

12 JULY 2024

BHP NICKEL WEST'S UPDATE

KEY POINTS

- **Removes uncertainty regarding BHP and Nickel West's intentions**
 - **Lunnon Metals continues to investigate options for an alternative concentrator solution**
 - **Options include building or re-purposing existing processing facilities, jointly or in its own right**
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Lunnon Metals Limited (**ASX: LM8**) (the **Company** or **Lunnon Metals**) notes the announcement yesterday by BHP Group Limited (**BHP**) regarding its subsidiary BHP Nickel West Pty Ltd (**Nickel West**) and the decision to temporarily suspend its Nickel West operations from October 2024. Lunnon Metals highlights it is BHP's intention to review this decision by February 2027 and that in the interim they intend continuing to invest in exploration seeking to extend the resource life of its Western Australia nickel assets, suggesting a desire to retain exposure to nickel, a critical metal for the energy transition. The Company also notes that BHP did not comment on the immediate future of the Kambalda Nickel Concentrator, which based on their announcement dated 15 February 2024, would have been placed on care and maintenance last month, following the decision by Wyloo Pty Ltd to suspend its Cassini and Northern Operations from 31 May 2024.

Yesterday's announcement removes a lot of uncertainty regarding Nickel West. As previously advised, Lunnon Metals has been considering alternative processing options to Nickel West¹. The Company considers its current options for processing potential future nickel ore from its Baker and Foster deposits to include:

1. Initiating discussions with Nickel West, with a view to either purchasing, leasing or otherwise making use of the Kambalda Nickel Concentrator and its associated infrastructure and utilities; and
2. Studying the potential to either, jointly or its own right:
 - (a) build a new, right-sized concentrator; or
 - (b) re-purpose or utilise an existing processing facility,to meet the needs of the various local stakeholders in Kambalda or further afield. Initial discussions have been ongoing in this regard.

In relation to option 2(a) above, the Company has been reviewing the potential to site a concentrator on the Company's tenements at Kambalda (at the location of the previous St Ives Gold plant site), where infrastructure, utilities and importantly tailing storage facilities are available. **Figure 1** illustrates the conceptual location for this concentrator at the Company's Foster-Baker project on the site of the previous WMC Resources Ltd St Ives gold plant, whilst **Figure 2** depicts the inset image during the operational life of that processing plant. The Company will keep the market informed of any progress in these potential discussions and negotiations.

This release has been approved and authorised for release by the Board.

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¹ Nickel West has a right of pre-emption in relation to the treatment or sale of nickel or ore or other products containing nickel from the Company's current nickel assets, or to charge a 1% royalty. The Company assumes that in the circumstances where Nickel West remains in Care & Maintenance as announced yesterday, that Nickel West would elect to receive the royalty.

CONCEPTUAL LOCATION OF NEW CONCENTRATOR

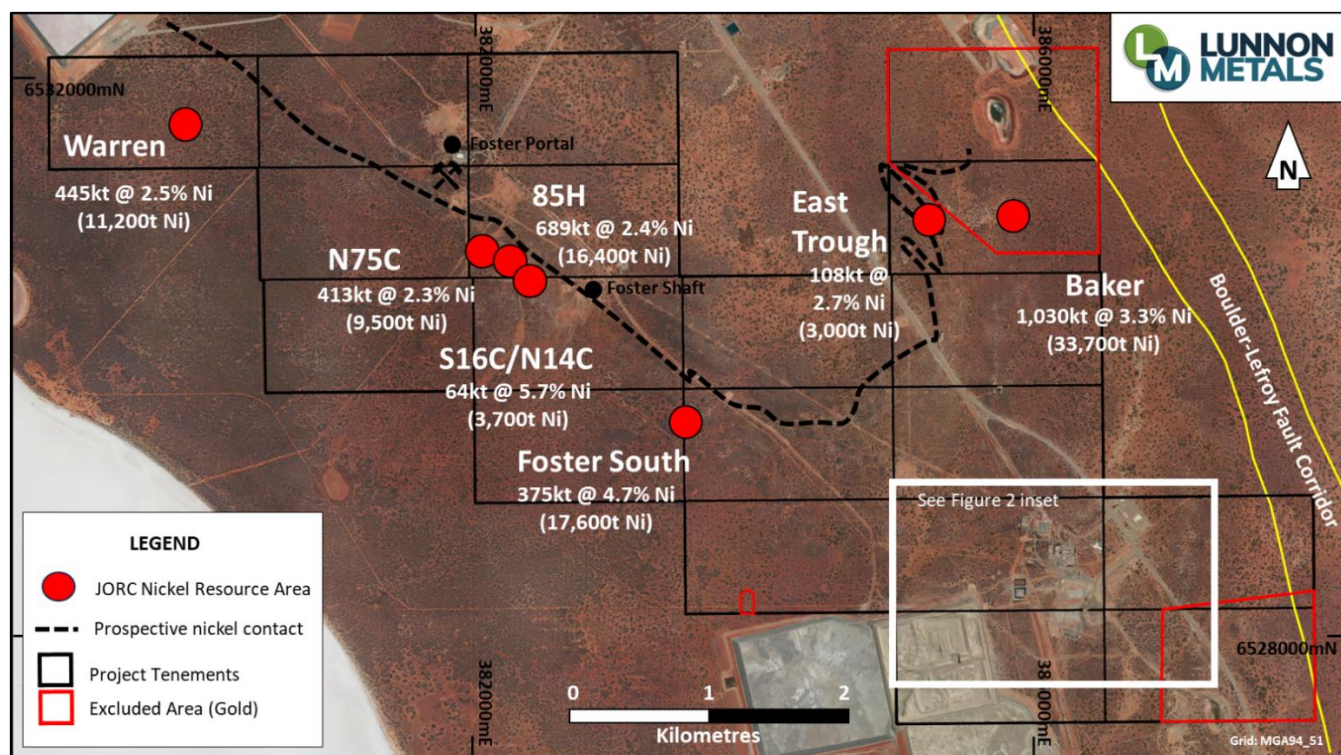


Figure 1: Plan view of the Foster-Baker project tenements at Kambalda showing location of Mineral Resource² positions and the inset, Figure 2.



Figure 2: Zoomed-in plan view of the previous St Ives gold plant site during its operational life, associated tailing storage facility and supporting infrastructure.

² A classification breakdown of the current KNP MRE is tabulated and appended to this report on page 4.



COMPETENT PERSON'S STATEMENT & COMPLIANCE

Any information in this announcement that relates to nickel and gold geology, nickel Mineral Resources, Exploration Targets 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/performance rights; 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 report that relates to the MRE geostatistics, methodology and estimation for Foster South, East Trough, Fisher and 25h (Silver Lake) is based on, and fairly represents, information and supporting documentation prepared by Mr. Stephen Law, who holds current Chartered Professional (Geology) status with the AusIMM. Mr Law is a full-time employee of Lunnon Metals Ltd; 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. Law consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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

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

The information in this report that relates to nickel Ore Reserves at Baker is based on, and fairly represents, information and supporting documentation compiled by Mr. Sheppard, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Sheppard is a full-time employee of the Company and is the holder of employee options/performance rights. Mr. Sheppard has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheppard consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



MINERAL RESOURCES

The detailed breakdown of the Company's Mineral Resources as updated 11 June 2024, is as follows:

	Measured Ni			Indicated Ni			Inferred Ni			Total Ni		
	Tonnes	%	Ni Tonnes	Tonnes	%*	Ni Tonnes	Tonnes	%*	Ni Tonnes	Tonnes	%*	Ni Tonnes
FOSTER MINE												
Warren				345,000	2.6	8,800	100,000	2.4	2,400	445,000	2.5	11,200
Foster Central												
85H				395,000	3.2	12,800	294,000	1.2	3,600	689,000	2.4	16,400
N75C				271,000	2.6	6,900	142,000	1.9	2,600	413,000	2.3	9,500
S16C/N14C				-	-	-	64,000	5.7	3,700	64,000	5.7	3,700
South				264,000	4.7	12,400	111,000	4.7	5,200	375,000	4.7	17,600
Sub total				1,275,000	3.2	40,900	711,000	2.5	17,500	1,986,000	2.9	58,400
BAKER AREA												
Baker	110,000	3.4	3,700	622,000	3.7	22,900	298,000	2.4	7,100	1,030,000	3.3	33,700
East Trough				-	-	-	108,000	2.7	3,000	108,000	2.7	3,000
Sub total	110,000	3.4	3,700	622,000	3.7	22,900	406,000	2.5	10,100	1,138,000	3.2	36,700
SILVER LAKE												
25H				336,000	1.6	5,300	488,000	1.7	8,500	824,000	1.7	13,800
Sub total				336,000	1.6	5,300	488,000	1.7	8,500	824,000	1.7	13,800
FISHER												
F Zone				56,000	2.7	1,500	196,000	1.6	3,200	252,000	1.9	4,700
Sub total				56,000	2.7	1,500	196,000	1.6	3,200	252,000	1.9	4,700
TOTAL	110,000	3.4	3,700	2,289,000	3.1	70,600	1,801,000	2.2	39,300	4,200,000	2.7	113,600

Note: Figures have been rounded and hence may not add up exactly to the given totals. The Mineral Resource is inclusive of any reported Ore Reserves.

ORE RESERVES

The detailed breakdown of the Company's Baker Ore Reserve as at 30 June 2023, is as follows:

Baker	tonnes	Ni %	Cu %	Co %	Pd g/t	Pt g/t	As ppm	Ni metal
Proved	-	-	-	-	-	-	-	-
Probable	612,000	2.86	0.24	0.052	0.49	0.20	110	17,500
TOTAL	612,000	2.86	0.24	0.052	0.49	0.20	110	17,500

Note: All figures have been rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

The Ore Reserve is reported using the December 2022 Mineral Resource. The Ore Reserve is evaluated using a cut-off grade of 1.5% Ni, except for an incremental cut-off grade of 1.0% Ni for low grade development necessary for access to mining zones. The inputs used for the NPV in the Ore Reserve study were a A\$35,294/t nickel price (US\$24,000/t at US\$0.68:A\$1.00) and 8% discount rate.

DISCLAIMER

References in this announcement may have been made to certain previous ASX announcements, which in turn may have included Exploration Results, Exploration Targets, Mineral Resources, Ore Reserves and the results of Pre-Feasibility Studies. 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.