow position of the deposit below surface, Lunnon Metals has completed over 20km of drilling at Baker to assist define the geology, structure and distribution of nickel mineralisation as well as other key elements. This drilling has achieved an approximate 20m x 20m spacing in the Indicated Resource category material, the subject of the Ore Reserve estimate and PFS. • The mine plan assumes a low complexity mechanised mining method that has been successfully implemented previously at various sites in the local area; • Kambalda nickel mines have a long history of successful mining and processing; • A nickel concentrator with spare capacity is proximal to the Ore Reserve;

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence (continued)	*It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The specific terms regarding an offtake agreement are still to be finalised and negotiations are well advanced; • The Project is well advanced in terms of permits and approvals The Ore Reserve is based on a global estimate. Modifying factors have been applied at a local scale. Further (i.e. quantitative) analysis of risk is not considered warranted or appropriate at the current level of technical and financial study.

-END OF REPORT-