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NON-EXECUTIVE CHAIRPERSON**Mr Ian Junk**  
NON-EXECUTIVE DIRECTOR**Ms Deborah Lord**  
NON-EXECUTIVE DIRECTOR**Mr Ashley McDonald**  
NON-EXECUTIVE DIRECTOR**Mr Edmund Ainscough**  
MANAGING DIRECTOR**Mr Aaron Wehrle**  
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ASX CODE: LM8

# QUARTERLY ACTIVITIES REPORT

27 April 2022

For the period ended 31 March 2022

## HIGHLIGHTS – Kambalda Nickel Project

- At **Baker**, reporting of all priority reverse circulation (**RC**) and diamond (**DD**) drilling infill assay results recording significant nickel sulphide intersections on multiple sections, including:
  - 6m @ 5.84% Ni from 93m (ECO21RC\_017);
  - 4m @ 6.38% Ni from 91m (ECO21RC\_018);
  - 5m @ 9.15% Ni from 93m (ECO21RC\_019);
  - 7m @ 5.20% Ni from 74m (ECO21RC\_044);
  - 7.0m @ 9.22% Ni from 123m (ECO21RC\_040); and
  - 10m @ 6.82% Ni from 160m (ECO21RC\_042).
- At **Warren**, successful follow up of parent diamond hole drill intercepts and Down Hole Transient Electro-Magnetic (**DHTEM**) conductive plates infilling two large gaps in historical drill coverage, including:
  - 8.72m @ 3.54% Ni from 353.05m (WRN21DD\_003);
  - 9.05m @ 2.82% Ni from 343.45m (WRN21DD\_003W1) including:
    - 3.8m @ 4.84% Ni from 348.45m;
  - 4.8m @ 3.09% Ni from 498.6m (WRN21DD\_001W7).

## CORPORATE

- 31 March 2022 cash balance of \$7.2 million.
- Appointment of a new independent Non-Executive Director, Ms Deborah Lord.
- Post quarter's end the Company announced:
  - The acquisition of nickel rights to two further historical WMC Resources (**WMC**) nickel mines at Kambalda - Silver Lake and Fisher - doubling the ground holding in this world-renowned nickel district. Rights to be acquired from current major shareholder St Ives Gold Mining Co. Pty Ltd (**SIGMC**), wholly owned subsidiary of Gold Fields Ltd.
  - Binding commitments had been received for a \$30 million capital raising in a single tranche placement to professional and institutional investors under the Company's available capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

- Planned activities for the June 2022 quarter are as follows:
  - Report Mineral Resource estimate at Baker and recommence extensional and infill drilling, both RC and diamond;
  - Ongoing reporting of progress of nickel discovery programme at Warren, Kenilworth Exploration Incentive Scheme (**EIS**) Grant programme and Jan Deeps;
  - Continue to progress permitting process for dewatering of Foster Mine coupled with possible inclusion of future Baker access; and
  - Recruit technical and supervisory personnel to manage the Foster dewatering programme and ahead of the Silver Lake and Fisher nickel rights acquisition.

Commenting on the March quarter, Managing Director Ed Ainscough said: *"Another extremely busy quarter both at site but also at the corporate level. The drilling programme has delivered a discovery at Baker and is extending the known mineralisation outside of the current Mineral Resource boundaries at Warren and we have added depth to the board with the appointment of Deborah Lord. After the quarter's end, we have acquired the rights to the last two historical WMC nickel mines at Kambalda not previously held by a nickel focussed company, raised \$30 million and added 9,500 tonnes of nickel metal to our Mineral Resource from the Historical Core Programme. All these achievements will help set the Company up for growth and future success in the very heart of one of the world's best nickel districts, Kambalda."*

Lunnon Metals Limited (**ASX: LM8**) (the **Company** or **Lunnon Metals**) is pleased to report on activities during the March 2022 quarter.

## **KAMBALDA NICKEL PROJECT (KNP)**

### Safety, Environment & Community

The Company continues to comply with all Western Australian government's Covid-19 related directives and mandates. As the virus spread more widely towards the end of the quarter, Company staff did report positive cases however application of our Infectious Diseases (Covid-19) Management Plan, was successful in limiting the impact on the site-based team.

All site safety, health and environmental policies and procedures were reviewed and updated during the quarter in preparation for the Work Health and Safety Act 2020 and regulations which came into effect on 31 March 2022. No significant incidents occurred during the quarter. The Company met with representatives of the Ngadju Native Title Corporation to present an overview of the KNP, discuss the discovery programme and the potential to work collaboratively with the Ngadju to develop a mutually beneficial relationship.

### Drilling Programme Physicals

A total of approximately 2,600m was drilled during the quarter comprising entirely of diamond drilling, compared to 3,240m of diamond drilling in the December quarter. The RC drill rig was mobilised back to Baker at the end of the quarter as the updated geological model became available to enable target planning.

The quarter was dominated by directional deep diamond drilling on the Warren channel which successfully hit nickel sulphides on multiple occasions centred on two target sections down plunge of the limited historical workings. In total, the Company has now completed approximately 21,500m of drilling compared to its Initial Public Offering (**IPO**) 2-year programme of 28,000m.

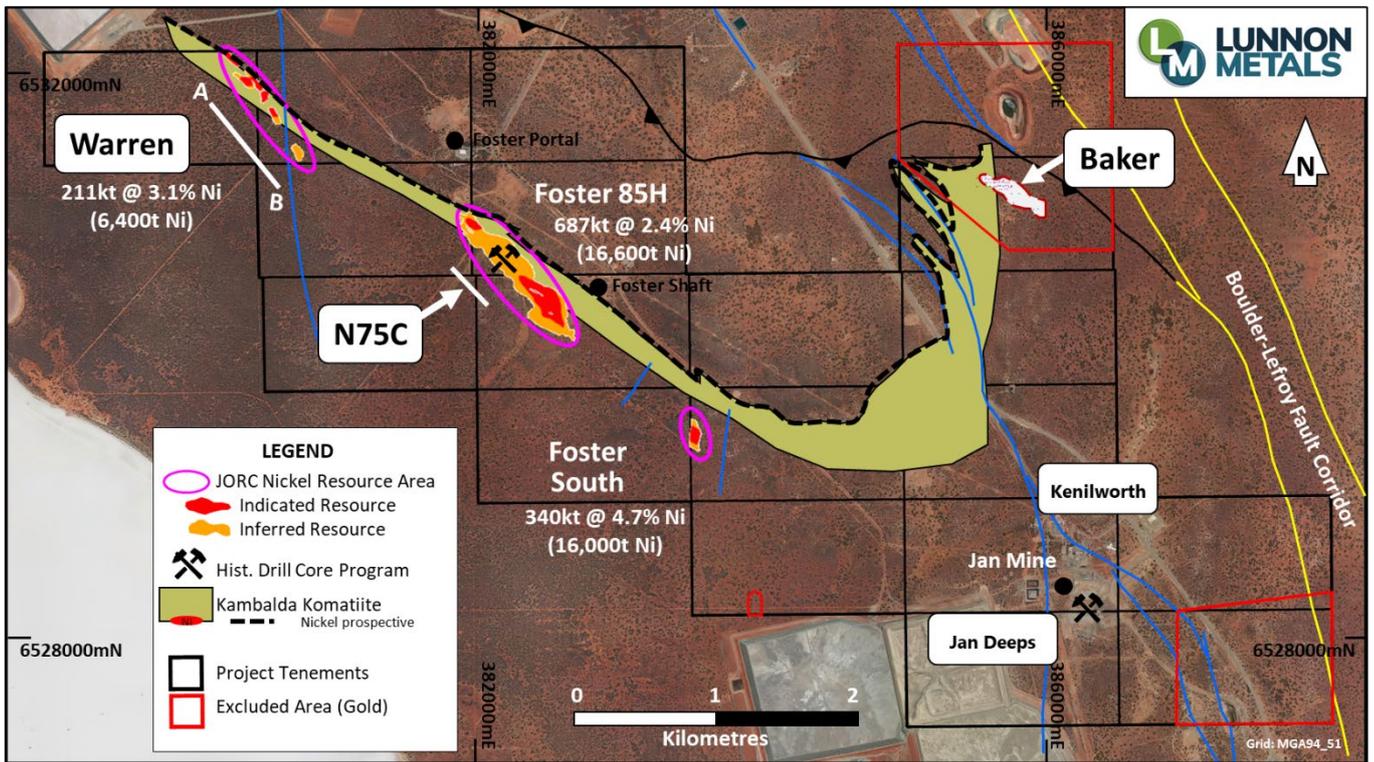


Figure 1: Plan of the Kambalda Nickel Project showing location of reported programmes, highlighting the location of Warren long projection and N75C block diagram (see Figures 4 & 9).

## KNP DISCOVERY PROGRAMME UPDATE

### Baker Shoot

Baker is located in the East Cooee area and was recognised prior to the Company's IPO as an area that was host to a considerable quantity of hanging-wall nickel mineralisation and anomalism as well as high grade sulphide mineralisation on the komatiite-basalt contact (East Trough prospect).

The discovery of Baker confirmed the Company's view that the previous sporadic drilling by WMC had not adequately tested the various prospects present in the area.

The focus of work activity at Baker during the quarter was the reporting, analysis and interpretation of the priority assay results from the RC infill programme completed at the end of the December 2021 quarter. The decision to initially dispatch only 'priority' samples to the laboratory, based on mineralised zones identified through the use of portable XRF analysis, yielded substantially faster assay turnaround times than previously experienced in 2021.

As a result, all assay results for the whole programme were reported in late January-early February with numerous significant intersections of wide, high grade nickel sulphides across multiple sections. In total, five section lines were completed approximately 40m apart on a north-south spacing providing coverage down to a depth of 300m below surface and delineating nickel sulphide mineralisation over a plunge extent of some 300m in a northwest-southeast orientation and a strike extent of approximately 80-100m.

Results of the three diamond drill holes completed immediately prior to Christmas were also received with the holes recording approximately 2.0m of massive nickel sulphides in each case. A summary of the significant results recorded is as follows and shown in Figure 2 below.

Full details of all holes were reported on 17 & 20 January and 7 February 2022.

**Section 6,531,280mN** (labelled 'A-B' on Figure 2)

The three RC holes drilled on the northernmost section line returned the following intercepts, all in partially weathered rock (or transitional) material:

- 5m @ 0.60% Ni from 28m (ECO21RC\_014 above a 0.5% Ni cut off);
- 2m @ 1.59% Ni from 32m & 4m @ 1.43% Ni from 38m (ECO21RC\_015 above a 1.0% Ni cut off); and
- 4m @ 0.65% Ni from 48m (ECO21RC\_016 above a 0.5% Ni cut off).

**Section 6,531,240mN** (labelled 'C-D' on Figure 2)

This line of RC holes returned multiple significant results (above a 1.0% Ni cut-off):

- 6m @ 5.84% Ni from 93m (ECO21RC\_017);
- 4m @ 6.38% Ni from 91m (ECO21RC\_018);
- 5m @ 4.55% Ni from 84m & 5m @ 9.15% Ni from 93m (ECO21RC\_019);
- 3m @ 4.35% Ni from 109m & 2m @ 4.61% Ni from 125m (ECO21RC\_041); and
- 7m @ 5.20% Ni from 74m (ECO21RC\_044).

Results for diamond hole, ECO21DD\_002, drilled on this section were:

- 6.10m @ 2.19% Ni from 74.35m & 2.55m @ 7.53% Ni from 91.15m.

High grade nickel intercepts were again associated with elevated platinum and palladium values, with the best intercept being 4m @ 3.29 g/t Pd & 3.43 g/t Pt from 76m (ECO21RC\_044).

**Section 6,531,200mN** (labelled 'E-F' on Figure 2 and shown in section on Figure 3)

- 7.0m @ 9.22% Ni from 123m (ECO21RC\_040);
- 8.0m @ 2.52% Ni from 97m (ECO21RC\_022); and
- 6.0m @ 3.67% Ni from 132m (ECO21RC\_024).

Results for diamond hole ECO21DD\_003, drilled on this section reported the following significant result:

- 14.25m @ 1.80% Ni from 110m (above 1.0% Ni cut-off) including 2.15m @ 5.53% Ni from 122.10m (above 2.5% Ni cut-off).

**Section line 6,531,160mN** (labelled 'G-H' on Figure 2)

- 10m @ 6.82% Ni from 160m (ECO21RC\_042);
- 3m @ 7.88% Ni from 180m (ECO21RC\_030); and
- 2m @ 4.27% Ni from 187m (ECO21RC\_029).

Results for diamond hole, ECO21DD\_004, drilled on this section were:

- 2.7m @ 10.72% Ni from 167.85m downhole.

**Section line 6,531,120mN** (labelled 'I-J' on Figure 2)

This was the most southern drill line completed.

- 3m @ 3.40% Ni from 159m (ECO21RC\_034 above 1.0% Ni cut-off);
- 9m @ 1.05% Ni from 175m (ECO21RC\_035 above 0.5% Ni cut-off) including:
  - 3m @ 1.28% Ni from 177m; and
  - 2m @ 1.59% Ni from 182m (above 1.0% Ni cut-off);
- 3m @ 1.77% Ni from 180m (ECO21RC\_036 above 1.0% Ni cut-off).

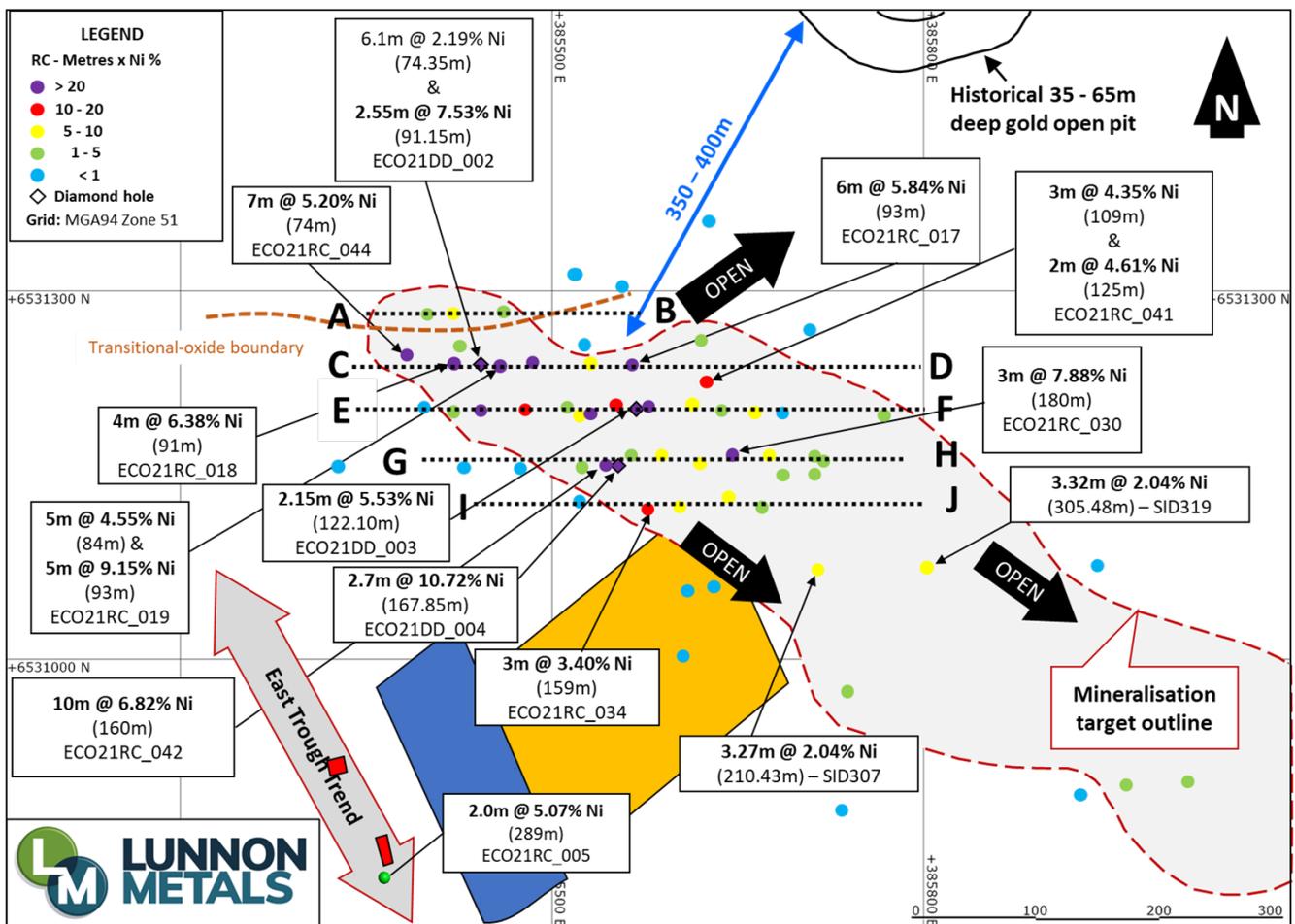


Figure 2: Summary Plan View of Baker with select significant drill results.

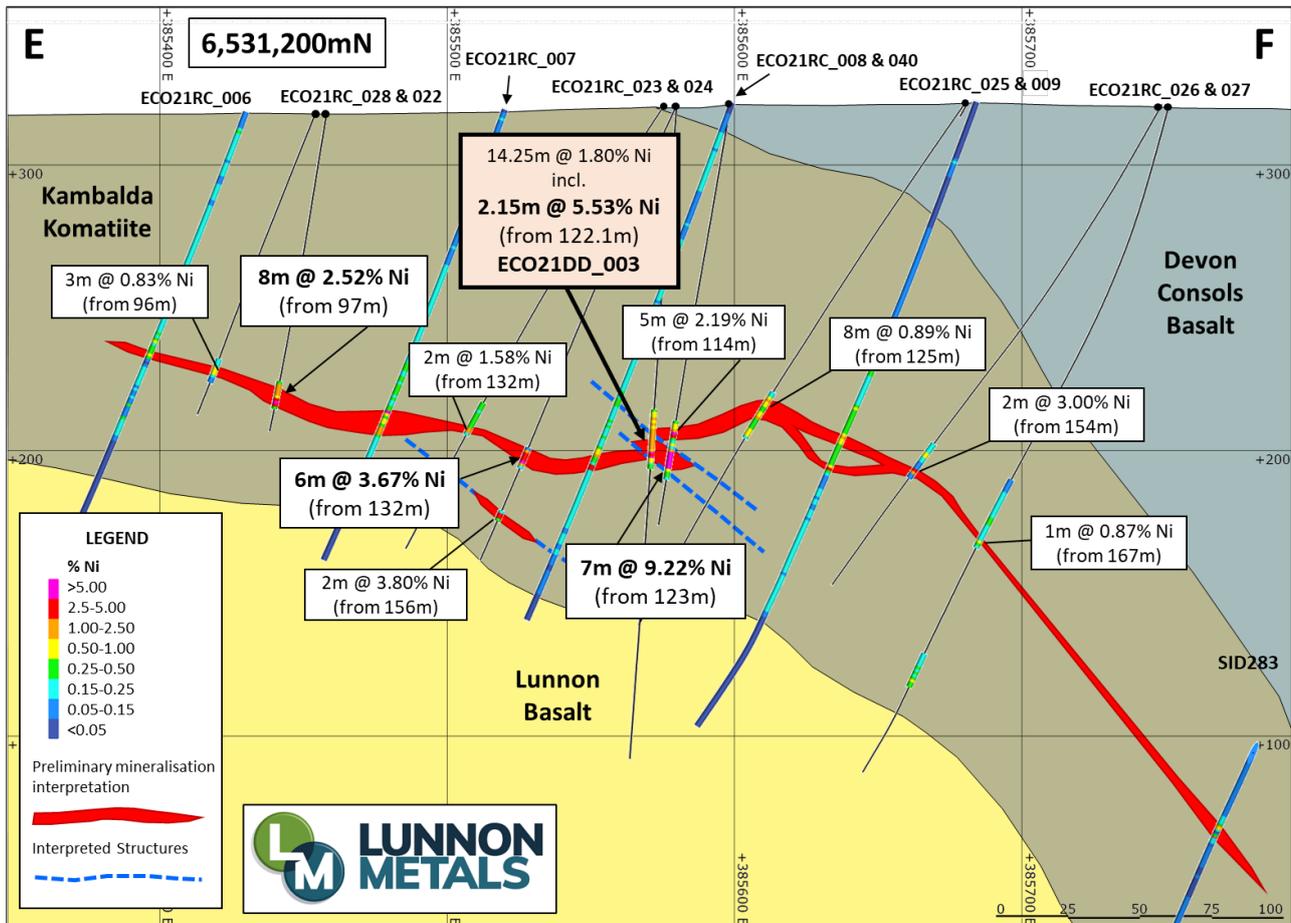


Figure 3: Type section of Baker Shoot illustrating interpreted structures, pinching and swelling of the nickel sulphide mineralisation.

During the quarter the Company advanced the geological interpretation of Baker. Grade estimation is now underway with full reporting of Baker’s first-time Mineral Resource targeted for the June quarter.

The Company has highlighted the significance of the Baker Shoot’s discovery for the following reasons:

1. Baker nickel sulphide mineralisation is at shallow depths (just 85m-100m below surface);
2. It is close (350m-400m) to an existing open pit which may provide future potential portal access;
3. The immediate hanging-wall komatiite rock has been recorded to date as a competent unit; and
4. Early indications are that the key metallurgical characteristics, Fe, MgO and S, are all positive with no indications of any deleterious elements at levels that may pose future issues for processing.

External metallurgical consultants have been engaged to analyse and complete test work on the diamond core available from the three diamond drill holes completed on three different sections coupled with the XRD data collected routinely. Future diamond drilling will provide supplementary data for further detailed geotechnical and metallurgical characterisation of deposit and those adjacent areas that may host underground access development to the north.

In addition, a detailed ground magnetic survey has been completed to “fingerprint” the nickel sulphides delineated to date, if possible, and thereafter seek to identify areas in which any such response is interpreted to be open and untested. Once complete, this work will also guide further RC and diamond drilling.

The Company has successfully recruited a dedicated Development Manager who is now overseeing the necessary permitting activities to incorporate Baker into existing plans to dewater and re-enter the Foster mine workings.

## **Warren**

March quarter drilling activities were focussed at Warren. Lunnon Metals' programme at Warren is designed to demonstrate that this channel, a separate nickel mineralised channel in its own right, has the potential to host substantially more than the current figure of 6,400t<sup>1</sup> of nickel metal. The adjacent Foster channel, 1.5km to the immediate south-east, has an endowment of close to 94,000t of nickel at 2.92% Ni (>61,000t mined previously up to 1994 and 32,600t in the Company's current JORC Mineral Resource).

To achieve this goal the Company's plans at Warren are simple: target the prospective nickel contact between the very broad drill spacing left by WMC when the mine closed in 1994.

**Down-Plunge** – the discovery effort in the down plunge area has focussed on diamond drilling on two key section lines. Tactics employed involved the drilling of an initial parent hole targeting a significant gap in both the existing Lunnon Metal Mineral Resources but also the original WMC drilling coverage on which that resource was based. The goal is to extend the boundaries of the Mineral Resource to both grow, and demonstrate the continuity of, potentially economic nickel mineralisation beneath the limited historical workings (see Figure 4).

### **WRN21DD 003 parent and wedge programme**

Results generated from this programme (see cross section Figure 5) continue to deliver extremely encouraging data. At the start of the March quarter, WRN21DD\_003 recorded **8.72m @ 3.54% Ni (from 353.05m)**. The Company also reported at the time that elevated platinum and palladium assays were recorded for the same intersection, 0.64g/t Pt and 1.43g/t Pd respectively.

DHTEM surveying of the hole recorded a high conductance, late time response modelled as a 55m x 40m plate. This plate was coincident with the presence of nickel sulphide mineralisation in the hole on the prospective komatiite-basalt contact.

Drilling of two wedge holes from the parent also hit nickel sulphide directly associated with this plate. Wedge hole WRN21DD\_003W1, reported on 7 March 2022 as intersecting an 8.5m zone (from 343.45m) of variably disseminated, matrix and massive nickel sulphide mineralisation approximately 20m up-dip from the parent hole, returned the following significant intersection post quarter end (above a 1.0% Ni cut off):

- 9.05m @ 2.82% Ni from 343.45m including:
  - 3.8m @ 4.84% Ni from 348.45m (Ni sulphide mineralisation at basalt contact).

Approximately 20m to the south and across strike, W2 was logged as having a 0.55m wide nickel sulphide zone on the Kambalda Komatiite - Lunnon Basalt contact, with further remobilised massive nickel sulphides present in the footwall of this contact indicative of a pinch-out position on a nearby minor or secondary trough. This is a narrower intercept than the mineralisation intersected in the parent and the first wedge hole suggesting a location on the edge of the conductive DHTEM plate (assays pending).

Diamond drilling of two further surface diamond holes that will target the 55m x 40m plate at its down dip and up plunge margins commenced just before quarter's end (see DHTEM plate on Figure 4 below).

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<sup>1</sup> Full details of the Mineral Resource reported at Warren and the KNP are included in the Prospectus and associated ITAR lodged on the ASX on 11 June 2021

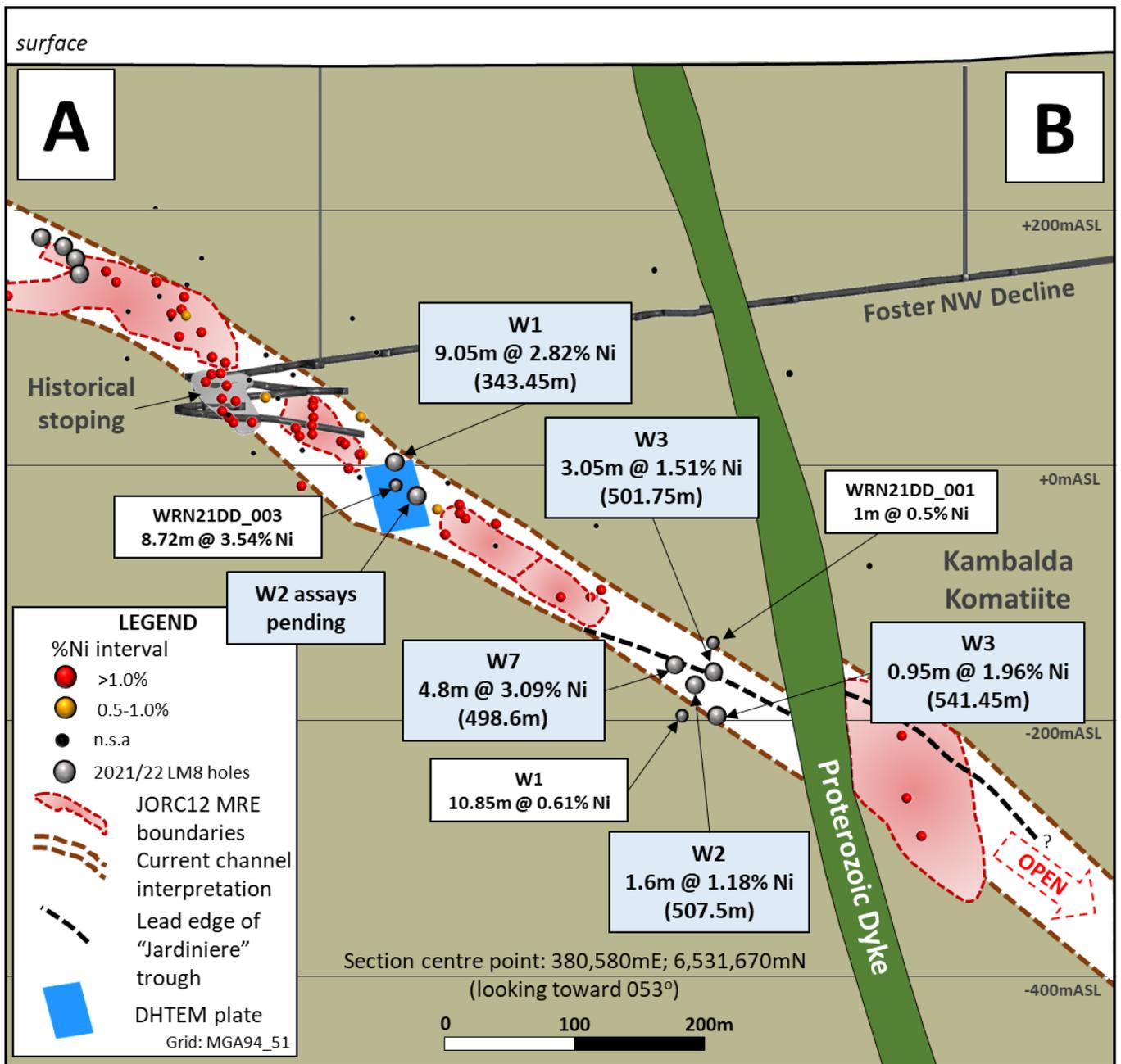


Figure 4: Warren long projection (looking north-east) with up-to-date results.

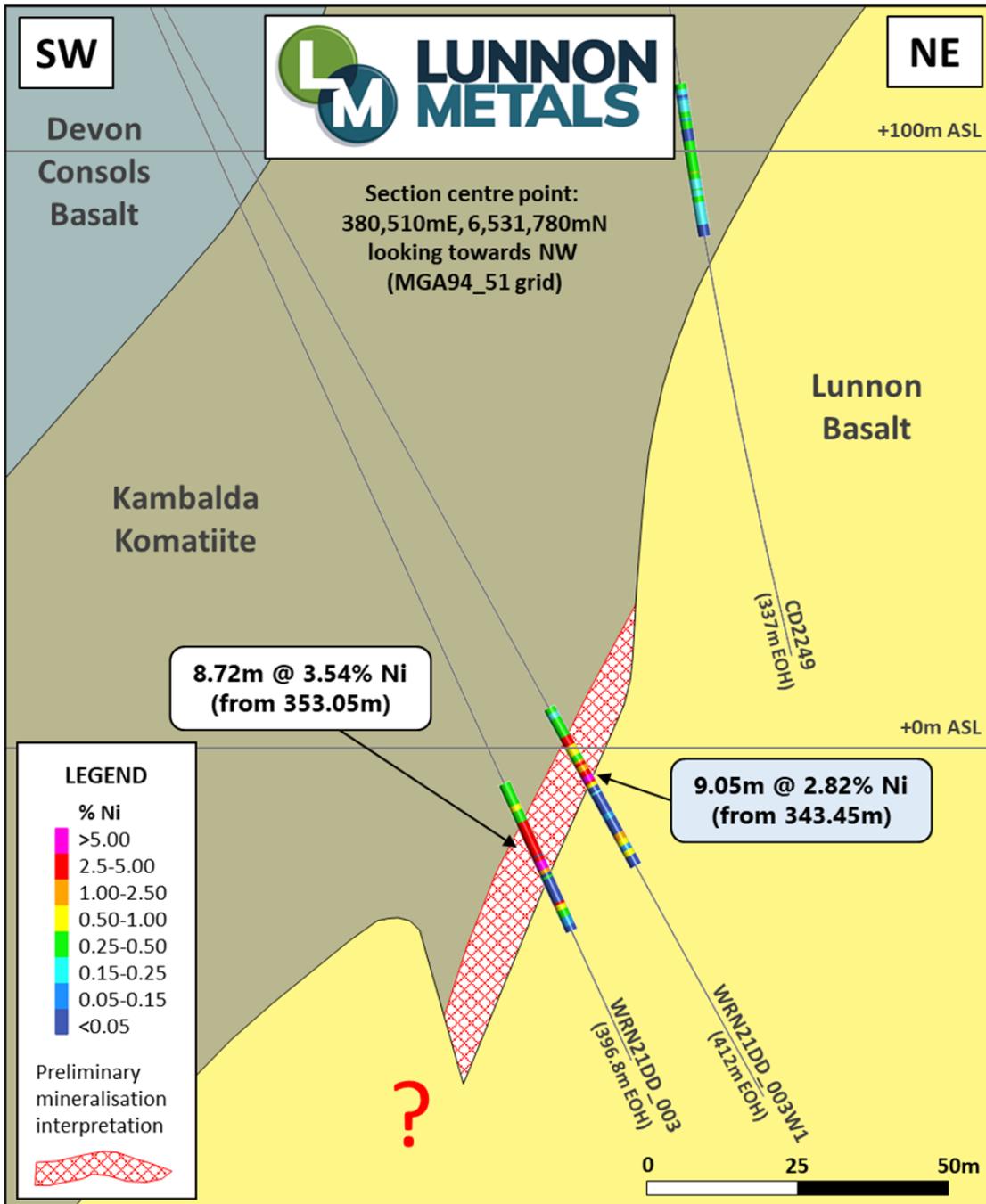


Figure 5: Cross section - WRN21DD\_003 patent and wedge drill hole, W1

### **WRN21DD 001 parent and wedge programme**

WRN21DD\_001 was drilled some 300m down plunge of the Warren channel from the drilling reported above. This parent hole reported vein/blebby, stringer and brecciated nickel sulphides towards the base of the komatiite and in the footwall basalt with final assay results recording 1.0m @ 0.50% Ni (>0.50% Ni cut-off from 491m) towards the base of the komatiite.

WRN21DD\_001W1, the first wedged diamond hole, hit an approximate 4m wide pyrrhotite dominant sediment coincident with the DHTM plate. The Company noted during the quarter that the DHTM plate's size was bigger than expected and likely represents a flanking sulphide rich sediment, which was still considered worthy of investigation.

This hole hit below the main channel and was initially thought to constrain the channel width. Minor disseminated to blebby nickel sulphides in the hanging-wall of the sediment (hosted in Kambalda Komatiite), returned the following results:

- 10.85m @ 0.61% Ni (>0.50% Ni cut-off from 518.7m) including:
  - 0.60m @ 1.18% Ni (from 518.7m); and
  - 0.55m @ 1.12% Ni (from 529.0m).

However, the subsequent three wedged holes, WRN21DD\_001W2, W3 and W7, removed this constraint. These holes recorded nickel mineralisation on both the sediment covered outer flank and significantly, in a concealed, deep trough located behind the previously interpreted simple, planar komatiite-basalt contact. Post quarter end the assay results for these wedges were as follows (see Figure 6 cross section, true widths are estimated to be approximately 75% of the reported drill widths).

- W7:
  - 4.8m @ 3.09% Ni from 498.6m;
- W3:
  - 3.05m @ 1.51% Ni from 501.75m; and
  - 0.95m @ 1.96% Ni from 541.45m.
- W2:
  - 1.6m @ 1.18% Ni from 507.5m.

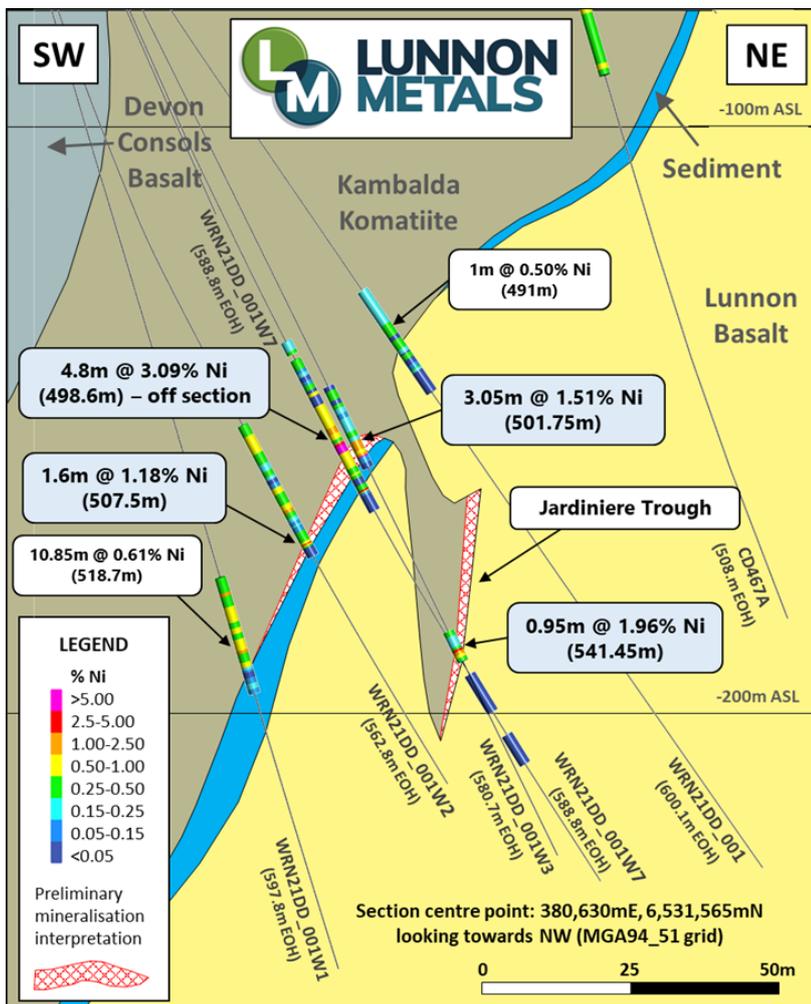


Figure 6: Cross section - WRN21DD\_001 patent and wedge drill hole programme

**The “*Jardiniere Trough*”** (note: “*italics*” reflect WMC terms)

The Company reported during the quarter that historical WMC technical reports (from March 1989) highlighted that the structure of the Warren channel (then termed NW Foster) “*changed radically*” down-plunge, with the true attitude of the mineralisation being indicated by the results of diamond hole CD 578W3.

CD 578W3 returned a wide zone of values between 0.5-1.0% Ni suggesting that it had “*just touched*” the main mass of the body in the footwall basalt (36.64m @ 0.58% Ni sitting above 9.38m @ 2.04% Ni - see Figure 7). The structure was termed the **Jardiniere Trough** representing a “*very tight structure containing nickel at a very high angle*”.

WMC proposed a programme of controlled drilling such that holes could be “*swung*” round to intersect the nickel target at right angles but this was never carried out. Lunnon Metals’ current programme of directional diamond is in essence executing that plan with results to date confirming that the Warren channel is a significant opportunity to grow the Mineral Resource in this part of the Foster mine.

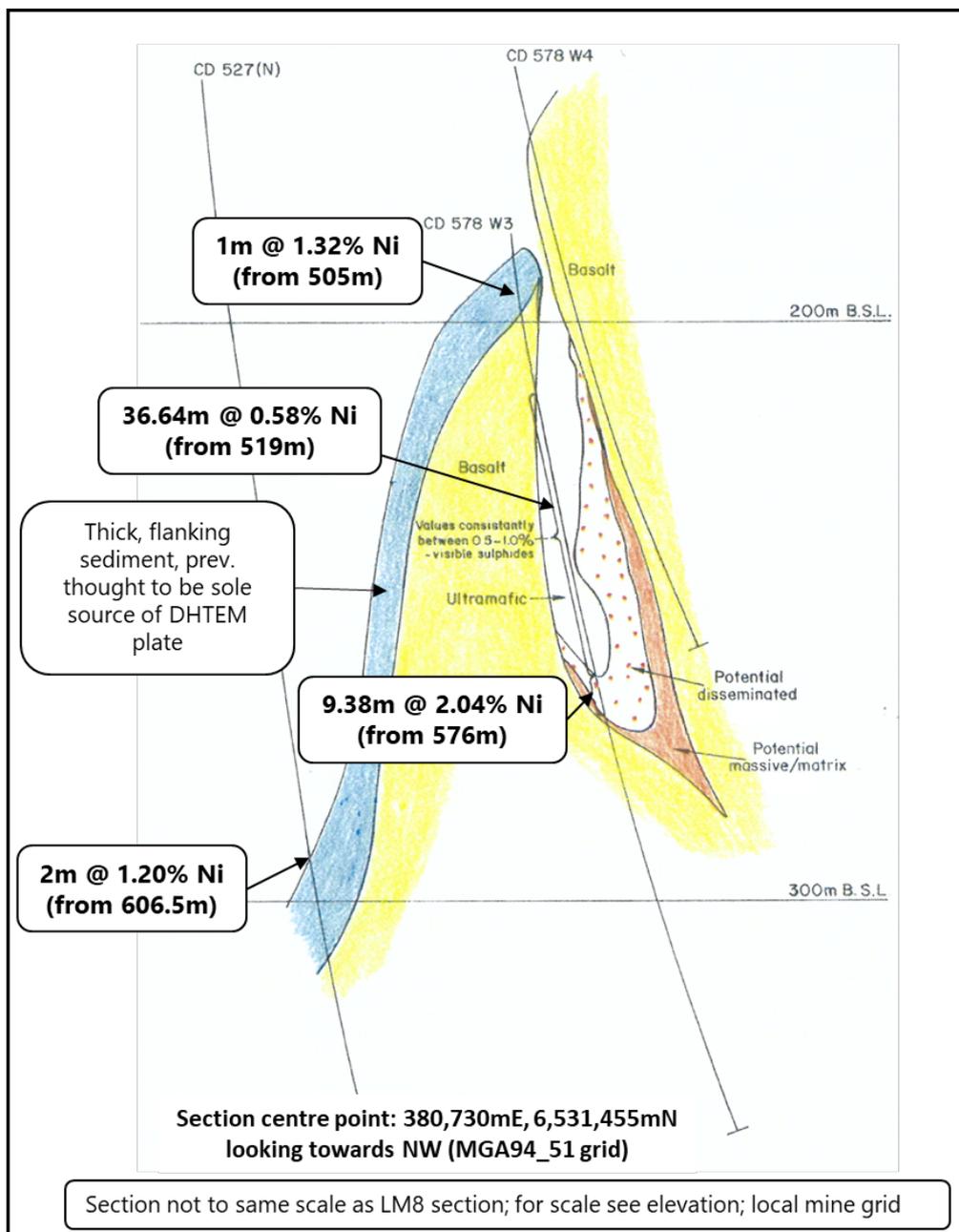


Figure 7: Cross section (WMC vintage) through the Jardiniere Trough

**Up Plunge** - RC drilling was also completed at the end of the December quarter up-plunge, following up on the original first phase RC programme completed soon after the Company's June 2021 IPO. High priority assay results returned the following significant intercepts (>1.0% Ni cut-off):

- 1m @ 2.10% Ni (from 152m in WRN21RC\_012);
- 2m @ 2.05% Ni (from 156m in WRN21RC\_013).

WRN21RC\_012 and 013 intersected massive nickel sulphides in the channel environment proximal to the first phase RC hole WRN21RC\_007 (4m @ 3.44% Ni).

The Company is prioritising the down-plunge programme for the remainder of calendar 2022 as it considers this programme to be best able to meet its strategic objectives of resource growth at Warren.

## **HISTORICAL CORE PROGRAMME (HCP)**

The HCP is an active programme to report Mineral Resources under the JORC 2012 Code at the Foster mine from the historical nickel mineralisation remaining when the mine closed in 1994. The historical WMC drill core (up to 50 years old) was acquired as part of the KNP. The re-assaying programme contributes to Mineral Resource estimation for areas left unmined at the time of mine closure, as well as highlighting areas for future exploration drilling. The goal is to provide regular updates and additions to the Company's Mineral Resource in parallel to any growth derived from the ongoing RC and DD discovery effort.

### **N75C**

A high priority target selected for the HCP programme was the N75C surface due to:

1. Historical records indicating the presence of a so-called "thick" mineralised trend on the WMC long projection when the mine closed (1994); and
2. Its proximity to the Company's existing Mineral Resource at the 85H surface, which is only 230m away to the immediate south, with the N75C located along the access route to the 85H area.

Due to the significant amount of cutting, re-assaying and re-logging of diamond core previously drilled by WMC as part of the Company's HCP, it was possible to model and estimate nickel mineral resource into an area much larger than previously forecast (see long projection in Figure 8 and isometric view in Figure 9).

The Mineral Resource reported includes nickel mineralisation that covers the N75C, 18C and 24C sub-surfaces. These shoot names represent WMC's terminology for nickel sulphide mineralisation hosted on the prospective Kambalda Komatiite - Lunnon Basalt contact with the numbering system reflecting the presence of both porphyry and sediment on that contact.

Consequently, the target of reporting the Mineral Resource for N75C during the March quarter was not achieved however, subsequent to quarter's end the Company did report a first-time Indicated and Inferred N75C Mineral Resource comprising:

- 270,700 tonnes @ 2.55% Ni for 6,900 nickel tonnes in Indicated Resource; and
- 142,000 tonnes @ 1.86% Ni for 2,600 nickel tonnes in Inferred Resource.

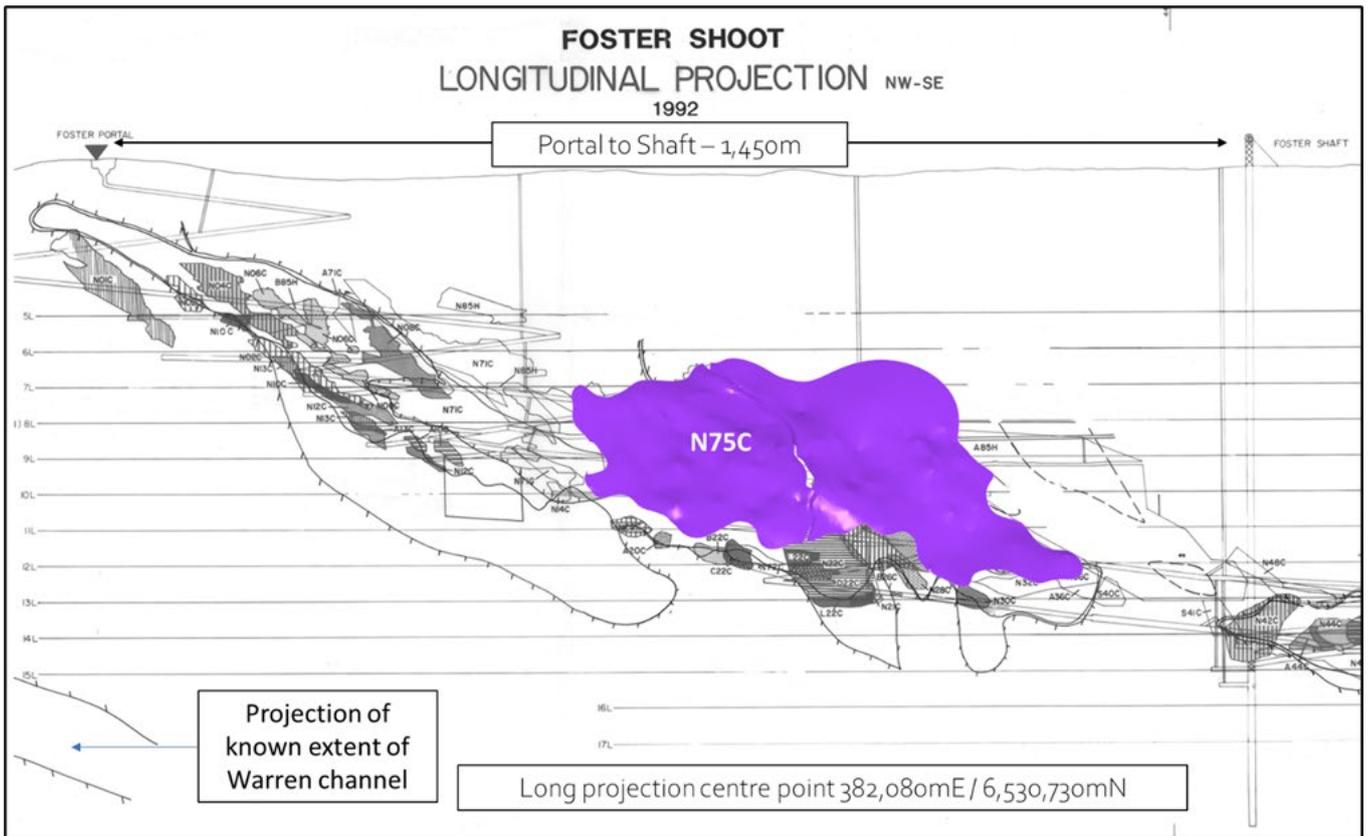


Figure 8: WMC era (1992) long projection of the Foster Mine (looking north-east) with current geological solid model (purple) forming the basis of the N75C Mineral Resource estimation exercise draped over historical workings.

The Lunnon Metals' global Mineral Resource across the KNP now stands at:

**1.65 million tonnes at 2.9% Ni for 48,500 tonnes of contained nickel.**

The presence of such significant quantities of nickel mineralisation remaining in these remnant positions such as N75C, coupled with the observation by the Company geologists that this southern up-dip flank of the Foster nickel channel is not closed off by previous WMC drilling, either surface or underground, opens up an important new search space at the Foster Mine (see Foster "Gap" results below).

Completion of the first Mineral Resource from the HCP since the Company listed in June 2021, demonstrates the potential of the 350km of historical core that is available at the KNP from the two historical nickel mines, Foster and Jan Shaft, and the opportunity for the Company to continue to grow its Mineral Resource base independent of the discovery drilling programme.

The nickel surfaces modelled were some of the many nickel surfaces mined during the operational life of the Foster mine that recorded over 61,000 tonnes of nickel metal produced from some 2.37 million tonnes of ore.

With the completion of this Mineral Resource estimate the Company will continue to apply the HCP at Foster, where approximately 45 sub-surfaces remain to be investigated, as well as the Jan Shaft workings thereafter, seeking to report previous historical estimates in accordance with the JORC 2012 Guidelines.

This programme was a key activity as outlined in the Company's Prospectus at the time of listing on the ASX. The Mineral Resource grade estimation was completed by Cube Consulting Pty Ltd in consultation with, and based upon, geological models compiled by Lunnon Metals staff.

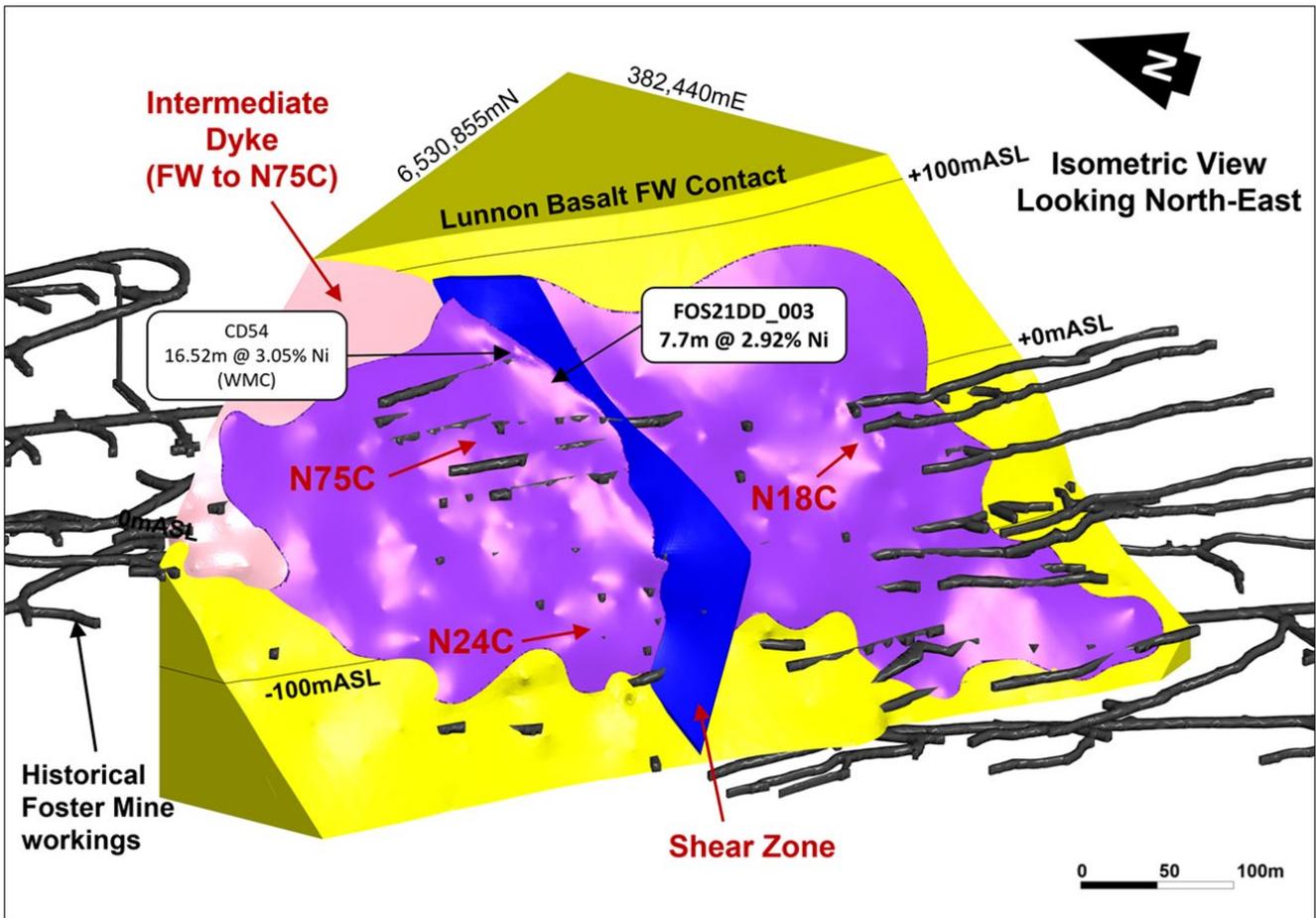


Figure 9: Isometric view of the N75C, 18C and 24C nickel surfaces at the Foster Mine, KNP illustrating key lithology, structure and relative position to the existing workings.

## Foster “Gap” – nickel / gold

### Nickel

Assay results were received by quarter end and reported in respect to the nickel mineralisation at the prospective komatiite-basalt contact intersected in the area termed “Foster Gap”. This term covers the approximate 350m-450m area between the southern end of the historical Foster stoping for nickel and the Company’s existing 16,000 tonnes of nickel metal at Foster South (the JORC 2012 Mineral Resource table is appended at the end of this announcement).

Diamond hole FOS21DD\_001, reported last quarter, (1.0m @ 0.65% Ni from 551.0m, towards the base of the Kambalda Komatiite) was encouraging as it highlighted that the base of the komatiite is still fertile and thus prospective distal to the known nickel mineralisation in the mine area.

One of the follow up diamond holes, CD 3300, drilled to test for the presence of a broad low grade gold structure intersected in FOS21DD\_001, returned nickel results at the basal contact as follows (above a 0.5% Ni cut-off):

- 1.97m @ 1.20% Ni (from 516.15m).

This result confirms the Company’s interpretation that the up-dip flank, i.e. above and to the south of the previous mine workings, is still open and may play host to potentially economic nickel mineralisation. This result delivers another high-ranking target at Foster in addition to the potential identified following the completion of the N75C Mineral Resource (reported above).

The Company highlights that diamond hole FOS21DD\_002, drilled by Lunnon Metals for gold (see below), can be easily re-entered and extended to quickly test this position further in the future.

## Gold

As part of the above returned batch of results, lower priority gold assay results were also received for the additional holes that were first reported in October 2021 and drilled to evaluate whether the gold structure (termed "Hustlers") originally identified in FOS21DD\_001 was continuous, namely FOS21DD\_002 and diamond extensions of CD 16003 (originally drilled by Gold Fields Ltd in 2011) and CD 3300 (drilled by WMC in 1991). The following gold intercepts were recorded (using a 1.0g/t Au x m reporting cut-off):

- CD3300
  - 8.58m @ 1.05 g/t Au (112.1m)
  - 0.64m @ 2.88 g/t Au (125.8m)
  - 0.91m @ 2.01 g/t Au (386.84m)
  - No significant assay on Hustlers structure
- FOS21DD\_002
  - 7.54m @ 0.93 g/t Au (149.8m - Hustlers Structure identified in FOS21DD\_001)
  - 0.3m @ 19.48 g/t Au (162.4m)
  - 0.87m @ 2.45 g/t Au (168.65m)
- FOS21DD\_001

(in addition to the previously reported priority Hustlers intercept – 7.84m @ 1.5g/t Au at 166m and others on 06 Jan 2022)

- 1.0m @ 1.89 g/t Au (656m)
- 1.0m @ 1.49 g/t Au (676m)
- CD 16003 – no significant assays.

True widths approximate the drilled width in each case. The Hustlers structure has been intersected in four holes over a broad spacing of 120m x 300m and whilst it is considered from low grade to anomalous in gold, the presence of gold related structures and alteration in each of the holes, suggests it may be worthy of follow up in the future when underground access to the Foster workings has been established.

The other reported gold assays are predominantly hosted in quartz veins/structures and highlight the general prospectivity of the Foster Mine area for potential gold mineralisation, as seen in other Kambalda nickel mines, most notably Beta/Hunt mine, owned and operated by TSX listed Karora Resources.

The long projection in Figure 10 below illustrates the pierce points of both the significant Hustler gold assays and the komatiite-basalt contact related nickel assays reported together with pierce points of those holes containing no significant assays for completeness.

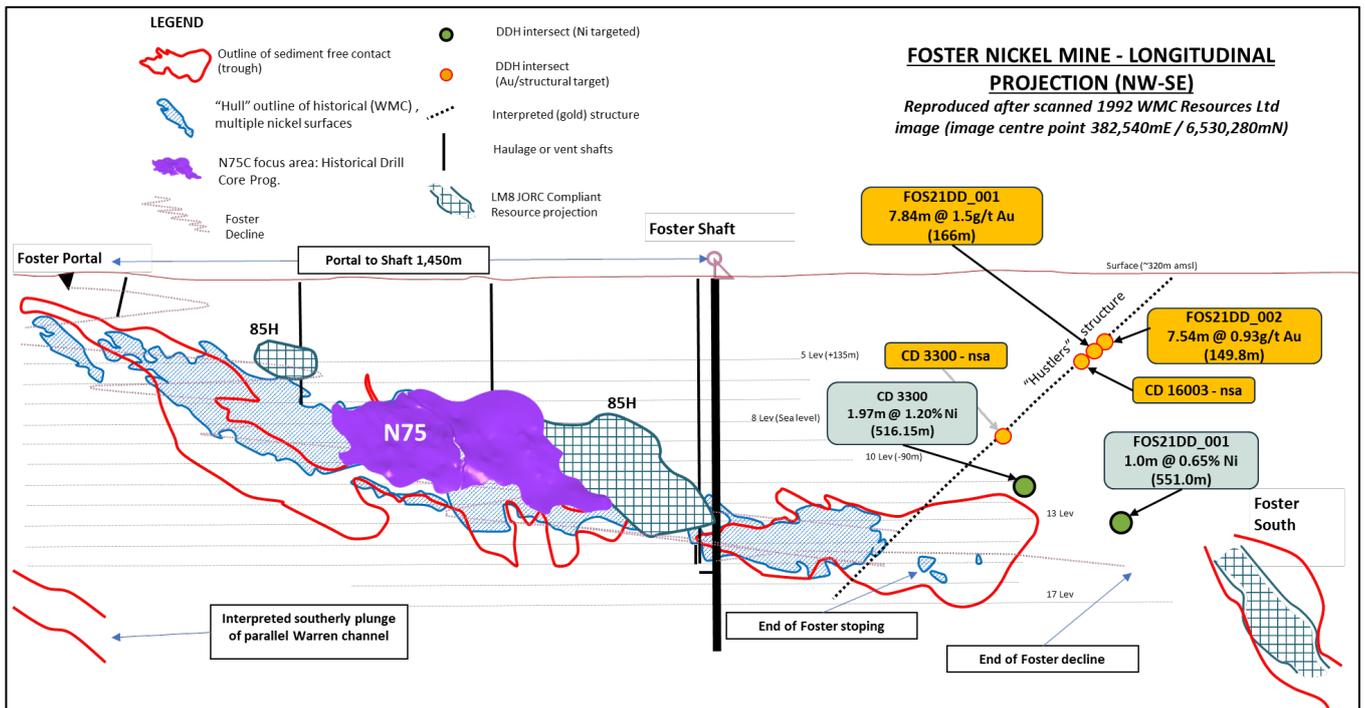


Figure 10: Longitudinal Projection of Foster Mine (looking north-east) illustrating the intersection points of reported Foster Gap diamond drill holes, related to both gold and the prospective nickel contact.

### WA Government - EIS Grant – Kenilworth Target

The three diamond drill holes, completed in the December quarter as “sighter” holes to assist final drill hole planning for the collar location of the WA Government EIS hole, returned no significant assays as expected.

The EIS deep diamond drill hole commenced in March 2022 and is designed to test the conceptual Kenilworth prospect, both a nickel and gold exploration target focused on a significant, and unexplained, magnetic anomaly, see plan view in Figure 11 and cross section view in Figure 12 below.

By quarter end it had reached a downhole depth of approximately 800m with the final depth planned to be approximately 1,450m. To date the diamond hole has passed through Paringa Basalt, a poorly differentiated Defiance Dolerite and the Kapai Slate prior to intersecting a zone of deformed and structurally affected rocks above the Kambalda Komatiite.

The core is yet to be geologically logged or assayed. The hole must be completed, logged and assayed prior to 30 June 2022 under the terms of the WA government EIS grant.

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

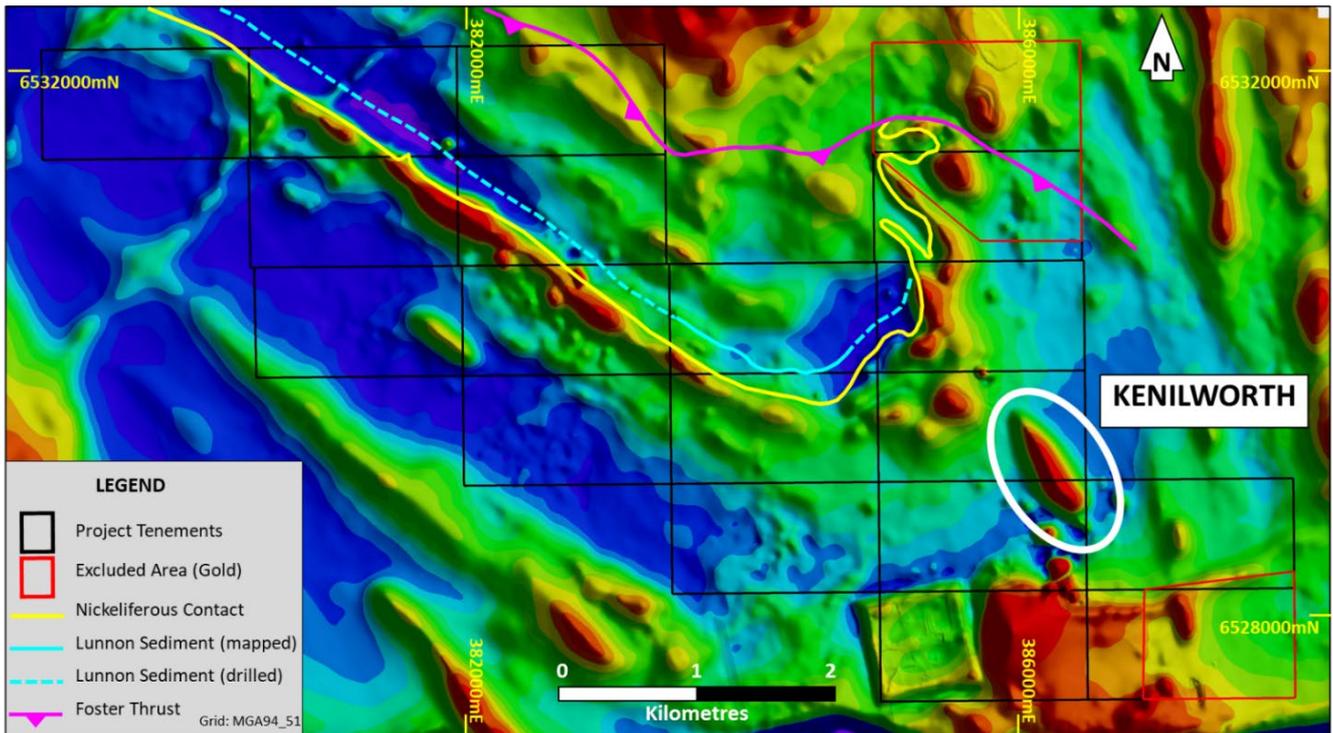


Figure 11: Magnetic survey image of the KNP highlighting (white oval) the magnetic anomaly atop the Kenilworth target

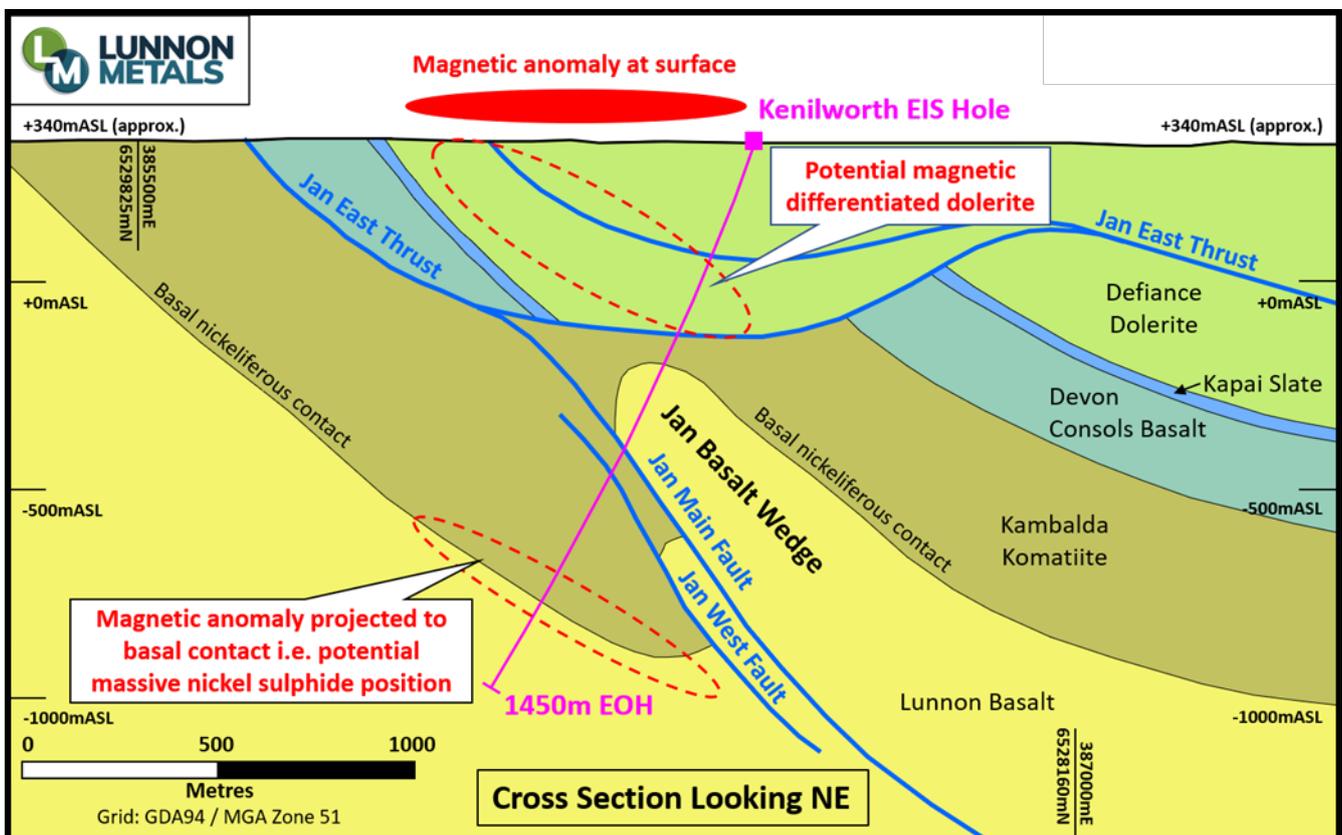


Figure 12: Cross section of the conceptual Kenilworth target geology and structure with the location of the planned drill hole, magnetic anomaly projected to surface and its inferred position at both gold and nickel potential target depths.

## **SITE LOGISTICS**

### Drilling Programme

Previous delays experienced with assay turnaround times have dissipated, however, the Company continues to deliver only smaller, prioritised batches to the sample preparation/laboratory to maintain reasonable periods for results to be returned.

Diamond drilling continued throughout the period. No RC drilling occurred during the quarter but will recommence at Baker early in the June quarter. The June quarter will see two diamond rigs and one RC rig present on site.

### Permitting/Regulatory Framework

The Company has successfully recruited a dedicated Development Manager who is now overseeing the necessary permitting activities to incorporate Baker into existing plans to dewater and re-enter the Foster mine workings.

Quotes have been requested from a range of firms in relation to the dewatering of the Foster Mine workings. Discussions with SIGMC continued to progress satisfactorily in regard to excision of previously permitted activities from SIGMC's licences (permitted in the period when the Company and SIGMC were in joint venture prior to the IPO). These licences include Prescribed Premises and Ground Water approvals necessary to commence dewatering activities.

Work on preparing the necessary information required to enable the submission of a Mining Proposal/Mine Closure Plan continued with the objective being to seek approval in the future to dig out of the previous Foster decline portal and re-enter the workings to inspect and subsequently rehabilitate them with a view to establishing underground drill platforms to explore the main Foster nickel channel from close proximity.

As previously communicated, the discovery of Baker has required the potential future dewatering, access and permitting requirements to be considered in the above permitting activities at Foster. Discussions with SIGMC also continued satisfactorily in this regard.

## **CORPORATE**

### **ASX lodgements**

During the quarter, the Company presented in person at the 2022 Euroz Hartleys Rottnest Island Institutional Conference and the Paydirt 2022 Battery Minerals Conference. An active news flow was maintained throughout the period with the following announcements lodged on the ASX.

- 31 Mar 2022 WA Government EIS Hole Commences at Kenilworth
- 29 Mar 2022 Notification regarding unquoted securities - LM8
- 21 Mar 2022 Initial Director's Interest Notice - Deborah Lord
- 21 Mar 2022 Appointment of Non-Executive Director
- 08 Mar 2022 Euroz Hartleys Rottnest Institutional Conference Presentation
- 07 Mar 2022 Notification of cessation of securities - LM8
- 07 Mar 2022 Warren Wedge Another Winner
- 04 Mar 2022 Application for quotation of securities - LM8
- 04 Mar 2022 Half Year Accounts
- 18 Feb 2022 Release of Shares from Escrow
- 15 Feb 2022 Warren Update - Nickel Sulphides in Down Plunge Drilling
- 07 Feb 2022 Multiple High Grade Nickel Hits at Baker
- 02 Feb 2022 Release of Shares from Escrow
- 25 Jan 2022 Quarterly Cashflow Report - December 2021

- 25 Jan 2022 Quarterly Activities Report - December 2021
- 20 Jan 2022 Baker - 2.7m @ 10.72% Ni and 10m @ 6.82% Ni
- 17 Jan 2022 Baker Delights - 7m @ 9.22% Nickel
- 13 Jan 2022 Trading Halt
- 13 Jan 2022 Pause in Trading
- 06 Jan 2022 Foster Mine Update - N75C Delivers 7.7m @ 2.92% Nickel
- 04 Jan 2022 KNP Programme Update, Warren Returns 8.72m @ 3.54% Nic

Subsequent to the quarter's end, and up to the date of this Quarterly Report, the Company lodged the following announcements on the ASX.

- 26 Apr 2022 Cleansing Notice
- 26 Apr 2022 Application for quotation of securities – LM8
- 22 Apr 2022 N75C Demonstrates Upside of Historical Core Programme
- 14 Apr 2022 Proposed issue of securities - LM8
- 14 Apr 2022 Company Presentation
- 14 Apr 2022 Capital Raise Sets Up LM8 For Growth in 2022
- 12 Apr 2022 Proposed issue of securities - LM8
- 12 Apr 2022 Acquisition of New Nickel Rights Transforms Lunnon Metals
- 12 Apr 2022 Trading Halt
- 07 Apr 2022 Paydirt Battery Minerals Conference Presentation
- 04 Apr 2022 Warren Wedges Continue to Impress

## Business Development

Subsequent to quarter's end the Company announced that it will acquire the exclusive rights<sup>2</sup> to nickel on the whole, or portions, of 19 mining leases (and related access rights on an additional tenement) over the historical Fisher and Silver Lake nickel mines by entry into a Mineral Rights Agreement (**MRA**) with SIGMC, a wholly owned subsidiary of Gold Fields Ltd and the Company's largest shareholder.

The tenements are on the immediate north side of Lake Lefroy, abutting tenements or nickel rights held by Mincor Resources NL at its Long Operation on the eastern side of Kambalda and its Coronet asset to the west of the township and the sub lease rights held by TSX listed Karora Resources at the Beta Hunt Mine to the south (see Figures 13 and 14). As consideration for the acquisition, the Company will issue \$20 million of fully paid ordinary shares to SIGMC, at a price per share of \$0.93.

<sup>2</sup> 1. The rights granted to the Company in the shaded areas on Figure 14 are below surface rights only.

2. The rights granted to the Company in relation to Mineral Lease 15/142 do not include the right to explore for, mine or process nickel as those rights are already held by BHP Nickel West Pty Ltd.

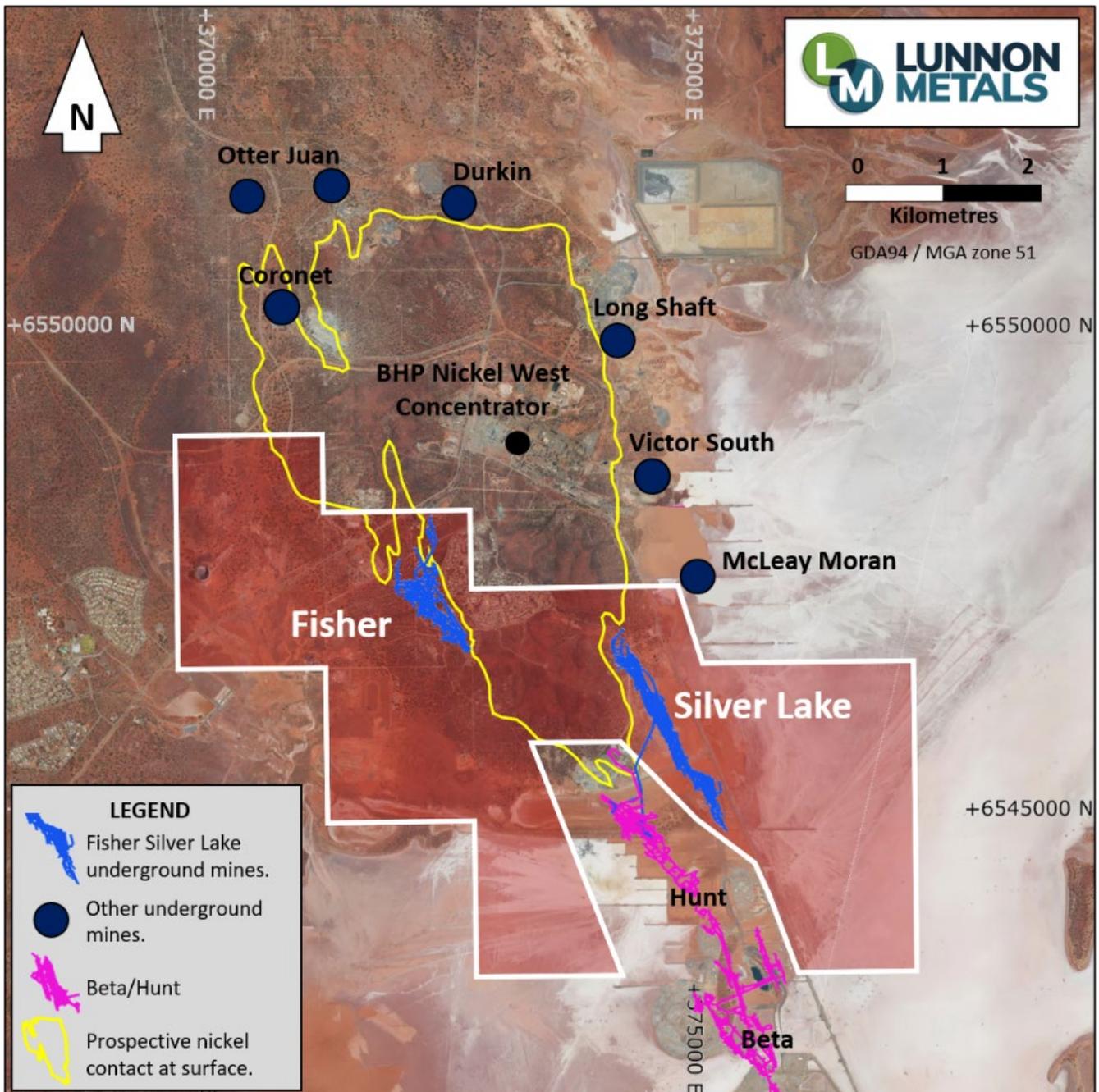


Figure 13: Overview of Kambalda town area, surrounding historical and current nickel mines and the newly acquired Mineral Rights Agreement boundary area (refer footnotes 1 & 2 on page above)

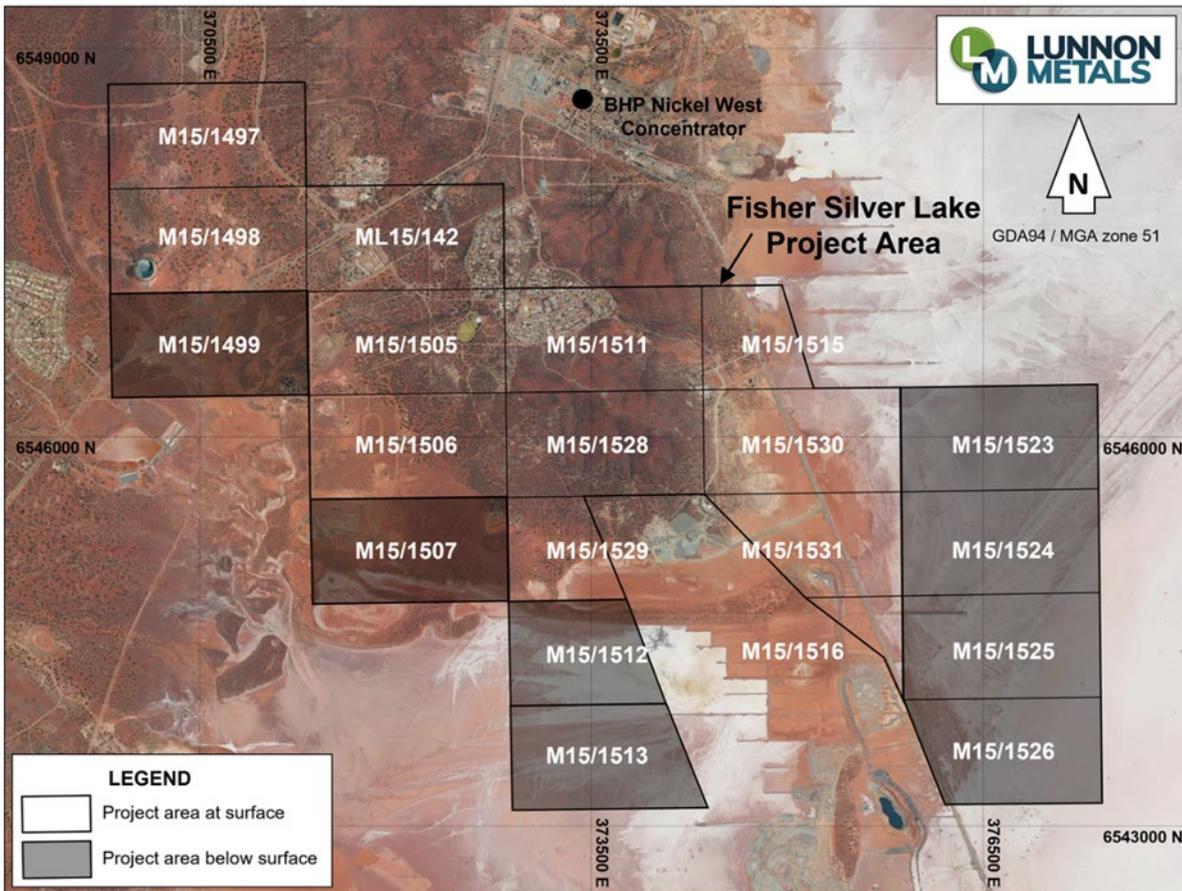


Figure 14: Plan view of the Fisher – Silver Lake MRA area showing tenements and rights area

The rights acquired will include access to the historical nickel mines of Silver Lake and Fisher which produced over 161,000 tonnes of nickel metal during their operational lives under WMC (now called BHP Nickel West Pty Ltd) ownership.

Silver Lake was the mine developed on the famous Lunnon nickel shoot (named after Jack Lunnon who drilled the discovery hole, KD1, at Kambalda). Silver Lake and Fisher ceased operation in financial years 1986 and 1988 respectively and were thus shut at the time of the strategic sale of nickel assets by WMC in the late 1990s, early 2000s.

As with Foster and Jan nickel mines already owned by Lunnon Metals, these mines, the related tenements and exploration rights were subsequently sold by WMC to SIGMC in December 2001.

Silver Lake and Fisher are therefore the last two historical WMC nickel mines in Kambalda to be acquired by a nickel focused company. It is the Company's view that the mines and their surrounding areas therefore missed the last cycle of exploration during the nickel price highs of the late 2000s, are under-explored and represent a significant opportunity for the Company to cement its place as a key Kambalda nickel company.

The Mineral Rights Agreement is subject to the following conditions precedent:

- a) the Company receiving Foreign Investment Review Board (**FIRB**) approval for the proposed acquisition of the nickel rights;
- b) SIGMC receiving FIRB approval for the proposed acquisition of the Consideration Shares;

- c) the shareholders of the Company approving the acquisition of the nickel rights and the issue of Consideration Shares to SIGMC for the purpose of the ASX Listing Rules, including Chapter 10 approvals and, if required, under item 7 of section 611 of the Corporations Act; and
- d) as the party with an option to acquire future nickel offtake from the tenements or charge a royalty in lieu, BHP Nickel West Pty Ltd consenting to the grant of the nickel rights and entering into a deed of covenant with SIGMC and the Company regarding that option.

The conditions must be satisfied or waived before the date which is 180 days after the Mineral Rights Agreement is executed.

Further details and background to the transaction are in the announcement to the ASX dated 12 April 2022.

### Cash Position

As at 31 March 2022, Lunnon Metals held approximately \$7.2 million (31 December 2021: \$9.2 million) in cash.

Full details regarding the Company's cash movements during the quarter can be found in the Appendix 5B accompanying this report.

### Equity Raising

Subsequent to quarter's end the Company mandated Euroz Hartleys Limited and Argonaut Securities Pty Ltd to act as joint lead managers to raise \$30 million via a placement of fully paid ordinary shares (Shares) under its existing capacity. The price of the raising was \$0.93 per Share, a 10.6% discount to the spot price at the close on 11 April 2022 and an 8.0% discount to the 5-day volume weighted average price. The placement received binding commitments for the full amount. The Shares issued under the placement will rank equally with existing shares on issue. Funds raised will be applied to the current portfolio at Kambalda as summarised in the table below, and also to the assets/rights at Silver Lake and Fisher once the Acquisition settles.

The objective at Silver Lake and Fisher will be to aggressively explore these areas, particularly the down dip of Silver Lake, the down plunge potential south of McLeay and Moran (these assets are not hosted on the Company's acquired rights area but are interpreted to extend onto that area) and down dip and plunge of Fisher.

A high level breakdown of the allocation of funds by the Company is as follows:

Area/asset	Amount	Description/activity
Baker area	\$5.0 million	<ul style="list-style-type: none"> <li>Expedite infill, step out down plunge, metallurgical/geotechnical and permitting activities</li> <li>Aggressive infill down plunge at Baker if above programme successful and on adjacent East and West Trough</li> </ul>
Warren	\$2.5 million	<ul style="list-style-type: none"> <li>Aggressively test down plunge on Warren channel, permit dewatering in parallel to Foster</li> </ul>
Foster Mine	\$12.5 million	<ul style="list-style-type: none"> <li>Fast track permits to dewater, starting with Warren and then Foster decline, to reach ~10 Level Foster (~410m below surface)</li> <li>Portal excavation and decline re-entry/rehabilitation to allow underground diamond drilling and access and inspection of development in the 85H JORC 2012 Mineral Resource areas (8 to 10 Level Foster)</li> <li>Recruit additional technical and site staff for KNP, including necessary regulatory positions for underground mine re-entry/supervision</li> </ul>

Area/asset	Amount	Description/activity
Silver Lake / Fisher	\$10.0 million	<ul style="list-style-type: none"> <li>Multiple 2D seismic lines along strike from McLeay, Moran, deep diamond drill holes on fence lines targeting reflectors, historical drill core programme at Silver Lake</li> <li>Recruit additional technical and site staff plus metallurgy/geotechnical technical work and consultancy</li> <li>2D seismic lines down dip/plunge of Fisher, RC test of near surface targets, diamond drill hole fence lines on reflectors, historical drill core programme at Fisher</li> </ul> <p>Should the Acquisition not settle:</p> <ul style="list-style-type: none"> <li>Continue dewatering Foster mine from ~10 Level to shaft bottom (~650m below surface)</li> <li>Progress decline rehabilitation to shaft bottom</li> <li>Subject to remaining funds, commence re-equipment of mine with respect to vent, power, pumping and emergency egress/refuge etc</li> </ul>
Balance of IPO programme	\$4.4 million	<ul style="list-style-type: none"> <li>Jan Deeps, Kenilworth (EIS Grant), Somerset, gold prospects</li> <li>Historical core programme at Foster then Jan Shaft</li> </ul>
Broker fees	\$1.5 million	<ul style="list-style-type: none"> <li>Fee on \$30m capital raising</li> </ul>
Transaction costs	\$1.3 million	<ul style="list-style-type: none"> <li>Stamp duty on acquisition (estimated) / legal costs from current cash at hand</li> </ul>
<b>Total</b>	<b>\$37.2 million</b>	

The 32,258,064 new shares settled on Friday, 22 April 2022 and commenced trading on the ASX on a normal basis on Tuesday, 26 April 2022. Further details to the capital raising are in the announcement to the ASX dated 14 April 2022.

## Organisational

The Company appointed a new independent Non-Executive Director, Ms Deborah Lord, on 21 March 2022.

A geologist with over 30 years' experience in the resources sector in Australia, North and South America, she has significant experience in exploration and resource development. She has held leadership, management, governance and research advisory positions and worked globally for major companies including BHP, Placer Dome and WMC and within international consultancy firm SRK. She is currently Chair of the VALMIN Committee and was formerly BHP Head of Resource Governance.

Ms Lord skills and expertise are directly relevant to the Company's plans to become a key player in the Western Australian nickel sector. Ms Lord is also a Non-Executive Director of E79 Gold Mines Limited and VRM - Consultants in Economic Geology.

For further information regarding the Company's activities please visit the website [www.lunnonmetals.com.au](http://www.lunnonmetals.com.au) or contact the Company, details below.

Approved and authorised for release by the Board.

Edmund Ainscough  
 Managing Director  
 Phone: +61 8 6424 8848  
 Email: [info@lunnonmetals.com.au](mailto:info@lunnonmetals.com.au)

## COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to nickel and gold 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 as at 22 April 2022 is as follows:

KNP		Indicated			Inferred			Total		
Shoot	Cut-off (Ni %)	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes
85H	1%	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
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
N75C	1%	270,700	2.55	6,900	142,000	1.86	2,600	412,700	2.3	9,500
<b>Total</b>		<b>1,016,700</b>	<b>3.3</b>	<b>33,900</b>	<b>633,000</b>	<b>2.3</b>	<b>14,600</b>	<b>1,650,700</b>	<b>2.9</b>	<b>48,500</b>

## DISCLAIMER

References in this announcement may have been made to certain 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.

## APPENDIX 1 – ADDITIONAL ASX LISTING RULE DISCLOSURES

### Compliance

For the purpose of ASX Listing Rule 5.3.1, payments for exploration, evaluation and development during the quarter totalled \$1.49 million, as detailed in the Company's accompanying Appendix 5B statement (exclusive of salaries). This figure includes an amount of \$0.561 million for exploration that was capitalised (principally drilling at Warren) and \$0.05 million for property, plant and equipment purchased directly in support of the site-based exploration programme. Details of exploration activities undertaken during the quarter are as described in the preceding quarterly report and this Appendix.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms there were no substantive mining production and development activities undertaken during the quarter.

Pursuant to ASX Listing Rule 5.3.3, the details of the mining tenements and the Company's beneficial percentage interest held in those Tenements at the end of the quarter is included in the Table at the end of this Appendix and their location shown diagrammatically in Figure 15 below.

Pursuant to ASX Listing Rule 5.3.4, the Company provides its actual expenditure grouped and categorised against the items presented in the two year "Use of Funds" statement in its IPO Prospectus. This table covers the period from the date of its admission to ASX Official List (being 16 June 2021) up to 31 March 2022 and presents the actual expense against the estimated 2-year expenditure on those item groupings. An explanation of any material differences follows the table.

Table 1: Use of Funds comparison – IPO 16 June 2021 to 31 March 2022

Use of Funds	Prospectus estimate (2 years)	Actual use (16 June 2021 – Mar 2022 quarter end)	Variance
	\$ millions	\$ millions	\$ millions
Exploration at the Kambalda Nickel Project - nickel	8.8	4.66	-4.14
Exploration at the Kambalda Nickel Project - gold	0.9	0.23	-0.67
Re-establish surface infrastructure, cost/initiate dewatering	1.4	0.19	-1.21
Corporate, administration and working capital	2.83	1.54	-1.29
Expenses of the Offer	1.07	1.10	+0.03
<b>Total^</b>	<b>15.0</b>	<b>7.72</b>	<b>-7.28</b>

<sup>^</sup>totals may not add up due to rounding.

The Company continues to reconcile well against the expense categories reported in the "Use of Funds" statement.

In relation to the main expense component, Exploration, both for nickel and gold at the KNP, over 21,500m of drilling have now been completed as compared to the 2-year forecast of approximately 28,000m at the time of IPO i.e. approximately 77% of the originally envisaged drilling is now complete.

This significant over performance continues to be mostly due to the discovery of the Baker Shoot and the relative ease of drilling it with RC techniques due to its shallow depth, allowing the Company to aggressively advance its knowledge of this potential new source of nickel mineralisation in the previous December 2021 quarter.

Drilling activities re-commenced in mid-January 2022 after a short hiatus in the 2021 Christmas/New Year period and with the absence of any RC drilling post completion of the Baker drill out, were subsequently lower in general terms than the previous quarter.

The overall expense in relation to the exploration and site-based programme since the Company's IPO is \$5.08 million versus a total of \$11.1 million for the full 2 years. This rate of expenditure reconciles well with the Company's expected scheduled activities over the first 18 months post IPO.

As in previous quarters, the timing of the receipt of drilling and site support expense-based invoices for services already provided in the month subsequent to the completion of the relevant works, may also contribute to any variance at the end of any particular individual reporting quarter.

There is no change in relation to the reconciliation of the Expenses of the Offer at \$1.10 million (vs \$1.07 million estimated) from last quarter's report.

The Company remains on schedule to meet the expenditure targets and the business objectives underpinning the Use of Funds table in the Prospectus over the duration of the 2-year forecast period.

For the purpose of ASX Listing Rule 5.3.5, payments to related parties or associates of Lunnon Metals during the quarter totalled \$209,000. The payments were in respect of salaries, fees and superannuation to directors and a senior executive and office rental payments (\$10k) to Junk Super Pty Ltd, a related entity of non-executive director Ian Junk.

## Tenement Summary

(All tenements are in location about 20 km south from Kambalda – see Figure 15 below table).

Table does not include the rights to the Fisher-Silver Lake tenements; that transaction is yet to settle pending completion of conditions precedent.

Tenement	Location	Nature of Interest*	Interest at beginning of quarter	Interest at end of quarter
M15/1546	Kambalda district, Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest	100% legal & beneficial interest
M15/1548	Kambalda district, Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest	100% legal & beneficial interest
M15/1549	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1550	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1551	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1553	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1556	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1557	Kambalda district, Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest	100% legal & beneficial interest
M15/1559	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1568	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1570	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1571	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1572	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1573	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1575	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1576	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest

Tenement	Location	Nature of Interest*	Interest at beginning of quarter	Interest at end of quarter
M15/1577	Kambalda district, Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest	100% legal & beneficial interest
M15/1590	Kambalda district, Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest	100% legal & beneficial interest
M15/1592	Kambalda district, Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest	100% legal & beneficial interest

\*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.

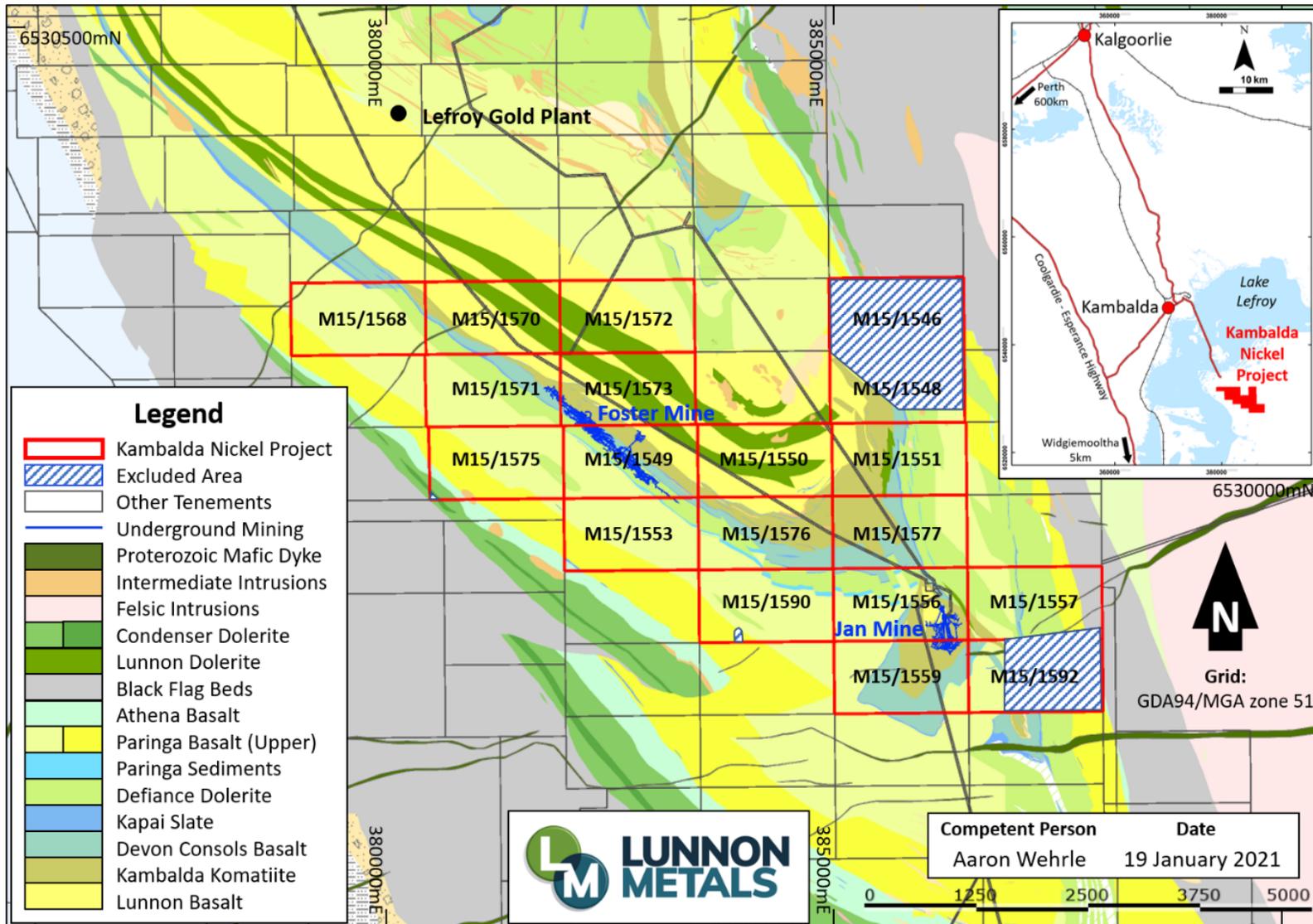


Figure 15: Tenement Map as released in the Solicitor's Report appended to the Company's Prospectus dated 22 April 2021 and announced to the ASX on 11 June 2021 – illustrating tenement IDs with historical mines and surface interpretative geology shown.