

WA GOVERNMENT EIS HOLE COMMENCES AT KENILWORTH

31 MARCH 2022

KEY POINTS

- Western Australian **Exploration Incentive Scheme** Grant Hole
- First deep diamond hole to be drilled in this portion of the St Ives stratigraphy
- 1,450m planned depth, testing conceptual nickel and gold targets
- High ranking, co-incident structural and magnetic anomaly

Lunnon Metals Limited (**ASX: LM8**) (the **Company** or **Lunnon Metals**) is pleased to announce that deep diamond drilling has commenced at the Kenilworth target, part of the Western Australian government's Exploration Incentive Scheme (EIS) programme. The hole has been successfully collared and has a planned depth of 1,450m.

The 3km long Jan-East Cooe Corridor contains significant nickel mineralisation (Jan Nickel Mine and newly discovered Baker nickel shoot), a major unresolved geophysical magnetic anomaly and interpreted structural and stratigraphic complexity akin to the multi-million ounce Victory-Leviathan gold complex (Gold Fields Ltd – not on Company's tenements) located just 2km to the north along the same structural trend. This trend is parallel and proximal to the Boulder-Lefroy Fault Zone (see Figures 1, 2 and 3).

Since the closure of the Jan Nickel Mine in 1986 and until the discovery of Baker nickel shoot by the Company in late 2021, there had been no exploration for nickel along this corridor. Previous gold exploration has been limited to predominantly shallow aircore drilling targeting near surface open pitable gold mineralisation. All these factors combine to contribute to this corridor being highly prospective for both nickel and gold mineralisation, particularly at depth.

The prime objective of this co-funded drill hole is to test and resolve the as yet unexplained 800m long geophysical magnetic anomaly located within and parallel to the Jan-East Cooe Corridor (Figures 3 and 4). In doing so, the programme will test for magnetic differentiated dolerite within the structural corridor and is also expected to resolve the unknown depth to the potentially nickeliferous basement contact.

The hole is the first deep diamond hole to be drilled in this portion of the St Ives stratigraphy.

An additional diamond rig has been provided by Blue Spec Drilling to ensure that discovery programmes can continue at Warren and Baker while the EIS deep drilling is underway. A further RC rig is being mobilised to Baker to commence drilling once the maiden Mineral Resource is finalised, with this model providing the basis for both infill and extensional targets.

The Company acknowledges the contribution of the Western Australian government's EIS Grant towards the funding of this hole.

BOARD/MANAGEMENT

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NON-EXECUTIVE CHAIRPERSON

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NON-EXECUTIVE DIRECTOR

Ms Deborah Lord
NON-EXECUTIVE DIRECTOR

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SHARE REGISTRY

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Managing Director, Ed Ainscough, commenting said:

"It is always exciting to start drilling in an area that has never been drilled at depth before. Whilst the target is a conceptual one, for both nickel and gold, the programme is located in a richly endowed corridor and this will be the first time the stratigraphy and structures have ever been tested at these depths. As we saw at Baker, drilling in fertile, mineralised belts always leaves the door open to discovery!"

There follows a series of images to provide the geological and structural setting of the diamond hole, JAN22DD_004. Note in these images, prepared as part of the application for the EIS Grant, the East Cooee Nickel prospect is the location of the newly discovered Baker shoot plus the East Trough and West Trough nickel targets.

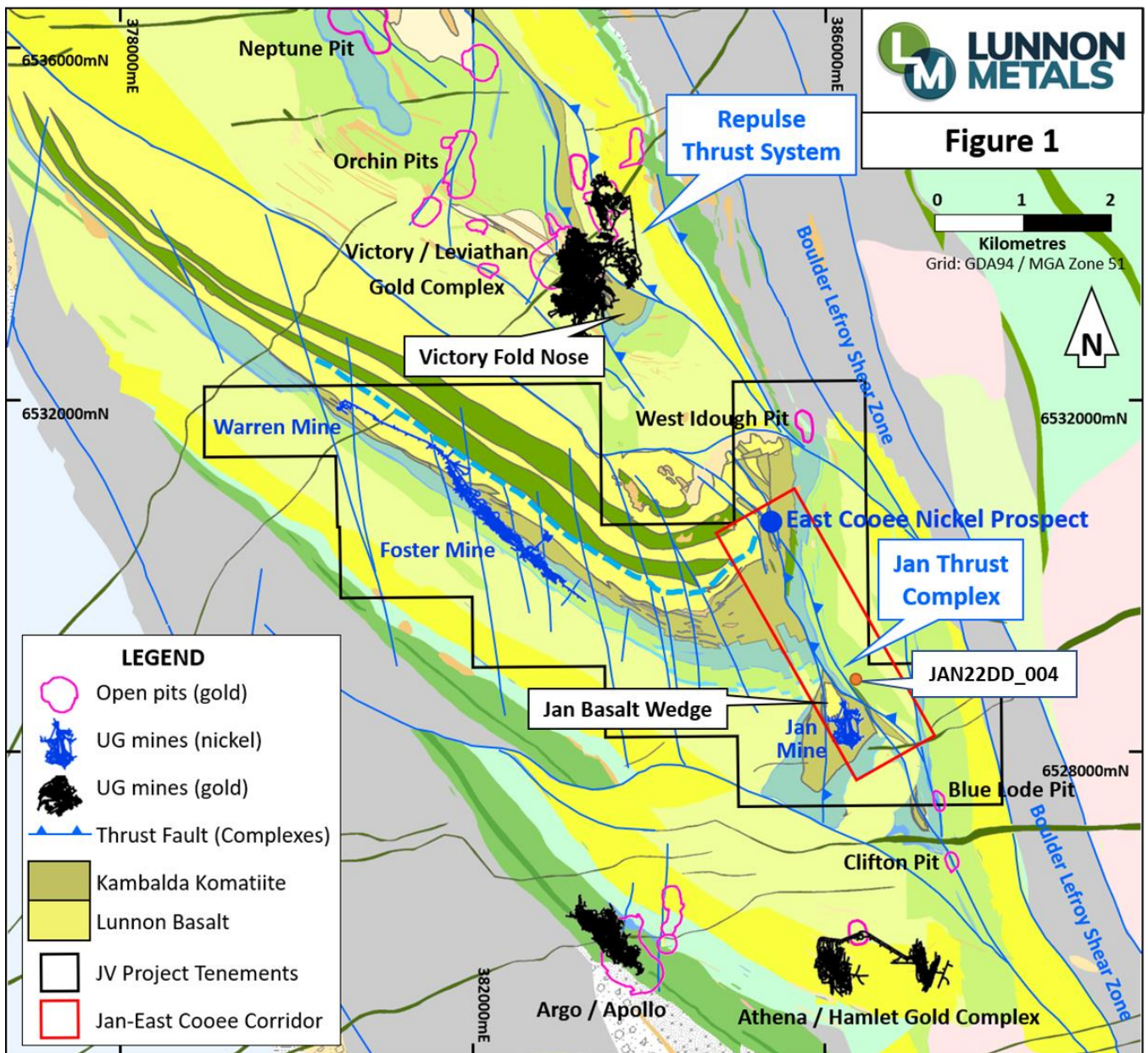


Figure 1: Plan view of the broader Kambalda Nickel Project illustrating location of the Kenilworth diamond hole, geology, structure and key historical mine areas

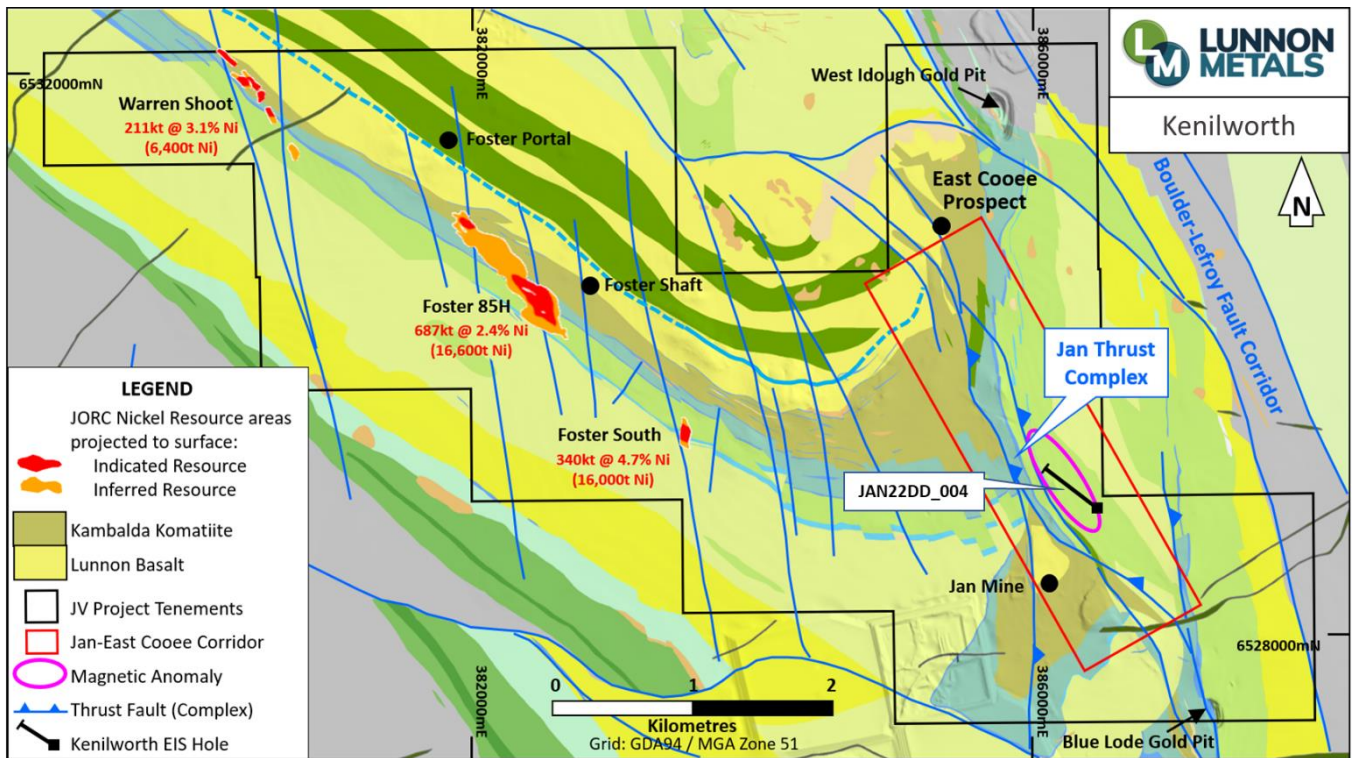


Figure 2: Plan view of the Kambalda Nickel Project illustrating location of the Kenilworth diamond hole (inside purple ellipse), geology, structure and existing Company Mineral Resources¹.

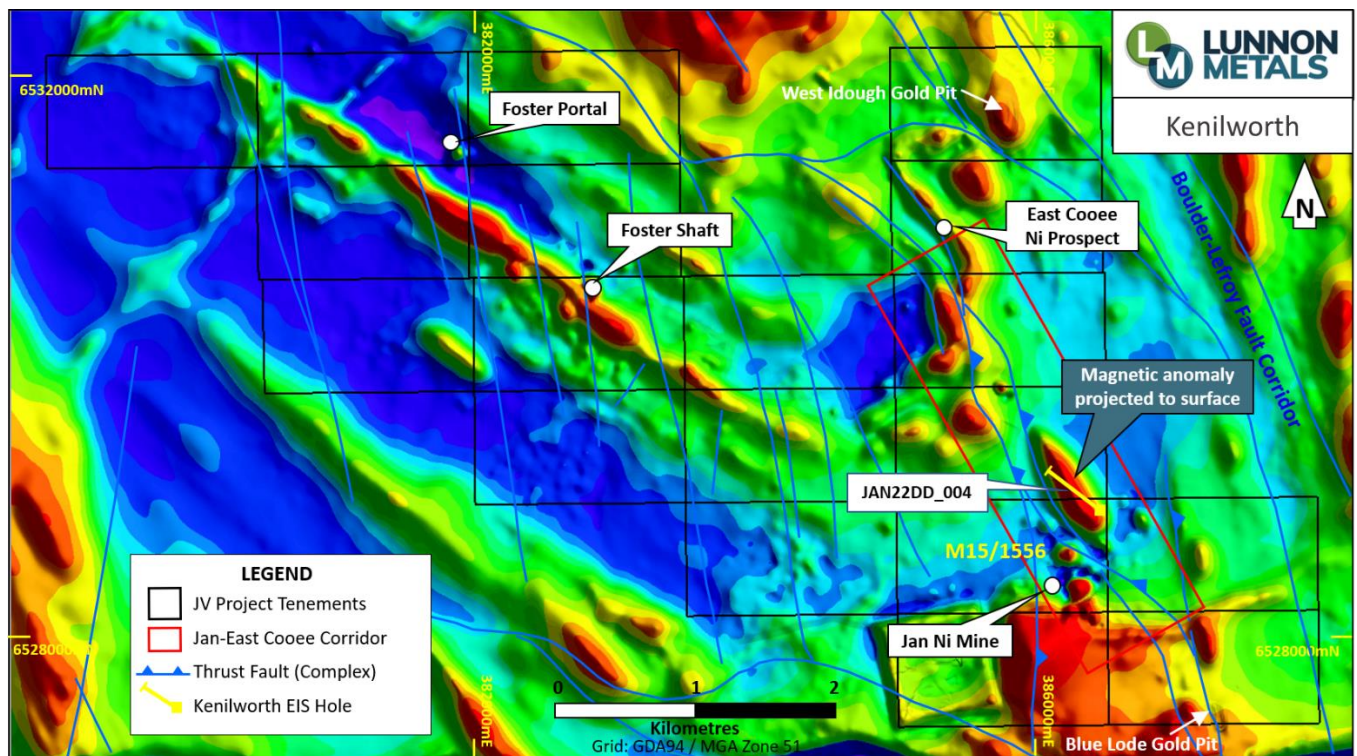


Figure 3: Plan view of the Kambalda Nickel Project illustrating location of the Kenilworth diamond hole (yellow line atop labelled magnetic anomaly) on magnetic imagery.

¹ Refer the Competent Person's Statement and full Mineral Resources table at the end of this announcement.

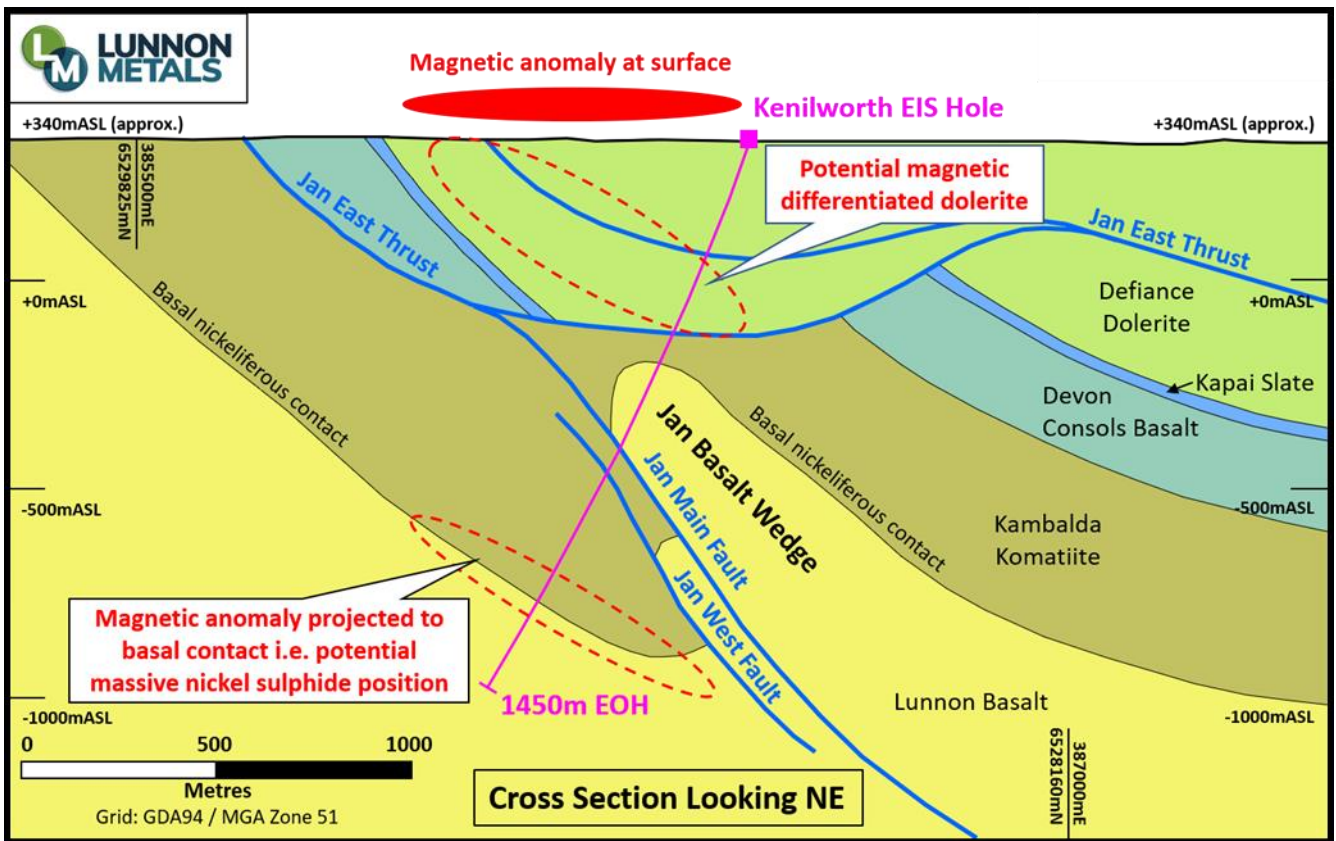


Figure 4: Cross section of the conceptual Kenilworth target geology and structure with the location of the planned drill hole, magnetic anomaly projected to surface and its inferred position at both gold and nickel potential target depths.

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

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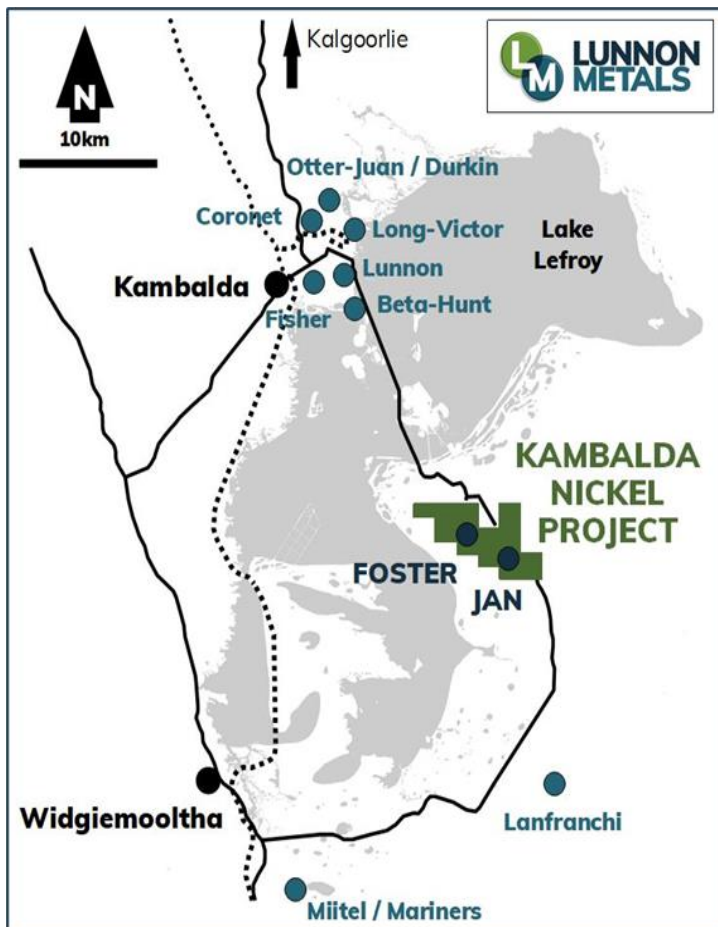


Figure 5: Regional Location of the Kambalda Nickel Project and other nearby nickel deposits

ABOUT THE KAMBALDA NICKEL PROJECT (“KNP”)

Lunnon Metals 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 5, is approximately 23km² 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”). 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.

*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 has 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

Any 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

Note: Inconsistencies in totals due to rounding