# FABULOUS BAKER BUOYS LUNNON TO 79,300 TONNES OF NICKEL METAL

**7 DECEMBER 2022**

## KEY POINTS

- **Updated Mineral Resource estimate for Baker materially increased to 929,000 tonnes at 3.3% nickel for 30,800 contained nickel tonnes**
- **Baker Indicated Resource nearly three times larger, representing 78% of contained nickel metal and at 3.8% Ni, is 37% higher grade than reported in June 2022**
- **Baker confirmed as cornerstone asset less than 12 months after first high-grade nickel assays heralded its discovery on 17 January 2022** (*"Baker Delights – 7m @ 9.22% Nickel"*)
- **Result of aggressive 15km reverse circulation and 4.4km diamond drilling campaigns, completed in under 18 months**
- **Global JORC 2012 nickel Mineral Resource estimate at the Kambalda Nickel Project has grown by a further 23% to 2.6 million tonnes @ 3.1% nickel for 79,300 contained nickel tonnes**[1]
- **More than double the Mineral Resource reported at listing on the ASX (June 2021)**

Lunnon Metals Limited (**ASX: LM8**) (the **Company** or **Lunnon Metals**) is pleased to update its nickel Mineral Resource estimate (**MRE**) for the Baker deposit, its first discovery at the Kambalda Nickel Project (**KNP**). Within 12 months of announcing the discovery of Baker in January 2022 and less than 18 months since listing, Lunnon Metals confirms this new deposit as its cornerstone asset.

The new Baker MRE now stands at 929,000 tonnes @ 3.3% nickel for 30,800 contained nickel tonnes, comprising:

- **638,000 tonnes @ 3.8% Ni for 24,000 nickel tonnes in Indicated Resource;** and
- **291,000 tonnes @ 2.3% Ni for 6,800 nickel tonnes in Inferred Resource.**

This result increases Lunnon Metals' global MRE across the KNP to 2.6 million tonnes @ 3.1% nickel for 79,300 contained nickel tonnes[1], a 23% increase in contained metal since June 2022. Since Lunnon Metals listed in June 2021, the global MRE at KNP has grown by 103% in contained nickel metal terms.

The Company highlights that the recent aggressive drilling campaign has provided sufficient additional data to support a higher total tonnage classified as Indicated Resource within the MRE (up nearly threefold from June 2022) and a resultant higher proportion (78%) of Indicated Resource as compared to the lower confidence category of Inferred Resource. The grade of this Indicated Resource has also improved by 37% to 3.8% Ni.

[1] Refer to the Company's full Mineral Resource table on page 16 of this report for detailed breakdown.

The Inferred Resource presents an opportunity for select infill drilling seeking to grow the Indicated Resource further, however, whilst the Baker deposit is still open down plunge to the south east beyond the limits of the Inferred Resource, advancing the technical and mine design studies are now the priority for the Company with the down plunge potential able to be targeted more accurately and efficiently from the potential future underground development, should it proceed.

The updated MRE positions the Company to fast track Baker by commencing mine design and scheduling in the March 2023 quarter. Metallurgical and geotechnical studies have been ongoing as the drilling programme and MRE update progressed. Coupled with significant advancement on the permitting front, the Company is well placed to continue reporting the steady progress of Baker throughout 2023 towards a potential Final Investment Decision (**FID**).

As previously reported, in parallel to rapidly advancing Baker, the Company is progressing permitting activities to dewater Foster and possibly use neighbouring infrastructure at Baker, such as the West Idough open pit (for the Baker decline portal location), existing waste dumps and dewatering corridors.

**Managing Director, Ed Ainscough, commenting said**:

*"I couldn't be happier for everyone at site that has worked so diligently and safely, pushing Baker as quickly as possible to this point. To think there was over 30,000t of nickel metal sitting within 300m of the surface at Baker is a little hard to believe looking back to when we listed, but it was there, we have found it, it is high-grade and it is so close to the existing infrastructure and local processing capacity - it simply could not have been in a better location. Again, I want to thank Aaron Wehrle and his team, at site and in Perth, and also Blue Spec Drilling. Baker sets the Company up for even greater success and 2023 is going to be an exciting and extremely busy year as we strive to advance Baker and Foster towards production, whilst we also turn our minds to the significant opportunities at Silver Lake and Fisher."*

## MATERIAL INFORMATION SUMMARY – MINERAL RESOURCE ESTIMATION

Pursuant to ASX Listing Rule 5.8.1 and complementing JORC Table 1, Sections 1, 2 and 3, contained in the Annexure to this announcement, Lunnon Metals is pleased to the provide the following information. The Baker MRE was completed by Cube Consulting Pty Ltd (**Cube**) in consultation with, and based upon, geological interpretations and 3D models compiled by Lunnon Metals staff. Commentary on the relevant input parameters for the MRE process is contained at the end of this announcement.

**Summary Result**

The breakdown of the MRE as at 7 December 2022 at a 1.0% Ni cut-off grade is as follows. The results reflect a combination of massive nickel sulphide, adjacent matrix and disseminated nickel sulphide mineralisation within each Mineral Resource classification. Note palladium and platinum estimations are still pending.

Table 1: MRE for Baker Nickel Deposit as at 7 December 2022.

| Baker | tonnes | Ni % | Cu % | Co % | Ni metal |
|---|---|---|---|---|---|
| Indicated | 638,000 | 3.8 | 0.32 | 0.07 | 24,000 |
| Inferred | 291,000 | 2.3 | 0.18 | 0.05 | 6,800 |
| **Total** | **929,000** | **3.3** | **0.27** | **0.06** | **30,800** |

*Note: tonnes have been rounded to 3 significant figures, grade to 2 significant figures and nickel metal has been rounded to the nearest 100t.*

**Comparison Between December 2022 and June 2022 MRE Results**

The comparison with the most recent MRE (dated 14 June 2022) is shown below in Table 2. The significant increase in tonnes, grade and nickel metal results from the impact of the 46 reverse circulation (**RC**) drill holes (totalling over 8,000m including 5 pre-collars) and 14 diamond drill (**DD**) holes (totalling over 4,000m) drilled in 2022, that were not incorporated and did not inform the June 2022 MRE.

As reported to the ASX during the latest drilling programme, there were multiple significant assay results that recorded thicker mineralised intercepts, at higher nickel grades resulting in substantially higher bulk density for those localities within the deposit when compared to the June 2022 MRE. The combination of these improved characteristics underpinned the significant increase in the estimate reported today.

In addition, whilst the overall footprint of the deposit in plan view did not change materially, as the drill programme was predominantly designed to infill the existing known extents of the Baker deposit, the increased density of drill hole data within that same area has resulted in a significant increase in confidence in the geological interpretation and grade estimation at Baker. This in turn has led to a higher total tonnage classified as Indicated Resource within the MRE (nearly threefold) and a resultant higher proportion (78%) of Indicated Resource as compared to the lower confidence category of Inferred Resource.

Subject to the positive outcomes from the economic and development studies that are about to commence, the level of available Indicated Resource will directly influence the size of any potential future Probable Ore Reserve declared from those portions of the MRE at the Indicated (or higher) classification.

Table 2: Comparison between the June 2022 and December 2022 MREs for Baker.

| Baker | June 2022 MRE | | | December 2022 MRE | | | Change % | | |
|---|---|---|---|---|---|---|---|---|---|
| | tonnes | Ni % | metal | tonnes | Ni % | metal | tonnes | Ni % | metal |
| Indicated | 295,000 | 2.75 | 8,100 | **638,000** | **3.8** | **24,000** | 116% | 37% | 196% |
| Inferred | 273,000 | 2.82 | 7,700 | **291,000** | **2.3** | **6,800** | 7% | -17% | -12% |
| **Total** | **568,000** | **2.80** | **15,800** | **929,000** | **3.3** | **30,800** | **64%** | **19%** | **95%** |

## LOCATION

The KNP area is located approximately 570km east of Perth and 50-70km south-southeast of Kalgoorlie, in the Eastern Goldfields of Western Australia (GDA94/MGA zone 51 – refer Figure 1). The KNP is approximately 47km$^2$ in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases, all situated within the famous Kambalda Nickel District which extends for more than 70km south from the township of Kambalda. Each Mining Lease is approximately 1,500m by 800m in area. The KNP is broadly surrounded by tenements held by St Ives Gold Mining Co. Pty Ltd (**SIGM**), the Company's major shareholder.

The two components of the KNP are located to the immediate north (SLF) and south (FBA) of Lake Lefroy. The KNP is accessed via public roads, well-established mine road infrastructure and the main SIGM lake causeway which extends from the northern shoreline near the Kambalda township to the south side of the lake adjacent to SIGM's main administration office, which itself is 3.5km north of the KNP site office at the historical Foster nickel mine offices. The Kambalda nickel concentrator owned and operated by BHP Group Limited subsidiary, Nickel West Pty Ltd (**Nickel West**), is located to the immediate east of the SLF component of the KNP and 20km to the north of the current MRE at Foster, Warren and Baker.

The KNP is located in the semi-arid climatic region of the Goldfields and experiences cool winters and hot, generally dry summers. The average daily maximum temperature is approximately 34.8°C in summer and 19.7°C in winter.

## HISTORY AND PRIOR PRODUCTION

The Baker nickel deposit was discovered by Lunnon Metals. The area in which it is hosted, termed East Cooee, had been drilled historically by WMC Resources Ltd (**WMC**) however, despite a broadly spaced grid of diamond drilling, WMC did not progress the identified nickel mineralisation at the base of the second flow unit of the hanging wall Kambalda Komatiite. Accordingly, there has been no historical production from the area.

An Exploration Target range for the East Cooee area that covered the Baker deposit was estimated by the Company in 2020 in accordance with the guidelines of the JORC Code (2012) and contained in its Prospectus at the Initial Public Offering (**IPO**) of Lunnon Metals. This work identified multiple mineralised surfaces in basalt-ultramafic contact trough locations, contact flanking locations, footwall positions and extensive hanging wall surfaces.

Lunnon Metals budgeted for drilling in its Prospectus to test the Exploration Target within 18 months of listing. This drilling led directly to the discovery of Baker.

## GEOLOGY

The KNP sits within the Kambalda-St Ives region, itself part of the Norseman-Wiluna greenstone belt, which comprises regionally extensive volcano-sedimentary packages. These rocks were extruded and deposited in an extensional environment between 2,700Ma and 2,660Ma. The mining district is underlain by a north-northwest trending corridor of basalt and komatiite rocks with several prominent dolerite intrusions (see Figure 1).

Nickel mineralisation is normally accumulated towards the base of the thick Silver Lake Member of the Kambalda Komatiite Formation immediately above or on the contact with the Lunnon Basalt. The Lunnon Basalt and favourable komatiite stratigraphy is exposed around the Kambalda Dome, then again in the Company's Foster-Baker area and also in the Lanfranchi-Tramways area further south due to structural folding and later thrust faulting.

The Baker nickel mineralisation is part of an extensive perched hanging wall position historically drilled by WMC on a broad spacing and now delineated with close spaced drilling by Lunnon Metals.

The Company's exploration programme since its IPO in June 2021 has delivered a significant increase in drill coverage (85 RC holes which include 8 pre-collars, and 17 DD holes, completed in two main campaigns in late 2021 and then April to September 2022). This has allowed for a greatly improved geological model and understanding of the controls to mineralisation. Importantly, this drilling has identified thicker, higher grade nickel mineralisation which defines clear high-grade shoots within the Baker deposit.

The majority of the mineralisation is interpreted to be hosted at the base of a hanging wall komatiite flow, or second flow, located 30 to 50 metres above the more traditionally prospective basal contact position between the first komatiite flow and the Lunnon Basalt footwall. Two late east-dipping steeper structures are identified which crosscut, offset and structurally thicken the base of flow mineralisation locally.

The western one, which hosts significant re-mobilised massive nickel sulphide itself, has a dip of $45^0$ towards $060^0$. The structure was identified as a steep conductive surface in both Down Hole Transient Electromagnetic and surface Fixed Loop Electromagnetic surveys during exploration by Lunnon Metals.

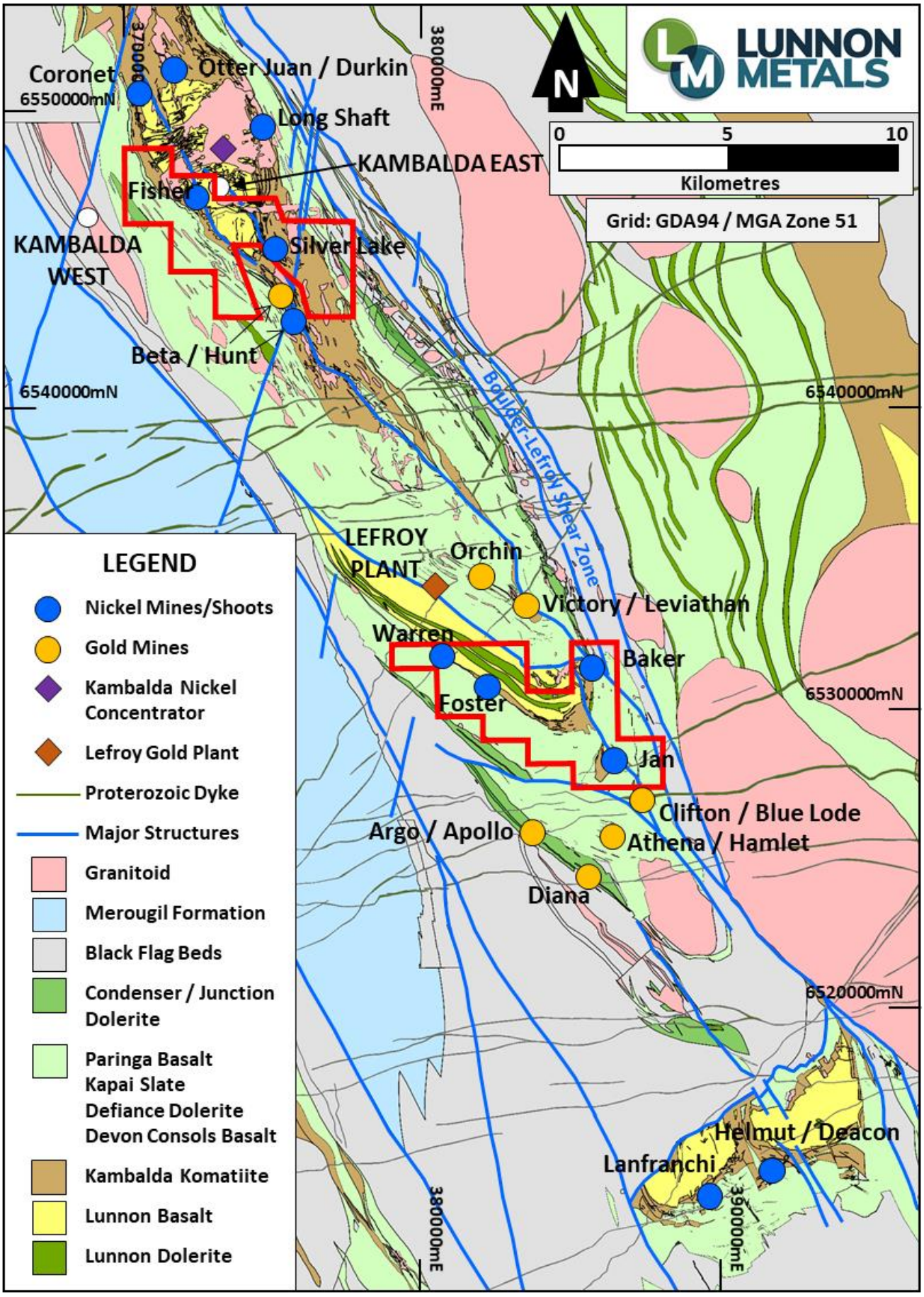



Figure 1: The KNP (red outline) with Kambalda regional geology and location of key mines/infrastructure.

## DRILLING TECHNIQUES

Lunnon Metals' drilling at Baker was conducted by Blue Spec Drilling Pty Ltd (**Blue Spec**) of Kalgoorlie using RC and DD techniques. In total some 102 holes (85 RC and 17 DD) have been drilled, sampled and assayed to inform the MRE exercise. A further 10 WMC diamond holes, drilled in the 1970s and 1980s, were also used to directly inform the estimation.

All holes used in the MRE exercise have been reported to the ASX with the necessary additional collar and assay details provided.

RC holes were drilled with a 5½-inch bit and face sampling hammer. RC holes are drilled dry with the use of booster/auxiliary air when, or if, ground water is encountered. Lunnon Metals' DD holes were drilled as oriented HQ size (63.5mm core diameter) typically as tails from RC pre-collars. Although no documentation is available to describe the drilling techniques used by WMC at the time it is understood that conventional drilling methods were used consistent with industry standards. None of the WMC DD core was oriented.

## SAMPLING AND SUB-SAMPLING TECHNIQUES

RC samples were collected on a 1.0m basis from a cone splitter mounted on the drill rig cyclone. The 1.0m sample mass is typically split to 3.0kg on average. Industry standard QAQC measures are employed involving certified reference material (**CRM**) standard, blank and field duplicate samples. All samples were dried and pulverised at an independent laboratory prior to analysis.

Oriented DD core samples were collected with a diamond drill rig drilling HQ core. After geological logging, the core was marked up for sampling at a typical minimum interval of 0.3m to ensure adequate sample weight and to a typical maximum interval of 1.0m, constrained by geological boundaries. The selected sample intervals of drill core were cut in half along the length of the drill core. Typically, one half of the drill core is sent to the laboratory for assay and the other half retained in its original core tray. Specific Gravity, or density measurements were taken for each mineralised DD sample for the Lunnon Metals drill holes. Sample weights vary depending on sample length and density of the rock. As per the RC sampling, industry standard QAQC measures are employed at the sampling stage. Upon receipt, the independent laboratory dried, crushed and pulverised the core samples prior to analysis.

Sample sizes for both RC and DD are considered appropriate for the style of mineralisation (potentially nickeliferous massive, matrix and disseminated sulphides, hosted in komatiite).

In regard historical core used in the estimation, WMC typically drilled NQ and BQ size drill holes with core collected in steel or hybrid wooden/steel core trays as observed and validated by Lunnon Metals. Subsampling techniques typically involved half and quarter sawn drill core with the quarter core dispatched for assaying. Sample lengths were similar to those described and used by Lunnon Metals. Where historical core was re-sampled by Lunnon Metals for validation purposes the remaining quarter (or half) core was used.

## SAMPLE ANALYSIS METHOD

Lunnon Metals samples were submitted to Intertek Genalysis in Kalgoorlie for sample preparation. Pulverised samples were then transported to Intertek Genalysis in Perth for analysis. Samples were analysed for a multi-element suite including Ni, Cu, Co, Cr, As, Fe, Mg, Pb, S, Ti and Zn as a minimum. Analytical techniques used a four-acid digest (with ICP-OES or ICP-MS finish). Within the expected nickel mineralised zones, the platinum group elements (Pd, Pt, Au) were also analysed using a 50g charge lead collection fire assay method with ICP-MS finish.

The resultant Lunnon Metals and laboratory QAQC data is reviewed upon receipt and prior to Mineral Resource estimation work, and the accuracy and precision of the data has been identified as acceptable. There is no data available pertaining to WMC's assaying and laboratory procedures; however, it is expected that industry standards

as a minimum were likely to have been adopted. WMC's samples were typically assayed for nickel and to a lesser extent copper, cobalt and zinc.

## GEOLOGICAL MODELLING & INTERPRETATION

The modelled Baker deposit is defined by an undulating horizon at the base of second ultramafic flow position with an overall average strike and dip of approximately 245°/25°-30° south east. The outline of the deposit is one of an irregular elongate ovoid shape with a long axis plunge of approximately 21° towards 125° currently extending for more than 600m.

The across plunge dimension approaches 200m. The vertical extent of the deposit is approximately 300m ranging from +270m ASL (47m below ground level) to -30m ASL (347m below ground level). The mineralised horizon is interpreted to have been structurally cut, offset and disrupted by late fault and fold structures which locally mobilise and concentrate the pre-existing base of ultramafic flow mineralisation. The modelled sub-domains are identified as either BOF (base of flow) or MOB (structurally mobilised) after their respective mineralisation style.

The Baker deposit wireframes (see Figures 2 and 3) were modelled via a process of drillhole interval selection and 3D implicit 'vein' modelling within the Leapfrog Geo® software. Interval selection is a manual process performed by the geologist (who was the Competent Person) in the Leapfrog Geo® 3D software environment, whereby drillhole sample/logging intervals are tagged and coded with the relevant nickel sub-domain identification. The 3D implicit 'vein' modelling, or wireframe generation, is further constrained by control strings or points manually drawn in the Leapfrog Geo® 3D software environment by the geologist (who was the Competent Person) to honour the overall geological, mineralisation and structural interpretation.

The breakdown of the MRE by the individual sub-surfaces modelled and estimated is as follows:

Table 3: December 2022 MRE for Baker – by geological sub-domain.

| Baker | tonnes | Ni % | Cu % | Co % | Ni metal |
|---|---|---|---|---|---|
| BOF01 | 94,100 | 3.9 | 0.32 | 0.07 | 3,640 |
| BOF02 | 277,600 | 2.8 | 0.21 | 0.05 | 7,620 |
| MOB02 | 155,600 | 4.0 | 0.36 | 0.08 | 6,220 |
| MOB03 | 82,200 | 7.3 | 0.64 | 0.13 | 6,000 |
| MOB04 | 28,500 | 1.8 | 0.19 | 0.03 | 520 |
| **Indicated** | **638,000** | **3.8** | **0.32** | **0.07** | **24,000** |
| BOF02 | 252,500 | 2.5 | 0.16 | 0.05 | 6,140 |
| MOB04 | 38,500 | 1.7 | 0.30 | 0.03 | 660 |
| **Inferred** | **291,000** | **2.3** | **0.18** | **0.05** | **6,800** |
| **Total** | **928,000** | **3.3** | **0.27** | **0.06** | **30,800** |

Note: tonnes, grade and metal figures have been rounded and hence may not add up exactly to the given totals.

Figure 2 below presents an isometric view of the Baker deposit with the various sub-domains labelled. Figure 3 presents a plan view of the sub-domains together with the location of composited drillholes at their pierce point through the nickel mineralisation, whilst Figure 4 displays a geological cross section orthogonal to the plunge of the main mineralised surfaces, namely BOF02 and MOB02.

As reported during the course of the 2022 RC and DD programme, the definition of a high-grade shoot on the eastern side of the deposit (now termed MOB03) resulted in a significant accumulation of nickel metal (6,000 tonnes) at 7.3% Ni being identified and estimated. Drill intercepts through the main base of second ultramafic flow mineralised surface, BOF02, were also generally thicker than previously modelled resulting in an increase in tonnage and nickel metal with the average grade of 2.8% Ni being maintained.

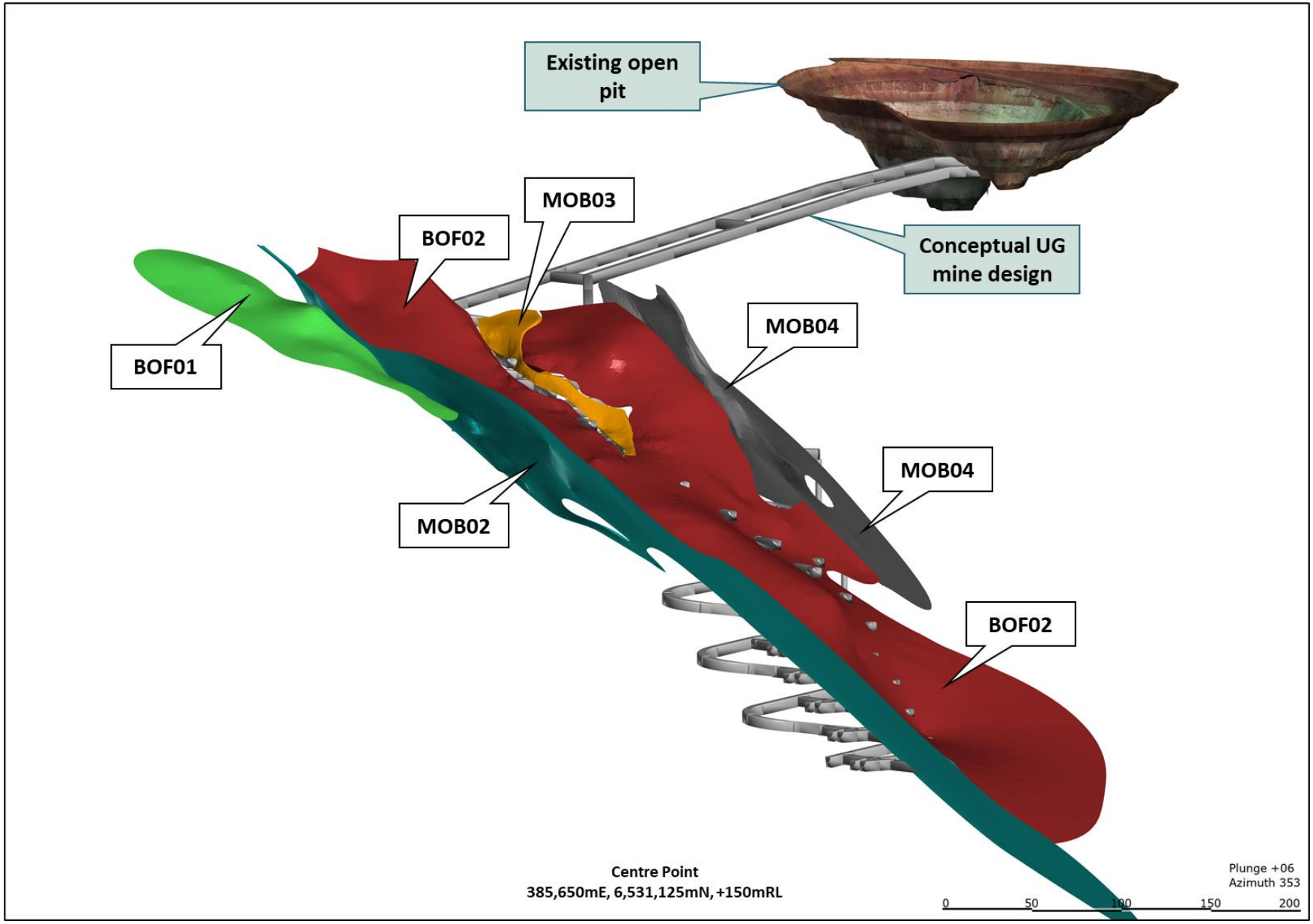



Figure 2: Isometric view of the Baker mineralised surfaces looking north – coloured solids represent modelled sub-domains as labelled and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit.

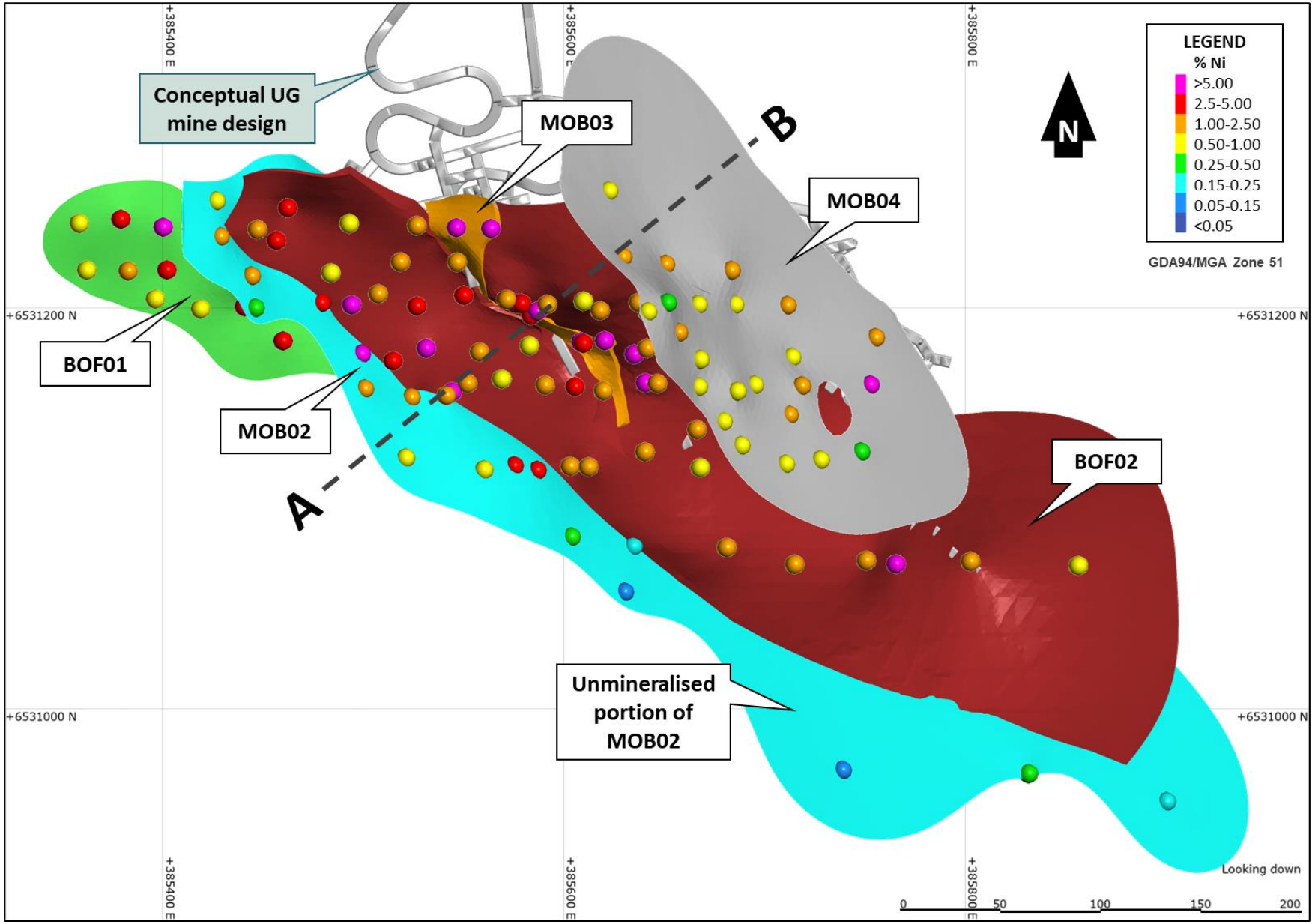



Figure 3: Plan of the Baker nickel deposit showing drillhole composites that informed the December 2022 MRE update, geology sub-domains and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit.

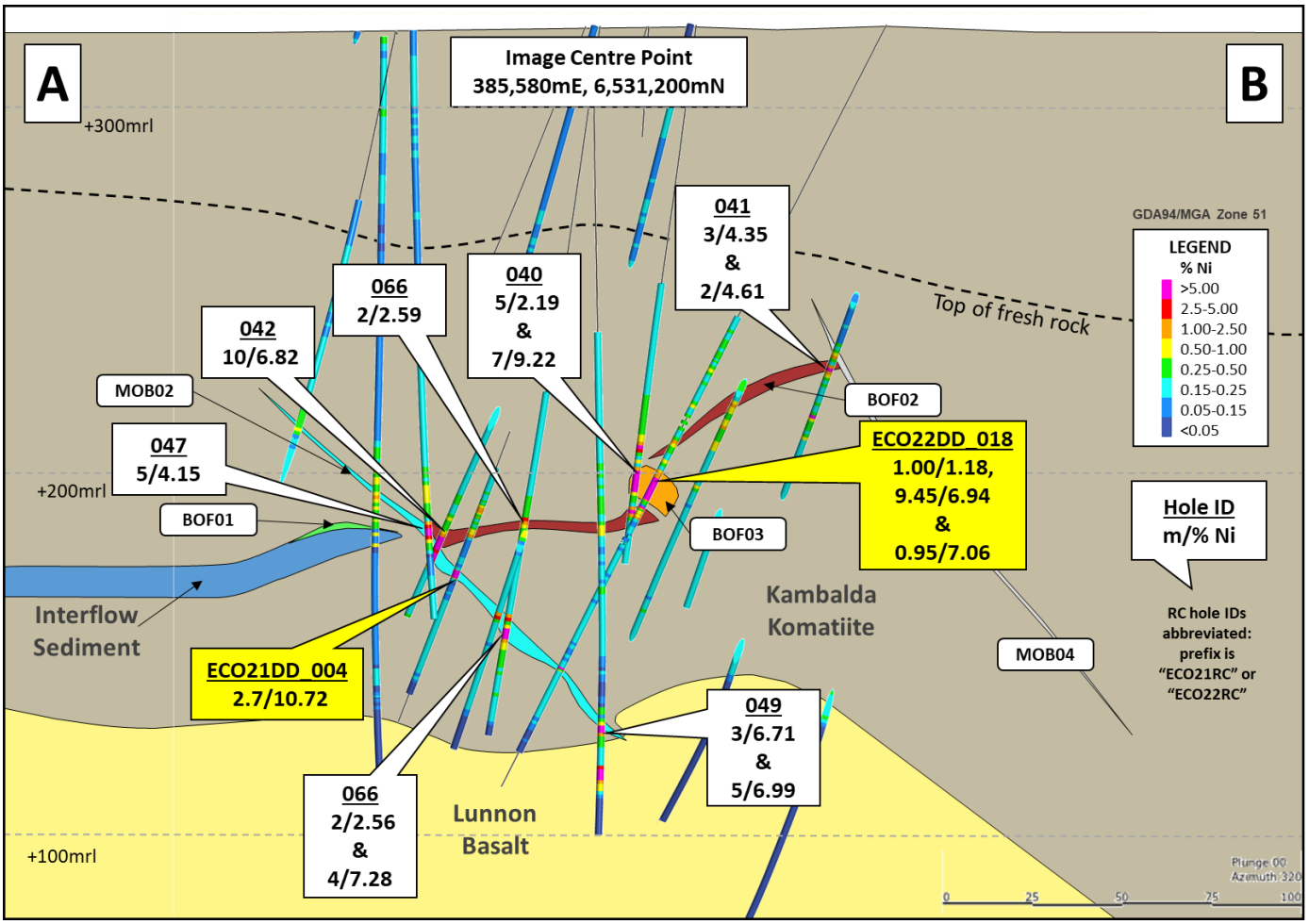



Figure 4: Cross Section orthogonal to the geological interpretation and sub-domains, looking north west through Baker mineralised surfaces (refer Figure 3 for section line).

## ESTIMATION METHODOLOGY

Cube were retained by Lunnon Metals to produce a MRE for the Baker nickel deposit. Validated drillhole data and geological interpretation wireframes were supplied by Lunnon Metals, and Cube produced the MRE using standard processes and procedures including data selection, compositing, variography and estimation by Ordinary Kriging prior to model validation. Internal sub-domaining in the estimation was achieved through the use of categorical indicator estimation to estimate the proportions of massive and disseminated/other mineralisation, thus domaining separately the massive from the disseminated by statistical methods. Estimates were made and are reported for nickel, copper and cobalt as well as bulk density. Palladium and platinum estimations are still pending.

There has been no previous mining at Baker, so mining depletion was not required.

## CUT-OFF GRADE

The cut-off grade for reporting the Baker MRE is above 1.0% nickel, which is the same as the existing Mineral Resources reported by Lunnon Metals. The Competent Person considers it reasonable to assume that the Baker Mineral Resource could be mined via underground methods. Conceptual preliminary decline design accessing the Baker deposit from the nearby West Idough historical gold open pit has already commenced (see Figures 5 and 6 below). The cut-off grade chosen aligns with an estimated approximate breakeven grade that will cover benchmarked mining unit rates, assumed processing recovery and concentrator payability levels together with ore off-take processing costs derived from data reported publicly by third parties in the Kambalda district, coupled with averaged analysts' forecasts of future nickel prices and exchange rates.

## RESOURCE CLASSIFICATION CRITERIA

In general, classification of the Mineral Resources at Baker uses the following criteria (see Figures 5 and 6):

- Confidence in the volume, location and orientation of the geological solids which is influenced by drill spacing;
- Confidence in the nickel estimate; and
- Reasonable prospects for eventual economic extraction.

Mineralised blocks within about 25m of sampling have been classified as Indicated. The remaining resource outside the Indicated area is classified as Inferred, which has a general drillhole spacing of about 40m by 40m or broader. The Mineral Resource estimate appropriately reflects the Competent Person's view of the deposit.

Further commentary on the relevant input parameters for the Mineral Resource is contained in Table 1, Sections 1, 2 and 3, in the Annexure to this announcement.

## REASONABLE PROSPECTS FOR EVENTUAL ECONOMIC EXTRACTION (RPEEE) INCLUDING CONSIDERATION OF MATERIAL MODIFYING FACTORS

Although Baker has not previously been mined, the Company's KNP is host to extensive supporting mining infrastructure that, when considering potential future development and mining at the KNP (including at Baker), facilitates the planning and minimises the cost of such scenarios. The project is located on granted Mining Leases and Native Title has been determined. There is no negotiation step required prior to any mining commencing however, the Company has entered into a Negotiation Protocol with the relevant native title claimant and is progressing those discussions.

Prior to any development or mining of Baker, a Mining Proposal/Mine Closure Plan is required to be submitted to the Western Australian Department of Mines, Industry Regulation and Safety along with a Whole of Mine Risk Assessment. This updated Baker MRE is a key input into the technical assessment required to commence these submissions.

A Company employee who is a mining engineer and has over 30 years' experience in mining in Western Australia, including 7 years' experience in the relevant commodity at Kambalda, has advised on potential appropriate access, development and stoping methodologies.

The grades and geometry of Baker's nickel mineralisation are amenable to small-scale underground mining. Many nickel surfaces mined historically in the immediate vicinity of Baker exploited similar style mineralisation hosted at the same stratigraphic position i.e. the base of the second ultramafic flow (e.g. at Jan Shoot, 2.6km to the south, production 1972-1986 1.07Mt @ 2.8% Ni for 30.3kt nickel metal). As stated above, it is assumed that the Baker Mineral Resource could be mined via underground methods. Potential dilution and ore loss during future underground mining have been considered in application of the reporting cut-off of 1.0% Ni.

Presently, it is forecast that no processing capital will be required as future nickel ore would likely be sent to the nearby Nickel West concentrator with Nickel West retaining a right of pre-emption in relation to any proposal by Lunnon Metals to enter into any sales contract or other sales arrangement to realise any revenue or other benefit from the treatment or sale of nickel ore, beneficiated nickel ore, nickel concentrate, nickel matte or any other form of refined or smelted nickel won from the KNP.

If the Company agreed commercial off-take arrangements with a different concentrator owner, or Nickel West chose not to agree commercial terms for future ore off-take, Nickel West may charge a royalty on any nickel produced from the KNP.

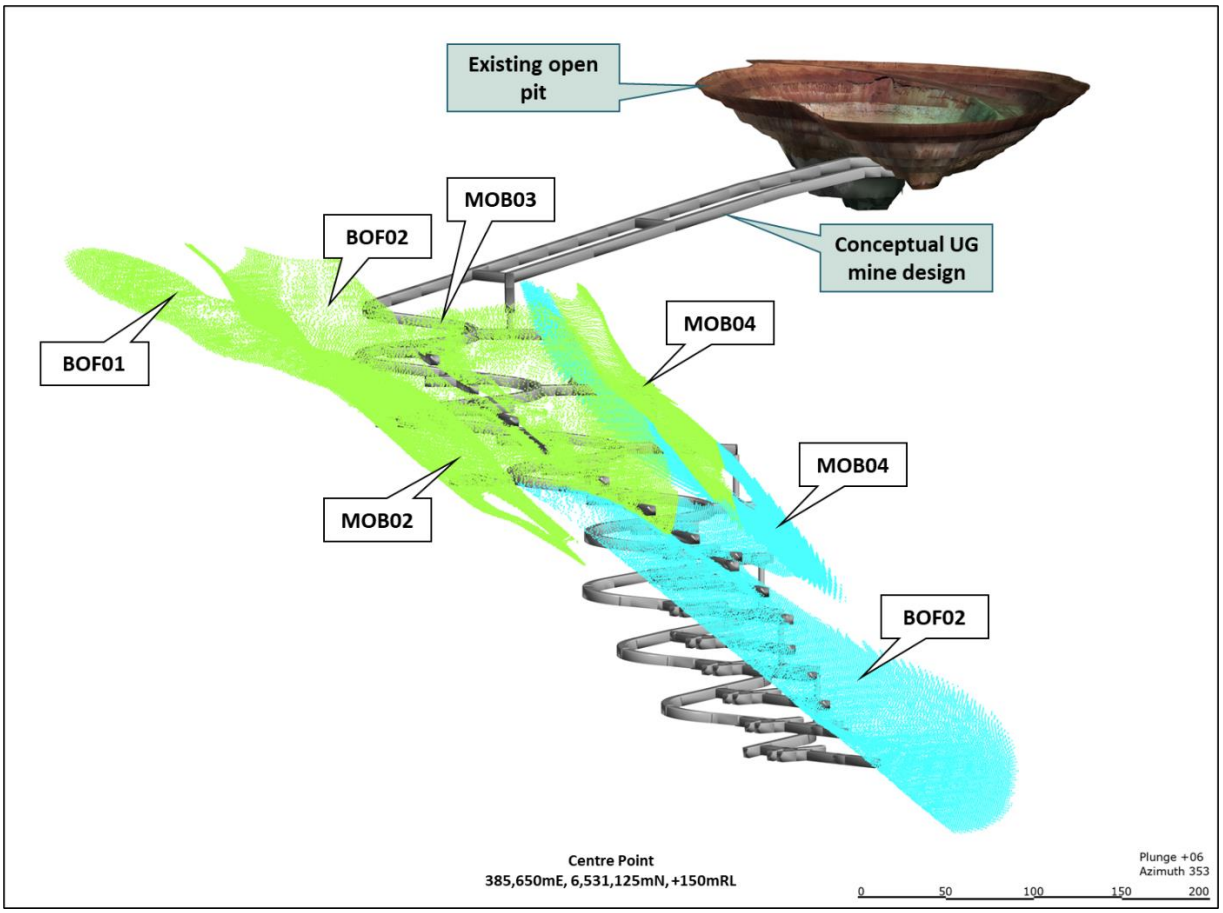



Figure 5: Baker Mineral Resource isometric view looking north illustrating areas of Indicated (green) and Inferred (blue) categorisation and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit.

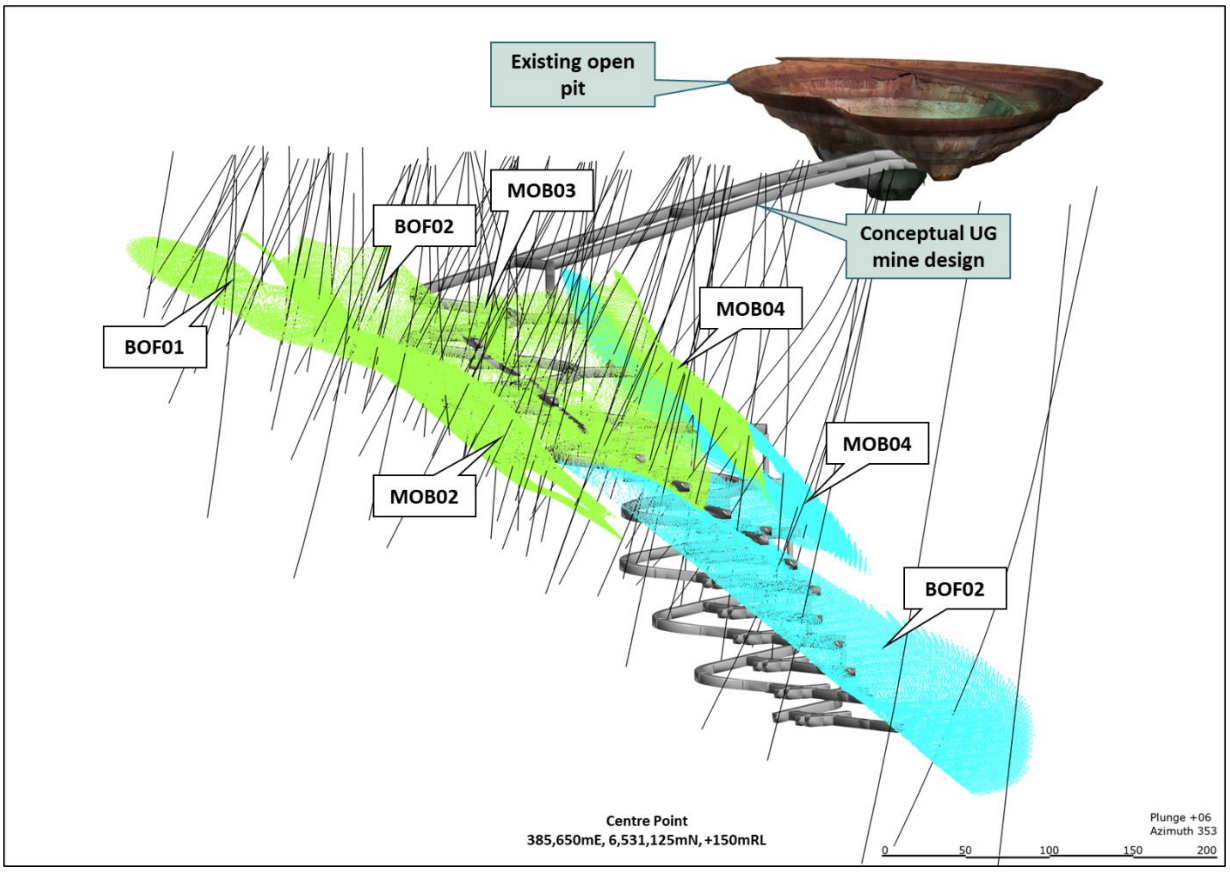



Figure 6: Baker Mineral Resource isometric view looking north illustrating areas of Indicated (green) and Inferred (blue) categorisation, with drilling traces superimposed and preliminary conceptual underground decline design commencing in adjacent historical West Idough gold open pit.

In light of the generally shallow nature of the Baker Mineral Resource and its proximity to the nearby West Idough open pit (likely underground access point), future mine development and start-up capital costs are considered to be modest. A preliminary conceptual decline design accessing Baker from the south west wall of this open pit has been completed (see Figures 5 and 6 above). The environmental impact of any potential future Baker development underground is considered to be minimal due to the ability to utilise the existing proximal infrastructure available from prior gold and nickel mining activities coupled with the presence of utilities, service infrastructure and office buildings from close to 55 years of continuous mining in the immediate locale. Portal access to a future decline access is also available from the proximal West Idough open pit, mined in the 2010-2012 period by SIGM for gold.

In regard to operating costs, publicly available data for recent feasibility studies for similar projects (e.g. Mincor Resources Kambalda Nickel Project, Mincor, 2020[2]) assumed operating and sustaining capital costs of approximately $250 per tonne Australian dollars (**AUD**). Combining such estimates with theoretical diluted nickel production from a possible future Baker, nickel mining scenario and then applying the current nickel price in AUD terms generates positive notional cash flows at Baker assuming metallurgical plant recoveries indicated by the initial test work completed by the Company and nickel payability terms recorded in the local district under commercial contracts with the owners of nearby nickel concentrator plants, such as Nickel West or others.

The initial metallurgical test work at Baker was completed and reported to the ASX on 1 September 2022. The composite sample analysed comprised 170kg of diamond drill core recovered at the end of 2021, from the only three diamond holes completed at that point in time. The Company highlights that these samples were collected and this test work commenced prior to the completion of the geological interpretation and reporting of the first-time Baker MRE in June 2022. As a consequence, over 40% of the core samples collected originated from outside the MRE interpreted model, with this additional material predominantly being sourced from the weakly mineralised hanging wall komatiite to make up the sample weight required.

Summary results were as follows:

- Composite Sample calculated head grade: 2.81% Ni, 0.27% Cu, 0.057 % Co, 16.4% Fe, 20.6% MgO, 7.29% S, 18 ppm As

Results of the Rougher/Cleaner optimisation tests conducted at a grind size of P80 53 µm:

- Nickel recovery was 86% with a concentrate grade of 16.9% Ni;
- Copper recovery 95.5% with a concentrate grade of 1.88% Cu;
- Cobalt recovery 85.3% with a concentrate grade of 0.35% Co;
- Arsenic in concentrate graded 95 ppm; and
- Other concentrate measures included Fe:MgO ratio of 16.8 and sulphur at 36.8%;

These initial tests carried out on samples collected prior to the establishment of the Baker MRE, but in close proximity to it, delivered extremely promising results based on the metallurgical processing route at the Nickel West concentrator. The test work showed high nickel recoveries whilst producing a very clean concentrate, low in contaminates and high in saleable nickel, copper and cobalt. Further metallurgical analysis will now be conducted based on the domains in the updated Baker MRE model. The Company expects to improve on the initial summary results noted above.

Accordingly, the Competent Person for this MRE considers there are reasonable prospects for the eventual future economic extraction of the Baker nickel deposit.

[2] Source: https://www.mincor.com.au/site/PDF/8bbb782d-04c8-4a7d-abb5-4af737f14b54/MincornickeloperationsDFSresults

## FUTURE PLANS

This new Baker MRE will form the basis of economic studies to investigate the potential to exploit the Baker deposit in the future. These studies will include mine design and scheduling, estimation of capital access costs, estimation of future operating costs of mining and discussion with potential ore tolling and concentrate purchase partners with respect to the metallurgical recovery and payability terms of future Baker nickel sulphide production.

The results of the above studies, if positive, will form the basis of a development study that may lead to the future declaration of a Probable Ore Reserve from those portions of the Mineral Resource at the Indicated (or higher) classification. This development study will also deliver a mine schedule which will position the Company to commence detailed negotiations with potential ore tolling and concentrate purchase (**OTCPA**) partners in the immediate local area.

In parallel, regulatory approvals will continue with the relevant government bodies. The objective in 2023 will be to bring together the technical, development and economic studies, the mine design and schedule together with the execution of OTCPA contracts, such that once final regulatory approvals are received, the Company can be in a position to make a FID at Baker.

Approved and authorised for release by the Board.

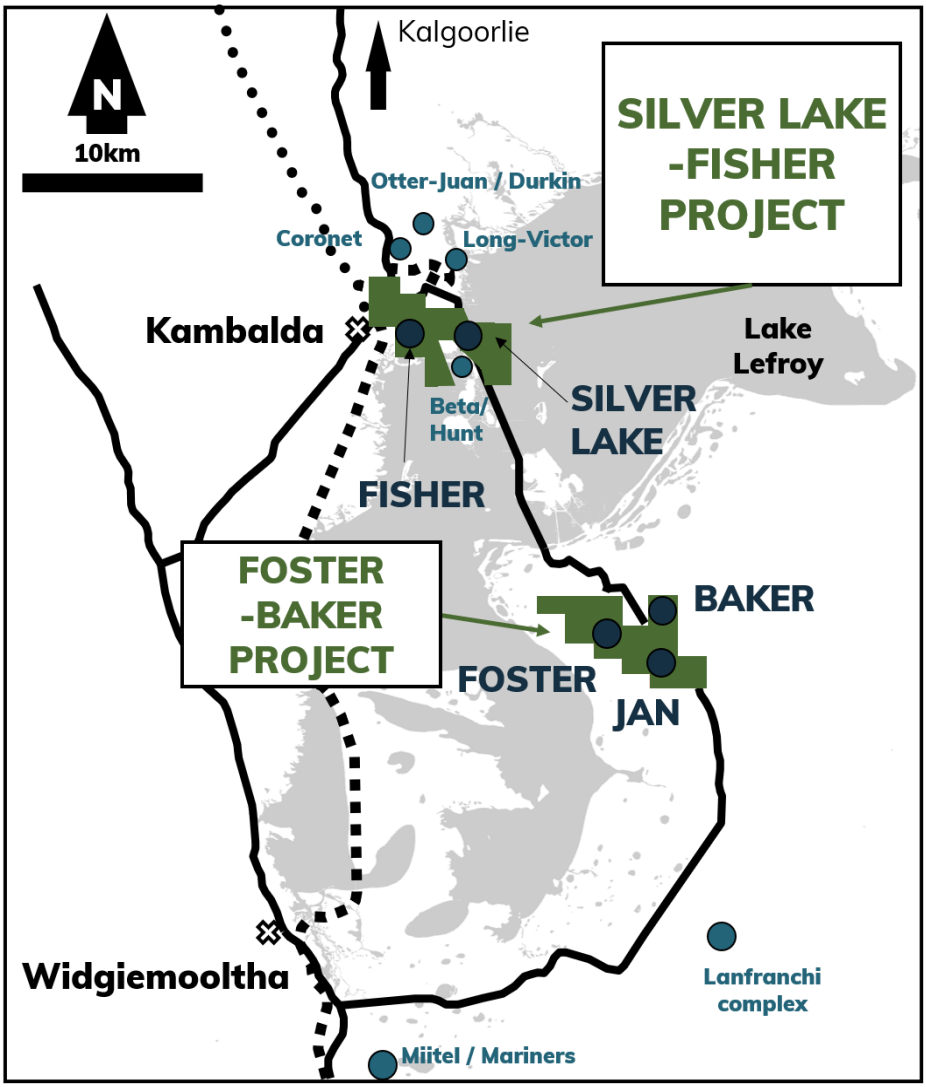
Edmund Ainscough
Managing Director
Phone: +61 8 6424 8848
Email: info@lunnonmetals.com.au

## ABOUT THE KAMBALDA NICKEL PROJECT (KNP)

Lunnon Metals currently holds 100% of the mineral rights at the Foster and Baker elements of the KNP, subject to certain rights retained by SIGM*. Full details of the Company's IPO and the transactions involved are in the Prospectus submitted to the ASX dated 22 April 2021 and lodged with the ASX on 11 June 2021.

KNP, shown in its regional location in Figure 7, inclusive of the newly acquired rights as detailed in the announcement dated 12 April 2022, is approximately 47km$^2$ in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70 kilometres south from the township of Kambalda (**Tenements**).

This world-renowned nickel district has produced in excess of 1.4 million tonnes of nickel metal since its discovery in 1966 by WMC. In addition, close to 15Moz of gold in total has been mined with WMC accounting for 5.9Moz and over 8.3Moz produced by Gold Fields Ltd since the purchase of the operation in December 2001 from WMC, making the Kambalda/St Ives district a globally significant gold camp in its own right.




**SIGM retains rights to explore for and mine gold in the "Excluded Areas" on the Tenements at the Foster and Baker elements of the expanded KNP, as defined in the subsisting agreements between Lunnon Metals and SIGM.*

*This right extends to gold mineralisation which extends from the Excluded Area to other parts of the FBA Tenements with select restrictions which serve to prevent interference with, or intrusion on, Lunnon Metals' existing or planned activities and those parts of the FBA Tenements containing the historical nickel mines.*

*SIGM has select rights to gold in the remaining areas of the FBA 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 7: Regional Location of the Kambalda Nickel Project and other nearby nickel deposits.

## COMPETENT PERSON'S STATEMENT & COMPLIANCE

The information in this announcement that relates to nickel 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.

The information in this announcement that relates to the previous reporting of nickel metallurgy, is based on, and fairly represents, information and supporting documentation prepared by Mr. Barry Cloutt, who is a Member of the AusIMM. Mr. Cloutt is an external and independent consultant to Lunnon Metals Ltd, and has sufficient experience that is relevant 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. Cloutt 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 Mineral Resource Estimation is based on, and fairly represents, information and supporting documentation prepared by Mr. Wehrle and Mr. Edmund Ainscough, who are both Competent Persons and Members of the 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 the particular location of the Baker deposit and 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. 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 last updated on 7 December 2022 is as follows:

| | Cut-off | Indicated Ni | | | Inferred Ni | | | Total Ni | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Ni %) | Tonnes | % | Ni Tonnes | Tonnes | % | Ni Tonnes | Tonnes | % | Ni Tonnes |
| **FOSTER AREA** | | | | | | | | | | |
| 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 |
| **Sub total** | | **1,016,700** | **3.3** | **33,900** | **633,000** | **2.3** | **14,600** | **1,650,700** | **2.9** | **48,500** |
| **BAKER AREA** | | | | | | | | | | |
| Baker | 1.0 | 638,000 | 3.8 | 24,000 | 291,000 | 2.3 | 6,800 | 929,000 | 3.3 | 30,800 |
| **Sub total** | | **638,000** | **3.8** | **24,000** | **291,000** | **2.3** | **6,800** | **929,000** | **3.3** | **30,800** |
| **TOTAL** | | **1,654,700** | **3.5** | **57,900** | **924,000** | **2.3** | **21,400** | **2,579,700** | **3.1** | **79,300** |

*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.

## Previous Baker ASX Announcements

Attention is drawn to RC and DD results previously announced at Baker (formerly known as East Cooee Hanging Wall) in the following ASX lodgements, dated as shown:

- East Trough Returns 2.0m @ 5.07% Ni (28 Sep 2021)
- East Cooee Records More High Grade Nickel (1 Oct 2021)
- More Nickel at East Cooee Hanging-Wall (19 Oct 2021)
- East Cooee - Exploration Update (Amended) (12 Nov 2021)
- East Cooee Drilling Hits Massive Nickel Sulphides over 6m (3 Dec 2021)
- Baker Delights - 7m @ 9.22% Nickel (17 Jan 2022)
- Baker - 2.7m @ 10.72% Ni and 10m @ 6.82% Ni (20 Jan 2022)
- Multiple High Grade Nickel Hits at Baker (7 Feb 2022)
- Progress Update for Baker and Kenilworth (27 May 2022)
- Baker First-Time Mineral Resource Tops 15,000t Nickel Metal (14 Jun 2022)
- Baker Infill - Rising to the Top (11 Jul 2022)
- Baker Fires Up - Ni Grades Over 14% in Best Hole to Date (18 Jul 2022)
- Thick, High Grade Nickel Continues at Baker (2 Aug 2022)
- Diggers & Dealers 2022 Company Presentation (3 Aug 2022)
- Northern Lines at Baker Continue to Deliver (22 Aug 2022)
- Baker RC Programme Results Complete (29 Aug 2022)
- Baker Initial Metallurgical Tests Complete (1 Sep 2022)
- Baker Diamond Hole Delivers 6.0m @ 10.95% Ni (28 Sep 2022)
- Company Presentation at 2022 Australian Nickel Conference (6 Oct 2022)
- Baker Drill Programme Concludes with 9.45m @ 6.94% Ni (3 Nov 2022)

## JORC Table 1

## SECTION 1 BAKER SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sampling techniques** | *Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* | • All drilling and sampling were undertaken in an industry standard manner both historically by WMC and by Lunnon Metals in 2021 and 2022.<br>• 17 DD holes and 85 RC holes were completed by Blue Spec Drilling Pty Ltd (**Blue Spec**) on behalf of Lunnon Metals at the Baker prospect following protocols and QAQC procedures aligned with industry best practice.<br>• The Baker Mineral Resource model is informed by surface drilling only.<br><br><u>RC Lunnon Metals</u><br>• RC samples were collected directly into calico sample bags on a 1.0m basis from a cone splitter mounted on the drill rig cyclone. 1.0m sample mass typically averages 3.0kg splits.<br>• Duplicate samples were also collected directly into calico sample bags from the drill rig cyclone, at a rate of 1 in every 25 samples and more frequently in the expected mineralised zones.<br>• Sub-sampling techniques and sample preparation are described further below in the relevant section.<br>• Sample sizes are considered appropriate for the material sampled.<br>• The samples are considered representative and appropriate for this type of drilling.<br>• RC samples are appropriate for use in a resource estimate.<br><br><u>DD Lunnon Metals</u><br>• Core samples were collected with a diamond rig drilling HQ (63.5mm core diameter) typically as tails from RC pre-collars.<br>• All DD core is stored in industry standard plastic core trays labelled with the drill hole ID and core depth intervals.<br>• Sub-sampling techniques and sample preparation are described further below in the relevant section.<br>• Sample sizes are considered appropriate for the material sampled.<br>• The samples are considered representative and appropriate for this type of drilling.<br>• DD core samples are appropriate for use in a resource estimate.<br><br><u>WMC Historical data</u><br>• Sampling procedures followed by WMC in the drilling, retrieval, and storage of diamond drill core are in line with industry standards at the time (1966 to 2001).<br>• Surface diamond drill obtaining NQ and/or BQ diameter drill core, were the standard exploration sample techniques employed by WMC.<br>• The drill core was typically collected in steel core trays of 1.0m lengths comprising five to seven compartments depending on drill core diameter. The core trays were labelled with the drill hole number and numbered with the downhole meterage for the start of the first 1 m run and the end of the last 1 m run on the lip of the core tray and typically included core blocks within the core trays |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | |
| | *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* | |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sampling techniques (continued)** | | demarcating the depth meterage of rod pull breaks.<br>• The earlier drilling was collected in wooden, and hybrid wooden/steel core trays and occasionally depths recorded in feet. |
| **Drilling techniques** | *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | <u>RC Lunnon Metals</u><br>• RC holes were drilled with a 5 1/2-inch bit and face sampling hammer.<br>• Holes are drilled dry with use of booster/auxiliary air when/if ground water is encountered.<br><br><u>DD Lunnon Metals</u><br>• Lunnon Metals DD holes were drilled using HQ (63.5mm core diameter) typically as tails from RC pre-collars.<br>• The DD core was orientated during the drilling process by Blue Spec, using a down hole Reflex ACTIII™ Rapid Descent Digital Core Orientation Tool, and then reconstructed over zones of interest by Lunnon Metals field staff for structural and geotechnical logging.<br><br><u>WMC Historical Drilling</u><br>• Historical DD completed by WMC comprised surface NQ and BQ size drill core. Pre-collars to the surface diamond drillholes are typically PQ and HQ size and occasionally comprised RC drilling techniques. The pre-collars are not typically mineralised.<br>• Although no documentation is available to describe the drilling techniques used by WMC at the time it is understood that the various drilling types used conventional drilling methods consistent with industry standards of the time.<br>• None of the historical WMC diamond drill core was oriented.<br>• The vast majority of drilling utilised in constructing the Baker MRE comprised Lunnon Metals surface RC drilling.<br>• WMC historical and Lunnon Metals surface diamond drilling of HQ, NQ and BQ size drill core was also used in MRE. |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br><br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br><br>*Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Every RC sample is assessed and recorded for recovery and moisture by Lunnon Metals field staff in real time during the drilling process. Samples are monitored for possible contamination during the drilling process by Lunnon Metals geologists.<br>• DD core recovery is measured for each drilling run by the driller and then checked by the Lunnon Metals geological team during the mark up and logging process.<br>• No sample bias is observed.<br>• There is no relationship between recovery and nickel grade nor bias related to fine or coarse sample material.<br>• There are no available records for sample recovery for diamond or RC drilling completed by WMC; however, re-logging exercises completed by Lunnon Metals of surface diamond drillholes from across the KNP between 2017 and 2021 found that on average drill recovery was good and acceptable by industry standards. |
| **Logging** | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | <u>For both Lunnon Metals RC and DD:</u><br>• Geology logging is undertaken for the entire hole recording lithology, oxidation state, mineralisation, alteration, structural fabrics, and veining.<br>• DD orientated structural logging, core recovery, and Rock Quality Designation (**RQD**s) are all recorded from drill core |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Logging (continued)** | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br><br>*The total length and percentage of the relevant intersections logged.* | over intervals of interest and relevance.<br>• Detailed geotechnical logging and rock property test work is completed over intervals of relevance by independent MineGeoTech Pty Ltd (**MGT**) contractor geotechnical engineers.<br>• Geological logging (and where required, geotechnical logging) is completed in sufficient detail to support future Mineral Resource estimation, mining and metallurgical studies.<br>• Metallurgical test work is ongoing in addition to the geological logging and element assaying detailed below.<br>• General logging data captured are qualitative (descriptions of the various geological features and units) and quantitative (numbers representing structural attitudes, and vein and sulphide percentages, magnetic susceptibility and conductivity).<br>• DD core is photographed in both dry and wet form.<br><br><u>WMC Historical data</u><br>• There is no available documentation describing the logging procedures employed by WMC geologists in the KNP area.<br>• However, the historical graphical hardcopy logs and other geoscientific records available for the project are of high quality and contain significant detail with logging intervals down to as narrow as 0.01 m.<br>• The geological logs document lithology, textures, structures, alteration, and mineralisation observed in drill core captured both graphically and in a five-character logging code (Lunnon Metals notes that a previous logging legend employed at WMC's Kambalda nickel operations utilised a 3-letter code which is often represented on hard copy plans and cross sections of an older vintage and which was converted by WMC to the latter 5-character code at some later time).<br>• Stratigraphy is also captured in a three-character logging code. Sample intervals are recorded on the graphical log. These logging legends are well documented in lieu of a recorded procedure and are utilised by Lunnon Metals in current logging practices.<br>• In regard geotechnical logging or procedures, there is no record of any formal relevant procedures or logging and based on personal experience of the Competent Person, such logging was not routinely completed prior to the introduction of Regulation 10:28 in the WA Mine Safety and Inspection Act, requiring the same in approximately 1996.<br>• Based on the personal experience of the Competent Person to this announcement, having worked for WMC in Kambalda between 1996 and 2001, it is known that WMC had a rigorous and regimented system for storing and archiving the graphical logs physically, microfilmed, and drafted on to master cross sections, plans, and long sections as well as capturing the interval data (logging and assays) digitally in database format.<br>• Lunnon Metals sourced historical diamond core from the SIGM Kambalda core yard on Durkin Road where relevant to its investigations. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sub-sampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>*If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>*Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | <u>Lunnon Metals RC</u><br>• Dry RC samples were collected directly into calico sample bags on a 1.0m basis from a cone splitter mounted on the drill rig cyclone. 1.0m sample mass typically averages 3.0kg splits.<br>• Industry prepared certified reference material (CRM), or standard samples, of various grades appropriate to the mineralisation expected are inserted into the sample batches, approximately every 50 samples and more frequently in the expected mineralised zones.<br>• Lunnon Metals prepared blank samples are inserted, approximately every 50 samples and more frequently in the expected mineralised zones. Blank samples are prepared from barren reject RC chips as verified by laboratory analysis and geological logging.<br>• Duplicate samples were also collected from the drill rig cyclone, at a rate of 1 in every 25 samples and more frequently in the expected mineralised zones.<br>• After receipt of the samples by the independent laboratory the samples are dried and pulverised with >85% pulverised to 75micon or better. For sample weights > 3kg the sample is dried, split and pulverised up to 3kg.<br><br><u>Lunnon Metals DD</u><br>• DD core samples were collected with a diamond drill rig drilling HQ size core. After logging, sample interval mark-up, photographing, and geotechnical rock property test work, selected sample intervals of drill core were cut in half along the length of the drill core with a diamond saw in a Discoverer® Automatic Core Cutting Facility using a Corewise Auto Core Saw.<br>• Typically, one half of the drill core is sent to the laboratory for assay and the other half retained in its original core tray.<br>• In zones of potential metallurgical interest, the half core sample is vacuum sealed and stored refrigerated for later use, the remaining half core is further cut into quarters with one quarter sent to the laboratory for assay and the remaining quarter retained in its original core tray.<br>• Holes were marked-up and sampled for assaying over mineralised and surrounding intervals at a typical minimum sample interval of 0.3m to ensure adequate sample weight and a typical maximum sample interval of 1.0m, constrained by geological boundaries.<br>• Specific Gravity – density measurements were taken for each mineralised DD sample for the Lunnon drill holes.<br>• Sample weights vary depending on sample length and density of the rock.<br>• Industry prepared certified reference material (**CRM**), or standard samples, of various grades appropriate to the mineralisation expected are inserted into the sample batches, approximately every 50 samples and more frequently in the identified mineralised zones.<br>• Lunnon prepared blank samples are inserted, approximately every 50 samples and more frequently in the identified mineralised zones. Blank samples are prepared from barren non-ultramafic reject RC chips as verified by laboratory analysis and geological logging.<br>• Field duplicate samples were collected at a rate of 1 in 25 samples by cutting the core into quarters and submitting both quarters to the laboratory for analysis. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sub-sampling techniques and sample preparation (continued)** | | • After receipt of the DD core samples by the independent laboratory the samples are dried, crushed to ~2mm, and pulverised with >85% pulverised to 75micron or better. For sample weights >3kg the sample is dried, crushed to ~2mm, split, and pulverised up to 3kg.<br>• Sample sizes are considered appropriate for the style of mineralisation (potentially nickeliferous massive, matrix and disseminated sulphides, hosted in komatiite and basalt).<br>• Samples were submitted to Intertek Genalysis in Kalgoorlie for sample preparation i.e. drying, crushing where necessary, and pulverising. Pulverised samples were then transported to Intertek Genalysis in Perth for analysis.<br><u>WMC Historical data</u><br>• All historical core that was relevant to the mineralisation drilled and sampled by WMC as sighted by Lunnon Metals was sawn with half or quarter core sampling practices. It is assumed that all samples otherwise contributing to any estimation of nickel mineralisation by Lunnon Metals were processed with this standard methodology.<br>• Portions of drill core distal to the main high-grade mineralisation were sometimes 'chip sampled' by WMC. Lunnon Metals has chosen not to utilise such samples in any estimation of grade or mineralisation.<br>• WMC typically sampled in interval lengths relevant to the underlying lithology and mineralisation such that sample interval lengths may vary from between minima of 0.05m and maxima up to 2.00m approximately within any mineralised zone.<br>• Intervals of no mineralisation or interest were not sampled.<br>• Review of historical drill core by Lunnon Metals indicated that there were no areas of interest relevant to nickel mineralisation that were not half or quarter core sawn and sampled by WMC and that the sample sizes were appropriate for the type, style and thickness of mineralisation being tested with sample breaks corresponding to lithological or mineralisation breaks being the norm. Although faded through time, sample depth intervals are evident as marked on the remaining half core as observed by Lunnon Metals and these correlate to sample interval depths in the original paper graphical drill logs and the database.<br>• While the WMC procedure for logging, sampling, assaying and QAQC of drillhole programs was not available at the time of this announcement it is interpreted that it was of high quality and in line with industry standards at that time.<br>• It is the opinion of the Competent Person that the sample preparation, security, and analytical procedures pertaining to the above-mentioned historical WMC drilling are adequate and fit for purpose based on:<br>- WMC's reputation in geoscience stemming from their discovery of nickel sulphides in Kambalda in the late 1960s;<br>- identification of procedures entitled *"WMC QAQC Practices for Sampling and Analysis, Version 2 – adapted for St Ives Gold"* dated February 2001 and which includes practices for nickel; and<br>- the first-hand knowledge and experience of the Competent Person of this announcement whilst working for WMC at Kambalda between 1996 and 2001. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Quality of assay data and laboratory tests** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br><br>*For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br><br>*Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • Samples were submitted to Intertek Genalysis in Kalgoorlie for sample preparation i.e. drying, crushing where necessary, and pulverising.<br>• Pulverised samples were then transported to Intertek Genalysis in Perth for analysis.<br>• Samples were analysed for a multi-element suite including, as a minimum, Ni, Cu, Co, Cr, As, Fe, Mg, Pb, S, Ti, Zn. Analytical techniques used a four-acid digest (with ICP-OES or ICP-MS finish) of hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for near total dissolution of almost all mineral species including silica-based samples.<br>• Within the nickel mineralised zones, the platinum group elements (Pd, Pt, Au) were also analysed using a 50g charge lead collection fire assay method with ICP-MS finish.<br>• These techniques are considered quantitative in nature.<br>• As discussed previously, CRM standard, and blank samples are inserted by Lunnon Metals into sample batches, and the laboratory also carries out internal standards in individual batches.<br>• The resultant Lunnon Metals and laboratory QAQC data is reviewed upon receipt to determine that the accuracy and precision of the data has been identified as acceptable prior to being cleared for upload to the database.<br><br><u>WMC Historical data</u><br>• There is no data available at the time of this announcement pertaining to the assaying and laboratory procedures nor the historical field or laboratory quality assurance and quality control (QAQC), if any, undertaken by WMC drilling programs in the KNP area; however, it is expected that industry standards as a minimum were likely to have been adopted in the KNP area and the analytical laboratory. |
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.*<br><br>*The use of twinned holes.*<br><br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br><br>*Discuss any adjustment to assay data.* | • No twin holes have been completed however an overall RC and DD drill density now approaching approximately 20m x 20m in areas of high grade and/or complexity, and closer spacing on select individual holes, is considered adequate in terms of verifying the numerous significant intercepts being encountered.<br>• Prior to drilling, all planned collar data is captured in a drillhole collar register and updated as drilling progresses and is completed. This collar file is sent to Maxwell Geoservices Pty Ltd (**MaxGeo**) for upload into the database (Datashed5).<br>• Logging and sample intervals are captured in digital QAQC'd spreadsheets via "tough" books (rugged tablet, field-based laptops).<br>• After internal sign-off, these digital sampling and logging registers are saved by geologists in the designated database upload folder on a cloud-based server.<br>• After further data validation by the database administrator, the items in the upload folder are forwarded on to MaxGeo to import directly into the Datashed database.<br>• Assays from the laboratory are sent directly to MaxGeo's AAL (automatic assay loader) through which they are then visible in Datashed's QAQC interface, here they are all checked and verified by the Lunnon database administrator before accepting the batches into the database.<br>• No adjustments are made to the original assay data. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Verification of sampling and assaying (continued)** | | <u>WMC Historical data</u><br>• Diamond core data – across the KNP, Lunnon Metals has undertaken exhaustive assessment of historical WMC underground and surface diamond drill core to inspect and visually validate significant drill assays and intercepts, and re-sample and re-assay to validate historical assay data in the KNP database.<br>• No significant or systematic anomalies have been identified and the Competent Person is satisfied that the original data at Baker is representative of the geology and mineralisation modelled; thus no adjustments to assay data have been deemed necessary or made.<br>• No twin holes have been completed to date.<br>• Lunnon Metals notes that the Kambalda style of nickel mineralisation is highly visible permitting the nickel grade to be relatively accurately estimated by experienced geologists to validate the laboratory assay grade; this is a practise that is not uncommon in the nickel mining industry. Only verified laboratory assays are used in the Baker MRE. |
| **Location of data points** | *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | • RC and DD hole collar locations are located initially by handheld GPS to an accuracy of +/- 3m. Subsequently, drill hole collar locations are then picked up by a licensed surveyor using DGPS methods following the completion of the drilling.<br>• All drill holes were surveyed downhole at 5m intervals using the REFLEX gyro Spirit-IQ (north seeking gyro) or EZ-Gyro systems for both azimuth and dip measurements.<br>• Downhole surveys are uploaded by Blue Spec to the IMDEXHUB-IQ, a cloud-based data management programme where surveys are validated and approved by trained Lunnon Metals staff. Approved exports are then sent to MaxGeo to import directly into the Datashed database.<br>• The grid projection is GDA94/ MGA Zone 51.<br>• Diagrams and location data tables have been provided in the previous reporting of exploration results at Baker where relevant.<br><br><u>WMC Historical data</u><br>• Historical methods of drill collar survey pick-up are not known however WMC did employ surface surveyors dedicated to the collection of exploration collar data. The easting, northing and elevation values were originally recorded in local KNO ('Kambalda Nickel Operations') grid and later converted to the currently used GDA94/MGA Zone 51 grid. Both the original KNO grid coordinates and the converted coordinates are recorded in the database. A representative number of historical drill collars were located in the field and their locations cross checked via differential GPS and/or handheld GPS to validate the database collar coordinates.<br>• Historical hardcopy downhole survey data is generally available for all surface drillholes and the records show that single shot magnetic instruments were used. A representative number of these hardcopy downhole survey records have been cross checked against the digital records in the database.<br>• No new downhole surveys have been conducted however |

| Criteria | JORC Code explanation | Commentary |
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| **Location of data points (continued)** | | Lunnon Metals has corrected where necessary incorrect data in the database where down hole measurements from the hardcopy data were incorrectly processed.<br>• No other significant errors or inconsistencies were deemed present or capable of being detrimental to any interpretation of nickel mineralisation including any MRE work. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.*<br>*Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied*<br>*Whether sample compositing has been applied.* | • The RC and DD programme at Baker comprises drillhole spacings that are dependent on the target style, orientation and depth. Drillholes are not drilled to set patterns or spacing at the exploration stage of the programme.<br>• Previous drill spacing varies from approximately 40m x 40m to better than 40m x 20m, again subject to the target style dimensions, orientation and depth and inherent geological variability and complexity.<br>• The most recent drill programme involved drill spacing stepping in to approximately 20m x 20m in areas of high grade and/or complexity to assist possible future mine planning activities and to refine the geological and grade estimation model.<br>• All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation.<br>• No sample compositing has been applied except at the reporting stage of drill intercepts within a single hole.<br><br><u>WMC Historical data for Baker</u><br>• The typical spacing for the early WMC surface drill traverses at Baker is approximately 100m apart with drillhole spacing along the traverses also at 100m. |
| **Orientation of data in relation to geological structure** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>*If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • The preferred orientation of drilling at KNP is designed to intercept the target approximately perpendicular to the strike and dip of the mineralisation where/if known. Subsequent sampling is therefore considered representative of the mineralised zones if/when intersected.<br>• In the Baker area, the majority of historical drill holes were collared vertically and lifted/drifted in towards close to perpendicular to the mineralisation with depth as the nickel contact was approached.<br>• The chance of bias introduced by sample orientation relative to structures, mineralised zones or shears at a low angle to the drillhole is possible, however quantified orientation of the intercepted interval allows this possible bias to be assessed. Where drilling intercepts the interpreted mineralisation as planned, bias is considered non-existent to minimal.<br>• Lunnon Metals does not consider that any bias was introduced by the orientation of sampling resulting from either drilling technique.<br>• The Company has retained ABIM Solutions Pty Ltd (**ABIMS**) to use the latest generation QL40 OBI Optical Televiewer and a customized logging vehicle, to conduct Optical Televiewer wireline survey in Baker RC hole, ECO22RC_048, to reconcile grades with imaged geology in the bore hole wall.<br>• The chance of bias introduced by sample orientation relative to structures, mineralised zones or shears at a low angle to the drillhole is possible in the RC drilling however, |

| Criteria | JORC Code explanation | Commentary |
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| **Orientation of data in relation to geological structure (continued)** | | the Optical Televiewer down hole survey program discussed above allows this possible bias to be assessed.<br>• Where drilling intercepts the interpreted mineralisation as planned, bias is considered non-existent to minimal. |
| **Sample security** | *The measures taken to ensure sample security.* | • After the drill core is cut and returned to its original position in the core tray, Lunnon's geologists mark up the drill core for sampling and records the sample intervals against unique sample numbers in a digital sample register.<br>• A Lunnon core farm technician then collects the core samples into calico bags guided by the sample register and sampling information contained therein.<br>• The calico samples are collected sequentially in groups of five and placed into polyweave bags which are labelled and secured with cable ties. The polyweave bags are in turn placed in bulka bags which are secured on wooden pallets and transported directly via road freight to the laboratory with a corresponding submission form and consignment note.<br>• The laboratory checks the samples received against the submission form and notifies Lunnon of any inconsistencies. Once the laboratory has completed the assaying, the pulp packets, pulp residues and coarse rejects are held in the laboratory's secure warehouse until collected by Lunnon or approval is provided for them to be discarded.<br><br><u>WMC Historical data</u><br>• There is no documentation which describes the historical sample handling and submission protocols during the WMC drilling programmes; however, it is assumed that due care was taken with security of samples during field collection, transport and laboratory analysis. The historical drill core remaining after sampling was stored and catalogued at the KNO core farm (now Gold Fields, SIGM core farm) and it remains at this location to the present day. |
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | • No external audits or reviews have been undertaken at this stage of the programme.<br><br><u>WMC Historical data</u><br>• Cube Consulting Pty Ltd **(Cube)** are independent of Lunnon Metals and have been previously retained by Lunnon Metals to complete the grade estimation for nickel mineralisation models and MRE exercises but also to review and comment on the protocols developed by Lunnon Metals to deal with, and thereafter utilise, the historical WMC Resources' data, in particular the re-sampling and QAQC exercise completed by Lunnon Metals such that the data is capable of being used in accordance with current ASX Listing Rules where applicable and JORC 2012 guidelines and standards for the generation and reporting of MREs.<br>• Cube has documented no fatal flaws in the work completed by Lunnon Metals in this regard. |

## SECTION 2 REPORTING OF EXPLORATION RESULTS FOR BAKER

| Criteria | JORC Code explanation | Commentary |
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| **Mineral tenement and land tenure status** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br><br>*The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The property is located on granted Mining Leases. Although all of the tenements wholly or partially overlap with areas the subject of determined native title rights and interests in the two Ngadju determinations, Lunnon notes that the original grant of the right to mine pre-dates 23 December 1996 and as such section 26D of the Native Title Act will be applied to exempt any future renewals or term extensions from the right to negotiate in Subdivision P of the Act.<br>• KNP, shown in its regional location in Figure 7 of this report above, inclusive of the newly acquired rights as detailed in the announcement dated 12 April 2022, is approximately 47km$^2$ in size comprising two parcels of 19 (Foster and Baker or **FBA**) and 20 (Silver Lake and Fisher or **SLF**) contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70 kilometres south from the township of Kambalda.<br>• Lunnon currently holds 100% of the mineral rights and title to its leases at the FBA element of the KNP, subject to certain rights retained by SIGM, principally relating to the right to gold in defined areas and the rights to process at their nearby Lefroy Gold Plant any future gold ore mined.<br>• Full details of the Company's IPO and the transactions involved are in the Prospectus submitted to the ASX dated 22 April 2021 and lodged with the ASX on 11 June 2021.<br>• The complete area of contiguous tenements on which Baker is located is on the FBA area. Gold Fields Ltd's wholly owned subsidiary, SIGM**,** was the registered holder and the beneficial owner of the FBA area until the Lunnon IPO in 2021.<br>• The FBA area comprises 19 tenements, each approximately 1,500m by 800m in area, and three tenements on which infrastructure may be placed in the future. The KNP area tenement numbers are as follows:<br>M15/1546; M15/1548; M15/1549; M15/1550;<br>M15/1551; M15/1553; M15/1556; M15/1557;<br>M15/1559; M15/1568; M15/1570; M15/1571;<br>M15/1572; M15/1573; M15/1575; M15/1576;<br>M15/1577; M15/1590; M15/1592;<br><br>and additional infrastructure tenements:<br>M15/1668; M15/1669; M15/1670.<br><br>• Baker is hosted on **M15/1548.**<br>• There are no known impediments to potential future development or operations, subject to relevant regulatory approvals, over the leases where significant results have been reported.<br>• The tenements are in good standing with the Western Australian Department of Mines, Industry Regulation and Safety. |
| **Exploration done by other parties** | *Acknowledgment and appraisal of exploration by other parties.* | • In relation to nickel mineralisation, WMC, now BHP Nickel West Pty Ltd and a wholly owned subsidiary of BHP Group Limited, conducted all relevant exploration, resource estimation, development and mining of the mineralisation at Foster and Jan mines from establishment of the mineral licences through to sale of the properties to SIGM in December 2001.<br>• SIGM has conducted later gold exploration activities on the |

| Criteria | JORC Code explanation | Commentary |
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| **Exploration done by other parties (continued)** | | FBA area since 2001, however until nickel focused work recommenced under Lunnon management, no meaningful nickel exploration has been conducted since the time of WMC ownership and only one nickel focussed surface diamond core hole (with two wedge holes), was completed in total since WMC ownership and prior to Lunnon's IPO, which was at Foster South, not Baker.<br>• On the FBA, past total production from underground was: Foster 61,129 nickel tonnes and Jan 30,270 nickel tonnes. |
| **Geology** | *Deposit type, geological setting and style of mineralisation.* | • The FBA area is host to both typical 'Kambalda' style, komatiitic hosted, nickel sulphide deposits and Archaean greenstone gold deposits such as routinely discovered and mined in Kambalda/St Ives district.<br>• The Baker area subject to the current MRE exercise is host to nickel mineralisation and elements associated with this nickel mineralisation, such as Cu, Co, Pd and Pt. |
| **Drillhole Information** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*<br>• *easting and northing of the drillhole collar*<br>• *elevation or RL (elevation above sea level in metres) of the drillhole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth hole length.* | • Drill hole collar location and directional information has been provided within the body of related previous ASX reports and also within the relevant Additional Details Table in the Annexures of those reports.<br>• Historical drilling completed by WMC as recorded in the drilling database and relevant to the reported Lunnon Metals MREs has been verified.<br>• DD drilling previously reported has included plan and cross-sectional orientation maps to aid interpretation. |
| **Data aggregation methods** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* | • Grades have been reported as intervals recording down-hole length and interpreted true width where this estimation was able to be made.<br>• Any grades composited and reported to represent an interpreted mineralised intercept of significance were reported as sample-length weighted averages over that drill intercept.<br>• The Company currently considers that grades above 0.5% Ni and/or 1.0% Ni are worthy of consideration for individual reporting in any announcement of Exploration Results in additional details tables provided.<br>• Composite nickel grades may be calculated typically to a 0.5% Ni cut-off with intervals greater than 1.0% reported as "including" in any zones of broader lower grade mineralisation.<br>• Other composite grades may be reported above differing cut-offs however in such cases the cut off will be specifically stated.<br>• Reported intervals may contain minor internal waste however the resultant composite must be greater than either the 0.5% Ni or 1.0% Ni as relevant (or the alternatively stated cut-off grade).<br>• As per other Kambalda style nickel sulphide deposits the Lunnon Metals composites reported may include samples of very high nickel grades down to lower grades approaching the 0.5% Ni or 1.0% Ni cut-off as relevant.<br>• No top-cuts have been applied to reporting of drill assay results.<br>• No metal equivalent values have been reported.<br>• Other elements of relevance to the reported nickel mineralisation, such as Cu, Co, Fe, Mg, Pd and Pt and the |

| Criteria | JORC Code explanation | Commentary |
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| **Data aggregation methods (continued)** | | like, are reported where the nickel grade is considered significant, if they have been assayed for.<br>• Historical WMC drilling in the Baker area was typically only assayed for Ni and less frequently for Cu, Zn and Co. |
| **Relationship between mineralisation widths and intercept lengths** | *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.*<br><br>*If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • In regard nickel exploration, the general strike and dip of the Lunnon Metals Basalt footwall contact and by extension the hanging wall related nickel mineralised surfaces at Baker are considered to be well defined by past drilling which generally allows for true width calculations to be made regardless of the density or angle of drilling.<br>• For nickel exploration at Baker, given its shallow depth, drillhole design has generally allowed drill holes to intersect target surfaces at approximately perpendicular to the strike of mineralisation.<br>• Previously reported intersections have included approximate true widths, but these may not be true widths, as ongoing interpretation of the geology and mineralisation may result in that drilling not always being exactly perpendicular to the strike/dip of mineralisation once interpreted.<br>• The above applies to the Baker mineralisation estimated in the MRE. |
| **Diagrams** | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.* | • Plans, long projections and sections, where able to clearly represent the results of drilling, have previously been provided in prior lodged reports.<br>• Further isometric imagery is included in this updated Baker deposit Mineral Resource Estimation report. |
| **Balanced reporting** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Drill collar locations of WMC Historical and current drilling completed by Lunnon Metals and used in the Baker MRE have been previously lodged on the ASX platform and all results of the drilling, used to inform the Mineral Resource Estimation have also been previously. |
| **Other substantive exploration data** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • The KNP and FBA has a long history of geological investigation, primarily for nickel, but also gold to a lesser degree.<br>• Datasets pertinent to the KNP that represent other meaningful and material information include:<br>  ○ Geophysics - multiple ground and aerial based surveys of magnetic, gravity, Sub Audio Magnetics, electro magnetics, and down hole transient electromagnetic surveys.<br>  ○ Geochemistry - nickel and gold soil geochemistry datasets across the KNP and rock chip sampling in areas of outcrop.<br>• Historical production data recording metallurgical performance of Foster mine nickel delivered to the Kambalda Concentrator.<br>• Metallurgical test work on Baker drill core is to be carried out by consultants Independent Metallurgical Operations Pty Ltd using methodologies consistent with the type of mineralisation encountered and the likely future processing route.<br>• Geotechnical test work on the Baker drill core is carried out by independent consultants MGT involving on-site geotechnical logging of the drill core and off-site rock |

| Criteria | JORC Code explanation | Commentary |
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| **Other substantive exploration data (continued)** | | property testing of selected drill core samples.<br>• Downhole Transient Electro-magnetic (**DHTEM**) surveys were conducted using the DigiAtlantis system and DRTX transmitter. The readings were typically recorded at 2.5m to 10m intervals. The survey used loops ranging from 300m x 200m to 690m x 290m in orientations designed relative to the target and stratigraphic setting.<br>• Down-hole imaging data is collected at Baker by ABIMS using the latest generation ABI40 Acoustic Televiewer (**ATV**) and a customised logging vehicle. The ATV wireline survey in DD holes provides down-hole geological definition, geotechnical rock mass characterisation, determination of fracture frequency and orientation, and primary stress orientation. The ABI40 ATV generates an image of the drillhole wall by transmitting ultrasound pulses from a rotating sensor and recording the amplitude and travel time of the signals reflected from the drillhole wall. Data is transferred back to the surface via a wireline in real time. Data collected is used by Lunnon's geologists in support of deposit geological and structural modelling and by MGT for geotechnical assessment purposes.<br>• The Company also retained ABIMS to use the latest generation QL40 OBI Optical Televiewer (**OTV**) and a customized logging vehicle, to conduct OTV wireline surveys in selected holes to reconcile the 1m sample assays with imaged geology in the bore hole wall.<br>• The QL40 OBI OTV generates an oriented 360-degree image of the borehole wall by way of a CCD camera recording the imaged reflected from a prism.<br>• Similar to the ATV wireline surveys in the DD holes, the OTV wireline surveys in the RC holes are particularly useful in defining geological and structural orientation data, data that is otherwise unobtainable from RC drill chips.<br>• These surveys supported the extents of the sulphide mineralisation, the down hole depths of key contacts and enabled the reconciliation of the Ni assay results received visually with the apparent massive and semi-massive sulphide mineralisation imaged downhole, and provided the orientation of important shear structures within the selected RC holes. |
| **Further work** | *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* | • All work programmes at Baker are continuously assessed against and in comparison to ongoing high priority programmes elsewhere at the KNP; presently Foster and Warren for example.<br>• Subject to the outcome of ongoing metallurgical and geotechnical studies, the current Mineral Resource Estimation will form the basis of economic studies to investigate the potential to exploit the Baker deposit in the future.<br>• Since the Company's IPO, approximately 45,000m of either diamond or RC drilling has now been completed at FBA.<br>• Subject to positive ongoing results and external market and price variables, this updated Mineral Resource Estimation will now form the basis for a development study that may lead to the future declaration of a Probable Ore Reserve from those portions of the Mineral Resource at the Indicated (or higher) classification.<br>• This in turn may then form the basis of technical and economic studies to investigate the potential to exploit the Baker deposit in the future. |

## SECTION 3 ESTIMATION AND REPORTING OF BAKER MRE

| Criteria | JORC Code explanation | Commentary |
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| **Database integrity** | *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>*Data validation procedures used.* | • The project wide Lunnon Metals KNP database (**Database**) is hosted and maintained remotely under contract by MaxGeo utilising their proprietary DataShed data management application. The data is stored in the MaxGeo Data Model, which is hosted in a fully patched and maintained Microsoft SQL Server environment. Fully verified backup tapes created daily, weekly, monthly are stored off site in a secured climate-controlled environment.<br>• The Database, and that portion pertaining directly to the Baker prospect area, was originally sourced from the historical database transferred from SIGM, as per the provisions of the Option and JV Agreement and as such has been deemed in a general sense to be suitable for use in MRE for the KNP. This database was validated and improved by Lunnon Metals staff based on the local knowledge identifying obvious gaps in the data as it was originally handed over to Lunnon Metals.<br>• The local knowledge and experience of the Lunnon Metals geoscientific staff with respect to the history of data collected at St Ives by SIGM is a very effective verification tool. During 2017, an updated Database extract was received from MaxGeo which incorporated feedback from Lunnon Metals regarding errors and omissions identified in the previous database extracts (remediation and additional data loading).<br>• Lunnon Metals has significantly added to this database in the Baker area through the completion of its extensive RC drilling programme, together with 17 DD holes. As such, in regard to this MRE exercise, the data is dominated by data generated by recent Lunnon Metals activities post the Company's IPO in June 2021.<br>• During the MRE process a more thorough validation of those portions of the database pertaining to the Baker MRE area directly was undertaken. This included cross checking representative amounts of historical hard copy assays, downhole surveys, collar surveys, and lithological logging data against the digital database.<br>• WMC historical cross sections containing detailed lithological, structural, and assay data, were georeferenced and considered during the interpretation and estimation work. |
| **Site visits** | *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>*If no site visits have been undertaken indicate why this is the case* | • The MRE Competent Person is the Lunnon Metals Exploration & Geology Manager, and he has visited the KNP and Baker deposit locale on numerous occasions since early 2015 for the purposes of conducting surface exploration activities, desktop and hardcopy data retrieval, and review, logging and sampling of historical WMC drill core and more recently logging and sampling of the drill programmes since the Company's IPO.<br>• He also previously worked at St Ives for WMC and Gold Fields in the period 1996-2005. |
| **Geological interpretation** | *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>*Nature of the data used and of any assumptions made.* | • The deposit types in Kambalda generally are well understood through decades of nickel mining within the KNP area and immediate surrounds. The Baker deposit has direct mineralisation analogues previously mined in the district including Jan Shoot, Foster mine (85H surface) and |

| Criteria | JORC Code explanation | Commentary |
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| **Geological interpretation (continued)** | *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>*The use of geology in guiding and controlling Mineral Resource estimation.*<br>*The factors affecting continuity both of grade and geology.* | Silver Lake Hanging Wall surfaces. No new detailed studies or re-interpretation of the deposit styles were undertaken as part of the MRE, nor are deemed to be required.<br>• Accordingly, the understanding of the general deposit styles is taken directly from previous experts and authors in the field and supported by direct observations of the Competent Person during logging and sampling exercises of the current RC chips and diamond drill core.<br>• WMC historical cross sections containing detailed lithological and structural data, were georeferenced and considered during the interpretation and estimation work.<br>• In the case of the Baker MRE, the mineralisation is part of an extensive perched hanging wall position historically drilled by WMC on broad spacing and now in-filled to close spacing by Lunnon Metals.<br>• The Baker deposit is a discovery made within the area previously modelled and described as part of the East Cooee Exploration Target reported in the Company's Prospectus and ITAR dated 22 April 2021.<br>• The Company's exploration programme has delivered a significant increase in drill coverage (predominantly RC with lesser diamond drilled, all completed in 2021 and 2022) which has allowed for a greatly improved geological model and understanding of the controls to mineralisation through collecting drill sample and related data.<br>• The majority of the mineralisation is interpreted to be hosted at the base of a hanging wall komatiitic basalt flow located 30 to 50 metres above the more traditionally prospective basal komatiite flow in contact with the Lunnon Metals basalt footwall.<br>• Two late east-dipping steeper structures have been identified which crosscut, offset, and structurally thicken the base of flow mineralisation locally. The western one, which hosts significant re-mobilised massive nickel sulphide itself, has a dip of $42^0$ towards $066^0$. This structure is identified as a steep conductive surface in both DHTEM and surface Fixed Loop Electro-magnetic surveys.<br>• The mineralised horizon is interpreted to have been structurally cut, offset and disrupted by late fault and fold structures which locally mobilise and concentrate the pre-existing base of ultramafic flow mineralisation. The modelled sub-domains are identified as either BOF (base of flow) or MOB (structurally mobilised) after their respective mineralisation style.<br>• New data that directly informs this model update includes an additional 41 RC holes (13 with downhole OTV surveys), 14 oriented diamond holes (DD) with oriented structural logging (3 with downhole ATV surveys), 14 RC/DD holes with DHTEM surveys, SG data for all mineralised DD core, 91 XRD analyses on core and chips, drill core photos and RC chip photos. Understanding the structural architecture of the deposit has been an important focus of this update and was aided by the structural logging, ATV/OTV data, and DHTEM surveys.<br>• The additional data has continued to support the previous interpretation of base of second Komatiite flow mineralisation (BOF) and remobilised nickel sulphides (MOB) controlled by a discrete structures.<br>• Multi-elements have been used in support of Ni in selecting intervals for mineralised domaining. In particular Cu and Co |

| Criteria | JORC Code explanation | Commentary |
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| **Geological interpretation (continued)** | | assist with the distinction between BOF and MOB mineralisation styles with latter having slighted elevated Cu and/or Co.<br>• The mineralised domains **BOF01** and **MOB02** have remained largely unchanged from the previous MRE in this regard however refinement of the model and reallocation of selected mineralised intervals to their correct domains has been aided by the additional multi-element data and structural data. The western limit of the **BOF01** has now been defined by drilling where the base of second flow position is occupied by narrow interflow sediments. The **MOB02**, controlled by a narrow shear zone (dipping $45^0$ towards $060^0$) which interacts with the BOF domains at a high angle, has been extended down plunge a significant distance using numerous <<1% Ni intercepts (selected based on structural logging) so that the domain becomes a bounding structure to the **BOF02** domain in that area. Where the MOB02 has been modelled using <<1% Ni intercepts it is considered unmineralised and has not been included in the MRE.<br>• The additional drilling and supporting data have indicated that the **BOF02** continues through to the east and replaces the previously modelled BOF03 and PER03 domains. Where the **BOF02** was previously thought to be terminated against a second MOB style shear zone (formerly the eastern shear) the new drilling in that area which includes 3 diamond holes has shown this to be a zone of structural thickening and complexity which has been modelled as a discrete domain (**MOB03**), as a break within the now more extensive **BOF02**. The thickening of this zone is interpreted to be the result of 'ruckle' folding and stack repeating. The domain is also identified as having a higher concentration of Cu and Co than the remaining surrounding BOF02, which is a similar observation to the **MOB02**. This domain is also anomalously high in Pt + Pd relative to the other nickel domains.<br>• The DHTEM surveys of some 14 holes across the deposit have returned numerous conductive plates that support the various structural attitudes of the mineralisation observed in the oriented structural logging of DD holes and the ATV/OTV surveys of DD and RC holes. These include plates supporting the **MOB02** and **MOB03** domains, the basal and interflow sediment units, and even the **MOB04** domain (see below).<br>• The previous MRE model used geochemical Komatiite Facies mapping (after Burley, Barnes, Fiorentini and Le Vaillant, 2016 & 2019) from downhole multi-element data (Ni/Cr and Ni/Ti) to help distinguished between BOF and MOB mineralisation. The facies ratios identify the various zones of the Komatiite pile from upper spinifex flow tops through to basal adcumulates and sulphide-bearing cumulates. The juxtaposition of basal adcumulates and flow tops could be seen across the BOF domain in the HW and FW respectively, while for the MOB the FW and HW Komatiite tended to be the same or similar facies. For this update the multi-element data has been used to map out the Kambalda ratio (Ni/Cr x Zn/Cu) across the deposit, a vectoring fertility ratio historically used by WMC. A ratio value of 10 was selected and numerically modelled as a 3D isosurface in Leapfrog Geo® software which helped to |

| Criteria | JORC Code explanation | Commentary |
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| **Geological interpretation (continued)** | | identify and support the updated interpretation of a more continuous **BOF02** and internal **MOB03** thickened zone. Traditionally a ratio of greater than 1 was considered to be indicative of fertile ultramafic particularly in soil sampling surveys.<br>• An important outcome of the updated drilling was the recognition of a broad eastern shear zone of partitioned to pervasive shear foliation (+/- gold event structures and alteration) in mostly upper stratigraphy (Devon Consols Basalt) which forms the eastern termination to the nickel mineralisation. The shear zone is approximately 100m wide and dips at $45^0$ towards $095^0$. The ultramafic and footwall Lunnon basalt in the vicinity of the Baker deposit sit to the west of this shear zone in its footwall. A narrow low-grade zone of remobilised nickel mineralisation/anomalism (**MOB04**) has been modelled subparallel to and at the approximate western margin of the shear zone.<br>• The additional RC and diamond drilling and associated core/chip photography and ATV/OTV surveys have helped to refine the regolith modelling with more confidence. The base of transitional weathering / joint oxidation in the vicinity of the up-plunge mineralisation is at an approximate 50m depth below surface. This horizon interacts with the uppermost modelled portions of the **MOB02** and **BOF02** domains. These domains have been cut to this horizon to remove potentially oxidised mineralisation above from the MRE. |
| **Dimensions** | *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The modelled Baker deposit is defined by an undulating plane with an overall average strike and dip of approximately 245°/25°-30° south-east. The outline of the deposit is one of an irregular elongate ovoid shape with a long axis plunge of approximately 21° towards 125° currently extending for 600m. The across plunge dimension is approaching 200m. The vertical extent of the deposit is approaching 300m ranging from +270m ASL (47m below ground level) to -30m ASL (347m below ground level).<br>• The across plunge extent is somewhat closed off to the south-west and to the north-east. The long axis plunge is closed off up-plunge to the north-west by the topographic surface but remains open down-plunge to the south-east.<br>• There is no expression of the nickel mineralisation at the topographic surface.<br>• The deposit is of variable thickness with a mean true width of about 2 to 4m, can be thickened to up to 10-12m where later fault and fold structures duplicate the deposit, and has been modelled to pinch out at its extremities as defined by non-mineralised peripheral drillholes when present. |
| **Estimation and modelling techniques** | *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* | • The Baker wireframe volumes were modelled via a process of drillhole interval selection and 3D implicit 'vein' modelling within the Leapfrog Geo® software.<br>• Interval selection is a manual process performed by the geologist (and Competent Person) in the Leapfrog Geo® 3D software environment whereby drillhole sample/logging intervals are tagged and coded with the relevant nickel sub-domain ID.<br>• The general rule of thumb used for the mineralised interval selection was to select contiguous samples within individual drillholes at the position of the various Baker mineralised surfaces with assays ≥1.0% Ni. Occasional |

| Criteria | JORC Code explanation | Commentary |
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| **Estimation and modelling techniques (continued)** | *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>*The assumptions made regarding recovery of by-products.*<br>*Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*<br>*In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>*Any assumptions behind modelling of selective mining units.*<br>*Any assumptions about correlation between variables.*<br>*Description of how the geological interpretation was used to control the resource estimates.*<br>*Discussion of basis for using or not using grade cutting or capping.*<br>*The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.* | single sample intervals of < 1.0% Ni were selected to continue the mineralised volume when supported by the position relative to the footwall contact and surrounding drillholes.<br>• Internal dilution (Ni < 1.0%) was considered on a hole-by-hole basis, rarely involving assays < 0.5% Ni while the overall averaged intercept grade typically remained above the 1.0% Ni cut-off. Occasionally hanging wall samples < 1.0% Ni were included if supported by the geological logging as containing noteworthy sulphides, however samples with grades of less than 0.5% Ni in this hanging wall position were not included.<br>• The Leapfrog Geo® implicit 'vein' modelling function was used to construct the deposit wireframes by using mathematical algorithms to derive best fit 3D model volumes from the interval selection data. The geometry, thickness and extent of the deposit wireframes are defined primarily by the footwall and hanging wall depth positions down the drillholes denoted by the selected interval.<br>• The geologist (in this case the Competent Person) has further refined geometries to honour the geological interpretation by manually creating 3D strings and points which help shape the 3D model particularly where there is insufficient drilling data to define the interpreted location, thickness and geometry of the deposit.<br>• The Baker deposit has not been previously mined; therefore no historical mining depletion was required.<br>• Cube was retained by Lunnon Metals to produce a mineral resource grade and tonnage estimate (the MRE) for the nickel deposit. Validated drillhole data and geological interpretation wireframes were supplied by Lunnon Metals, and Cube produced the MRE using standard processes and procedures including data selection, compositing, variography, estimation using 3D ordinary kriging (**OK**) techniques, with massive sulphide and disseminated sulphide sub-domains defined by categorical indicator estimation.<br>• Cube was not required to sign off on the MRE, however, the estimation work and resource classification completed by Cube is to a standard consistent with the JORC (2012) guidelines, and the resulting Mineral Resource classification was established by discussions between Lunnon Metals and Cube.<br>• <u>Estimation Input Data</u> – Lunnon Metals produced wireframe solids in Leapfrog software then exported in Datamine ASCII format – they were received by Cube on 15 November 2022. Lunnon Metals provided Cube with a series of data tables in csv format, which were imported into Datamine and desurveyed as a 3D drillhole file. Cube undertook basic data validation only and has not reviewed any QAQC data.<br>• There were 153 individual intervals identified for the Baker deposit including 73 for the two base of flow domains and 80 for the remobilized massive sulphide domains. Ni, Cu, Co and bulk density were all estimated and are reported. Pd and Pt estimates are pending.<br>• Cube undertook visual validation of the coded drillhole intervals against the wireframes and did not identify any issues.<br>• <u>Compositing</u> – Raw sample interval lengths in the mineralised sub-domains varied between 0.05m and 3.00m. |

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| **Estimation and modelling techniques (continued)** | | The mean sample length for the Baker deposit was 0.83 m, but the most frequent sample interval was 1 m. Therefore, 1 m was chosen as the composite length for the main Baker deposit. A minimum composite size was set to 0.25 m – any 'residual' composites of less than 0.25 m at the lower limit of a sub-domain were 'added' back to the final down hole composite per sub-domain.<br>• Bulk Density – values were determined using the Archimedes principle for some 497 diamond drill core samples within the mineralised domains with missing density values were populated using a regression equation to ensure bulk density values were available for all samples to be used for the density weighting for the composites.<br>• Calculation of the 'accumulated metal' (Ni x length x SG) before and after compositing were exactly the same, meaning that no data or information had been lost during the compositing process.<br>• Exploratory Data Analysis – after compositing in Datamine, the data was imported into Supervisor for statistical and geostatistical analysis. Cross-checking of statistics between Datamine and Supervisor ensured they were the same datasets.<br>• The mean nickel grade for the composited samples at the Baker deposit was 3.85% Ni. The nickel distributions are positively skewed, with some extreme values greater than 10% Ni and many values greater than 5% Ni.<br>• Grade Capping – was not used for nickel in the Baker MRE. The grade distribution, even though positively skewed, is continuous and the higher-grade zones were relatively consistent spatially.<br>• Estimation<br>• Estimates for Baker were run using two alternative approaches:<br>- Standard OK within the ~1.0% Ni domain boundaries (a similar approach to the previous estimates completed by Cube prior to and post the Company's IPO at the KNP).<br>- Categorical indicator estimation was used to estimate the proportions of massive and disseminated (using a threshold of 3.5% Ni), with OK applied to estimate the indicator categories.<br>• As there are some discrete massive sulphide zones towards the footwall of some domains, with the initial standard OK estimation tending to over smooth these high-grade zones, this second indicator approach attempts to localise the estimates for the massive sulphide zones and was Cube's final preferred estimation approach.<br>• Variography – Given the tightly constrained geometry for the sub-domains, the data configuration essentially controlled the variography. Experimental variograms for nickel were produced in the plane of continuity for the BOF02 (plunging -20° towards 130°), and for MOB02 (plunging -30° towards 125°) with the minor direction perpendicular to the major directions, and the variograms were modelled with a nugget effect and two spherical structures.<br>• These variogram parameters were also used for the other mineralised sub-domains, with appropriate rotations applied per sub-domain.<br>• For the OK estimate, the Indicator and nickel grade |

| Criteria | JORC Code explanation | Commentary |
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| **Estimation and modelling techniques (continued)** | | variograms directions were consistent with those defined for the overall domain.<br>• Block Model Definition – the parent block size of 10 mE by 10 mN by 5 mRL was chosen to be compatible with the drillhole spacing and the geometry of the mineralisation. Minimum sub-block size of 2 mE by 2 mN by 0.5 mRL was used to appropriately fill the mineralisation volumes. The block model volumes compared to the deposit wireframe volumes showed a very close result of 100%.<br>• Categorical Indicator – For the Indicator estimate, a block model was used with a smaller resolution (5 mE x 5 mN x 2.5 mRL) than that used for the OK grade estimate – this was to produce a more granular estimate of the proportions above and below the threshold. However, the grade estimates for nickel above and below the threshold were into the 10 mE x 10 mN x 5 mRL parent blocks. The search radius for the Baker deposit is 70 m down plunge, 40 m across strike, and 10 m across thickness. A minimum number of samples required was set at 8, maximum number of samples was set at 16, and the block discretisation was set at 5 by 5 by 5.<br>• Search Passes – Relatively small searches were used for the Indicator and Ni > 3.5% estimates to avoid smearing of the higher grades too far from the samples. If a block was not estimated with the first search pass, a second pass twice the size of the first is used, and a third pass five times the original search was used if required with a lower number of minimum samples of two.<br>• The resulting estimate of the Indicator proportions is a reasonable representation of both the higher (massive sulphide) and lower grade (disseminated/matrix) zones. OK estimates for the separate >3.5% and < 3.5% Ni were run, and these grades above and below threshold were multiplied by the appropriate block proportion to produce a final block grade.<br>• There has been no previous mining at Baker, so mining depletion was not required.<br>• Model Validation – was conducted to check that the grade estimates within the model were an appropriate reflection of the underlying composite sample data, and to confirm that the interpolation parameters were applied as intended. Checks of the estimated block grade with the corresponding composite dataset were completed using several approaches involving both numerical and spatial aspects.<br>• It is Cube's opinion that the nickel, other element and density estimates in the Baker deposit are valid and satisfactorily represent the informing data.<br><br>The output for this estimate is a Datamine block model named BK221126m. |
| **Moisture** | *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnage is estimated on a dry, in-situ basis. |
| **Cut-off parameters** | *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • All material modifying factors have been considered and accommodated in the chosen reporting cut-off grade, which is >1% Ni. This cut-off grade was calculated as the |

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| **Cut-off parameters (continued)** | | attributed breakeven grade that in aggregate covers assumed processing and mining benchmarked unit rates, taking into account an AUD:USD exchange rate of approx. 0.68[3], an assumed processing recovery, concentrator payability and standard other associated costs reported publicly, by other third parties in the Kambalda district during the operational period of nearby similar nickel mines. |
| **Mining factors or assumptions** | *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • A Company employee, a mining engineer, has 7 years' experience in the relevant commodity at Kambalda and has advised on appropriate access, development and stoping methodologies.<br>• Benchmarking of current industry capital start-up, development and operating costs indicate that reasonable prospects for eventual economic extraction of the MRE exist.<br>• The assumptions made regarding possible mining methods and parameters have not yet been rigorously tested however the tonnage of mineralisation, the grade of mineralisation above the reporting cut-off and its location, both geographically (at Kambalda) and locally at shallow depths proximal to a suitable portal site in an existing open pit, all support this assessment.<br>• Access to the mineralisation at Baker would be via decline. Only minimal new waste development would be required to access the mineralised shoots at Baker due to its shallow position (50m-60m below surface to the top of the deposit).<br>• Conventional underground stoping techniques would be employed as applied routinely and successfully in the immediate Kambalda district nickel operations. |
| **Metallurgical factors or assumptions** | *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • Primary nickel mineralisation predominantly consists of pyrrhotite-pentlandite-pyrite plus subordinate chalcopyrite and magnetite.<br>• XRD analysis has recorded the secondary alteration of a minor portion of the massive sulphides to violarite-pyrite.<br>• The Baker sulphide mineralisation assemblage is very similar to that recorded for the nearby Jan Shoot (1984 Mineral Resources Bulletin No.14, Geological Survey of Western Australia).<br>• By way of context, the nearby Jan Shoot nickel mine delivered some 1.0 million ore tonnes at 2.82% Ni for 30,270 tonnes of contained nickel between 1975-1987, to the Kambalda concentrator, forming approximately between 5% and 10% of the feed over that period.<br>• Remaining ½ or ¼ sawn drill core samples from the three diamond drillholes completed in late 2021 were collected by Lunnon Metals for metallurgical test work purposes. The samples selected represented massive, disseminated and peripheral hanging wall nickel mineralisation and were combined to form a master composite to undergo various laboratory analyses.<br>• The composite sample comprised 170kg of diamond drill core recovered at the end of 2021.<br>• The composite sample was collected from the only three diamond holes available at the time the test work was initiated, which was prior to completing the geological |

[3] Source: www.rba.com.au on 06/12/2022

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| **Metallurgical factors or assumptions (continued)** | | interpretation and reporting of the first-time Baker MRE in June 2022.<br>• As a consequence, over 40% of the core samples collected originated from outside the June 2022 MRE interpreted model, with this additional material predominantly being sourced from the weakly mineralised hanging wall komatiite to make up the sample weight required.<br>• A test work programme was developed that best approximated the treatment conditions at the Kambalda Concentrator.<br>• Rougher/Cleaner optimisation tests were conducted at a grind size of P80 53 µm, chosen in consultation with Nickel West technical personnel, to simulate the process flow at their Kambalda Concentrator.<br>• The composite sample calculated head grade: 2.81% Ni, 0.27% Cu, 0.057% Co, 16.4% Fe, 20.6% MgO, 7.29% S, 18 ppm As<br>• Results of the Rougher/Cleaner optimisation tests conducted at a grind size of P80 53 µm were:<br>- Nickel recovery was 86% with a concentrate grade of 16.9% Ni;<br>- Copper recovery 95.5% with a concentrate grade of 1.88% Cu;<br>- Cobalt recovery 85.3% with a concentrate grade of 0.35% Co;<br>- Arsenic in concentrate graded 95 ppm; and<br>- Other concentrate measures included Fe:MgO ratio of 16.8 and sulphur at 36.8%.<br>• The test work results in summary showed high nickel recoveries whilst producing a very clean concentrate that is low in contaminates and high in saleable nickel, copper and cobalt.<br>• Metallurgical test work continues with representative nickel sulphide samples from the most recent drilling programme having been vacuum sealed and stored in a freezer pending the completion of the domaining of the nickel mineralisation in this updated MRE.<br>• The process covering the ongoing collection and handling of the metallurgical samples and the supervision of the test work that aligns with Nickel West's process flow is being managed by Mr. Barry Cloutt, an external independent metallurgical consultant who previously worked for WMC Resources in Kambalda in the 1990s and directly managed the Kambalda Concentrator. This was a period in time when the plant was receiving nickel ore from between 10 and 15 separate underground sources across the Kambalda and Widgiemooltha districts from various ore suppliers.<br>• The MRE Competent Person has concluded that there are reasonable prospects that the nickel sulphide mineralisation at Baker will be amenable to treatment at nickel concentrators proximal to the KNP. |
| **Environmental factors or assumptions** | *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing* | • The environmental impact of any potential future Baker development underground is considered to be minimal due to the ability to utilise the existing proximal infrastructure available from prior gold and nickel mining activities coupled with the presence of utilities, service infrastructure and office buildings from close to 55 years of continuous mining in the immediate locale.<br>• Portal access to a future decline access is also available |

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| **Environmental factors or assumptions (continued)** | *operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | from the proximal West Idough open pit, mined in the 2010-2012 period by SIGM for gold.<br>• The Baker deposit is therefore located in a mature mining area on granted Mining Leases with all surface infrastructure already in place or to be constructed on previously disturbed ground.<br>• The future mine workings will require minor ongoing dewatering of approx. 5L/sec of water to a permitted discharge point on adjacent tenements held by SIGM.<br>• Ore treatment is yet to be finalised but is forecast to be carried out offsite by third parties under a typical Ore Tolling and Concentrate Purchase arrangement with nickel concentrating facilities in close proximity to the KNP.<br>• The Nickel West concentrator, which has been in operation for 50 years, by way of example, has previously received ore production from the nearby Foster and Jan Shoot mines as noted above and has adequate tailing storage facilities and is a possible route for processing any ore production, though no commercial agreement has been entered into at this point in time.<br>• Baker may be a net consumer of waste material in regard that fill will be required to be supplied from surface into the underground mine to assist with cemented fill of the production stopes.<br>• All surface disturbance is within areas already previously disturbed by mining or the current exploration programme and minimal new disturbance is required to commence operations.<br>• The Baker project area has been the subject of several fauna and flora surveys over a number of years, none of which have identified any rare or priority flora species, and none of the floristic communities have been identified as being of National Environmental Significance.<br>• There are not expected to be any environmental hindrances that would prevent the eventual economic extraction of ore from a future Baker development. |
| **Bulk density** | *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>*The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>*Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • During the Lunnon Metals exploration programme, drill core bulk density measurements were routinely taken as determined by the standard gravimetric water immersion technique (Archimedes Principle).<br>• The drill core is generally competent and non-porous with negligible moisture content as a result. The results are consistent with similar rock types at nearby nickel mines and with Lunnon Metals' other KNP diamond drilling.<br>• In deposits where bulk density is correlated with grade then length and density weighting during compositing is advised. This was the case at the Baker deposit.<br>• Bulk density measurements were collected by the Company for all of the Lunnon Metals Baker mineralised drill core samples and select historical WMC drill core samples when re-logged and re-sampled by Lunnon Metals.<br>• Where RC sampling occurred, a regression of density against Ni was established based on the Baker drill core bulk density measurements to derive density values for weighting where measured density values were missing, as follows:<br>- Density = 0.1235 x Ni + 2.8341<br>• During the MRE post processing exercise blocks that were not within the mineralised sub-domains were given default |

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| | | values based on the global statistics per rock type as follows:<br>○ 3.2t/m$^3$- 0.15% Ni – Kambalda Komatiite (KK)<br>○ 3.3t/m$^3$- 0.05% Ni – Lunnon Metals Basalt (LB)<br>○ 2.65t/m$^3$ – 0.05% Ni – Intermediate Dyke<br>○ 3.1t/m$^3$ – 0.04% Ni – Devon Consols Basalt<br>○ 2.6t/m$^3$ – 0.01% Ni – Kapai Slate |
| **Classification** | *The basis for the classification of the Mineral Resources into varying confidence categories.*<br><br>*Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br><br>*Whether the result appropriately reflects the Competent Person's view of the deposit.* | • Cube was not required to sign off on the MRE under JORC (2012), however, the estimation work and resource classification completed by Cube is to a standard consistent with the JORC (2012) guidelines, and the resulting Mineral Resource classification was established by discussions between Lunnon Metals and Cube.<br>• In general, classification of the Mineral Resources at Baker uses criteria as follows:<br>1. Confidence in the volume, location and orientation of the geological solids which is influenced by drill spacing;<br>2. Confidence in the nickel estimate; and<br>3. Reasonable prospects for eventual economic extraction.<br>• Assessment of confidence in the estimate of nickel included guidelines as outlined in JORC (2012):<br>• drill data quality and quantity;<br>• geological interpretation (particularly aspects that impact on Ni mineralisation);<br>• geological domaining (for mineralised sub-domains specific to the estimation of Ni);<br>• the spatial continuity of Ni mineralisation; and<br>• geostatistical measures of Ni estimate quality.<br>• In summary, the more quantitative criteria relating to these guidelines include the data density as follows:<br>• Mineralised blocks for the Baker deposit within about 25m of the drill hole and where the confidence in the interpretation is good have been classified as Indicated.<br>• Most of the remaining resource outside the Indicated area is classified as Inferred, which has a general drill hole spacing of about 40m x 40m or broader.<br>• Sparsely drilled areas at the edge of the Baker deposit are not classified as Mineral Resource and will be internal Exploration Targets.<br>• Data quality and quantity is generally considered adequate with no areas known to be defectively sampled or assayed. Cube has not analysed any QAQC data and reports, and responsibility for the data quality rests with the Lunnon Metals Competent Person who attests to its appropriateness.<br>• In regard 'Reasonable prospects for eventual economic extraction', the following observations are material:<br>• There is extensive infrastructure already in place, with future access to the Baker deposit readily able to be established from nearby open pit in the future.<br>• The project is located on a granted Mining Lease.<br>• Grades and geometry are amenable to small-scale underground mining, like many 'Kambalda-style' nickel deposits.<br>• Ore would likely be sent to the nearby Nickel West concentrator. |

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| **Classification (continued)** | | • Current (December 2022[4]) nickel price is ~USD 28,500 per tonne (which at the current AUD:USD exchange rate[4] is approximately AUD41,400/tonne). An average revenue per tonne at the average Baker Ni % grade, assuming typical metallurgical recoveries would be more than AUD1,200, before any concentrator payabilities are considered.<br>• Publicly available data for feasibility studies for similar projects (e.g. Mincor Resources Kambalda Nickel Project, 25 March 2020[5]) have operating and sustaining capital costs of approximately AUD250 per tonne (applying quoted AUD/lb Ni AISC on a 100% recovered basis over the stated ore tonnage to be mined).<br>• Capital costs to access and develop are considered to be modest due to the proximity of the open pit (approx. 300m-350m distance; as a portal site) and the relatively shallow location of the Baker deposit.<br>• Therefore, there is no apparent reason the Baker nickel deposit could not be mined economically.<br>• The classification results reflect the Lunnon Metals MRE Competent Person's view of the deposit. |
| **Audits or reviews** | *The results of any audits or reviews of Mineral Resource estimates.* | • Internal reviews have been completed by senior Lunnon Metals personnel which verified the technical inputs, methodology, parameters and results of the geological interpretation and mineralisation modelling exercise (solid wireframe models) to the satisfaction of the Competent Persons.<br>• As part of the ITAR to the Prospectus (22 April 2021), Optiro reviewed the then Mineral Resources and confirmed the tonnage and nickel grades reported from the block models. The quality of input data, QAQC, interpretation and sample spacing was considered suitable and this information has been considered in applying the Mineral Resource classification. In Optiro's opinion the Mineral Resource models developed by Lunnon Metals and Cube for the KNP were appropriate and provided a realistic estimation and classification of the global Mineral Resources.<br>• Whilst not reviewed directly by Optiro or others in this case, the same procedure and processes as reviewed by Optiro have been employed in the current Baker MRE by Lunnon Metals and Cube. |

[4] Sources: www.kitcometals.com & https://www.rba.gov.au/ on 06/12/2022

[5] Source: https://www.mincor.com.au/site/PDF/8bbb782d-04c8-4a7d-abb5-4af737f14b54/MincornickeloperationsDFSresults

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| **Discussion of relative accuracy/ confidence** | *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>*The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>*These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • Resource confidence is reflected in its classification into Inferred Resource and Indicated Resource, and is primarily based on the quality, quantity and distribution of data which supports the continuity of geology and grade distribution of the deposit.<br>• The MRE nickel grades are comparable with the historical WMC mined head grades at similar local nickel deposits.<br>• Likewise, the style of mineralisation and tonnages associated with the MRE are comparable with previous mineralisation styles and tonnages mined at Foster and Jan by WMC.<br>• The MRE is deemed sufficient both as a global estimate of Baker deposit but also as a local estimate for the purposes of economic evaluation and subsequent mine design.<br>• There has been no prior production at Baker. |