

QUARTERLY ACTIVITIES REPORT

27 July 2022

For the period ended 30 June 2022

BOARD/MANAGEMENT

Mr Liam Twigger
NON-EXECUTIVE CHAIRPERSON

Mr Ian Junk
NON-EXECUTIVE DIRECTOR

Ms Deborah Lord
NON-EXECUTIVE DIRECTOR

Mr Ashley McDonald
NON-EXECUTIVE DIRECTOR

Mr Edmund Ainscough
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Automic Group

ASX CODE: LM8

HIGHLIGHTS – Kambalda Nickel Project

- At **Baker**, reporting of first-time Mineral Resource Estimate (**MRE**) of 568,000 tonnes @ 2.8% nickel for 15,800 contained nickel tonnes. Post quarter end ECO22RC_048 returned the best result to date at Baker with **23m @ 6.78% Ni**.
- At the **Foster mine**, reporting of a first-time MRE for the **N75C surface** of 412,700 tonnes @ 2.3% nickel for 9,500 nickel tonnes.
- Overall growth of the global Mineral Resource at the Kambalda Nickel Project to **2.2 million tonnes @ 2.9% Ni for 64,300 contained nickel tonnes**, an increase of 65% in contained metal in under 12 months from listing on the ASX.
- At **Warren**, work continues to support the channel's prospectivity with diamond drilling assay results including:
 - 4.25m @ 6.02% Ni, 9.05m @ 2.82% Ni, 4.8m @ 3.09% Ni and 0.55m @ 8.18% Ni.
- Good progress in permitting activities related to Foster dewatering programme and possible future exploitation of Baker Shoot.

CORPORATE

- 30 June 2022 cash balance of \$32.9 million.
- During the quarter the Company announced:
 - Entry into an agreement to acquire 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** or **St Ives**), a wholly owned subsidiary of Gold Fields Ltd.
 - A \$30 million capital raising via a placement to professional and institutional investors under the Company's available capacity pursuant to ASX Listing Rules 7.1 and 7.1A. realising \$28.5 million after costs.
- Recruitment of senior executive Ms Helen Anderson as Manager – Environmental, Social & Governance.

SEPTEMBER QUARTER 2022 OUTLOOK

- Continue drilling and reporting of Baker Shoot infill and extensional drilling programmes; progress initial assessment of potential future exploitation of the Baker MRE.
- Continue to progress permitting activities for dewatering of Foster Mine coupled with any necessary requirements for future Baker access.
- Final reporting of results of the Exploration Incentive Scheme (EIS) Grant deep drill hole at Kenilworth.
- Ongoing reporting of progress of nickel discovery programme at Warren and other targets.
- Notice of Meeting for Shareholders to vote on the Mineral Rights Agreement relating to the Fisher-Silver Lake deal with Gold Fields Ltd.

Commenting on the June quarter, **Managing Director Ed Ainscough** said:

"We pushed really hard in the first six months of 2022 to turn success into tangible progress for shareholders. We have grown our Mineral Resource by over 65% in under 12 months at a discovery cost of approximately \$0.22/lb of nickel by converting drilling success into reportable Mineral Resources at Baker and N75C. Along the way, these achievements positioned us to secure more exploration tenure in the amazing nickel district that Kambalda represents, through our deal with Gold Fields St Ives and also to raise \$30 million in April. This growth and our progress, together with the funds raised, stands the Company and its shareholders in good stead as the market and the broader economy enters more turbulent and uncertain times ahead."

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

KAMBALDA NICKEL PROJECT (KNP)

Safety, Environment and Community

The Company continues to comply with all Western Australian government's Covid-19 related directives and mandates. Three Company staff have contracted Covid-19 during the quarter. There has been no significant interruption to activities.

No significant incidents occurred during the quarter. The Company met with representatives of the Ngadju Native Title Corporation on two occasions and continues to make good progress towards formally agreeing the manner by which the Company and the Ngadju people can develop a mutually beneficial relationship should the KNP progress towards development and possible future production.

Drilling Programme Physicals

A total of just under 37,000m of drilling has now been completed at the KNP since the Company's IPO. Some 15,500m of this total was completed in the June quarter including 10,559m of RC (56 holes) and just under 5,000m of diamond drilling (12 holes). The total drilled represents 32% more metres than originally planned in the Company's June 2021 Prospectus.

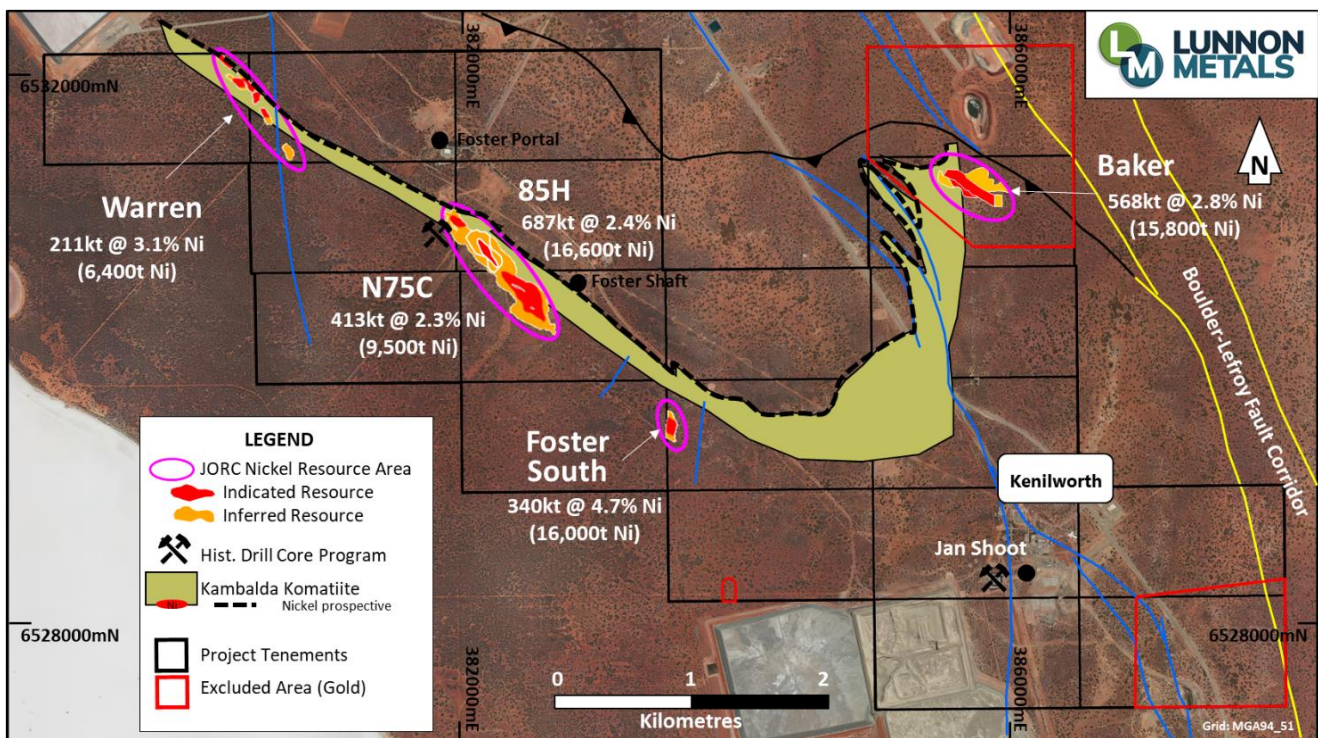


Figure 1: Updated plan of the Kambalda Nickel Project showing location of reported programmes and the current Mineral Resource represented in plan projection with addition of N75C and Baker Mineral Resource figures.

KNP DISCOVERY PROGRAMME UPDATE

Baker Shoot

Technical work during the quarter was dominated by geological interpretation of results from the 2021 Baker drilling programme, a process which culminated in the creation of geological sub-domains provided to Cube Consulting (**Cube**). Cube subsequently completed a MRE for the Baker Shoot which was reported to the market on 14 June 2022. The first-time Indicated and Inferred Baker Mineral Resource comprised:

- 295,000 tonnes @ 2.75% Ni for 8,100 nickel tonnes in Indicated Resource; and
- 273,000 tonnes @ 2.82% Ni for 7,700 nickel tonnes in Inferred Resource.

RC and diamond drilling recommenced once the geological interpretation was complete, with the geological and mineralisation solids forming the basis for infill and extensional targets.

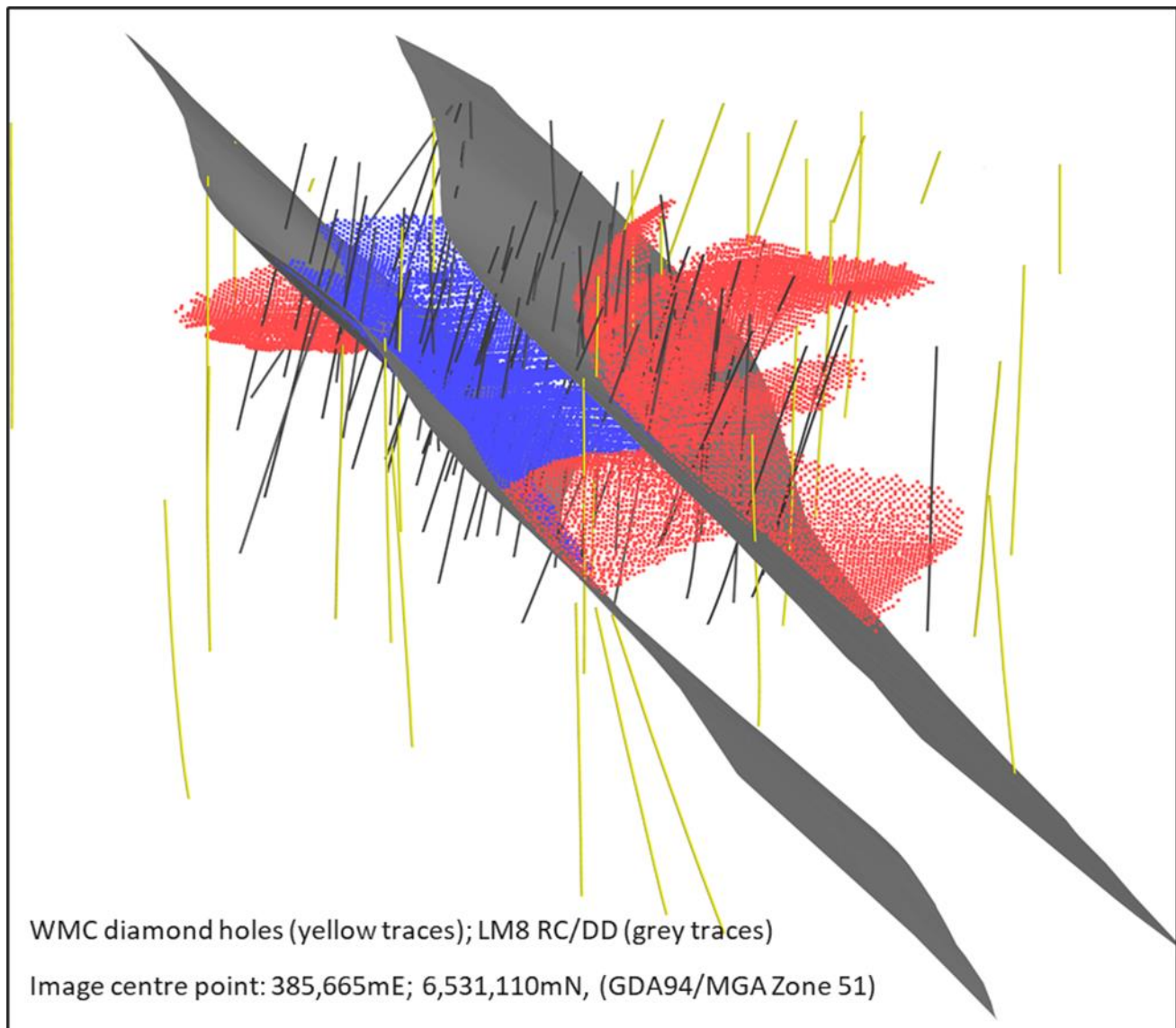


Figure 2: Baker Mineral Resource isometric view looking north-west, illustrating areas of Indicated (blue) and Inferred (red) categorisation.

Post quarter's end, activity at Baker started to yield results from the programme of over 8,000m of RC drilling and 3,000m of diamond drilling designed to infill and extend the June 2022 MRE.

Initial results from the first line of drilling on section line 6,531,180mN were returned and contained multiple significant intersections (>1.0% Ni cut off, mineralised widths approximate true widths) including:

- 3m @ 5.51% Ni, 0.34% Cu, 0.10% Co, 0.91g/t Pd, 0.39 g/t Pt (119m – ECO22RC_046);
- 3m @ 6.71% Ni, 0.45% Cu, 0.11% Co, 0.86g/t Pd, 0.22g/t Pt (192m – ECO22RC_049);
- 5m @ 6.99% Ni, 0.64% Cu, 0.13% Co, 0.89g/t Pd, 1.66g/t Pt (203m – ECO22RC_049);
- 7m @ 4.53% Ni, 0.62% Cu, 0.10% Co, 0.83g/t Pd, 0.27g/t Pt (145m – ECO22RC_050);
- 4m @ 5.15% Ni, 0.37% Cu, 0.11% Co, 0.89g/t Pd, 0.61g/t Pt (155m – ECO22RC_050); and
- 23m @ 6.78% Ni, 0.45% Cu, 0.12 % Co, 0.98g/t Pd, 0.26g/t Pt (134m – ECO22RC_048) including:
 - 14m @ 8.13% Ni, 0.53% Cu, 0.14% Co, 1.13g/t Pd, 0.31 g/t Pt (134m);
 - an intervening 2m of komatiite grading less than 0.50% Ni; and
 - 7m @ 5.92% Ni, 0.40% Cu, 0.11% Co, 0.96g/t Pd, 0.24g/t Pt (150m).

The results of the drilling will be reviewed at the completion of the programme and lead to an updated MRE, most likely completed and reported in the December 2022 quarter.

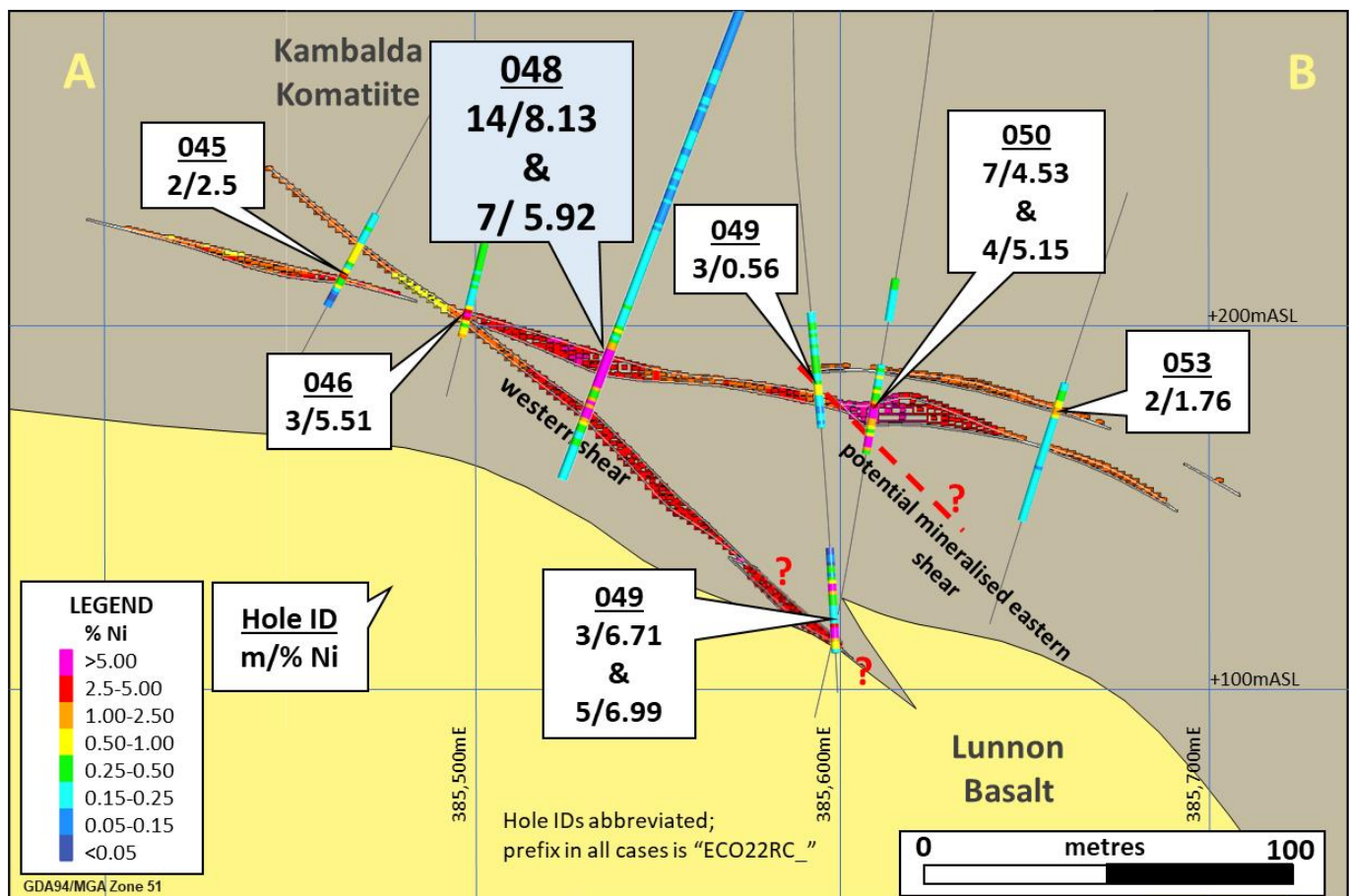


Figure 3: Geological cross section 6,531,180mN updated to include ECO22RC_048 draped over June 2022 Mineral Resource.

On this first section line, the widths and nickel grades returned generally represent an improvement on the MRE. Importantly, new nickel mineralisation has been recorded close to the komatiite-basalt contact beneath the current Baker nickel shoots for the first time (5m @ 6.99% Ni ECO22RC_049). Additional nickel mineralised zones have also been intersected outside the currently modelled shoots (e.g. 4m @ 5.15% Ni ECO22RC_050).

These new areas of mineralisation represent an opportunity for potential growth in the MRE. RC drilling will be completed shortly but receipt of results will continue through most of the September quarter. The scope of the metallurgical and geotechnical work, which commenced on the limited diamond core available prior to the completion of the MRE, will be expanded to accommodate the significant thicknesses and elevated nickel grades recorded in this first round of results. To that end, the planning and placement of upcoming diamond drill holes will be adjusted to acquire the requisite volume of sample necessary to appropriately reflect the mineralised domains now being encountered.

Warren

Diamond drilling activity at the KNP was focused at Warren during the June quarter. Lunnon Metals' programme at Warren is designed to demonstrate that this separate channel has the potential to host substantially more than the current figure of 6,400t¹ of nickel metal. The Foster channel, 1.5km to the immediate south-east, has an endowment of over 103,000t of nickel at 2.92% Ni (>61,000t mined previously up to 1994 and 42,100t¹ in the Company's current JORC 2012 Mineral Resource estimate). Five diamond holes were completed, a combination of parent diamond holes and wedged diamond holes off selected, suitably positioned parent holes. The Down Hole Transient Electro-Magnetic (**DHTEM**) conductive plate identified after the drilling of parent hole WRN21DD_003 has been the focus of work at Warren this quarter. This plate was coincident with the presence of nickel sulphide mineralisation on the prospective komatiite-basalt contact in that hole (8.72m @ 3.54% Ni reported 4 January 2022) and the first wedge (W1) (9.05m @ 2.82% Ni reported 4 April 2022).

A total of nine holes have now been drilled targeting this plate which have successfully delineated a nickel shoot with down dip dimensions of over 90m and across strike/up plunge dimensions of around 45m. Figure 4 below presents an isometric view of the DHTEM plate with all assay results received annotated and illustrating those holes where assays are pending.

Nickel mineralisation is thickest along the long axis of the shoot which rakes across dip/plunge. As reported to the ASX on 5 July 2022, the programme is now complete. For the remainder of calendar year 2022, drilling will shift to the southern section seeking to infill up plunge of WRN21DD_001W7 which intersected 4.8m @ 3.09% Ni (see ASX report dated 4 April 2022) on the outer flank which is not closed off up plunge towards the existing Mineral Resource boundary.

An update to the Warren MRE will be completed in the December quarter when all drilling is complete and all assays received.

¹ Full details of the Mineral Resource reported at Warren were included in the Prospectus and associated ITAR lodged on the ASX on 11 June 2021. A breakdown of the current KNP Mineral Resource is tabulated and appended to this report.

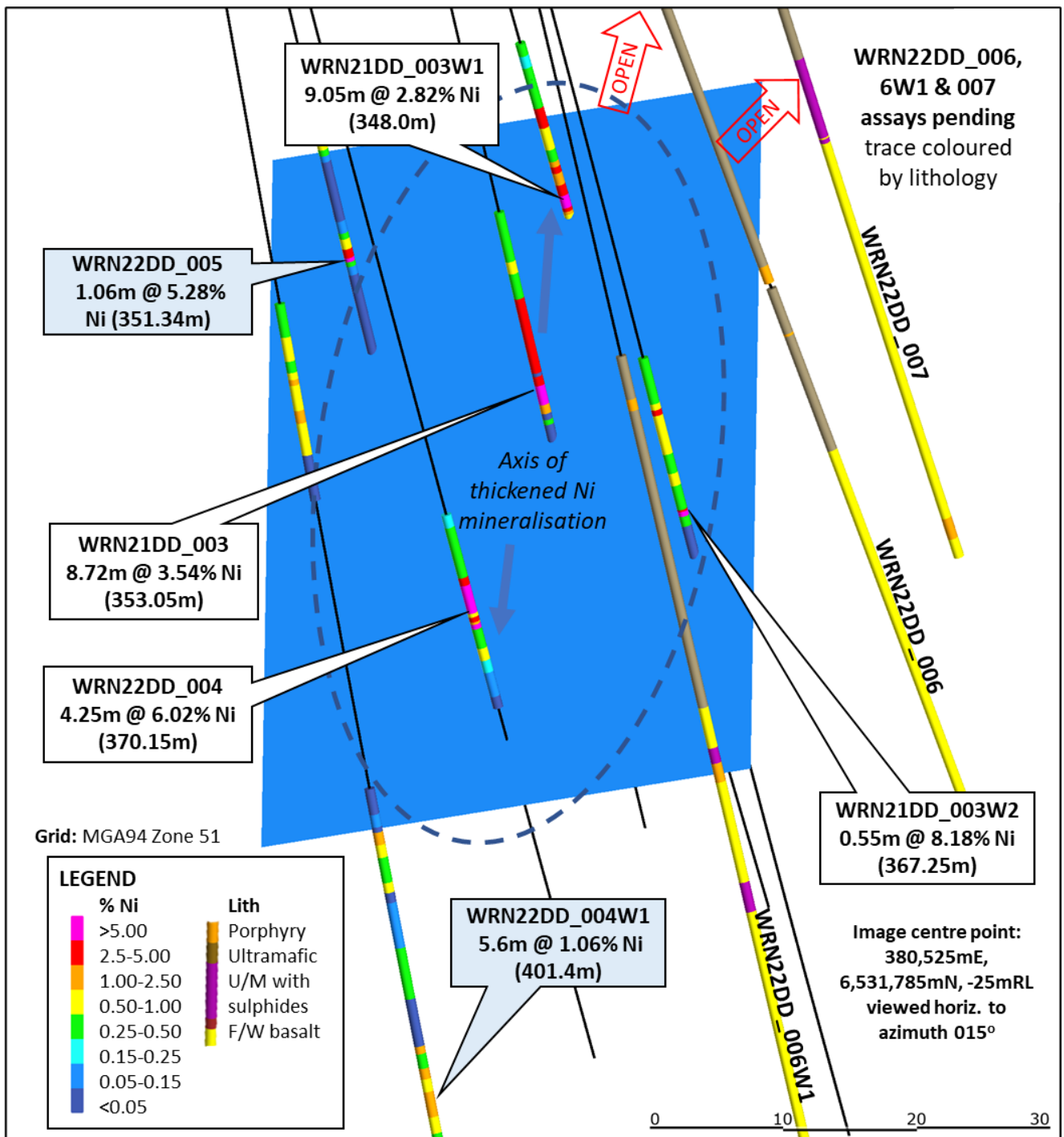


Figure 4: Isometric perspective view of DHTEM conductive plate showing all nine drill hole traces for Lunnon Metals' programme – last reported assay results shaded blue background.

WA Government - EIS Grant – Kenilworth Target

Diamond drilling of the Kenilworth target, part of the Western Australian government's EIS programme was completed during the quarter. The hole, JAN22DD_004, reached a final depth of 1,521m. This was deeper than the planned depth of 1,450m. The objective of this co-funded drill hole was to test the 800m long geophysical magnetic anomaly located within and parallel to the Jan Thrust Complex (Figure 5). Initial core assessment indicates that the Kapai Slate Formation, which was heavily pyrite-pyrrhotite banded over extensive lengths, may be the source of the magnetic anomaly. The Company is completing detailed logging and sampling for its submission and assessment of the programme as required under its contract with the Department of Mines, Industry Regulation and Safety. The Company acknowledges the contribution of the Western Australian government's EIS Grant towards the funding of this hole. Full assay results are pending and should be reported in the coming quarter.

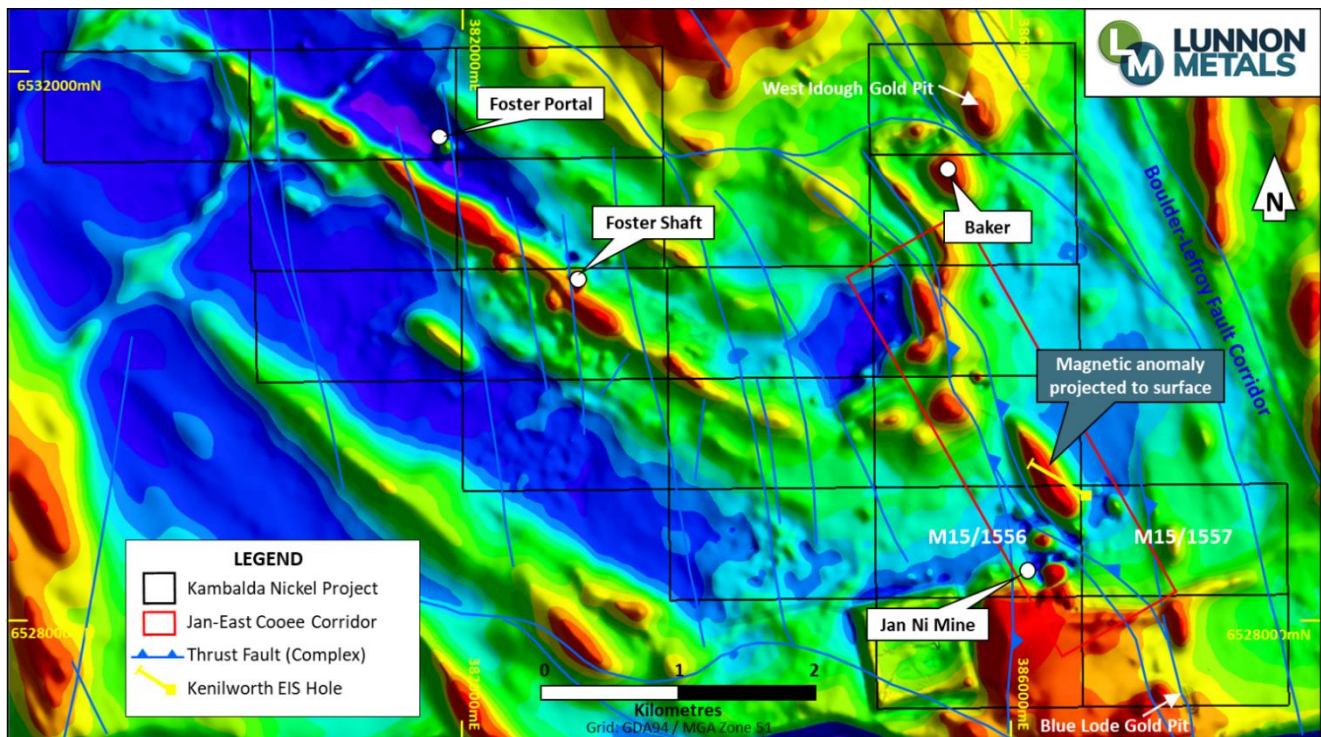


Figure 5: Plan view of the Kambalda Nickel Project illustrating location of the Kenilworth diamond hole (yellow line atop labelled magnetic anomaly) on magnetic imagery.

HISTORICAL CORE PROGRAMME (HCP)

The HCP was a key strategic programme in the Company's Prospectus and 2-Year Work Plan at the time of its IPO in June 2021.

N75C

The N75C surface was one of the many nickel surfaces mined during the operational life of the Foster mine which in total recorded over 61,000 tonnes of nickel metal produced from some 2.37 million tonnes of ore. This surface was chosen as the first target for the HCP due to its proximity to the existing 85H Mineral Resource and also as it was recorded as having thicker than average zones of heavily disseminated nickel mineralisation. Confirmatory drilling by Lunnon Metals in a prior quarter recorded 7.7m @ 2.92% Ni (see ASX announcement dated 6 Jan 2022 for details).

The first-time Indicated and Inferred Mineral Resource for N75C reported during the quarter comprised:

- 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.

The Mineral Resource grade estimation was completed by Cube in consultation with, and based upon, geological models compiled by Lunnon Metals staff.

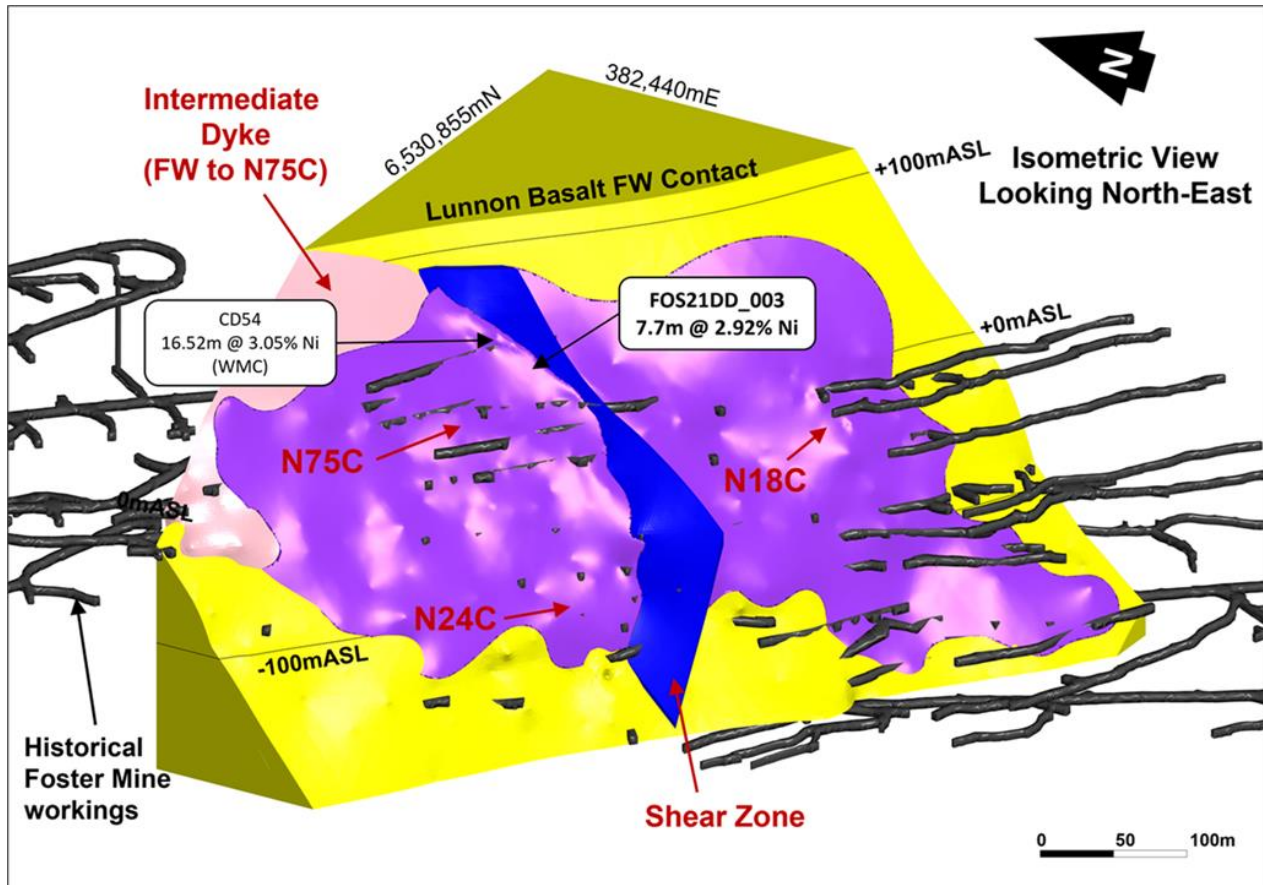


Figure 6: Isometric view of the N75C, 18C and 24C nickel surfaces at the Foster Mine, illustrating key lithology, structure and relative position to the existing workings (Grid: GDA 95/MGA Zone 51).

SITE LOGISTICS

Drill Rig Activity

Diamond drilling continued throughout the period utilising two drill rigs at Warren and Kenilworth. RC drilling re-commenced at Baker with 43 holes completed before the end of the quarter. Diamond drilling also re-commenced at Baker prior to quarter's end.

The September quarter will see RC drilling completed at Baker having targeted further conversion of Inferred Resource nickel mineralisation to the higher confidence Indicated Resource category. Diamond drilling will focus at Baker and Warren.

Permitting/Regulatory Framework

The Company has successfully recruited a senior executive to manage all environmental, social and governance (ESG) aspects of its programmes, both at the corporate and site level.

Lunnon Metals is delighted to welcome **Ms Helen Anderson**, a highly experienced resource sector executive to the company. Helen has operated in the ESG field at the operational and corporate level over a 25 year career working in Australia and internationally. She joins Lunnon Metals in the role of Manager ESG, reporting to the Managing Director, having previously worked for WMC, Gold Fields (at Kambalda but also thereafter corporately with a global remit), KCGM and most recently Newcrest Mining.

The Company has made good progress with its permitting activities seeking to achieve a position of readiness for the commencement of the Foster dewatering programme and the subsequent re-entry of the Foster mine for exploration purposes when the time is deemed appropriate. The Company is in discussions with SIGMC, operator of the adjacent and surrounding St Ives gold operations and previous joint venture partner at the KNP, to assign a minor allocation of the existing Ground Water Licence to the Company, for application at Baker, whilst the application for its own Ground Water Licence to dewater Foster is on foot. The Company is also close to finalising agreement with SIGMC regarding prescribed premises boundary changes necessary for Foster and Baker licensing.

In addition, the possible future development of the Baker Shoot has been factored into a range of on-site activities including completion of seasonal flora/fauna surveys, sampling for acid mine drainage and soil assessments. This data collection and analysis will complement the ongoing metallurgical and geotechnical work and form a key part of any future Mining Proposal/Mine Closure Plan submission, the key regulatory requirement prior to considering any decision regarding a future Baker development, given the deposit is hosted on granted Mining lease M15/1548.

CORPORATE

ASX lodgements

An active news flow was maintained throughout the period with the following announcements lodged on the ASX.

- 15 Jun 2022 Company Presentation
- 14 Jun 2022 Baker First-Time Mineral Resource Tops 15,000t Nickel Metal
- 01 Jun 2022 Site Visit - Kambalda Nickel Project
- 27 May 2022 Progress Update for Baker and Kenilworth
- 16 May 2022 Warren Continues to Deliver High Grades at Kambalda
- 22 Apr 2022 N75C Demonstrates Upside of Historical Core Programme
- 12 Apr 2022 Acquisition of New Nickel Rights Transforms Lunnon Metals
- 07 Apr 2022 Paydirt Battery Minerals Conference Presentation
- 04 Apr 2022 Warren Wedges Continue to Impress Warren Wedges Continue to Impress (4 April 2022)

Announcements related to, or stemming from, the \$30 million capital raising, were as follows.

- 03 May 2022 Change in substantial holding - Bolong
- 28 Apr 2022 Change in substantial holding - Aurora
- 28 Apr 2022 Becoming a substantial holder
- 28 Apr 2022 Change in substantial holding - St Ives
- 28 Apr 2022 Change in substantial holding - Mainglow
- 26 Apr 2022 Cleansing Notice
- 26 Apr 2022 Application for quotation of securities - LM8
- 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 Trading Halt

Compliance lodgements made to the ASX were as follows:

- 20 Jun 2022 Change of Director's Interest Notice - Ashley McDonald
- 07 Jun 2022 Change of Director's Interest Notice - Ashley McDonald
- 27 Apr 2022 Quarterly Cashflow Report - March 2022
- 27 Apr 2022 Quarterly Activities Report - March 2022

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

- 18 Jul 2022 Baker Fires Up - Ni Grades Over 14% in Best Hole to Date!
- 11 Jul 2022 Baker Infill - Rising to the Top
- 05 Jul 2022 More Nickel Hits at Warren

Equity Raising

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

Business Development

During the June quarter the Company announced that it will acquire the exclusive rights² to nickel on the whole, or portions, of 19 mining leases (and related access rights on an additional tenement)³ over the historical Fisher and Silver Lake nickel mines by entry into a Mineral Rights Agreement (**MRA**) with SIGMC.

Silver Lake and Fisher are 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 MRA is subject to the following conditions precedent:

- the Company receiving Foreign Investment Review Board (**FIRB**) approval for the proposed acquisition of the nickel rights. The relevant application has been made and now approved by FIRB;
- 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. BDO Corporate Finance has been appointed to complete the necessary Independent Expert's Report which is well progressed and will be issued to accompany the Notice of Meeting in due course; and
- 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. This is expected to be finalised shortly.

² - The rights granted to the Company in the shaded areas on Figure 7 at the end of this report are below surface rights only.

³ - 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.

The condition related to SIGMC receiving FIRB approval has been waived by both parties as it was concluded that it was not required. All conditions must be satisfied or waived before the date which is 180 days after the MRA is executed. As consideration for the acquisition, when the conditions precedent are satisfied, the Company will issue \$20 million of fully paid ordinary shares to SIGMC, at a price per share of \$0.93 (which is the same price at which the \$30 million equity raising was completed).

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

Cash Position

As at 30 June 2022, Lunnon Metals held approximately \$32.9 million (31 March 2022: \$7.2 million) in cash.

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

For further information regarding the Company's activities please visit the website www.lunnonmetals.com.au or contact the Company, details below.

Approved and authorised for release by the Board.

Edmund Ainscough
Managing Director
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COMPETENT PERSONS' STATEMENT & COMPLIANCE

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, a Competent Person 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.

The information in this announcement that relates to the mining, metallurgical and environmental modifying factors or assumptions as they may apply to the Company's Mineral Resource Estimations is based on, and fairly represents, information and supporting documentation prepared by Mr. Aaron Wehrle and Mr. Edmund Ainscough, who are both Competent Persons and Members of the Australasian Institute of Mining and Metallurgy (AusIMM), full time employees of Lunnon Metals Ltd, shareholders and holders of employee options; both have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration, the activity that they are undertaking and the relevant factors, in particular in regard the location of the KNP, 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. Both Mr. Wehrle 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.

MINERAL RESOURCES

The detailed breakdown of the Company's Mineral Resources as at 14 June 2022 is as follows:

	Cut-off (Ni %)	Indicated			Inferred			Total		
		Ni (%) Tonnes	Ni (%) Tonnes	Ni (%) Tonnes	Ni (%) Tonnes	Ni (%) Tonnes	Ni (%) Tonnes	Ni (%) Tonnes		
85H	1.0	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
South	1.0	223,000	4.7	10,500	116,000	4.8	5,500	340,000	4.7	16,000
Warren	1.0	136,000	2.7	3,700	75,000	3.7	2,700	211,000	3.1	6,400
N75C	1.0	270,700	2.6	6,900	142,000	1.9	2,600	412,700	2.3	9,500
Baker	1.0	295,000	2.8	8,100	273,000	2.8	7,700	568,000	2.8	15,800
Total		1,311,700	3.2	42,000	906,000	2.5	22,300	2,218,700	2.9	64,300

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

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. 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 \$2.18 million, as detailed in the Company's accompanying Appendix 5B statement (exclusive of salaries). This figure includes an amount of \$1.75 million for exploration that was capitalised (principally drilling at Warren and, in line with the Company's accounting policy, the capitalisation of activity at Baker following declaration of its initial Mineral Resource on 14 June 2022). An amount of \$0.08 million for property, plant and equipment purchased directly in support of the site-based exploration programme was also capitalised. 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 Tables at the end of this Appendix and their location shown diagrammatically in Figure 7 and Figure 8 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 30 June 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. The table now includes the impact of the \$30 million capital raising in April 2022 which was naturally not contemplated at the time of the IPO.

Table 1: Use of Funds comparison – IPO 16 June 2021 to 30 June 2022

Use of Funds	Prospectus estimate (2 years) \$ millions	Actual use (16 June 2021 – June 2022 quarter end) \$ millions	Variance \$ millions
Exploration at the Kambalda Nickel Project - nickel	8.8	6.48	2.32
Exploration at the Kambalda Nickel Project - gold	0.9	0.26	0.64
Re-establish surface infrastructure, cost/initiate dewatering	1.4	0.19	1.21
Corporate, administration and working capital	2.83	2.32	0.51
Expenses of the Offer	1.07	1.10	(0.03)
Proceeds from subsequent capital raising (net of fees/costs)	-	(28.35)	28.35
Total[^]	15.0	(18.0)	33.0

[^]totals may not add up due to rounding; variance under spend is now shown as a positive to correctly accommodate and reflect the \$30m capital raising.

Setting aside the positive impact of the April 2022 \$30 million capital raising, the Company continues to reconcile well against the expense categories reported in the "Use of Funds" statement. Site exploration and administration (staffing) levels are, and will likely continue to be, higher than originally planned in light of the success at Baker and the funding available post April 2022.

In relation to the main expense component, Exploration, both for nickel and gold at the KNP, just under 37,000m of drilling has now been completed as compared to the 2-year forecast of approximately 28,000m at the time of IPO i.e. approximately 132% of the originally envisaged drilling has now been completed.

This significant over performance continues to be primarily due to the discovery of the Baker Shoot and the relative ease of drilling this target with RC techniques due to its shallow depth. This has allowed the Company to aggressively advance its knowledge of this potential new source of nickel mineralisation in late 2021 and throughout 2022 culminating in the reporting of the first-time JORC 2012 Mineral Resource detailed in the body of this report.

Drilling activities continued throughout the June quarter. Production continues to be most active when RC drilling is ongoing at Baker Shoot. When diamond drilling alone is undertaken, activity and expense levels will decrease.

The overall expense in relation to the exploration and site-based programme since the Company's IPO is \$6.93 million versus a total of \$11.1 million for the full two years. This rate of expenditure reconciles well with the Company's forecast activities over the first 18 months post IPO. In light of the \$28.35 million (net of fees/GST) resulting from the successful capital raise during the quarter, this expenditure rate will be able to be maintained, subject to the generation of new targets and ongoing positive results, beyond the previous plan contemplated in the IPO.

As in previous quarters, the timing of receipt of drilling and site support expense-based invoices already incurred may contribute to variance at the conclusion of the reporting quarter.

There is no change in relation to the reconciliation of Expenses of the Offer at \$1.10 million (vs \$1.07 million estimated) previously reported. Fees attributable to the April capital raising were \$1.5 million plus GST.

The Company remains on schedule to meet the expenditure targets and 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 \$166,915. The payments were in respect of salaries, fees and superannuation to directors and a senior executive and office rental payments to Junk Super Pty Ltd, a related entity of non-executive director Ian Junk.

Tenement Summary

Current Foster/Jan components of the Kambalda Nickel Project (All tenements are in location about 20 km south from Kambalda – see Figure 7 below tables).

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.

Mineral Rights Agreement - Fisher/Silver Lake (All tenements are in location in the immediate vicinity directly south from Kambalda see Figure 8 below table).

Tenement	Location	Nature of Interest*	Interest at beginning of quarter	Interest at end of quarter
M15/1546	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1548	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1549	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1550	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1551	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1553	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

Tenement	Location	Nature of Interest*	Interest at beginning of quarter	Interest at end of quarter
ML15/0142	Kambalda district, Western Australia	Rights of access subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1497	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1498	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1499	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1505	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1506	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1507	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1511	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1512	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1513	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1515	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

Tenement	Location	Nature of Interest*	Interest at beginning of quarter	Interest at end of quarter
M15/1516	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1523	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

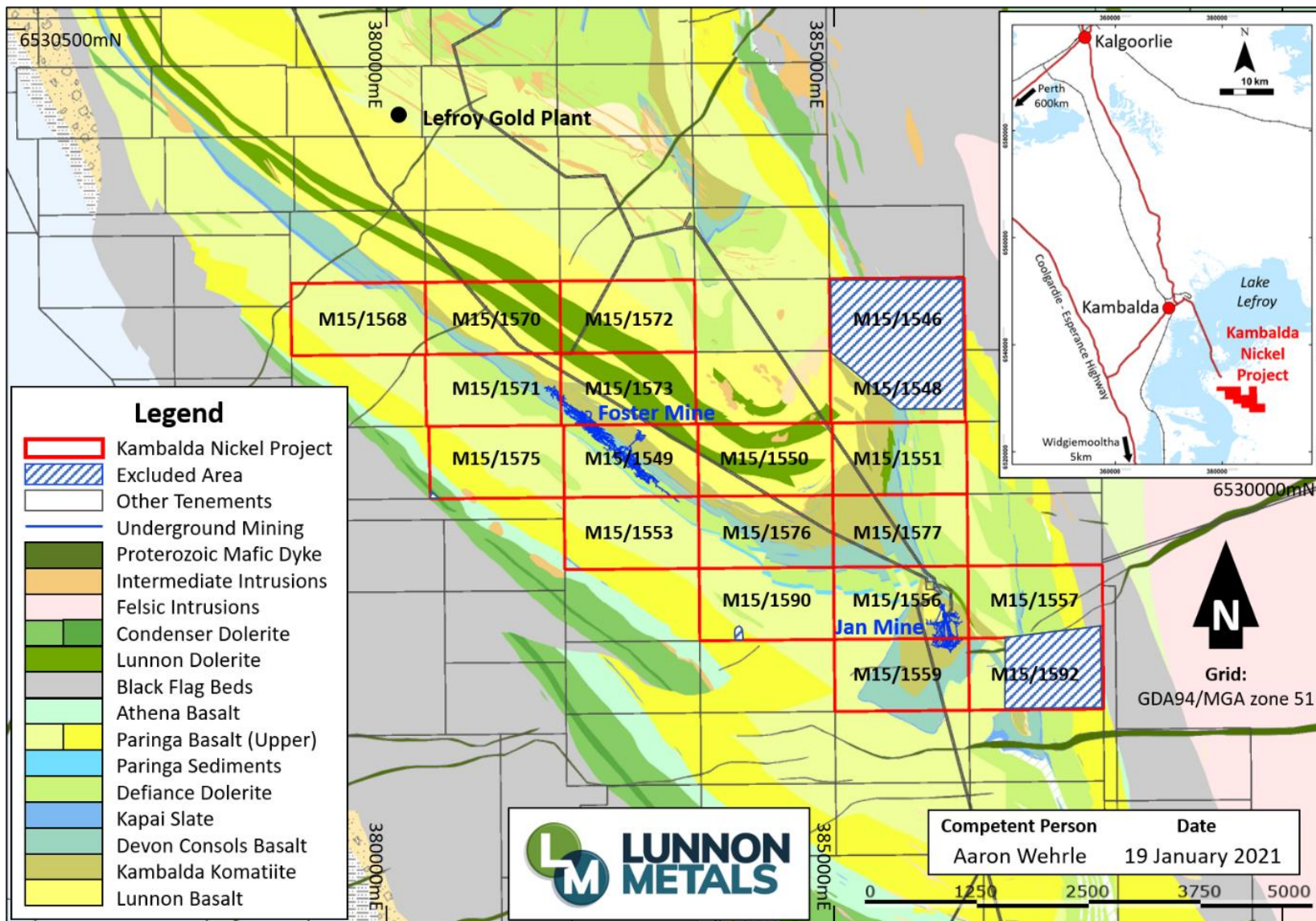


Figure 7: Tenement Map as released in the Solicitor's Report appended to the Company's Prospectus dated 22 April 2021 and announced to the ASX on 11 June 2021 – illustrating tenement IDs with historical mines and surface interpretative geology shown.

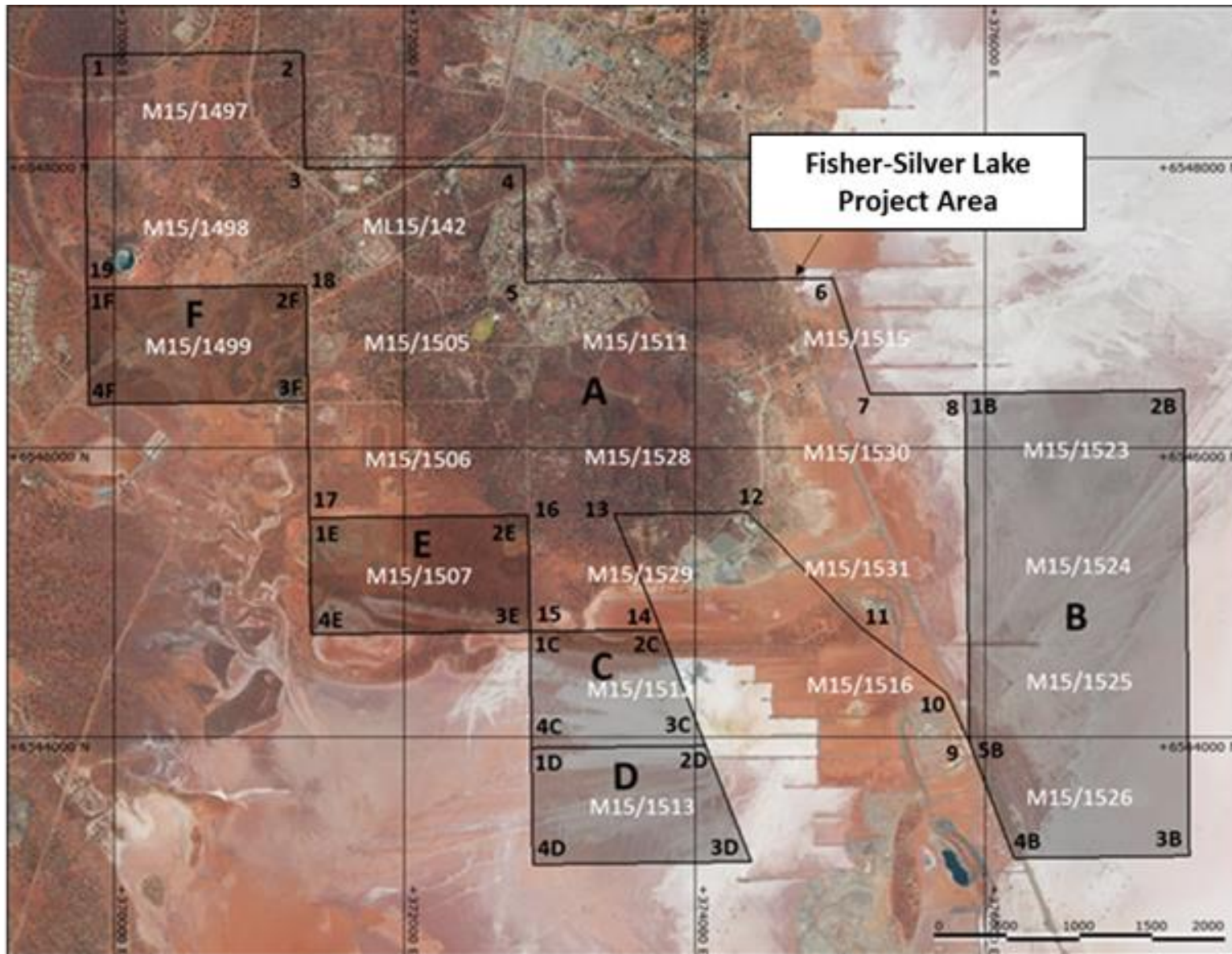


Figure 8: Tenement Map announced to the ASX on 12 April 2022 – illustrating tenement IDs for Fisher-Silver Lake Project Area (deal yet to settle).