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Automatic Group

ASX CODE: LM8**HISTORICAL DRILL CORE RETRIEVAL PROGRAMME KICKS OFF**

9th September 2021

HIGHLIGHTS

- Lunnon Metals adds geologist dedicated to advance key strategic programme aimed at growing the 39kt nickel Mineral Resource
- 350km of historical WMC drill core at Kambalda is a key asset to capitalise on with the Lunnon Metals team producing the current Mineral Resource from this high quality data set
- Targeting Foster mine nickel mineralisation proximal to existing JORC 2012 compliant Mineral Resource

Lunnon Metals Limited (ASX: LM8) (the "Company" or "Lunnon Metals") is pleased to provide additional details in relation to its Historical Drill Core Retrieval Programme.

As communicated in the Company's Prospectus and recent Annual Report (lodged 11 June 2021 and 3rd September 2021 respectively), this is a key element of the strategy to grow the Company's JORC 2012 compliant Mineral Resource and complements the current surface exploration programme at the Kambalda Nickel Project ("KNP"), itself seeking to discover new and extensional sources of nickel mineralisation.

The Company has successfully recruited an additional geologist to focus exclusively on this important programme. The initial focus will be at the Foster mine and will target nickel mineralised surfaces that remained at the time of mine closure by WMC in 1994 and that are proximal to the Mineral Resources already reported by Lunnon Metals at 85H and Foster South. The historical documentation prepared by WMC for these mineralised surfaces is of the highest quality and includes:

- Significant quantities of historical surface and underground diamond drill core, where the remaining half, or quarter core, of the intercepts previously sampled for nickel are retained and catalogued at the extensive Kambalda Core Yard;
- Laboratory pulp residue samples preserved for those intercepts historically assayed by WMC;
- Digital drilling and assay database with supporting hardcopy geological logs; and
- An extensive suite of detailed geological cross sections, plans and long sections which Lunnon Metals has now scanned and registered in 3D, dramatically simplifying the confirmation of the previous 2D geological interpretation and thereby expediting the process of estimating and then reporting new JORC 2012 compliant resources where appropriate and warranted.



The Lunnon Metals' process includes geological re-logging of representative historical drill holes then selective re-sampling of remaining nickel mineralised core, with insertion of industry standard quality assurance, quality control measures e.g. standards and blanks. Accurate measurements of specific gravity and other geo-metallurgical data are also collected; data that was not routinely completed by WMC during the operational life of these mines due to the WMC technical team's then decades long continuous geological knowledge of similar Kambalda nickel deposits.

Where drill core is not available or not fit for purpose the historical pulp residues can be used.

Commenting on this programme kicking off Managing Director Ed Ainscough stated *"In a tight market for quality professional staff, Lunnon is pleased to apply some of the \$15m raised in the Company's recent strongly subscribed IPO towards engaging a geologist dedicated exclusively to the Historical Drill Core Retrieval Program. The analysis of this high-quality data set, in conjunction with the drilling activities already underway on the Kambalda Nickel Project, aims to regularly add to our existing 39,000t nickel Mineral Resource"*

Geological interpretation of the nickel surfaces is followed by grade estimation for nickel and other associated relevant elements such as copper, iron, magnesium (and thus their ratio), cobalt and sulphur, amongst others. The Company intends to manage all geological data collection, interpretation and 3D solid modelling internally whilst making use of industry consultants to complete the grade estimation.

Subject to the timing of the receipt of the re-sampling assay results and the outcome of the interpretation and estimation process, the Company hopes to be able to report regular updates to its Mineral Resource as each surface, or group of surfaces, are completed.

As the Annual Report detailed, in total WMC documented over 55 individual nickel surfaces at the Foster Mine which themselves were subdivided into over 160 sub-surfaces or sub-blocks dependent on the stratigraphic host to the nickel mineralisation and its position both in the mine and with respect to the main komatiite-basalt contact. Figure 1 below is a scan of the 1992 vintage mine longitudinal projection (looking north-east) illustrating multiple nickel surfaces represented as individual, irregular shaped polygons sitting within the boundaries of the south plunging, 2.5 km long Foster trough system.



Figure 1: Longitudinal Projection (NW-SE) of the 1992 WMC nomenclature for mineralised nickel surfaces



The programme starts with investigation of the N14C, the N18C, the N71C and the N75C. These surfaces, hatched red in Figure 1, are located in the area of the mine termed the Foster Main and are located on the upper trough margin or flanking area proximal, and along the access route, to the 85H surface, which has already under gone this process and been reported as a Mineral Resource in accordance with the JORC 2012 Guidelines.

For additional context, to date, the programme has been successfully applied to the Foster South, 85H and Warren nickel shoots (these areas of the Foster mine account for 13 sub-surfaces).

This announcement has been approved for release by the Board of Lunnon Metals Ltd.

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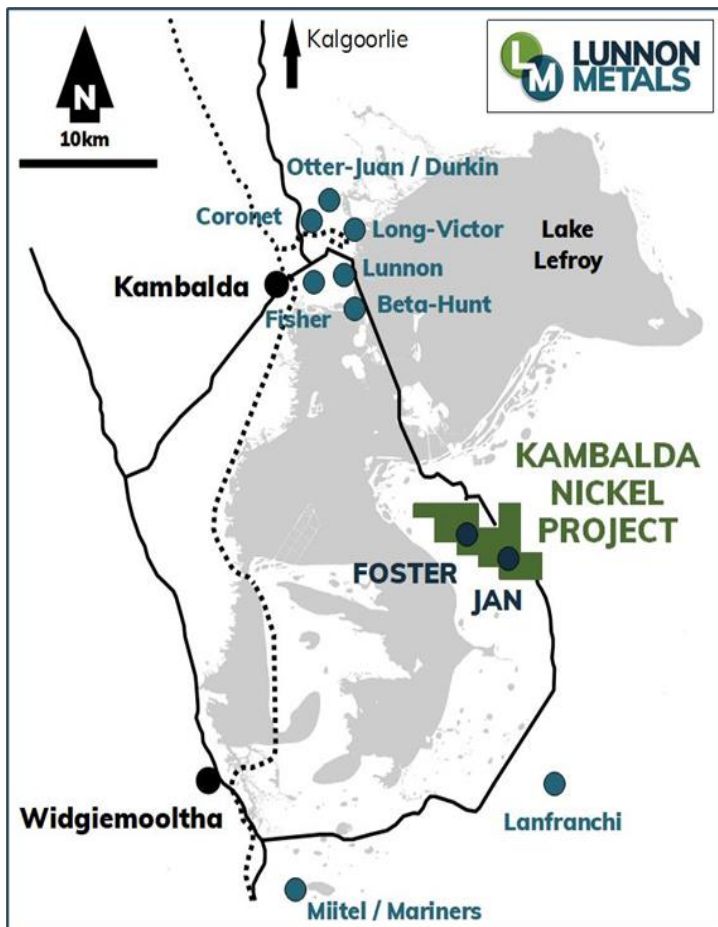


Figure 2 Regional Location of the Kambalda Nickel Project and other nearby nickel deposits

ABOUT THE KAMBALDA NICKEL PROJECT (“KNP”)

Lunnon Metals now holds 100% of the mineral rights at KNP, subject to certain rights retained by St Ives*. Full details of the Company’s 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.

KNP, shown in its regional location in Figure 1, is approximately 23 km² in size comprising 19 contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70 kilometres south from the township of Kambalda (“Tenements”).

This world-renowned nickel district has produced in excess of 1.4 million tonnes of nickel metal since its discovery in 1966 by WMC Resources Ltd (“WMC”).

*St Ives retains rights to explore for and mine gold in the “Excluded Areas” on the Tenements 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 Tenements with select restrictions which serve to prevent interference with, or intrusion on, Lunnon Metals’ existing or planned activities and those parts of the Tenements containing the historical nickel mines. St Ives enjoys select rights to gold in the remaining areas of the 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.

COMPETENT PERSON’S STATEMENT & COMPLIANCE

The information in this announcement that relates to geology, nickel Mineral Resources 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.

MINERAL RESOURCES

The detailed breakdown of the Company's Mineral Resources is as follows:

| Foster Mine | | Indicated | | | Inferred | | | Total | | |
|--------------|---------------------------|---------------|-------------|-----------------|---------------|-------------|-----------------|---------------|-------------|-----------------|
| Shoot | <u>Cut-off (Ni %)</u> | <u>Tonnes</u> | <u>% Ni</u> | <u>Ni metal</u> | <u>Tonnes</u> | <u>% Ni</u> | <u>Ni metal</u> | <u>Tonnes</u> | <u>% Ni</u> | <u>Ni metal</u> |
| 85H | 1% | 387,000 | 3.3 | 12,800 | 300,000 | 1.3 | 3,800 | 687,000 | 2.4 | 16,600 |
| Foster South | 1% | 223,000 | 4.7 | 10,500 | 116,000 | 4.8 | 5,500 | 340,000 | 4.7 | 16,000 |
| Warren | 1% | 136,000 | 2.7 | 3,700 | 75,000 | 3.7 | 2,700 | 211,000 | 3.1 | 6,400 |
| Total | | 746,000 | 3.6 | 27,000 | 491,000 | 2.4 | 12,000 | 1,238,000 | 3.2 | 39,000 |

DISCLAIMER

References in this announcement may have been made to certain previous ASX announcements, which in turn may have included exploration results and Mineral Resources. For full details, please refer to the said announcement on the said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, the Company 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. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.