

# INTERIM FINANCIAL REPORT

---

FOR THE HALF YEAR  
ENDED  
31 DECEMBER 2024



ABN 82 600 008 848 | ASX:LM8



## **CORPORATE DIRECTORY**

ABN: 82 600 008 848

### **Board of Directors**

Mr. Liam Twigger	<i>Non-Executive Chair</i>
Mr. Edmund Ainscough	<i>Managing Director &amp; Chief Executive Officer</i>
Mr. Ashley McDonald	<i>Non-Executive Director</i>
Ms. Deborah Lord	<i>Non-Executive Director</i>

### **Company Secretary**

Ms. Nicole Jeanneret

### **Registered Office and Principal Place of Business**

Street: Suite 10, Level 3  
33 Richardson Street  
West Perth, WA 6005

Postal: PO Box 470  
West Perth, WA 6872

Telephone: +61 8 6424 8848

Email: [info@lunnonmetals.com.au](mailto:info@lunnonmetals.com.au)

Website: <https://lunnonmetals.com.au/>

### **Share Registry**

Automic Pty Ltd  
Level 5  
191 St Georges Terrace  
Perth WA 6000

### **Auditors**

Armada Audit and Assurance Pty Ltd  
18 Sangiorgio Court  
Osborne Park, WA 6017

### **Securities Exchange**

Australian Securities Exchange  
Website: [www.asx.com.au](http://www.asx.com.au)  
ASX Code: LM8



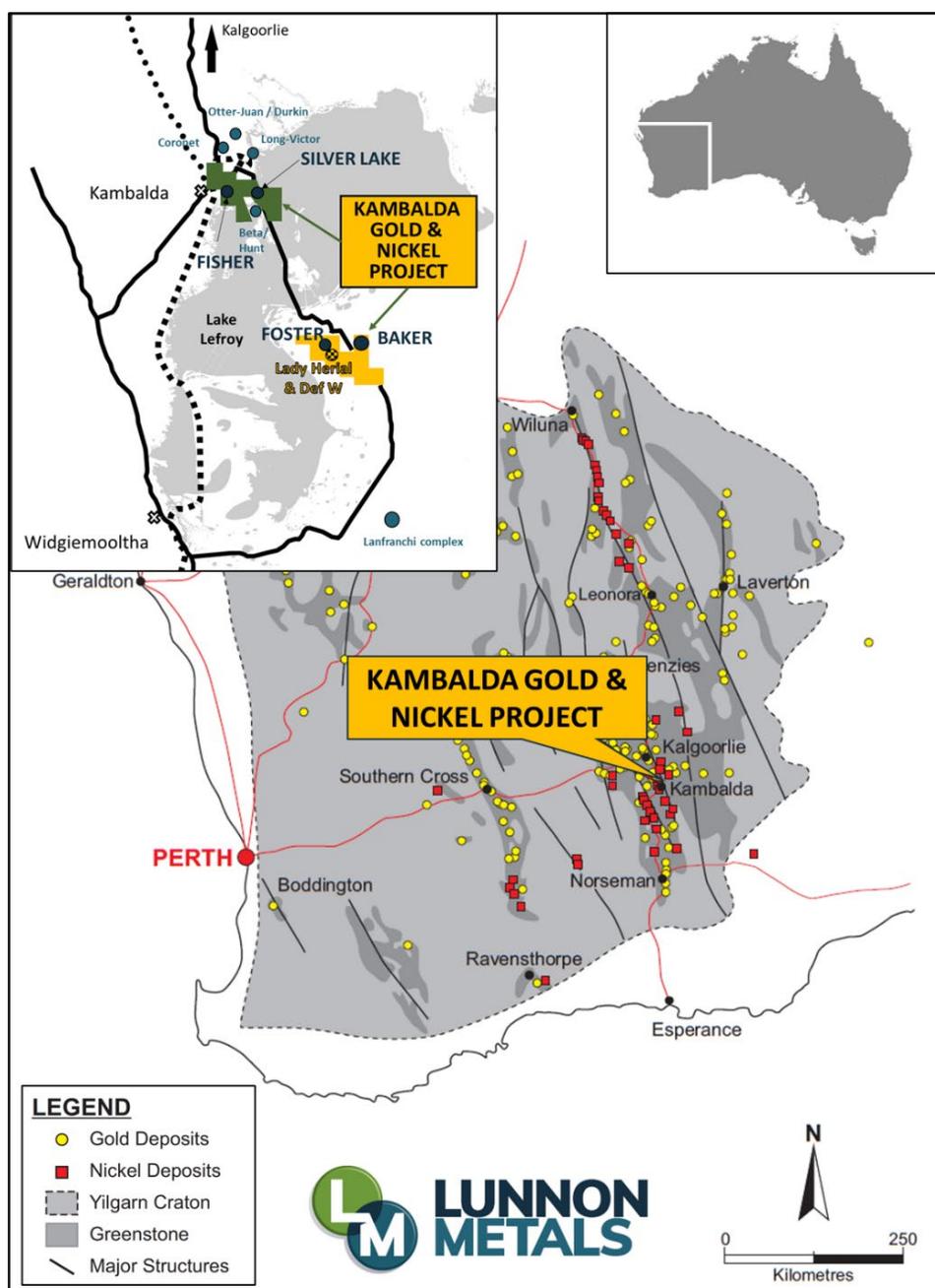
## CONTENTS

OPERATIONS REVIEW .....	3
KAMBALDA GOLD & NICKEL PROJECT .....	3
Overview of KGNP Drilling Program .....	4
FOSTER / BAKER (FBA) PROJECT .....	4
GOLD DISCOVERY PROGRAM .....	4
Lady Herial .....	4
Lunnon Basalt & Lunnon Sediment Opportunity .....	7
EIS Grant for Defiance West .....	8
Guiding Star and other gold prospects .....	9
FBA NICKEL DISCOVERY PROGRAM .....	11
Baker and Foster Pre-Feasibility Study .....	11
Foster Mining Approval .....	11
SILVER LAKE / FISHER (SLF) PROJECT DISCOVERY PROGRAM .....	11
Silver Lake - Long South Gap .....	11
Fisher .....	12
CORPORATE AND FINANCIAL .....	12
MINERAL RESOURCES AND ORE RESERVES .....	13
Mineral Resources .....	13
Ore Reserves .....	13
Competent Person's Statement and Compliance .....	14
Disclaimer .....	15
DIRECTOR'S REPORT .....	16
Corporate and Significant Changes in Affairs .....	17
Events Occurring after the Reporting Date .....	17
Auditor's Independence Declaration .....	17
AUDITOR'S INDEPENDENCE DECLARATION .....	18
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	19
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	21
CONSOLIDATED STATEMENT OF CASH FLOWS .....	22
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	23
DIRECTOR'S DECLARATION .....	31
INDEPENDENT AUDITOR'S REPORT .....	32

## OPERATIONS REVIEW

### KAMBALDA GOLD & NICKEL PROJECT

The Kambalda Gold & Nickel Project (**KGNP**) (shown in **Figure 1**) features approximately 47km<sup>2</sup> of tenements in the Kambalda Nickel & St Ives Gold District. KGNP is located approximately 570km east of Perth and 50-70km south-southeast of Kalgoorlie, in the Eastern Goldfields of Western Australia. KGNP comprises two project areas, Foster and Baker (**FBA**) (19 contiguous mining leases) and Silver Lake and Fisher (**SLF**) (20 contiguous mining leases). The world-renowned Kambalda Nickel District has produced in excess of 1.6 million tonnes<sup>1</sup> of nickel metal (from the Kambalda and Widgiemooltha belts combined) since its discovery in 1966 by WMC Resources Ltd (**WMC**). In addition, over 16Moz of gold<sup>1</sup> in total has been mined at St Ives, making the Kambalda/St Ives district a globally significant gold camp in its own right.



**Figure 1:** Regional Location of the Kambalda Gold & Nickel Project.

<sup>1</sup> Gold: Sum of historical WMC production records to December 2001, sum of Gold Fields Ltd's, Karora Resources and Westgold Resources report filings thereafter.

Nickel: Sum of historical WMC production records and relevant ASX company production figures.



## Overview of KGNP Drilling Program

In the six-month period ended 31 December 2024 (**Half Year Period**), Lunnon Metals Limited (the **Company** or **Lunnon Metals**) drilled 5,881 metres, comprising 484 metres of diamond drilling (**DD**) in 5 holes and 5,397 metres of Reverse Circulation (**RC**) in 90 drill holes. All drilling targeted gold and the Company did not engage in any significant nickel focussed on-ground activity at the FBA or SLF during the period.

At the FBA, exploration focussed in the immediate hangingwall of the Foster nickel mine area, termed the Foster Gold Belt, with a sole focus on gold as the target commodity. The shift to a 100% on-ground gold focus, commenced in the third quarter of FY2024 program, and initial tests were completed at several prospects within the Company's gold portfolio. Plentiful, Paringa West, Thelma and Lady Herial were drilled with significant results returned at three of these four prospects. Lady Herial stood out as a high priority based on the definition of a stacked series of shallow, thick, modest to high-grade gold shoots and became the focus of drilling during the Half Year Period.

In addition to the surface drill program at FBA, the Historical Core Program (**HCP**) continued to be a valuable support to the technical team. 16 DD holes were reprocessed with over 3,900 metres of old core, mostly from WMC vintage programs, cut and re-assayed. Areas the subject of the HCP included Hustler, Thelma, Cooe Gap, Lady Herial, Torquata and Defiance West, all gold prospects, along with two holes from the Long South Gap area.

## FOSTER / BAKER (FBA) PROJECT

### GOLD DISCOVERY PROGRAM

#### Lady Herial

The Lady Herial gold prospect was significantly de-risked during the Half Year Period. It was the focus of on-ground activity at FBA with over 4,300 metres drilled in 75 RC holes and 5 DD holes. The program has defined shallow, high-grade gold mineralisation associated with two main, thick, parallel mineralised structures. The Lower and Upper Structures are approximately 50m-60m apart and both dip north-west at 30°.

The higher grades are typically associated with quartz veining with low-modest grades also associated with variable biotite-sericite-pyrite alteration zones around quartz veinlets, veins and shears in the dolerite host rocks across broader intervals. Gold mineralisation is developed over an approximate strike extent of up to 75m and is estimated to be between 15m and 30m thick (true width) where it has been tested.

There were numerous significant results<sup>2</sup> reported during the quarter due to the close spaced drill programs executed and included (>0.50 g/t Au cut-off):

- 23m @ 16.61g/t Au (FOS24RC\_056 from surface) including 6m @ 62.47g/t Au (from 17m >1.0g/t Au)
- 13m @ 4.10g/t Au (FOS24RC\_023 from 3m)
- 16m @ 1.15g/t Au (FOS24RC\_041 from 1m)
- 7m @ 2.58g/t Au (FOS24RC\_042 from surface)
- 9m @ 1.91g/t Au (FOS24RC\_059 from 39m)
- 15m @ 1.15g/t Au (FOS24RC\_024 from 3m)
- 17m @ 1.79g/t Au (FOS24RC\_025 from 17m)
- 12m @ 1.70g/t Au (FOS24RC\_057 from 6m)
- 6m @ 1.72g/t Au (FOS24RC\_043 from 41m)
- 18.09m @ 3.41g/t Au (FOS21DD\_001 from 155.75m)<sup>3</sup>
- 16m @ 2.94g/t Au (FOS24RC\_088 from 18m)
- 16m @ 1.80g/t Au (FOS24RC\_063 from 14m)
- 15m @ 1.35g/t Au (FOS24RC\_080 from 34m)
- 2m @ 3.15g/t Au (FOS24RC\_064 from 13m)
- 1m @ 5.81g/t Au (FOS24RC\_069 from 31m)
- 1m @ 2.13g/t Au (FOS24RC\_060 from 19m)

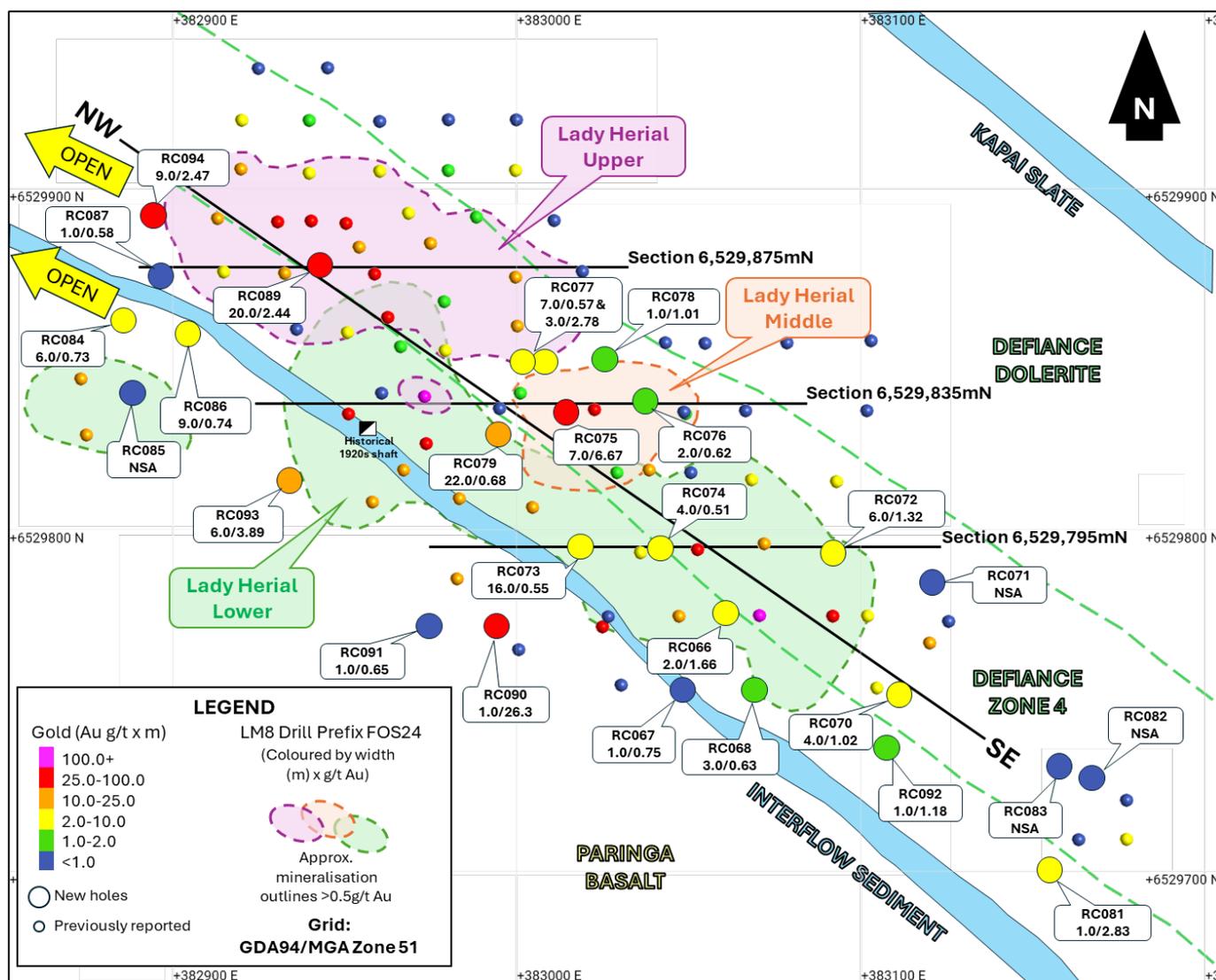
<sup>2</sup> See also ASX announcements dated 1 October 2024, 10 October 2024, 17 October 2024, 28 November 2024, 13 December 2024 & 17 January 2025 for full details of all Lady Herial results.

<sup>3</sup> FOS21DD\_001 was re-assayed using the PhotonAssay™ technique; see ASX announcement dated 17 October 2024 for details of this process.

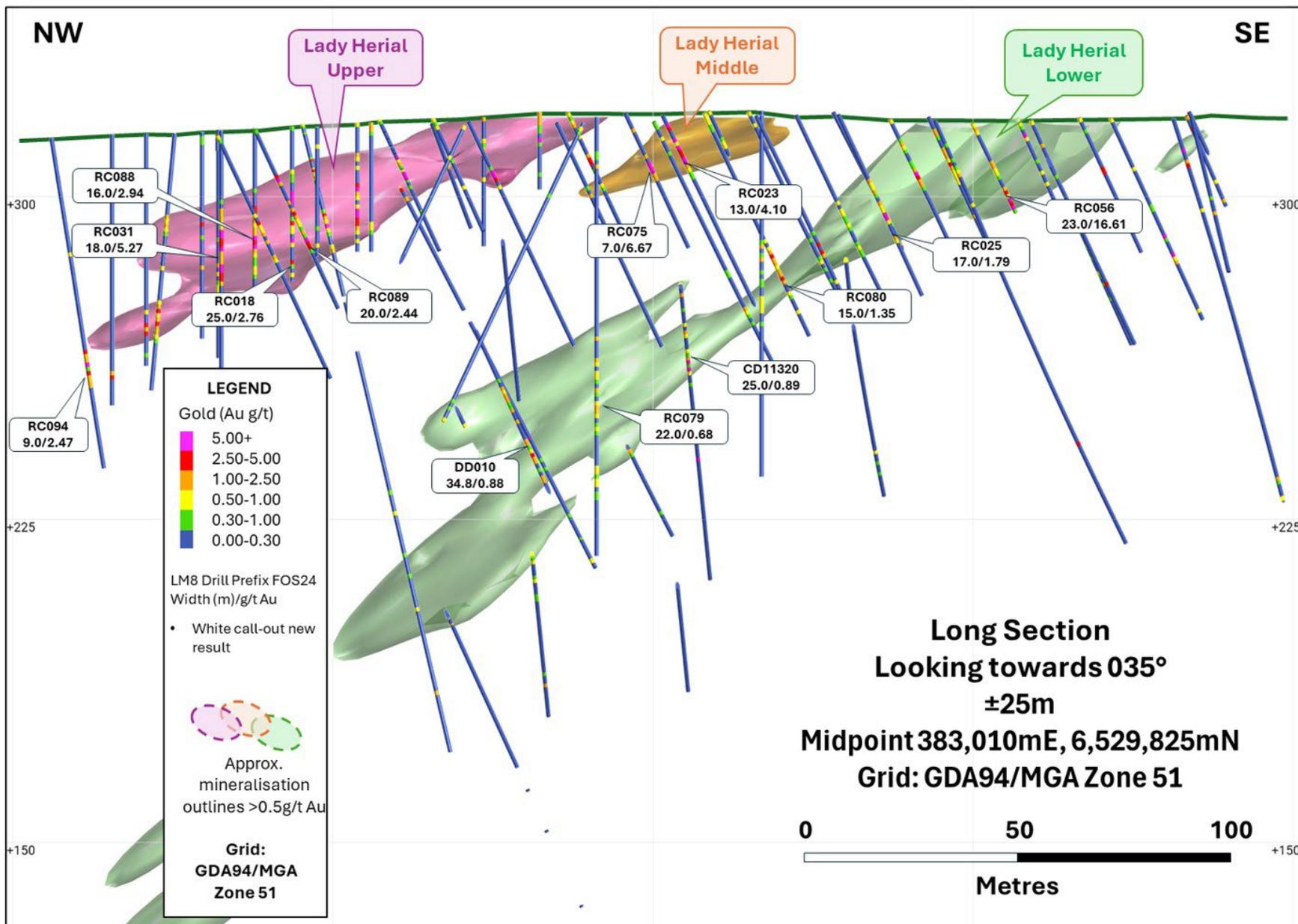
- 20m @ 2.44g/t Au (FOS24RC\_089 from 12m)
- 7m @ 6.67g/t Au (FOS24RC\_075 from surface)
- 6m @ 3.89g/t Au (FOS24RC\_093 from 14m)
- 3m @ 2.78g/t Au (FOS24RC\_077 from 11m)
- 22m @ 0.68g/t Au (FOS24RC\_079 from 51m)
- 6m @ 1.32g/t Au (FOS24RC\_072 from surface)
- 1m @ 26.30g/t Au (FOS24RC\_090 from 6m)

Given the very shallow depths at which the gold mineralisation starts (i.e. from surface) and the widths of the mineralisation above a 0.5g/t cut-off recorded during the various programs drilled to date, and the contained very high grade zones, the Company continues to rank Lady Herial as a high-priority opportunity to define, evaluate and then potentially permit, a modest sized gold open pit in 2025 calendar year.

Geological modelling has continued in parallel to the drilling and has helped identify new areas or areas that require further drilling as the program has been on foot. An updated assessment of the gold mineralisation present will be undertaken in early 2025 to confirm that Lady Herial can sustain economic development and thereafter guide the design of a close-spaced, 'grade-control' style program over key potential high value portions of the deposit that will tighten the drill intercepts to approximately 8m x 6m in those areas. This next program will further de-risk Lady Herial and assist provide the technical data to expedite financial evaluation of the prospect and subsequent permitting of this near surface, high-grade opportunity.



**Figure 2:** Plan view of the emerging Lady Herial mineralised gold system depicting Lower, Middle and Upper Structures plunging to the NW and location/orientation of **Figure 3** long section.



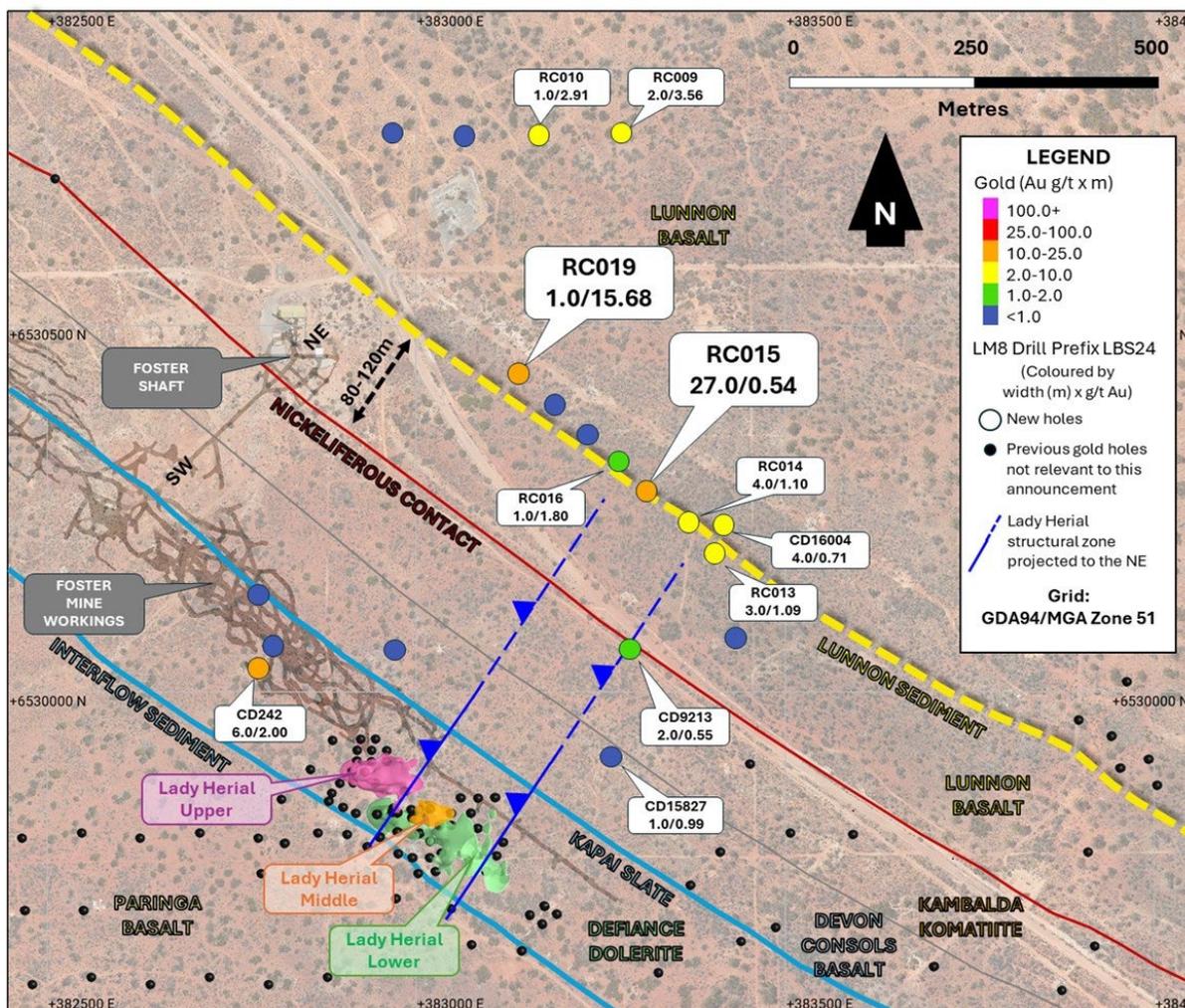
**Figure 3:** Long section NW-SE (+/- 25m clip) highlighting stand-out drill results and the stacked nature of Lower, Middle and Upper Structures over a vertical extent of between 75m and 150m.

## Lunnon Basalt & Lunnon Sediment Opportunity

The Company reported the results of early scout drilling to the immediate east of the Foster nickel mine at the FBA in December 2024. This RC drill program was designed to tie down the location of the Lunnon Sediment, hosted within the Lunnon Basalt. This sediment is a key regional interflow marker bed and host to significant gold discoveries in the area, most notably “the Father’s Day Vein”<sup>4</sup> at the Beta/Hunt gold and nickel mine, just 15km to the north (by TSX listed Karora Resources in September 2018).

Drilling was completed in a series of step out RC holes (see **Figure 4**) along the strike of the stratigraphy in an area where the Lady Herial structures were interpreted to intersect the Lunnon Sediment. This target area is 500m to the north-east of the Company’s recent successful drill program. The target sediment was intersected in several holes and assay results recorded both narrow high-grade and broad anomalous low-grade gold intercepts. The Company considers these outcomes to be significant steps in confirming the potential for the Lunnon Basalt and the Lunnon Sediment to host gold. Historically, both these rock units were either under-explored or not tested at all, sitting as they do stratigraphically beyond the primary focus of historical drilling, namely the world-famous Kambalda nickel contact. The following significant intercepts were reported above a 0.5 g/t Au cut-off unless otherwise stated:

- 27m @ 0.54g/t Au (LBS24RC\_015 from 12m)
- 1m @ 15.68g/t Au (LBS24RC\_019 from 64m)
- 4m @ 1.10g/t Au (LBS24RC\_014 from 9m)
- 3m @ 1.09g/t Au (LBS24RC\_013 from 28m)



**Figure 4:** Plan view of the immediate Lady Herial/Foster Shaft area, illustrating gold holes that penetrate 50m below surface or deeper (geology illustrated at 50m below surface).

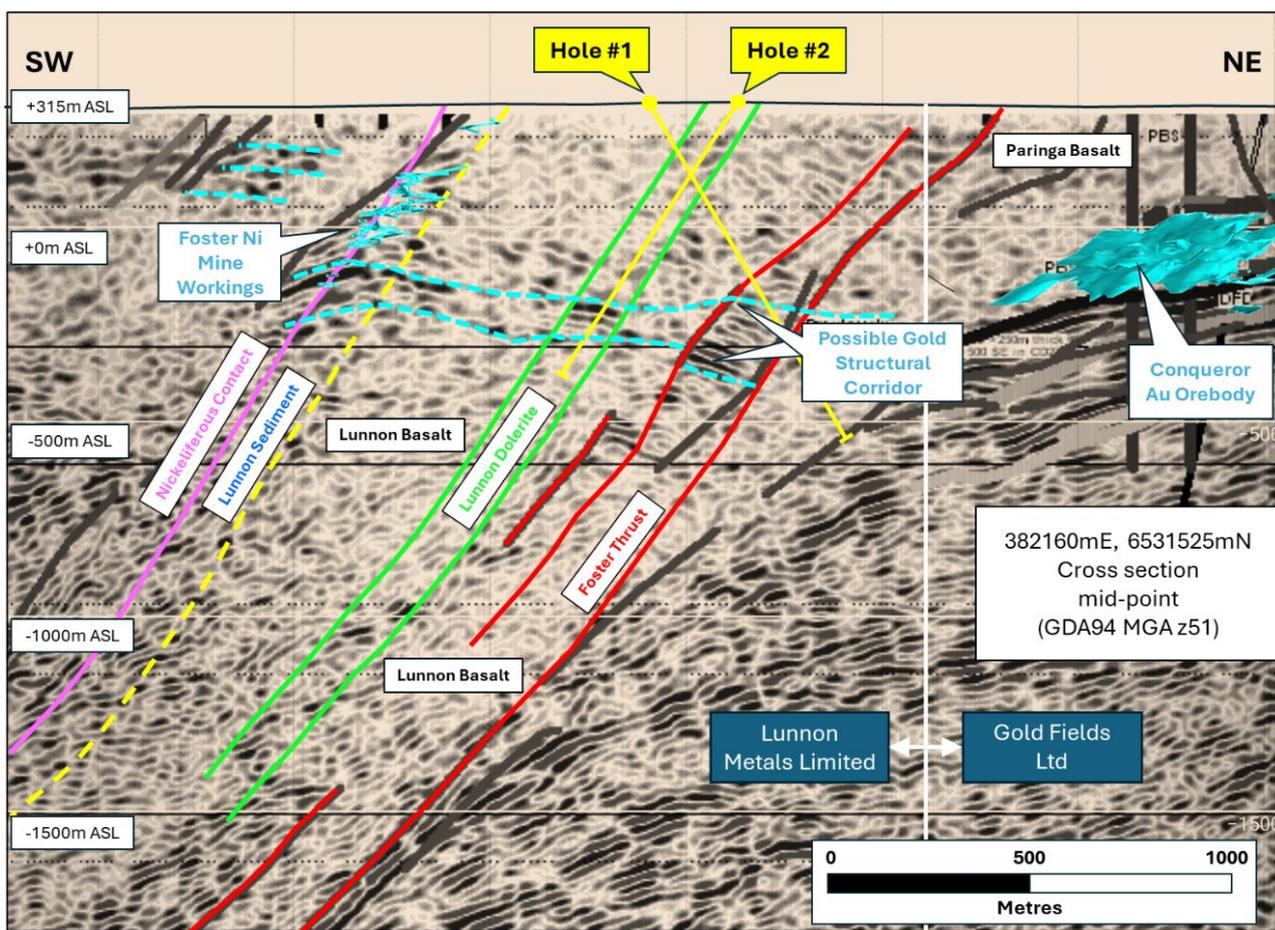
4 “New Discovery Yields 9,000 ounces of High Grade Coarse Gold from Single Cut at Beta Hunt Mine” (TSX:RNC Minerals New Release dated 9 September 2018). Source: <https://www.sedarplus.ca/>

These results are the first step in not only confirming near surface gold mineralisation on the other (eastern) side of the Foster nickel mine but also offer great encouragement for the potential for the Lunnon Basalt & Sediment units to host economic concentrations of gold. The Company believes that these early results greatly enhance the prospectivity of its Defiance West prospect, a gold target also hosted in the Lunnon Basalt. This exciting program commenced in February 2025 with a Western Australian (WA) government, Department of Energy, Mines, Industry Regulation and Safety Exploration Incentive Scheme grant.

### EIS Grant for Defiance West

During the Half Year Period, the Company updated the market<sup>5</sup> on its successful application for a WA Government Exploration Incentive Scheme (EIS) grant of up to \$220,000. The EIS grant relates to a program of two DD holes designed to test the Defiance West target, an approximate 4km<sup>2</sup> area that is located in the footwall of the Foster nickel mine (see **Figures 5** and **6**) and to the immediate south-west of the previously WMC mined Conqueror gold deposit. Conqueror itself was part of the regionally significant Victory-Defiance-Leviathan Complex, mined for over 25 years by both WMC and then Gold Fields Ltd.

Gold exploration, development and production in the last seven years at the Beta/Hunt Mine (within the St Ives gold camp to the north), most recently by TSX listed Karora Resources Inc. (acquired by ASX listed Westgold Resources Limited in August 2024) has demonstrated a structural link between the location of the high-grade nickel sulphide deposits at that mine and the location of gold mineralisation; both above in the hanging wall, and most significantly and relevantly to the Defiance West target concept, below the traditional “Kambalda nickel contact” in the footwall. The suite of rocks in the Foster area was historically viewed as a “nickel belt” and only limited gold bedrock testing of the basalts, dolerites and iron-rich sediments was ever carried out away from the extensive WMC nickel drilling activity associated directly with the prospective nickel contact.

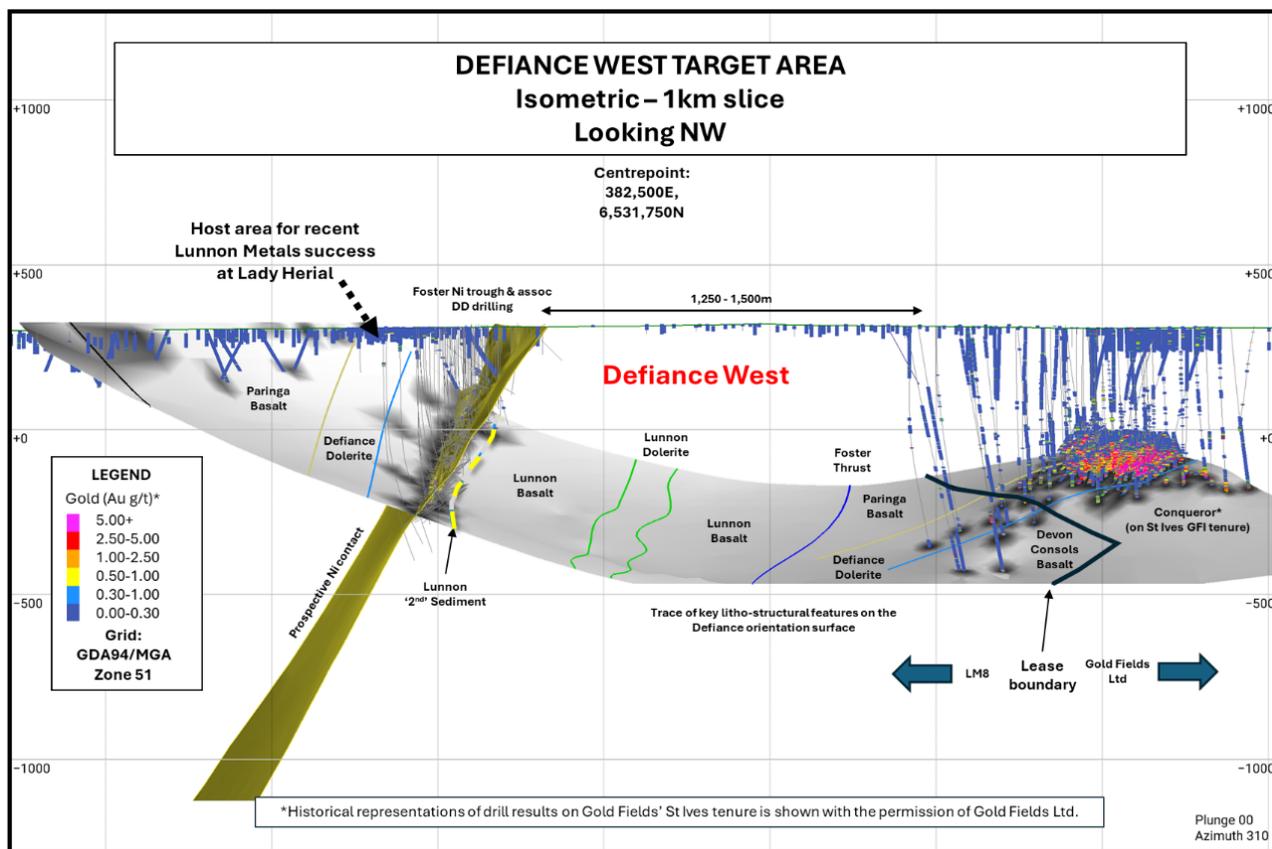


**Figure 5:** 2D Victory Seismic Line<sup>6,7</sup> through the target area looking NW showing SW dipping stratigraphy and Foster Thrust and interpreted flat lying features (structures) between the Foster nickel mine and the Conqueror gold orebody.

<sup>5</sup> See ASX Announcement dated 23 October 2024.

<sup>6</sup> Edward Stolz, Milovan Urošević & Karen Connors (2004) Reflection Seismic Surveys at St Ives Gold Mine, WA, ASEG Extended Abstracts, 2004:1, 1-4

<sup>7</sup> Stolz E. and Lally, J., 2006, The St Ives gold camp – a case study of 3D regional scale modelling, Kalgoorlie 2006 AIG, Conference Presentation



**Figure 6:** 1km thick slice isometric view of Figure 5, draping preliminary litho-structural interpretation on Defiance West structural system (grey surface) and highlighting the absence of drilling testing in the area between Conqueror (Gold Fields Ltd) and Foster nickel mine (Lunnion Metals).

The diamond drill program is co-funded by the Western Australian Government, Department of Energy, Mines, Industry Regulation and Safety and the Company acknowledges the contribution and support that the EIS program provides.

### Guiding Star and other gold prospects

Post the Half-year period end, the Company updated the market<sup>8</sup> on the progress of the discovery effort at one of the other prospects along the Foster Gold Belt, Guiding Star. This followed a decision by the Board to expand the scope of the surface exploration program (see ASX announcement dated 10 October 2024).

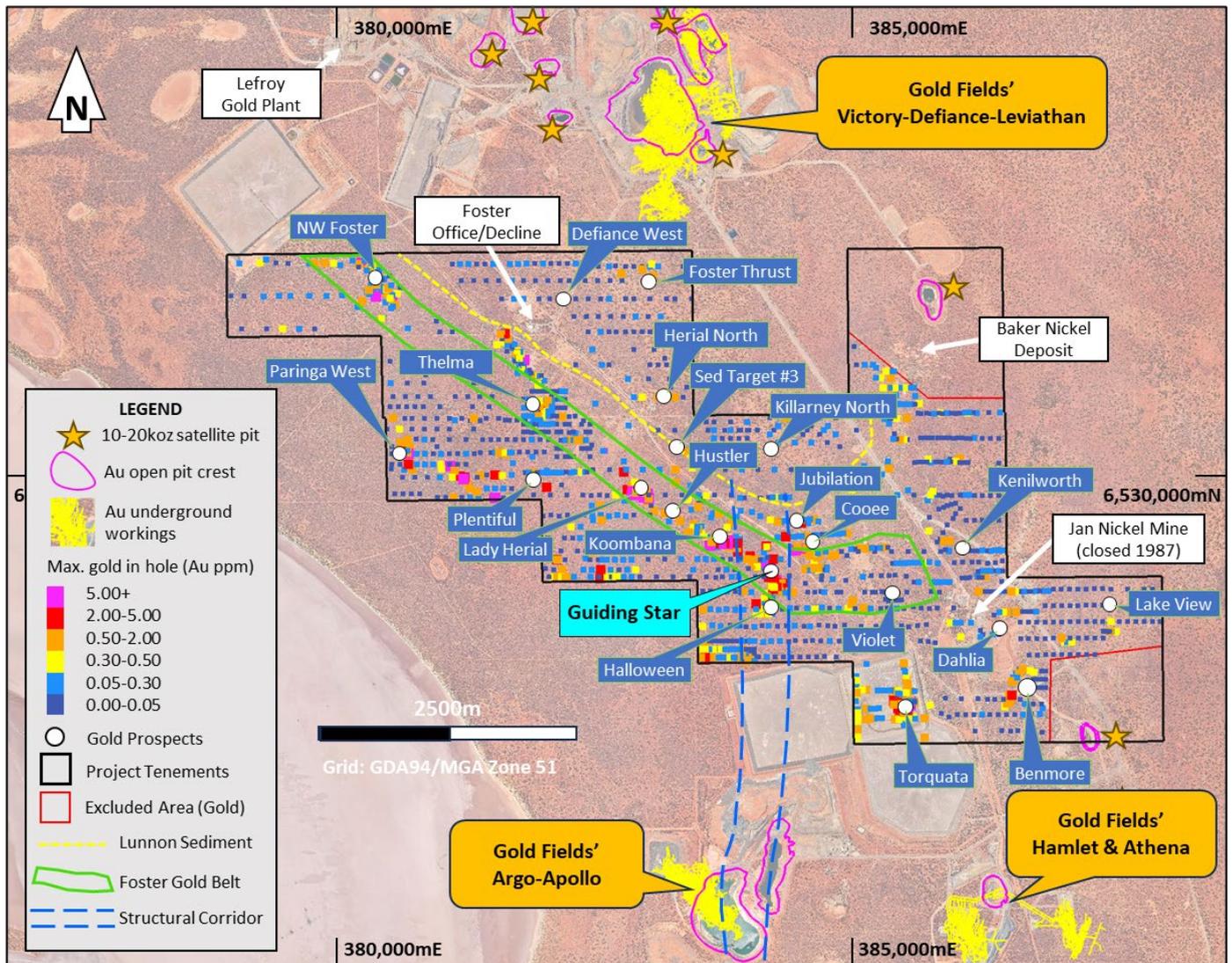
Guiding Star is in the Foster Gold Belt (green polygon in **Figure 7**), comprising the NW-SE striking limb of the Cooe Anticline which is dominated by the Defiance Dolerite. 'Zone 4' of the Defiance Dolerite (**DF4**), a known favourable host rock for gold in the St Ives camp (as previously reported in relation to Lunnion Metals' success at Lady Herial to the NW), extends for 7.0km locally along this belt.

To date drilling by Lunnion Metals has identified at least 2.0km of prospectivity in the DF4 consisting of multiple drill intercepts of greater than 0.5g/t Au, most notably at Lady Herial, Hustler, Koombana and now Guiding Star, which sits as at the southern end of this trend. The DF4 remains poorly tested over the remainder of the 7.0km of strike.

Guiding Star sits in an area where surface mapping by the Company has highlighted a complex structural setting with apparent through going, north striking faults appearing to disrupt stratigraphy locally over a 500m wide corridor. This structural corridor is aligned or coincident with the northern extension of the Argo/Apollo corridor which hosted the Argo and Apollo gold mines, discovered by WMC and then mined by both WMC

<sup>8</sup> See ASX announcement dated 13 January 2025.

and later Gold Fields Ltd. Total production<sup>9</sup> from these centres was greater than 1.0 Moz of gold (see **Figure 7** below).



**Figure 7:** Foster-Baker Project Area showing Guiding Star prospect in the Foster Gold Belt and relative location of the Argo/Apollo gold deposits on adjacent Gold Fields St Ives' leases to the south.

Two holes, COE24RC\_002 and 009, returned multiple zones of interest potentially indicating that a series of stacked structures may be present, as has been recorded at Lady Herial. The following significant intercepts were reported above a 0.5 g/t Au cut-off (^ indicates >1.0g/t Au cut-off):

#### COE24RC\_002

- 20m @ 1.35g/t Au (from 32 metres)
- 14m @ 0.80g/t Au (from 85 metres)
- 11m @ 1.14g/t Au (from 116 metres)

#### COE24RC\_009

- 10m @ 0.81g/t Au (from 41 metres)
- 9m @ 1.03g/t Au (from 126 metres)
- 1m @ 3.73g/t Au (from 147 metres)^

#### COERC24\_004

- 6m @ 0.58g/t Au (from 96 metres)

#### COERC24\_001

- 7m @ 0.52g/t Au (from 26 metres)

#### COERC24\_005

- 3m @ 1.04g/t Au (from 90 metres)

<sup>9</sup> Sum of historical WMC production records to December 2001 and sum of Gold Fields Ltd Annual Report filings thereafter.



## FBA NICKEL DISCOVERY PROGRAM

### Baker and Foster Pre-Feasibility Study

Revised mine design and schedules of physical rock/potential ore movements have been provided to an external service provider to quote on unit operating and capital costs for both mines. These quotes are expected to be received in the March 2025 quarter and once received, an update to the discounted cash flow analysis for a combined Baker and Foster underground development and production scenario will be completed. This new information can then be compared with the result of the May 2023 Pre-Feasibility Study outcomes which analysed a 'Baker only' scenario.

There has been no change in relation to the status or accessibility of the BHP Nickel West Kambalda Concentrator which remains on care and maintenance pending a review by that company of its nickel division before February 2027. The Company maintains an open dialogue with select key other interested parties within the broader Kambalda/Widgiemooltha nickel district in order to stay abreast of any relevant initiatives with regard to alternative concentrator options for its high-grade nickel sulphide portfolio.

A Mineral Resource Estimation (**MRE**) exercise for the Foster 40, 50 and 60 surfaces nickel surfaces to incorporate numerous results from past HCP reprocessed and re-assayed DD holes was deferred due to competing gold priority activities.

### Foster Mining Approval

During the period the Company continued with low cost, project permitting activities for its high-grade nickel portfolio at FBA. The Mining Proposal for Foster was approved by the WA Department of Energy, Mines, Industry Regulation and Safety (**DEMIRS**). The application was for a limited purpose Mining Proposal seeking to dewater the Foster mine and rehabilitate the decline, which are the long lead activities to re-access Foster for future mining. The Company intends to submit a full Mining Proposal following completion of the Baker and Foster PFS.

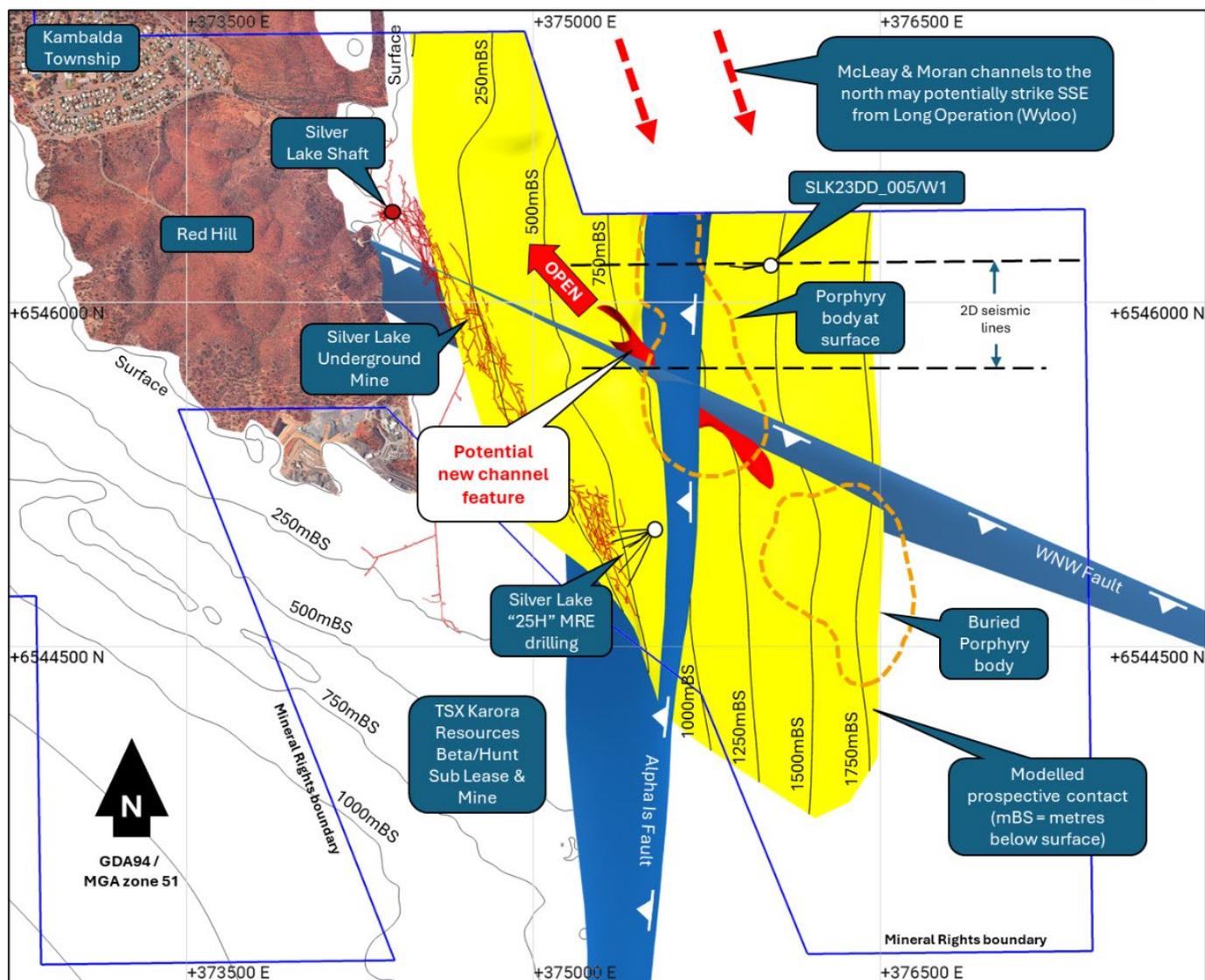
Achievement of this latest milestone results in both Baker and Foster having received regulatory approval to commence development and is a further significant de-risking event. The Company has no current plans to commence the Baker nickel mine development or any dewatering or rehabilitation activities at the Foster nickel mine.

## SILVER LAKE / FISHER (SLF) PROJECT DISCOVERY PROGRAM

### Silver Lake - Long South Gap

Final processing and analysis of the 3D seismic survey data collected in late 2023 was completed by external consultants Southern Geoscience Consultants Pty Ltd (**SGC**) during the June 2024 quarter and reported to the ASX on 11 July 2024 during the Half Year Period. A previously unrecognised and potentially nickeliferous channel feature was identified (see **Figure 8**) which is 1km long and has a width of between 100m and 150m. The channel feature starts at 670m below surface, plunges at 40° towards 135° and was identified based on an inflection in the interpreted basal contact. This position is almost exactly halfway between the McLeay channel (located at Wyloo's Long Operation) and the Silver Lake channels (located on Lunnon Metals tenure). See the announcement dated 11 July 2024 for full details. Although the Company considered this outcome an exciting development in the discovery effort at Long South Gap and remains confident in the potential for a significant discovery in this area, there are no plans to commence surface drilling until nickel market sentiment improves.

Early in the period the Company took advantage of its HCP to reprocess 2 historical diamond holes previously drilled on Lake Lefroy by Gold Fields Ltd within the Long South Gap area to confirm the upper stratigraphy, above the potentially nickeliferous contact, in support of the 3D seismic survey interpretation.



**Figure 8:** Plan view of the Silver Lake-Long South Gap area illustrating geological solid interpretation of the prospective nickel contact, original 2D seismic lines, the 3km long Silver Lake (Lunnon) channel/mine and the location of a newly identified possible new channel interpreted from the 'Cube'.

### Fisher

No work was conducted at Fisher during the Half Year Period.

### CORPORATE AND FINANCIAL

As at 31 December 2024, the Company held \$19.48 million in cash and cash equivalents and term deposits.



## MINERAL RESOURCES AND ORE RESERVES

### Mineral Resources

The detailed breakdown of the Company's nickel Mineral Resources as at 30 June 2024, is as follows:

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

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

### Ore Reserves

The detailed breakdown of the Company's Baker Ore Reserve as at 30 June 2024, is as follows:

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

The Ore Reserve was reported using the Baker December 2022 Mineral Resource. The Ore Reserve was evaluated using a cut-off grade of 1.5% Ni, except for an incremental cut-off grade of 1.0% Ni for low grade development necessary for access to mining zones. The inputs used for the NPV in the Ore Reserve study were a A\$35,294/t nickel price (US\$24,000/t at US\$0.68 : A\$1.00) and 8% discount rate. The Ore Reserve is predicated on processing future nickel ore through the Kambalda Concentrator, or other such third-party facility proximal to the KGNP. The BHP Nickel West Kambalda Concentrator will be on care and maintenance from October 2024, with the temporary suspension to be reviewed by BHP by February 2027.

See the Company's 2024 Annual Report (lodged on 16 September 2024) for the latest restatement of Mineral Resources and Ore Reserves.



## Competent Person's Statement and Compliance

Any information in this report that relates to **nickel and gold geology, nickel Mineral Resources, Exploration Targets, Exploration Results and the Company's Historical Core Program**, which includes the accessing, re-processing, re-logging, cutting and assaying of historical WMC Resources Ltd diamond core and the appropriateness of the use of this data and other historical geoscience hard copy data such as cross sections, underground level mapping plans, longitudinal projections and long sections, including commentary relying on personal experience whilst employed at Kambalda by WMC Resources Ltd and Gold Fields Ltd, is based on, and fairly represents, information and supporting documentation prepared by Mr. Aaron Wehrle, who is a Member of the Australasian Institute of Mining and Metallurgy (**AusIMM**). Mr. Wehrle is a full-time employee of Lunnon Metals Ltd, a shareholder and holder of employee options/performance rights; he has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Wehrle is the Company's principal Competent Person and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Any information in this report that relates to the **MRE geostatistics, methodology and estimation** is based on, and fairly represents, information and supporting documentation prepared by Mr. Stephen Law, who holds current Chartered Professional (Geology) status with the AusIMM. Mr Law is a full-time employee and shareholder of Lunnon Metals Ltd; he has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Law consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Any information in this report that relates to reporting of **prior gold and nickel metallurgical testwork results**, was 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 consented to the inclusion in those reports of the matters based on his information in the form and context in which it appears.

Any information in this announcement that relates to the **mining, metallurgical and environmental modifying factors or assumptions** as they may apply to either the gold or nickel portfolio, was based on, and fairly represents, information and supporting documentation prepared by Mr. Wehrle, Mr. Max Sheppard and Mr. Edmund Ainscough. Messrs. Sheppard and Ainscough are also Competent Persons and Members of the AusIMM. Mr Ainscough is a full-time employee and Mr Sheppard is a permanent, part-time employee, both of Lunnon Metals Ltd. Both Messrs. Ainscough and Sheppard are shareholders of the Company and hold performance rights.

Messrs Wehrle, Sheppard and Ainscough have sufficient experience that is relevant to the style of mineralisation, both gold and nickel, the types of deposit under consideration, the activity that they are undertaking and the relevant factors in the particular location of the prospect areas, the historical Foster mine and the KGNP 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. Messrs. Sheppard, Wehrle and Ainscough consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this report that relates to **nickel Ore Reserves at Baker** is also based on information compiled by Mr. Sheppard. Mr. Sheppard's details are as above and he has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheppard consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



## Disclaimer

References in this report may have been made to certain previous ASX announcements, which in turn may have included Exploration Results, Exploration Targets, Mineral Resources, Ore Reserves and the results of Pre-Feasibility Studies. For full details, please refer to the said announcement on the said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore Reserves 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 Competent Person's findings in relation to the estimates of Mineral Resources and Ore Reserves have not been materially modified from the original announcements reporting those estimates.

This report may contain certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally, but not always, be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions. Indications of, and guidance or outlook on, future expected Exploration Results or technical outcomes, production, earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any forward-looking statements in this report are based on current interpretations, expectations, estimates, assumptions, forecasts and projections about the Company, its projects and assets and the market and industry in which it operates, as well as other factors that the Company's management believes to be relevant and reasonable in the circumstances at the date that such statements are made.



## DIRECTOR'S REPORT

The Directors present their Interim Report on Lunnon Metals Limited (**Lunnon Metals**, the **Company** or the **Group**) for the six months ended 31 December 2024 and the auditor's report thereon.

### Directors

The names of the Directors who held office during the reporting period or since the end of the reporting period and up to the date of this Report are:

Liam Twigger	Non-Executive Chair
Edmund Ainscough	Managing Director
Ashley McDonald	Non-Executive Director
Deborah Lord	Non-Executive Director
Ian Junk	Non-Executive Director ( <i>resigned 1 July 2024</i> )

### Company Secretary

Nicole Jeanneret (*appointed 23 September 2024*)

Hayden Bartrop (*resigned 9 November 2024*)

### Nature of Operations and Principal Activities

The principal activities of the Company were mineral exploration and development.

### Operating and Financial Overview

A review of the Company's exploration projects and activities during the period is discussed in the Operations Review section included in this Interim Report.

#### *Profit or Loss*

The loss for the six months ended 31 December 2024 was \$8.60 million (31 December 2023: loss \$16.34 million), which included an impairment expense of \$4.96 million to exploration and evaluation assets following an impairment assessment and reflecting the current status of nickel sector in Western Australia which has been driven by changes in economic conditions, specifically the price of nickel.

#### *Financial Position*

The net assets of the Company decreased by \$8.15 million during the period. As at 31 December 2024, the Company had:

- Cash and cash equivalents of \$19.36 million (30 June 2024: \$21.90 million) principally decreased as a result of expenditure on exploration activities and corporate costs.
- Exploration and evaluation capitalised of \$19.35 million (30 June 2024: \$24.23 million) principally decreased due to an impairment expense of \$4.96 million recognised.
- Trade and other payables of \$0.82 million (30 June 2024: \$0.32 million) principally increased as a result of significant invoices included in open payables at balance date relating to recent drilling activities.

#### *Cash Flows*

Net cash outflow from operating activities for the six months ended 31 December 2024 was \$2.51 million (31 December 2023: \$7.60 million), the decrease principally attributable to a lower level of exploration and study activities expensed in comparison to the prior period.

Net cash outflow used in investing activities amounted to \$0.09 million (31 December 2023: \$2.37 million), the decrease attributable to a reduction in the amount of exploration activities being capitalised with a higher proportion of the ongoing exploration and studies activities being expensed.

Net cash inflows from financing activities amounted to \$0.06 million (net cash inflow 31 December 2023: \$17.50 million – an equity raise conducted in this comparative period).

## Corporate and Significant Changes in Affairs

The Company announced:

- On 1 July 2024, the Company announced the retirement of Non-Executive Director Mr Ian Junk from the Board;
- On 11 July 2024, the Company provided an update on the Long South Gap exploration program for nickel. Despite the Company remaining confident in the potential for a significant discovery in this area, the Company noted the nickel market sentiment had deteriorated significantly since this program began in 2023 and the Company would pause new surface nickel exploration activities;
- On 12 July 2024, the Company responded to BHP's announcement to temporarily suspend its Nickel West operations from October 2024, including BHP's intention to review this decision by February 2027. The Company noted its interest in purchasing, leasing or otherwise making use of BHP's Kambalda Nickel Concentrator and that the Company has been considering alternative processing options to Nickel West, including the potential to either jointly, or in its own right, build a new, right sized concentrator;
- On 2 August 2024 the Company issued 1,700,000 shares following the exercise of 1,700,000 options (\$0.05 exercise price) and 671,243 shares following the exercise of 671,243 performance rights (nil exercise price);
- On 16 August 2024 the Company issued 251,491 shares following the exercise of 117,955 performance rights (nil exercise price) and issue of 133,536 shares under the Incentive Plan;
- On 20 August 2024 the Company issued 2,644 shares, and 6,550,695 performance rights to employees in relation to the FY2025 STI and FY2025-2027 LTI schemes;
- On 23 September 2024, the Company announced the appointment of Nicole Jeanneret as Joint Company Secretary;
- On 9 November 2024, Hayden Bartrop resigned as Chief Financial Officer (CFO) and Company Secretary;
- On 8 October 2024, 1,176 performance rights lapsed;
- On 23 October 2024, the Company announced successful application for a WA Government EIS grant of up to \$220,000 to test gold potential at its tenure at Foster;
- On 7 November 2024, the Company held its Annual General Meeting. All resolutions were carried via poll;
- On 13 November 2024, 366,894 performance rights lapsed;
- On 13 November 2024, 120,506 shares were issued under the Incentive Plan;
- On 13 November 2024, 2,413,635 performance rights were issued to a Director in relation to the FY2025 STI and FY2025-2027 LTI schemes; and
- On 10 December 2024, 38,921 shares were issued under the Incentive Plan.

## Events Occurring after the Reporting Date

On 9 January 2025, the Company advised the execution of a Mining Agreement with the Ngadju Native Title Aboriginal Corporation RNTBC covering relevant parts of the Company's Kambalda Gold & Nickel Project in Western Australia.

Other than noted above, there were no other matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

## Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.



Edmund Ainscough  
Managing Director

Dated on this day in Perth: 6 March 2025

# AUDITOR'S INDEPENDENCE DECLARATION



T (08) 6165 4090 F (08) 6165 4067  
A 18 Sangiorgio Court Osborne Park WA 6017  
P Locked Bag 4 Osborne Park DC WA 6916  
E info@armada.com.au

*strength in numbers*

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF

### LUNNON METALS LIMITED

As lead auditor for the review of Lunnon Metals Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief there have been:

- i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii) No contraventions of any applicable code of professional conduct in relation to the review.

*Armada Audit  
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

NIGEL DIAS

DIRECTOR

Perth, Dated 6 March 2025

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU

Armada Audit & Assurance Pty Ltd - ABN 52 618 974 119. A member of the Armada Group. Whilst the Armada Group logo is utilised by all members of the Armada Group, each member of the Armada Group is a separate legal entity in its own right and is not in partnership with any other members of the Armada Group. Liability limited by a scheme approved under Professional Standards Legislation.



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 6 months ended 31 December 2024

	Note	6 months ended 31 Dec 2024 \$	6 months ended 31 Dec 2023 \$
<b>Other income</b>			
Other Income		-	1,551
		-	1,551
Share-based payment expense	9(c)	(372,126)	(968,758)
Employee costs		(1,409,804)	(2,122,358)
Exploration and evaluation expensed		(1,588,784)	(4,777,543)
Audit, company secretarial and accounting		(51,573)	(89,035)
Computer, software and database		(84,575)	(96,901)
ASX, ASIC and share registry fees		(56,438)	(104,142)
Legal costs		(88,883)	(27,405)
Insurance		(16,632)	(14,181)
Depreciation and amortisation		(80,262)	(71,669)
Impairment expense	5	(4,955,012)	(8,354,557)
Other expenses		(412,184)	(329,310)
<b>Loss before finance and income tax</b>		(9,116,273)	(16,954,308)
Finance income		516,623	616,800
Finance expense		(3,656)	(5,833)
<b>Loss before income tax</b>		(8,603,306)	(16,343,341)
Income tax expense		-	-
<b>Loss for the period</b>		(8,603,306)	(16,343,341)
Other comprehensive profit/(loss) net of tax		-	-
<b>Total comprehensive loss for the period</b>		(8,603,306)	(16,343,341)
Basic and diluted loss per share (cents per share)		(3.92)	(7.81)

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	3	19,364,145	21,901,989
Restricted cash		110,954	110,954
Receivables and other assets	4	360,661	423,787
Prepayments		40,246	130,724
		<u>19,876,006</u>	<u>22,567,454</u>
<b>Non-current assets</b>			
Exploration and evaluation asset	5	19,350,312	24,229,061
Property, plant and equipment	6	220,809	274,602
Right-of-use of asset		54,414	77,735
		<u>19,625,535</u>	<u>24,581,398</u>
<b>Total assets</b>		<u>39,501,541</u>	<u>47,148,852</u>
<b>Current liabilities</b>			
Trade and other payables	7	819,449	322,560
Provisions		381,881	356,715
Lease liability		53,731	53,731
		<u>1,255,061</u>	<u>733,006</u>
<b>Non-current liabilities</b>			
Provisions		28,824	28,774
Lease liability		5,206	28,442
		<u>34,030</u>	<u>57,216</u>
<b>Total liabilities</b>		<u>1,289,091</u>	<u>790,222</u>
<b>Net assets</b>		<u>38,212,450</u>	<u>46,358,630</u>
<b>Equity</b>			
Issued capital	8	101,130,713	100,072,613
Share-based payments reserve	9(a)	2,666,518	3,267,492
Accumulated losses		(65,584,781)	(56,981,475)
<b>Total equity</b>		<u>38,212,450</u>	<u>46,358,630</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Note	Contributed equity	Share-based payment reserve	Accumulated losses	Total
		\$	\$	\$	\$
<b>Balance at 30 June 2023</b>		82,528,358	2,206,546	(32,875,030)	51,859,874
Loss for the period		-	-	(16,343,341)	(16,343,341)
Total comprehensive loss for the period		-	-	(16,343,341)	(16,343,341)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares (net of transaction costs)		17,520,537	-	-	17,520,537
Share-based payments		-	968,758	-	968,758
<b>Balance at 31 December 2023</b>		100,048,895	3,175,304	(49,218,371)	54,005,828
<b>Balance at 30 June 2024</b>		100,072,613	3,267,492	(56,981,475)	46,358,630
Loss for the period		-	-	(8,603,306)	(8,603,306)
Total comprehensive loss for the period		-	-	(8,603,306)	(8,603,306)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares – transfer from reserve		928,209	(928,209)	-	-
Issue of shares - exercise of options		85,000	-	-	85,000
Share-based payments	9(c)	44,891	327,235	-	372,126
<b>Balance at 31 December 2024</b>		101,130,713	2,666,518	(65,584,781)	38,212,450

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Note	6 months ended 31 Dec 2024	6 months ended 31 Dec 2023
		\$	\$
<b>Cash flow from operating activities</b>			
Payments to suppliers and employees		(1,841,235)	(2,289,191)
Payments for exploration and evaluation expensed		(1,431,519)	(6,347,444)
GST received from ATO		237,705	636,066
Interest received		527,300	402,070
Interest paid		(3,656)	(5,832)
Net cash used in operating activities		(2,511,405)	(7,604,331)
<b>Cash flow from investing activities</b>			
Payments for exploration and evaluation capitalised		(85,055)	(2,418,315)
Purchase of plant and equipment		(3,148)	(4,941)
Transfers from restricted cash		-	50,136
Net cash used in investing activities		(88,203)	(2,373,120)
<b>Cash flow from financing activities</b>			
Lease payments		(23,236)	(21,034)
Proceeds from issue of shares		-	18,479,990
Proceeds from exercise of options		85,000	-
Share issue transaction costs		-	(959,453)
Net cash provided / (used in) financing activities		61,764	17,499,503
Net increase / (decrease) in cash held		(2,537,844)	7,522,052
Cash at beginning of period		21,901,989	19,540,382
<b>Cash at end of period</b>	3	<b>19,364,145</b>	<b>27,062,434</b>

*The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*



# CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

## Note 1: Corporate information

The Interim Financial Report of Lunnon Metals Limited (**Lunnon Metals** or the **Company**) and the Financial Statements comprising the Company and its controlled entities (together the **Group**) was authorised for issue in accordance with a resolution of the directors on 6 March 2025.

Lunnon Metals is a company incorporated and domiciled in Australia, limited by shares, and is a for profit entity whose shares are publicly traded on the ASX. The Company's registered office and principal place of business is:

Suite 10, Level 3  
33 Richardson Street  
West Perth WA 6005

The Company is principally engaged in mineral exploration and development in Western Australia.

## Note 2: Basis of preparation

These Condensed Financial Statements for the six months ended 31 December 2024 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard (AASB) 134: *Interim Financial Reporting*. As such they do not include the full disclosures of the type normally included in an annual financial report and, therefore, it is recommended these Condensed Financial Statements be read in conjunction with the financial statements of the Company for the year ended 30 June 2024.

### (a) Historical cost convention

These Condensed Financial Statements have been prepared under the historical cost convention, and on an accruals basis (except for certain financial assets and liabilities for which the fair value basis of accounting has been applied).

### (b) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates - the functional currency. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

### (c) Critical accounting estimates

The preparation of financial statements requires the use of certain estimates, judgements and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates and application of different assumptions and estimates may have a significant impact on the Group's net assets and financial results.

### (d) The significant judgements made by the Company in applying the Group's accounting policies and the key sources of estimation were the same as those described in the Company's previous Annual Financial Statements for the year ended 30 June 2024.



(e) Accounting Policies

The Consolidated Financial Statements have been prepared in accordance with the same accounting policies adopted in the Company's previous Annual Financial Statements for the year ended 30 June 2024.

(f) Reclassification of comparative information

Some of the comparative information has been reclassified to align with the current period presentation. The reclassification has no impact on the Group's financial position as at 31 December 2024, or its performance for the financial period ended on that date.

(g) New accounting standards and interpretations not yet adopted

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the period ended 31 December 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(h) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM, which has been identified as the Board of Directors, is responsible for the allocation of resources to operating segments and assessing their performance.

Management has determined that the Company has one reporting segment being mineral exploration and development in Western Australia.

Condensed notes to the consolidated financial statements

continue on the following page



### Note 3: Cash and cash equivalents

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
Cash at bank	764,145	551,749
Short term deposits (classified as cash or cash equivalents)	18,600,000	21,350,240
Cash and cash equivalents	<u>19,364,145</u>	<u>21,901,989</u>

### Note 4: Receivables and other assets

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
GST receivable	70,251	106,194
Accrued interest	290,410	317,593
	<u>360,661</u>	<u>423,787</u>

### Note 5: Exploration and evaluation asset

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
Opening balance	24,229,061	33,587,059
Exploration asset acquired	-	-
Exploration expenditure capitalised	76,263	3,193,249
Impairment expense <sup>1</sup>	<u>(4,955,012)</u>	<u>(12,551,247)</u>
Closing balance	<u>19,350,312</u>	<u>24,229,061</u>

Note 1: During the half-year ended 31 December 2024, the Company conducted an impairment assessment of its exploration assets as required by AASB 6. This resulted in an impairment expense recognised in respect of Foster tenements (M15/1568 and M15/1570 being the mining licences covering the Warren deposit) for \$4,901,496, and a further \$53,516 impairment expense recognised in respect of a minor early-stage gold exploration tenement. The impairment expense was based on an assessment that at the balance date<sup>10</sup>, although a development in the Warren area is likely to proceed at some future point, the carrying amount of the exploration asset is unlikely to be recovered in full at the commodity price assessed<sup>10</sup>.

During the year ended 30 June 2024, following the material decline in the nickel price the Company made a strategic decision to reduce overall exploration expenditure in favour of more targeted exploration activities. The Company recorded an impairment expense of \$12,551,247 for any tenement in the relevant areas of interest where it is unlikely future exploration work would continue on the project within the next 18 months.

<sup>10</sup> Nickel price in A\$ was A\$24,256/t nickel metal being the London Metal Exchange closing cash bid price on 31 December 2024 at an exchange rate of A\$:US\$ 0.6217.



### Note 6: Property, plant and equipment

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
Plant and equipment at cost	568,995	565,846
Less accumulated depreciation	(348,186)	(291,244)
	<u>220,809</u>	<u>274,602</u>
<b>Reconciliation:</b>		
Opening balance	274,602	371,379
Additions	3,148	7,600
Depreciation	(56,941)	(104,377)
Closing balance	<u>220,809</u>	<u>274,602</u>

### Note 7: Trade and other payables

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
Trade payables	676,331	124,682
Accruals	23,600	36,250
Employee costs payable	119,518	148,412
Other payables	-	13,216
	<u>819,449</u>	<u>322,560</u>

### Note 8: Contributed equity

#### (a) Share capital

	<b>31 December 2024</b>		<b>30 June 2024</b>	
	No.	\$	No.	\$
Fully paid ordinary shares	220,628,174	101,130,713	217,843,369	100,072,613

#### (b) Movement in ordinary shares

	<b>Date</b>	<b>No.</b>	<b>\$</b>
<b>Opening balance at 30 June 2024</b>		217,843,369	100,072,613
Exercise of options, \$0.05 exercise price	2-Aug-2024	1,700,000	85,000
Exercise of performance rights, \$nil exercise price	2-Aug-2024	671,243	687,370
Exercise of performance rights, \$nil exercise price	16-Aug-2024	117,955	112,258
Issue of shares under Incentive Plan	16-Aug-2024	133,536	128,195
Issue of shares under Incentive Plan	20-Aug-2024	2,644	386
Issue of shares under Incentive Plan	13-Nov-2024	120,506	35,550
Issue of shares under Incentive Plan	10-Dec-2024	38,921	9,341
Share issue transaction costs		-	-
<b>Closing balance at 31 December 2024</b>		<u>220,628,174</u>	<u>101,130,713</u>

**(c) Fully Paid Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Note 9: Share-based payments reserve**

**(a) Options and performance rights reserve**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Opening balance	3,267,492	2,206,546
Net movements in Options	(83,652)	112,511
Net movements in Performance Rights	410,887	948,435
Transfer to share capital	(928,209)	-
Closing balance	<u>2,666,518</u>	<u>3,267,492</u>

**(b) Movements in options and performance rights**

	<b>Options</b>	<b>Performance Rights</b>
	<b>No.</b>	<b>No.</b>
<b>Opening balance at 30 June 2024</b>	4,350,000	3,845,352
Granted (refer note 9(d))	-	8,964,330
Exercised	(1,700,000)	(789,198)
Forfeited	(325,000)	(1,577,844)
<b>Closing balance at 31 December 2024</b>	<u>2,325,000</u>	<u>10,442,640</u>

**(c) Share-based payments expense recognised**

In the Condensed Statement of Profit or Loss and Other Comprehensive Income	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Options	(83,652)	63,952
Performance rights	410,887	904,806
Shares (refer note 6(b))	44,891	-
	<u>372,126</u>	<u>968,758</u>



**(d) Performance rights granted**

The following table summarises the performance rights granted during the period:

Number of Performance Rights Granted	Performance Rights Plan	Tranche	Fair value at grant date	Grant date	Performance period end date
951,080	STI – Non-market Based	5	\$0.1450	19-Aug-2024	30-Jun-2025
1,158,801	STI – Relative Total Shareholder Return	3	\$0.0970	19-Aug-2024	30-Jun-2025
207,724	STI – Absolute Total Shareholder Return	4	\$0.0580	19-Aug-2024	30-Jun-2025
278,496	STI – Relative Total Shareholder Return	1	\$0.2640	7-Nov-2024	30-Jun-2025
278,495	STI – Absolute Total Shareholder Return	2	\$0.2240	7-Nov-2024	30-Jun-2025
1,269,926	LTI – Non-market Based	11	\$0.1450	19-Aug-2024	30-Jun-2027
1,481,582	LTI – Relative Total Shareholder Return	9	\$0.1230	19-Aug-2024	30-Jun-2027
1,481,582	LTI – Absolute Total Shareholder Return	10	\$0.0870	19-Aug-2024	30-Jun-2027
556,990	LTI – Non-market Based	8	\$0.2950	7-Nov-2024	30-Jun-2027
649,827	LTI – Relative Total Shareholder Return	6	\$0.2750	7-Nov-2024	30-Jun-2027
649,827	LTI – Absolute Total Shareholder Return	7	\$0.2750	7-Nov-2024	30-Jun-2027
<b>8,964,330</b>					

The fair value of Performance Rights allocated as part of the STIs and LTIs are valued using a Monte Carlo simulation for rights with market based vesting conditions and Black-Scholes pricing model for rights with non-market based vesting conditions.

The following tables list the inputs to the models used for Performance Rights granted as STIs and LTIs during the period:

Grant date 19 August 2024	STI	STI	STI	LTI	LTI	LTI
	Tranche 3	Tranche 4	Tranche 5	Tranche 9	Tranche 10	Tranche 11
Grant date	19-Aug-2024	19-Aug-2024	19-Aug-2024	19-Aug-2024	19-Aug-2024	19-Aug-2024
Expiry date	30-Jun-2029	30-Jun-2029	30-Jun-2029	31-Dec-2029	31-Dec-2029	31-Dec-2029
Underlying share price at measurement date	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145	\$0.145
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Vesting period (years)	1.0	1.0	1.0	3.0	3.0	3.0
Remaining vesting period (years) from grant date	0.9	0.9	0.9	2.9	2.9	2.9
Life remaining (years) from grant date	4.9	4.9	4.9	5.4	5.4	5.4
Volatility	80%	80%	80%	80%	80%	80%
Risk-free rate	3.6%	3.6%	3.6%	3.5%	3.5%	3.5%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Valuation per Performance Right	\$0.097	\$0.058	\$0.145	\$0.123	\$0.087	\$0.145



Grant date 19 August 2024	STI	STI	LTI	LTI	LTI
	Tranche 1	Tranche 2	Tranche 6	Tranche 7	Tranche 8
Grant date	7-Nov-2024	7-Nov-2024	7-Nov-2024	7-Nov-2024	7-Nov-2024
Expiry date	30-Jun-2029	30-Jun-2029	31-Dec-2029	31-Dec-2029	31-Dec-2029
Underlying share price at measurement date	\$0.295	\$0.295	\$0.295	\$0.295	\$0.295
Exercise price	Nil	Nil	Nil	Nil	Nil
Vesting period (years)	1.0	1.0	3.0	3.0	3.0
Remaining vesting period (years) from grant date	0.6	0.6	2.6	2.6	2.6
Life remaining (years) from grant date	4.6	4.6	5.1	5.1	5.1
Volatility	80%	80%	80%	80%	80%
Risk-free rate	4.1%	4.1%	4.1%	4.1%	4.1%
Dividend yield	Nil	Nil	Nil	Nil	Nil
Valuation per Performance Right	\$0.264	\$0.224	\$0.275	\$0.229	\$0.295

## Note 10: Contingencies

### Contingent liabilities

#### Guarantees

The Company has provided bank guarantees in favour of various service providers in respect to corporate credit facility and leased premises at 31 December 2024 totalling \$110,954 (30 June 2024: \$110,954).

There were no other material contingent liabilities noted or provided for in the financial statements of the Company as at 31 December 2024.

## Note 11: Commitments

### (a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. These obligations are not provided for in the financial statements and are payable:

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
Within one year	775,756	680,728

## Note 12: Related party transactions

At the Company's Annual General Meeting (AGM) on 7 November 2024, shareholders approved the issue of 120,506 bonus shares together with the issue of 556,991 Short Term Performance Rights and 1,856,644 Long Term Performance Rights to the Company's Managing Director, Mr Edmund Ainscough (or his nominated entity) under the Company's Employee Awards Plan. The terms and conditions of these issuances were communicated to shareholders and set out in the Explanatory Statement to the Notice of Meeting for the AGM lodged on 30 September 2024.

Other than noted above, there were no other new related party transactions in the period to 31 December 2024.



### **Note 13: Events subsequent to reporting date**

On 9 January 2025, the Company advised the execution of a Mining Agreement with the Ngadju Native Title Aboriginal Corporation RNTBC covering relevant parts of the Company's Kambalda Gold & Nickel Project in Western Australia.

Other than noted above, there were no other matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

## DIRECTOR'S DECLARATION

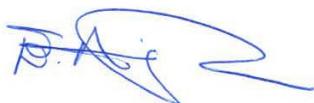
**For the six months ended 31 December 2024**

In the opinion of the Directors of Lunnon Metals Limited:

- (a) the Consolidated Financial Statements and Condensed Notes of the Group that are set out on pages 19 to 30, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2024 and of its performance, for the six month financial period ended on that date; and
  - (ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, on behalf of the Board.

Signed at Perth this 6th day of March 2025.



Edmund Ainscough  
Managing Director

# INDEPENDENT AUDITOR'S REPORT



T (08) 6165 4090 F (08) 6165 4067  
A 18 Sangiorgio Court Osborne Park WA 6017  
P Locked Bag 4 Osborne Park DC WA 6916  
E info@armada.com.au

*strength in numbers*

## Independent Auditor's Review Report to the Members of Lunnon Metals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Lunnon Metals Limited ("the Company"), which comprises the condensed statement of financial position as at 31 December 2024, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Lunnon Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*;

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Half-Year Financial Report* section of our report. We are independent of the Company in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU

Armada Audit & Assurance Pty Ltd - ABN 52 618 974 119. A member of the Armada Group. Whilst the Armada Group logo is utilised by all members of the Armada Group, each member of the Armada Group is a separate legal entity in its own right and is not in partnership with any other members of the Armada Group. Liability limited by a scheme approved under Professional Standards Legislation.

# INDEPENDENT AUDITOR'S REPORT CONTINUED



T (08) 6165 4090 F (08) 6165 4067  
A 18 Sangiorgio Court Osborne Park WA 6017  
P Locked Bag 4 Osborne Park DC WA 6916  
E info@armada.com.au

*strength in numbers*

## Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Armada Audit  
& Assurance*

**ARMADA AUDIT & ASSURANCE PTY LTD**

**NIGEL DIAS**

**DIRECTOR**

**Perth, Dated 6 March 2025**

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU

Armada Audit & Assurance Pty Ltd - ABN 52 618 974 119. A member of the Armada Group. Whilst the Armada Group logo is utilised by all members of the Armada Group, each member of the Armada Group is a separate legal entity in its own right and is not in partnership with any other members of the Armada Group. Liability limited by a scheme approved under Professional Standards Legislation.





**LUNNON  
METALS**

[LUNNONMETALS.COM.AU](http://LUNNONMETALS.COM.AU)