



LUNNON METALS LIMITED
ACN 600 008 848

PROSPECTUS

For an initial public offer of 50 million new Shares at an issue price of \$0.30 per Share to raise \$15.0 million (before costs) (**Offer**).

Sole Lead Manager and Underwriter

EUROZ HARTLEYS

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If, after reading this Prospectus, you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your stockbroker, accountant, solicitor or other professional adviser. The Shares offered by this Prospectus should be considered highly speculative.

Legal Advisor

STEINPREIS PAGANIN
Lawyers & Consultants 

IMPORTANT NOTICE

This Prospectus is dated 22 April 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be

lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and
- (d) it will not offer or sell the Shares in the US or in any other jurisdiction outside Australia [or New Zealand] except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.lunnonmetals.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an

Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company's share registry by phone on 1300 288 664 during office hours.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section A of the Investment Overview as well as Section 7 for details relating to some of the key

risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Competent Persons statement

Refer to the Independent Technical Assessment Report in Schedule 3 for Competent Person Statements in relation to the Exploration Results, Mineral Resources and Ore Reserves estimates referred to in this Prospectus.

In addition, certain information that relates to the reporting of nickel and gold Exploration Results, Exploration Targets and Mineral Resources is based on information compiled and reviewed 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 and has sufficient experience that is relevant to the style of mineralisation and type of deposits 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 the presentation of the matters based on his information in the form and context in which it appears.

This Prospectus contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this Prospectus, and these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/7.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information

readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal

information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this

Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 6245 2050.

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KEY OFFER INFORMATION

Important Dates

Event	Date
Lodgement of Prospectus with the ASIC	22 April 2021
Opening Date of the Offer	30 April 2021
Closing Date of the Offer	5:00 pm (WST) on 4 May 2021
Issue of Shares (Completion of Offer)	18 May 2021
Expected date for dispatch of Holding Statements	Mid-late May
Expected date for Admission to Official List and quotation of Shares on the ASX	Early June

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

Key Offer Statistics

Item	Minimum Subscription \$15 million
Issue price per Share under the Offer ⁽¹⁾	\$0.30
Existing Shares on issue as at the date of the Prospectus	46,536,003
Shares to be issued under the St Ives Offer ⁽²⁾	44,711,062
Shares to be issued under the Offer	50,000,000
Total number of Shares on issue at ASX Listing ⁽³⁾	141,247,065
Existing Options on issue ⁽⁴⁾	3,875,000
Options to be issued under the Lead Manager Options Offer ⁽⁵⁾	1,426,738
Total Options on issue at ASX Listing	5,301,738
Indicative undiluted market capitalisation at ASX Listing ⁽⁶⁾	\$42,374,120
Indicative fully diluted market capitalisation at ASX Listing ⁽⁷⁾	\$43,964,641
Ownership by existing Shareholders following the Offers at ASX Listing ⁽⁸⁾	32.95%
Ownership by Offer investors following the Offers at ASX Listing ⁽⁶⁾	35.40%
Ownership by St Ives following the Offers at ASX Listing ⁽⁹⁾	31.65%

Notes:

- (1) Shares may not trade at this price upon ASX Listing.
- (2) Refer to Section 8.1 and Schedule 2 of the Solicitor's Report on Tenements for a summary of the SPA, pursuant to which the St Ives Offer is made.
- (3) The total number of Shares on issue on completion of the Offer includes Shares anticipated to be subject to escrow as described in Section 5.8. Assumes no existing Options are exercised before ASX Listing.
- (4) Options issued to the Directors and senior employees, exercisable at \$0.05 each, expiring 22 March 2026. The relevant Options were granted under the Incentive Option Plan and are subject to vesting conditions and a three-year disposal restriction (subject to limited exceptions). Refer also to Section 9.3 for details.
- (5) Options to be issued to the Lead Manager, each exercisable at \$0.45, expiring 24 months from the date of issue) Refer to Section 8.2 for a summary of the Underwriting Agreement, pursuant to which the Lead Manager Options Offer is made.
- (6) Based on the Offer issue price and the total number of Shares on issue following completion of the Offer. Assumes no existing Options are exercised.

- (7) Based on the Offer issue price and the total number of Shares on issue following completion of the Offer. Assumes all existing Options vest and are exercised.
- (8) Assumes no other Shares are issued and excludes any shares acquired by existing Shareholders after subscribing under the Offer. Assumes no existing Options are exercised.
- (9) Based on the Offer issue price and the total number of Shares on issue following completion of the Offer. Assumes St Ives does not subscribe for shares under the offer and no existing Options are exercised.

LETTER FROM THE CHAIR

Dear Investor,

On behalf of the Board of Directors, I am pleased to offer you the opportunity to become a shareholder in Lunnon Metals Limited (“Lunnon Metals” or the “Company”). Lunnon Metals is looking to explore an important strategic tenement position in the heart of the renowned Kambalda nickel district.

The Company, based in Perth Australia, is a nickel and gold exploration company incorporated in mid-2014 for the express purpose of undertaking a farm-in and joint venture on the Foster-Jan Project with global gold company, Gold Fields Limited, via its wholly owned subsidiary, St Ives Gold Mining Company Pty Ltd. The Kambalda Nickel Project (or the “Project”) comprises:

- the rights to nickel and gold¹ over approximately 23 km² comprising 19 contiguous mining tenements surrounded by an extensive package of leases consolidated by WMC Resources Ltd for nickel exploration near Kambalda in the late 1960s, and sold to Gold Fields Limited in December 2001;
- a total Mineral Resource of 39,000 tonnes of nickel metal²;
- key stratigraphic members of the Kalgoorlie Terrane, considered highly prospective for the discovery of further nickel and gold mineralisation; and
- a suite of existing infrastructure including the Foster and Jan Mines, with Foster hosting portal access (backfilled) to a 9 km decline and a 730 m deep shaft, located 1.5 km to the south. An unequipped headframe is located over the shaft. Both Foster and Jan mines are closed and flooded to near surface. Both mines have graded dirt road access.

Lunnon Metals’ investment highlights include:

- A high grade nickel sulphide opportunity in a Tier 1 location.
- The re-birth of dormant nickel potential.
- Support of Gold Fields Ltd who will be a substantial shareholder.
- Consolidating rights to 2 historical mines, shut for greater than 25 years, that produced >90kt Nickel.
- Significant pre-listing expenditure coupled with deep knowledge of the district has identified the potential for considerable discovery and development upside.
- Strong board and management team with extensive, directly relevant, corporate and local technical experience with commercial, legal and development / mining backgrounds.

The Company has been exploring the Project since late 2014 under the farm-in and joint venture and has spent \$6.0 million on direct exploration expenditure, mostly on a significant program of re-sampling the extensive historical diamond drill core and pulp reject library available at Kambalda, dating back to WMC’s activities in the early 1970s. The objective of this program was to demonstrate the suitability of this data to underpin the estimation of JORC compliant Mineral Resources, a goal successfully achieved with initial JORC 2012 Compliant Resources of 39,000 tonnes of nickel reported herein. Further, review and analysis of the compiled database has facilitated a major re-interpretation of the litho-structural setting of both nickel and gold mineralisation, opening up opportunities to now test previously unrecognised potential nickel and gold mineralised positions.

Under this Prospectus, the Company is seeking to raise \$15.0 million via the issue of 50 million Shares at an issue price of \$0.30 per Share. Euroz Hartleys is the Lead Manager and Underwriter to the Offer. The funds raised in this Offer are primarily for use at the Project to commence aggressive surface exploration activities

¹ select rights to gold are retained by Gold Fields Ltd, termed the “Excluded Areas and the Retained Rights”. Refer to the Solicitor’s Report on Tenements in Schedule 2 for further details on the Excluded Areas and the Retained Rights.

² Refer to Section 3.2 for detailed information on this figure.

to test the portfolio of high quality nickel and gold targets, undertake further resource estimation work to add to the existing JORC Mineral Resources and to complete activities related to the re-establishment of the site infrastructure, including to cost and initiate a program to dewater the Foster Mine workings down to an initial depth of 250 m below surface.

The Company has assembled a well-qualified and balanced board and senior management team with proven corporate, technical, financial and important local district expertise ideally suited to maximising the value of the Company's Projects. This Prospectus contains detailed information about the Offer, the Company and the risks of participating in a speculative investment of this nature. The Company faces the usual risks associated with exploration, and I ask that prospective investors please take the time to review this Prospectus for a full appreciation of the quality of the Company's Projects and details of the team that will develop and implement the Company's strategy.

The immediate Kambalda district (not including the Widgiemooltha nickel deposits) has produced over 44 Mt of ore at 3.15% Ni for just under 1.4 Mt of nickel metal since production commenced in 1966. Initial production was from the Lunnon Shoot at the Silver Lake Shaft at Kambalda, which was named after diamond driller Jack Lunnon, who drilled the discovery hole, KD1 (see Figure 0-1 below).



Figure 0-1 Jack Lunnon (far right) overlooking Lake Lefroy from north side of Red Hill: with local and WMC dignitaries at site of KD1, discovery hole for nickel at Kambalda (not on Company's Project tenements) (source: ABC Goldfields-Esperance: story dated 1st Feb 2016 story: image assumed early late 1960s/early 1970s)

His surname was adopted by WMC geologists to classify the basalt rock present in the footwall of nearly all subsequent Kambalda nickel discoveries and more recently the Company has applied the name to a sulphide rich sediment that plays host to significant high-grade gold occurrences at the nearby Beta-Hunt Mine at Kambalda (owned by TSX listed Karora Resources). Both these lithological units will play an important part in this new Company's journey and it is fitting that we have also adopted the name.

We look forward to welcoming new shareholders on this journey as we seek to become a key player in the resurgence of Kambalda and the Western Australian nickel sector.

Yours faithfully

Liam Twigger
Non-Executive Chair
Lunnon Metals Limited

1. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered under this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company and Business Overview		
Who is the issuer of this Prospectus?	Lunnon Metals Limited (ACN 600 008 848) (proposed ASX Code: LM8).	
Who is the Company?	<p>Lunnon Metals was incorporated in Western Australia on 9 June 2014 as a proprietary company limited by shares and converted to a public company limited by shares and changed its name from ACH Nickel Pty Ltd to Lunnon Metals Ltd on 19 February 2021.</p> <p>The Company is an exploration company which will own a prospective Western Australian project with a focus on nickel and gold mineralisation. The Company's primary aim is to become the owner of sufficient nickel Mineral Resources, via discovery and development, to be a key player in the resurgence of the nickel sector in the medium term.</p>	Section 2.1
What is the nature of the Company's Projects?	<p>At listing, the Company will own the Kambalda Nickel Project located 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District of the Eastern Goldfields in Western Australia</p> <p>The Company originally acquired an interest in the Kambalda Nickel Project from St Ives Gold Mining Company Pty Ltd ("St Ives"), a wholly owned subsidiary of major global gold producer, Gold Fields Ltd, in November 2014, by way of an Option and Joint Venture Agreement ("JVA") to earn-in to an initial 51% ownership of the assets.</p> <p>The Project area comprises 19 tenements, which were originally subject to the JVA and will be 100% owned by the Company other than select rights to gold retained by St Ives, termed the "Excluded Areas and the Retained Rights". Refer to the Solicitor's Report on Tenements in Schedule 2 for further details on the Excluded Areas and the Retained Rights.</p>	Section 2 and Schedules 2 and 3
Do the Projects have JORC Code Mineral Resources and Ore Reserves?	<p>The Project has a current JORC Mineral Resource of:</p> <ul style="list-style-type: none"> Mineral Resources of 1.2 Mt @ 3.2% Ni (Indicated 0.75Mt @ 3.6% Ni and Inferred 0.49Mt @ 2.4% Ni) for a total of 39,000 tonnes of nickel metal as summarised in the ITAR in Schedule 3. 	Section 3.2 and Schedule 3
What are the Company's objectives?	<p>The Company's objectives are:</p> <ul style="list-style-type: none"> to settle the acquisition under the SPA and complete the Offer; to utilise funds raised under the Offer to: <ul style="list-style-type: none"> execute an aggressive surface exploration program to test a portfolio of high-quality targets for nickel and gold mineralisation; review, re-sampling and re-estimation of the historical estimates of nickel mineralisation identified and reported by the previous operator/owner; re-establish site infrastructure and prepare and cost a program to initiate dewatering activities to access the top 250 vertical metres of the Foster Nickel Mine for future exploration purposes; 	Section 2.2

Item	Summary	Further information
	<ul style="list-style-type: none"> • assess the opportunity for underexplored gold mineralisation related to potential associated with newly recognised, prospective host rocks interpreted to be hosted in the footwall of the Foster and Jan nickel mine workings; • review other business development activities within the broader Kambalda region aligned with growing the portfolio of nickel metal under ownership. 	
What is the purpose of the Prospectus?	<p>The purpose of this Prospectus is to:</p> <ul style="list-style-type: none"> • raise sufficient funds to meet the Company's stated objectives; • satisfy the requirements for the admission of the Company to the Official List of ASX which will enable efficient trading of the Company's Shares, as well as to increase access to additional future funding after the Offer; and • provide the broader business with the benefits of increased profile, transparency and credibility that arises from being a listed entity. 	Section 5.2.2
What are the key risks of an investment in the Company?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>These risks include a variety of Company, industry specific and general risks, including (without limitation) the following:</p> <ul style="list-style-type: none"> • Discovery: Exploration activities are inherently high risk with no guarantee of any success; consequently any decision to invest in the Company's share is highly speculative in nature. • Resource Exploration, Development and Mining: The business of exploration, project development and, if the Company successfully commences production at the Project, mining contains elements of significant risk, including in relation to technical, financial, legal and social matters. • Project Funding: Any decision to mine at the Project in the future will be subject, amongst other factors, to the Company discovering sufficient nickel metal resources, completing any further proposed resource drilling, pre-feasibility and feasibility studies into the economics case to support any pre-development activities, and thereafter obtaining sufficient project funding. There can be no assurance that sufficient funding will be available when needed or, if available, may not be favourable to the Company. Any future equity financing may be substantially dilutive to Shareholders and may be undertaken at prices lower than the Share issue price under the Offer. • Additional Funding: The Company will generate losses for the foreseeable future. While the funds to be raised under the Offer are considered sufficient to meet the stated objectives of the Company, the Company will require additional funding for its activities after the initial two years following IPO. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company. • Re-commencement of historical mines: Any program to dewater, dig out the entrance to and then re-enter the 	Section 7

Item	Summary	Further information
	<p>historical mines at the Project may be potentially subject to inherent uncertainty regarding the volume, quality and extent of the flooded workings, the rate of draw down and thus the overall costs to complete that work and, once dewatering is complete, the nature of the rock mass encountered and the requirement to support it and make it safe to current regulatory requirements. Whilst there is significant data available to assist scope, prepare and cost such re-entry programs, these uncertainties may cause significant divergence from budgeted time and cost forecasts communicated by the Company, if any such programs are commenced in the future.</p> <ul style="list-style-type: none"> • Key Personnel: The Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its Projects. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their relationship with the Company. • Liquidity: There can be no guarantee that there will be an active market for Shares or that the price of Shares will increase. If the Subscription amount is raised, the free float of Shares available for trading is expected to be approximately 35% of issued Shares at ASX Listing. • Royalties: Mining activities by the Company on the Tenements are subject to State royalties. These royalties will affect the profitability and may affect the commercial viability of the Company's possible future mining operations that are subject to these royalties. Private contractual royalties may be payable in certain circumstances e.g. Nickel West and Gold Fields Ltd may have a royalty right in certain circumstances. • Commodity Price: Changes in the market price of a range of commodities but in particular nickel and gold, which in the past have both been subject to material fluctuations, will affect the profitability of the Company's operations and its financial condition in the future, if the Company is able to develop the Project and commence production. • Exchange Rate: The international price of nickel and precious metals are typically denominated in United States dollars, whereas the income and expenditure of the Company with respect to the Project will be denominated in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined by international markets. • COVID-19: The current COVID-19 (Novel Coronavirus) pandemic has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. While to date COVID-19 has not had any material impact on the Company, it could have an adverse impact on the Company's operations, financial position and prospects in the future in addition to impacting on the ability of Company personnel to travel to the Project and execute the planned activities. • Mineral Resources: There is a degree of uncertainty related to the estimation of Mineral Resources. These may be subject to change, which may result in alterations to any potential future development and mining plans which may, in turn, adversely affect the Company's operations, financial 	

Item	Summary	Further information														
	<p>position and prospects. Even if additional exploration and resource drilling extend the Company's current Mineral Resource estimates, there is no guarantee that the Company will be capable of commencing or thereafter sustaining commercial development.</p> <ul style="list-style-type: none">• Ore Processing: The Company currently has a contractual relationship with BHP Nickel West in respect to the processing of any potential future nickel mineralisation mined at the Project under the terms agreed at the time of the sale of the St Ives gold assets by WMC to Gold Fields Ltd. The obligation is to offer to sell ore for treatment in certain circumstances (or pay a royalty). . The cost to permit and construct a processing facility of its own may be significant and the quantities of Mineral Resources under ownership may not be sufficient to warrant the deployment of such capital. In relation to any gold mineralisation that may be discovered and mined in the future, the Company has a contractual obligation to offer such ore to St Ives' Lefroy Processing Facility adjacent to the Project at Kambalda.• Environmental Approvals: The Company's activities are subject to environmental laws at both State and Federal level. Accidents or unforeseen circumstances could subject the Company to extensive liability and could delay future production or increase production costs. In addition, environmental approvals will be required from relevant government and regulatory authorities before certain activities may be undertaken which are likely to impact the environment, including for land clearing and ground disturbing activities. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited. Additional risk factors which will affect the Company are (non-exhaustively) disclosed at Section 7 of this Prospectus.</p>															
B. Directors, Senior Management and Substantial Holders																
Who are the Directors and Senior Management?	<table><tr><th>Person</th><th>Title/Role</th></tr><tr><td>Liam Twigger</td><td>Non-Executive Chair</td></tr><tr><td>Edmund Ainscough</td><td>Managing Director</td></tr><tr><td>Ian Junk</td><td>Non-Executive Director</td></tr><tr><td>Ashley McDonald</td><td>Non-Executive Director</td></tr><tr><td>Jessamyn Lyons</td><td>Company Secretary</td></tr><tr><td>Aaron Wehrle</td><td>Exploration & Geology Manager</td></tr></table>	Person	Title/Role	Liam Twigger	Non-Executive Chair	Edmund Ainscough	Managing Director	Ian Junk	Non-Executive Director	Ashley McDonald	Non-Executive Director	Jessamyn Lyons	Company Secretary	Aaron Wehrle	Exploration & Geology Manager	Section 6
Person	Title/Role															
Liam Twigger	Non-Executive Chair															
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Ian Junk	Non-Executive Director															
Ashley McDonald	Non-Executive Director															
Jessamyn Lyons	Company Secretary															
Aaron Wehrle	Exploration & Geology Manager															
What benefits and interests will the Directors have in the Company?	<p>The following table shows the total annual remuneration proposed to be paid to Directors for the current financial year and the relevant interests of Directors in Securities as at the date of this Prospectus.</p> <table><tr><th>Director</th><th>Annual Remuneration⁽¹⁾</th><th>Shares⁽²⁾</th><th>Director Options⁽³⁾</th></tr><tr><td>Liam Twigger</td><td>\$75,000</td><td>Nil</td><td>475,000</td></tr></table>	Director	Annual Remuneration ⁽¹⁾	Shares ⁽²⁾	Director Options ⁽³⁾	Liam Twigger	\$75,000	Nil	475,000	Sections 6.3 and 9.3						
Director	Annual Remuneration ⁽¹⁾	Shares ⁽²⁾	Director Options ⁽³⁾													
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Item	Summary				Further information																
	<table><tr><td>Edmund Ainscough</td><td>\$275,000</td><td>1,396,408</td><td>1,700,000</td></tr><tr><td>Ian Junk</td><td>Nil</td><td>9,678,565</td><td></td></tr><tr><td>Ashley McDonald</td><td>Nil</td><td>Nil</td><td></td></tr><tr><td>Total</td><td>\$350,000</td><td>11,074,973</td><td>2,175,000</td></tr></table>	Edmund Ainscough	\$275,000	1,396,408	1,700,000	Ian Junk	Nil	9,678,565		Ashley McDonald	Nil	Nil		Total	\$350,000	11,074,973	2,175,000	<p>(1) Excludes compulsory superannuation (currently 9.5% per annum) and reasonable expenses incurred. For Mr. Twigger remuneration commenced from 1 March 2021 and so for FY2021 will total \$18,750. Messrs. Junk and McDonald are not receiving any fees.</p> <p>(2) Held indirectly by the Directors through controlled entities. Each of Mr Twigger (up to \$180,000) and Mr Ainscough (up to \$70,000) have indicated their intention to participate in the Offer. Refer to Sections 6.3 for further details.</p> <p>(3) Options (with a \$0.05 exercise price, expiring 22 March 2026) were granted under the Company's Incentive Option Plan and are subject to vesting conditions and restrictions on exercise (also subject to a grant of a waiver from ASX). Refer to Sections 9.3 for details.</p>			
Edmund Ainscough	\$275,000	1,396,408	1,700,000																		
Ian Junk	Nil	9,678,565																			
Ashley McDonald	Nil	Nil																			
Total	\$350,000	11,074,973	2,175,000																		
What agreements has the Company with related parties and substantial shareholders?	<p>The Company has the following agreements with related parties and current substantial (>5%) shareholders on arms' length terms:</p> <ul style="list-style-type: none">• executive services agreements with Managing Director, Edmund Ainscough, and Exploration & Geology Manager, Aaron Wehrle;• Non-executive Director appointment letters with Messrs Twigger, McDonald and Junk;• deeds of indemnity, insurance and access with the Directors on standard terms;• a tenancy agreement for the office premises occupied by the Company, with an entity associated with Mr Ian Junk, Junk Superannuation Pty Ltd ATF Ian Junk Superannuation Fund;• a Supplementary Heads of Agreement between Bolong, ACH Global Pty Ltd, Aurora Prospects Pty Ltd, Mainglow Pty Ltd, Fan Rong Consulting Pty Ltd and Aaron Charles Wehrle, JJ Metal Resources Pty Ltd and Nub Holdings Pty Ltd, governing the relationship and certain continuing obligations between the parties that originally established the Company whilst documenting that the Company bears no debt to Bolong; and• with St Ives, who upon listing will become a 31.65% Shareholder (see Section 5.5), the following agreements:<ul style="list-style-type: none">- the JVA entered into between the Company and St Ives during the earn-in period prior to IPO whereby the Company will earn a 51% interest in the Project prior to ASX Listing; and- a Sale and Purchase Agreement ("SPA") wherein the Company will, conditional on earning the 51% interest detailed above, subsequently acquire St Ives' residual 49% interest in the Project immediately prior to ASX Listing. <p>Upon completion of these transactions, the Company shall hold 100% interest in the Project subject to certain excluded areas. Refer to the Solicitor's Report on the Tenements in Schedule 2 for further details on the JVA, SPA and Excluded Areas and the Retained Rights.</p>				Sections 5.4, 6.4 and 8 and Schedule 2																

Item	Summary	Further information																																			
Who are and will be the Substantial Shareholders of the Company?	As at the date of this Prospectus, the following entities hold 5% or more of the total number of Shares on issue and will hold 5% or more on completion of the Offer (assuming none subscribe for and receive additional Shares pursuant to the Offer).	Section 5.5																																			
	<table><tr><th>Shareholder</th><th>Shares</th><th>Current %</th><th>Shares at ASX Listing</th><th>% at ASX Listing</th></tr><tr><td>St Ives ⁽¹⁾</td><td>Nil</td><td>Nil</td><td>44,711,062</td><td>31.65%</td></tr><tr><td>Bolong ⁽²⁾</td><td>18,289,426</td><td>39.3%</td><td>18,289,426</td><td>12.95%</td></tr><tr><td>Mainglow Pty Ltd <Hedley Family Trust No. 1></td><td>9,678,565</td><td>20.8%</td><td>9,678,565</td><td>6.85%</td></tr><tr><td>Aurora Prospects Pty Ltd <Aurora Family Trust></td><td>9,678,565</td><td>20.8%</td><td>9,678,565</td><td>6.85%</td></tr><tr><td>Fan Rong Mineral Consulting Pty Ltd <Fan Rong Family Trust></td><td>6,096,475</td><td>13.10%</td><td>6,096,475</td><td>4.32%</td></tr><tr><td>Total</td><td>43,743,031</td><td>94.0%</td><td>88,454,093</td><td>58.3%</td></tr></table>		Shareholder	Shares	Current %	Shares at ASX Listing	% at ASX Listing	St Ives ⁽¹⁾	Nil	Nil	44,711,062	31.65%	Bolong ⁽²⁾	18,289,426	39.3%	18,289,426	12.95%	Mainglow Pty Ltd <Hedley Family Trust No. 1>	9,678,565	20.8%	9,678,565	6.85%	Aurora Prospects Pty Ltd <Aurora Family Trust>	9,678,565	20.8%	9,678,565	6.85%	Fan Rong Mineral Consulting Pty Ltd <Fan Rong Family Trust>	6,096,475	13.10%	6,096,475	4.32%	Total	43,743,031	94.0%	88,454,093	58.3%
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	Total		43,743,031	94.0%	88,454,093	58.3%																															
	(1) St Ives will acquire its Shares subject to the SPA with the Company immediately prior to ASX Listing under the St Ives Offer (see Schedule 2 for details of the SPA).																																				
(2) Bolong is 100% owned by Long Fort Pty Ltd (ACN 615 750 019) which is in turn 100% owned by Long Fort LLC, a company domiciled in the USA.																																					
What benefits and interests does the Sole Lead Manager have in the Company?	<p>The Company has appointed Euroz Hartleys as lead manager and underwriter in connection with the Offer. They will be paid fees totalling in aggregate up to 4.5% of the amount raised under the Offer (with a further discretionary incentive fee of up to 0.50% of the amount raised under the Offer payable at the discretion of and subject to approval of the Board). Pursuant to the Lead Manager Options Offer, the Company will issue Euroz Hartleys (or parties nominated by Euroz Hartleys) Lead Manager Options, equivalent to 1.0% of the post-IPO issued capital of the Company, at an exercise price of \$0.45, with an expiry date of 24 months from the date of issue, escrowed for six months or such longer period as the ASX may impose and triggered upon raising of the underwritten subscription amount following execution of, and pursuant to, the underwriting agreement.</p> <p>The Lead Manager Options will be issued to Euroz Hartleys or its nominees as soon as practicable following settlement of the IPO and will be subject to such terms and conditions as may be required under the ASX Listing Rules and other usual terms and conditions determined by the Company having regard to usual market practice for similar options issued by listed companies. Euroz Hartleys or nominee will comply with any escrow restrictions which may be imposed by the ASX in relation to the Lead Manager Options.</p>	Section 8.2																																			

Item	Summary	Further information
C. Financial Overview		
What is the key financial information?	<p>The Independent Limited Assurance Report by Armada Audit & Assurance Pty Ltd in Schedule 1 includes:</p> <ul style="list-style-type: none"> the reviewed Pro-Forma Statement of Financial Position for the Company assuming completion of the Offer; the historical reviewed Statement of Financial Position of the Company as at 31 December 2020; the historical reviewed Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows of the Company for the half year ended 31 December 2020; and the historical audited Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows of the Company for the financial years ended 30 June 2019 and 30 June 2020. <p>Investors are urged to read the Independent Limited Assurance Report in full and should note the scope and limitations of the report.</p>	Section 4 and Schedule 1
What is the financial outlook for the Company?	<p>Post-ASX Listing, the Company's financial performance will be largely dependent on expenditures incurred on, and returns received from, its interests in its Projects, which (particularly in the case of returns) are inherently uncertain.</p> <p>The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.</p>	Section 4
Does the Company have any debt or debt facilities?	No, the Company does not have any debt.	Schedule 1
What is the Company's dividend policy?	<p>The Company does not expect to pay any dividends in the near future as its focus will primarily be on using its cash reserves to progress its Project.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future growth opportunities and capital requirements and general business and other factors considered relevant by the Directors.</p> <p>No assurance can be given by the Company in relation to the payment of dividends or franking credits attaching to dividends.</p>	Section 4.4
D. Summary of the Offer		
What is the Offer?	The Company is offering 50 million new Shares at an issue price of \$0.30 per Share to raise \$15.0 million (before costs) ("Offer").	Section 5.1
What is the Issue Price?	\$0.30 per Share.	Section 5.1
Who is eligible to participate in the Offer?	<p>The Offer is open to all investors in Australia.</p> <p>This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe</p>	Section 5.11

Item	Summary	Further information
	any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.	
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form provided with this Prospectus in accordance with the instructions set out in the Application Form.	Section 5.6
Is the Offer underwritten?	The Offer is underwritten. The terms of the Underwriting Agreement are detailed in Section 8.2.	Section 5.1
Will there be a lead manager to the Offer?	Euroz Hartleys has been appointed as the sole lead manager to the Offer.	Section 8
What will the Company capital structure look like on ASX Listing?	Refer to Section 5.4 for a pro forma capital structure on ASX Listing.	Section 5.4
What are the conditions to the Offers?	<p>The Offers remain conditional upon the following events occurring:</p> <ul style="list-style-type: none"> the Company completing the acquisition under the SPA; the Company raising the Minimum Subscription, being \$15.0 million, under the Offer; and ASX granting approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied. <p>If these Conditions are not satisfied, then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act, without interest (as applicable). Further details are set out in Section 5.1.5.</p>	Section 5.1.1
Will I be guaranteed a minimum allocation under the Offer?	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer.	Section 5.7
What is the allocation policy?	The allocation of Shares under the Offer will be determined by the Board in its absolute discretion, in consultation with the Lead Manager. The Board reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.	Section 5.7
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer, is set out in Section 9.2 of this Prospectus.	Section 9.2
Will any Shares be subject to escrow?	<p>Subject to the Company being admitted to the Official List, certain Securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>The Company does not expect that any Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.</p> <p>As at the date of this Prospectus, the ASX has not made a determination in respect of the escrow restrictions to be applied to the Company's Securities. The determination may be different from the assumptions set out in this Prospectus.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in ASX imposed escrow prior to the date of Official Quotation.</p>	Section 5.8

Item	Summary	Further information
What will the Company's free float be on ASX Listing?	The Company's 'free float', being the percentage of Shares not subject to escrow and held by non-affiliated Shareholders (i.e. are not related parties of the Company or their associates or someone whose relationship with the Company the ASX considers makes them an affiliate) at the time of admission to the Official List will be approximately 35% and not less than 20%. This estimate does not include any shares that the Directors have indicated that they may subscribe for under the Offer.	Section 7.1.6
Will the Shares offered be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than seven days after the date of this Prospectus.	Section 5.1.5
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Key Offer Information.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of 6,667 Shares (\$2,000 worth) and thereafter, in multiples of 1,667 Shares (\$500 worth) and payment for the Shares must be made in full at the issue price of \$0.30 per Share.	Section 5.1
What are the Secondary Offers and their purpose?	<p>The Prospectus also includes the following Secondary Offers:</p> <ul style="list-style-type: none"> an offer of 44,711,062 Shares to St Ives under the terms of the SPA; and an offer of 1,426,738 Lead Manager Options to the Lead Manager under the terms of the Underwriting Agreement. <p>Refer to Section 5.2 for further details of the Secondary Offers. Only specified persons will be entitled to participate in the Secondary Offers, all of whom will be approached directly by the Company.</p> <p>The primary purpose of the Secondary Offers is to remove the need for an additional disclosure document to be issued upon the sale of any securities that are issued under the Secondary Offers (including any Shares issued under the St Ives Offer, or Shares issued on exercise of the Lead Manager Options under the Lead Manager Options Offer, as applicable).</p> <p>The terms of the Share to be issued to St Ives are set out in Section 9.2 and the terms of the Lead Manager Options to be issued to the Lead Manger are set out in Section 9.3.2.</p>	Section 5.2
E. Use of funds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> nickel exploration; gold exploration; re-establishing site infrastructure; preparing and costing a program to initiate dewatering of the top 250 vertical metres of the Foster Nickel Mine for future exploration purposes; corporate and administration; insurances and stamp duty; expenses of the Offer, <p>further details of which are set out in Section 5.3.</p>	Section 5.3
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.3

F. Additional information		
Is there any brokerage, commission or stamp duty payable by Applicants to the Offer?	No brokerage, commission or stamp duty is payable by Applicants on issue of Shares under the Offer.	Section 5.13
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 5.1.7
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 5.12
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4 th Edition) as published by ASX Corporate Governance Council ("Recommendations"). A summary of the Company's corporate governance policies are set out in Section 6.5. The Company's departures from the Recommendations as at the date of this Prospectus will be announced to ASX prior to the Company's Shares commencing trading on ASX. In addition, the Company's full Corporate Governance Plan will be available from the Company's website in due course. (www.lunnonmetals.com.au).	Section 6.5
Where can I find more information?	By speaking to your sharebroker, solicitor, accountant, or other independent professional adviser. By contacting the Share Registry by phone on 1300 288 664 or email at hello@automicgroup.com.au .	

2. COMPANY AND PROJECT SUMMARY

2.1 Company Background

Lunnon Metals Limited (“Lunnon Metals” or the “Company”) was incorporated in Western Australia on 9 June 2014 as ACH Nickel Pty Ltd, a proprietary company limited by shares. The Company was renamed Lunnon Metals Limited and became a public company limited by shares on 19 February 2021.

Historically, the Company has been engaged in a joint venture (“JV”) with St Ives at the historical Foster and Jan Nickel mines situated in Kambalda, in the Eastern Goldfields region of Western Australia (the “Kambalda Nickel Project” or “Project”). The Company has spent in excess of \$6.0 million on direct exploration expenditure under the terms of the Joint Venture since its formation.

In November 2020, the Company entered into an agreement with St Ives to acquire its remaining interest in the Kambalda Nickel Project in consideration for becoming a cornerstone investor in the Company and to facilitate the Company’s application for listing on ASX (“Acquisition”), so that at the date the Company commences trading on ASX, it will hold a 100% interest in the Kambalda Nickel Project, including the historical Foster and Jan nickel mines, (minus some specified exclusions) and Gold Fields Ltd, through its ownership of St Ives, will be a 31.65% shareholder in the Company.

Post-listing, Lunnon Metals will be focused on nickel and gold exploration at the Kambalda Nickel Project, utilising its knowledge and data gained through its previous exploration programmes on the Project since 2014.

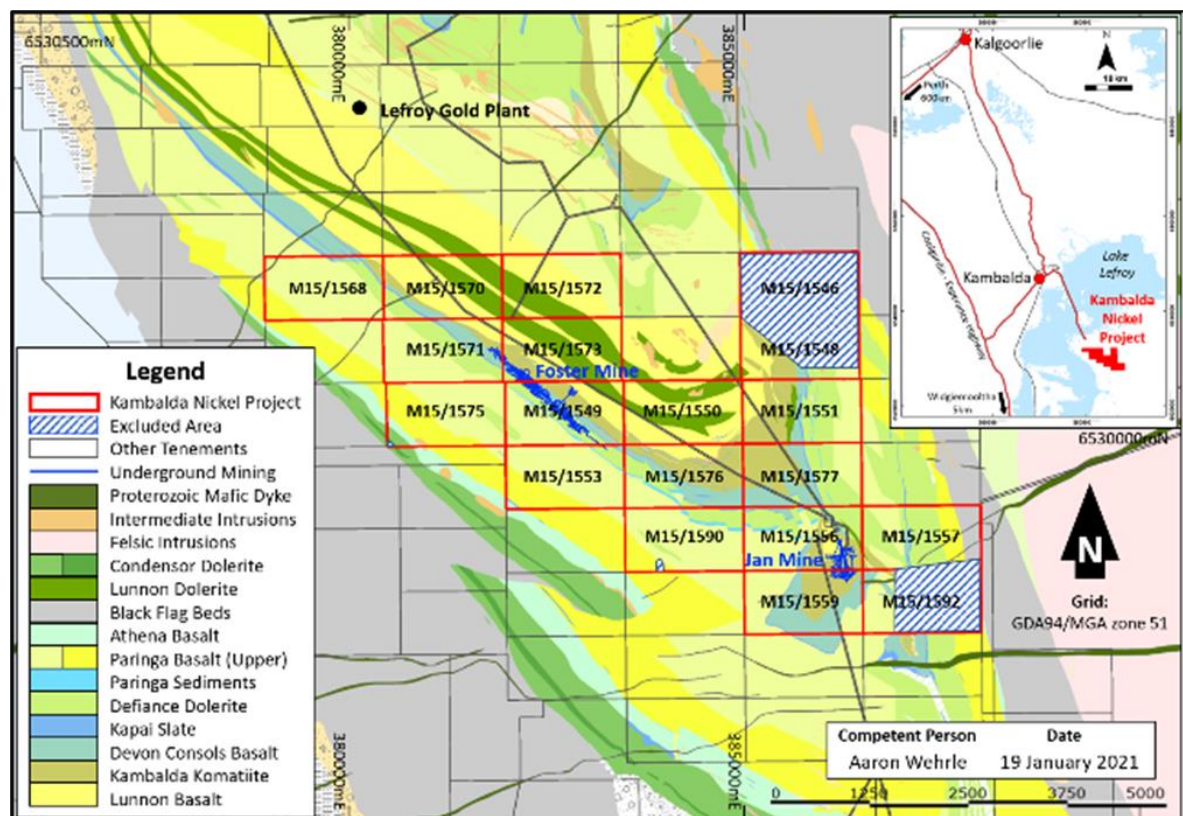


Figure 2-1 Location of Project tenure and select local infrastructure

2.2 What are the Company’s Objectives?

The Company’s primary objectives are to achieve ongoing exploration success to grow the Company’s existing Mineral Resources thereby enabling the Company to play a key part in the resurgence of the nickel sector, locally in Kambalda and in Western Australia generally.

The Company has undertaken a significant amount of exploration work on the Kambalda Nickel Project since 2014 and utilising that experience intends to undertake:

- a) an aggressive surface exploration programme on its identified high quality nickel targets ranging in maturity from advanced Mineral Resource extension work through to testing conceptual targets;
- b) refurbishing site surface and office infrastructure and review and development of plans to dewater at least the top 250 vertical metres of the historical Foster Mine; and
- c) a disciplined program of re-sampling and re-assaying of historical diamond drill core and assay pulp rejects to maximise the addition of JORC-compliant nickel Resources, from the historical estimates of mineralisation previously reported and identified as remaining at the closure of the Foster and Jan Nickel Mines by the previous mine operator.

A parallel, but secondary, objective will see a detailed review of the potential for the Project to host previously unrecognised gold mineralisation, focussed on the stratigraphy in the footwall of the nickel mineralisation, which will complement the existing portfolio of gold targets detailed in this Prospectus in Section 3.3.1. This expanded target portfolio will then be explored both from surface, and from underground once the exploration platform noted above is available. If successful, this discovery program will position Lunnon Metals to contemplate opportunities to generate revenue from potential gold development and production on the Project, particularly so in light of the relationship with its major shareholder, St Ives, and the proximity of their 4.8mtpa Lefroy Processing plant.

2.3 Project Location & Summary

The Project area is located 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District, Eastern Goldfields, Western Australia.

Exploration and mining in the region has been occurring since 1896, prior to the town of Kambalda being gazetted in December 1897. Post World War II, the area was extensively explored and mined by Western Mining Corporation before the sale of the Project area to Gold Fields Limited in December 2001.

The Project area is approximately 23 km² comprising 19 contiguous mining tenements and surrounded by the tenements held by major shareholder, St Ives. In addition to the Project, St Ives holds an extensive package of leases consolidated by WMC Resources Ltd ("WMC") for nickel exploration near Kambalda in the late 1960s, and more recently sold to Gold Fields Limited in December 2001.

The Project area can be accessed via well-established mine road infrastructure and lake causeway from the Kambalda township located 19 km to the north. The main St Ives Administration office complex on the south side of Lake Lefroy is within 3.5 km north of the Project area, while 20 km away to the north is the BHP Ltd, Nickel West nickel concentrator plant on the north side of Lake Lefroy.

Since acquiring an interest in the Project and up to 31 January 2021, in addition to \$1.8 million on corporate and business development activities the Company has spent over \$6.0 million directly at the Project on expenditure that qualified under the joint venture with St Ives, principally on:

- a) extensive surface mapping and rock chip sampling activities, re-sampling and re-assay of a significant quantity of historical diamond core and assay reject pulps generated by previous owners;
- b) collection of detailed ground magnetics survey data;
- c) review and reinterpretation of the litho-structural setting of the Project to define the portfolio of high quality nickel and gold targets reported in this Prospectus;

- d) utilising the results of the above activities, estimated 39,000 tonnes of nickel metal in Mineral Resources at the Project in accordance with the JORC 2012 Guidelines over three nickel deposits within the Foster Mine area (Warren, 85H and Foster South shoots); and
- e) completing certain technical milestones required under the joint venture agreement arrangements in order to maintain the option and farm-in rights contained in that agreement, including all associated environmental, statutory approvals costs and administrative expenses.

2.4 Regional & Local Geology Setting

The Kambalda–St Ives region is part of the Norseman-Wiluna greenstone belt, which comprises regionally extensive volcano-sedimentary packages. These were extruded and deposited in an extensional environment between 2700 Ma and 2660 Ma. The St Ives field forms part of the Kambalda Domain, a subset of the Kalgoorlie Terrane (Swager et al., 1990). The Kambalda Domain is bound by the north-northwest trending Boulder Lefroy Fault in the east and Zuleika Shear to the west.

The main structural feature of the St Ives area is the gently south-plunging Kambalda Anticline, which extends ~35 km from the south end of the Kambalda Dome to Junction Mine (Johnson et al., 2003). The Cooe Anticline structure forms part of the Kambalda Anticline and is the dominant structure in the Project area. The Cooe Anticline is bounded to the north by the Foster thrust which ramps the mafic stratigraphic succession (host to the gold and nickel mineralisation) northwards over younger stratigraphy. The south-plunging anticline folds stratigraphy about an axis lying between the Foster Mine and the East Cooe prospect. The stratigraphic section overlying the south-westerly dipping, upward facing nickeliferous contact in the Foster area is essentially intact.

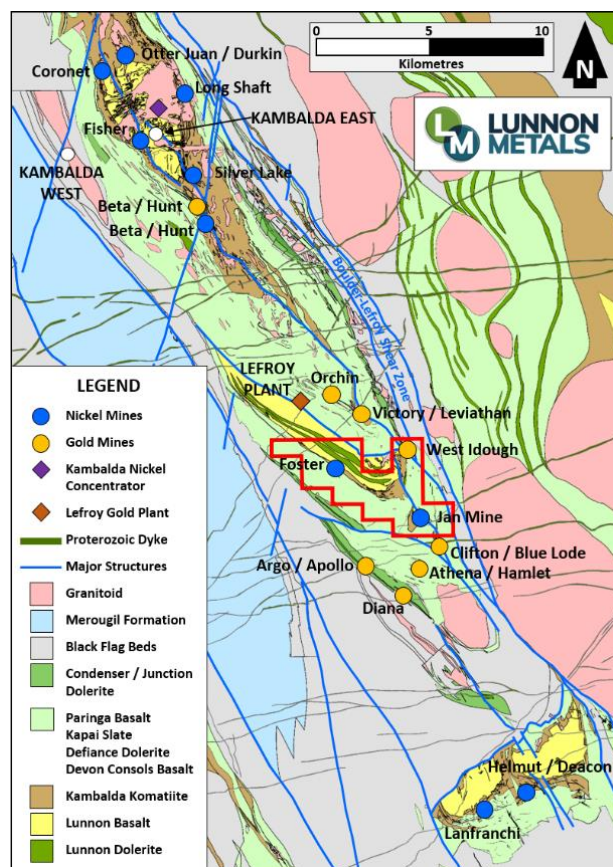


Figure 2-2: Regional geology of the Projects

Further information and background on the regional geology is outlined in the Independent Technical Assessment Report set out in Schedule 3.

2.4.1 Nickel Geology and Mineralisation

The nickel deposits in the Kambalda region, including those within the Project area, fall within the accepted Komatiite-associated nickel deposit classification scheme as proposed originally by Leshar (1989). Under this scheme, Kambalda-type nickel deposits are described as stratiform komatiitic peridotite-hosted deposits or Class IA, described as small (0.5 to 5.0 million tonnes), high-grade (2% to 4% Ni head-grades) deposits comprising (from bottom to top) massive, matrix and disseminated sulphides at the base of komatiitic peridotites (Groves and Witt, 1994). The deposits are usually clustered and characteristically ribbon-like, extending from 100 m to greater than 2,500 m in length with widths of 50 m to 250 m. Thicknesses generally range from 1 m to 5 m but lower-grade ores may be 5 m to 20 m thick (Marston et al., 1981).

Most mineralised nickel positions (commonly called “shoots” or “lodes” colloquially) in the Kambalda district occur at the base of the thick, basal komatiitic lava flows and are referred to as contact ores (Ross and Hopkins, 1975). Some deposits, however, occur at the base of overlying komatiitic flow units and are referred to as hanging wall ores. A typical ore profile consists of a thin, discontinuous, massive-sulphide (>80% sulphides) layer which overlies footwall rocks and is itself overlain successively by a thick, more continuous layer of matrix sulphides (40–80% sulphides), disseminated (10–40%) sulphides and komatiitic peridotite.

The volcanic lithofacies architecture represented by the komatiitic rocks is interpreted to result from the flow of large volumes of lava down central feeder channels and episodic or singular overflow to form thinner “overbank” flows as depicted in Figure 2-3 below.

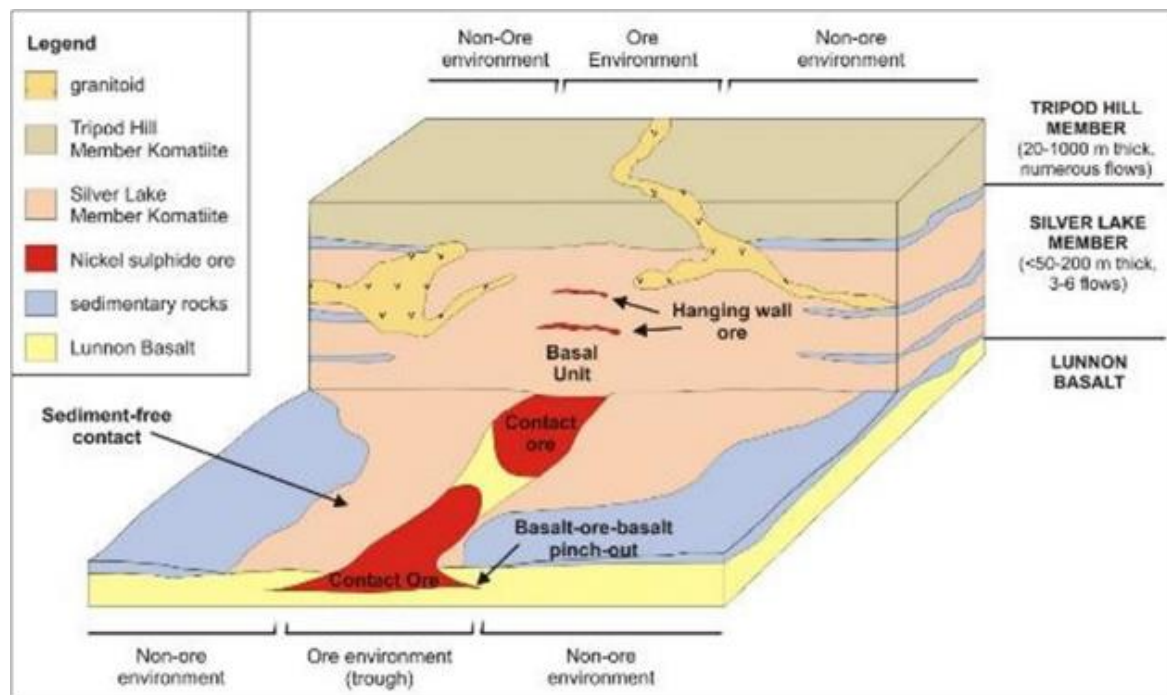


Figure 2-3 Schematic model showing the favourable geologic environment for the Kambalda-style nickel sulphide ore shoots (modified from Gresham and Loftus-Hills (1981) and Stone and Masterman (1998))

The immediate Kambalda District (not including the Widgiemooltha nickel deposits) has produced over 44.2 Mt of ore at a grade of 3.15% Ni for just under 1.4 Mt of nickel metal in total since production first commenced in 1966 from the Lunnon Shoot at the Silver Lake Shaft at Kambalda.

Further details of the mineralisation and the historical production within the region are outlined in the Independent Technical Assessment Report in Schedule 3.

3. Asset and Discovery Program Details

3.1 Becoming a Key Player in the heart of the Kambalda Nickel District

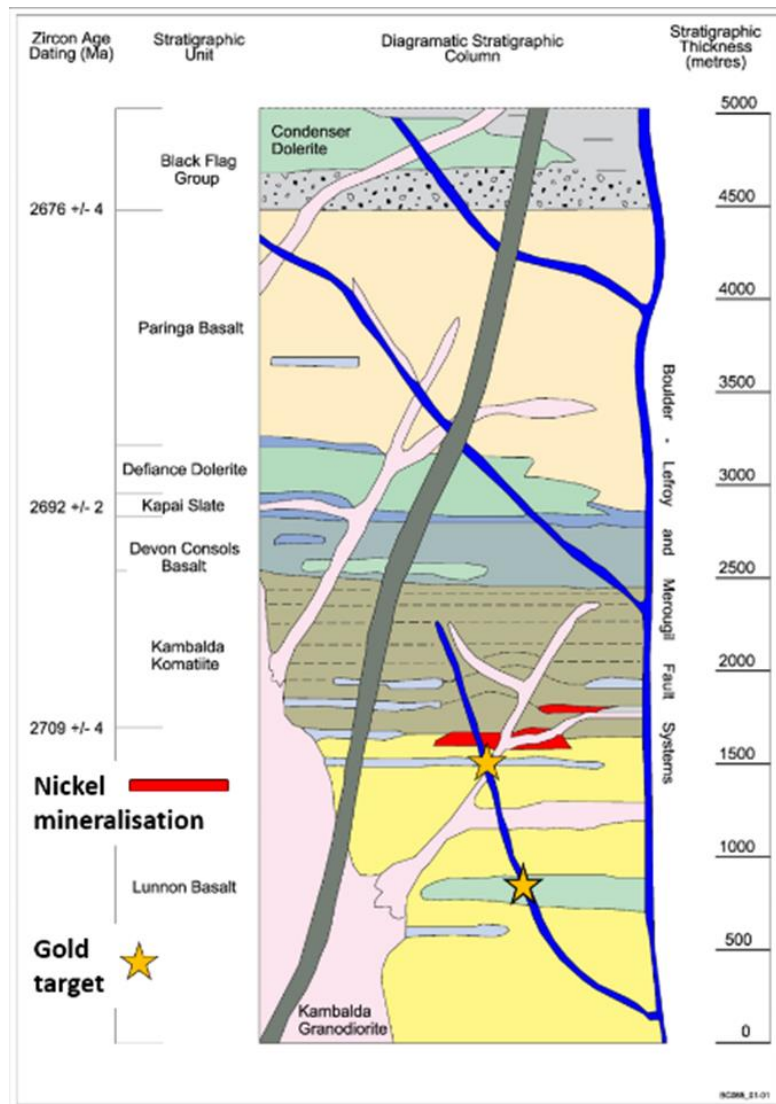


Figure 3-1 Stratigraphic column representation – Kambalda-St Ives (source edited after Cowden and Archibald 1987)

Since 2001 and, importantly, during the period of the last nickel commodity price cycle high when the price of the metal peaked at a monthly closing price of US\$52,179/tonne in May 2007 (A\$63,293/tonne), the Project's nickel assets have been held inside and controlled by a wholly owned subsidiary of Gold Fields Ltd, a major gold-focussed global mining company.

Elsewhere in the immediate Kambalda nickel district, ASX listed companies IGO Ltd – formerly Independence Group, Mincor Resources NL and Panoramic Resources Ltd – formerly Sally Malay Mining Ltd, who had purchased historical nickel mines from WMC in the general period of 2000-2003, went on to execute aggressive exploration drill programs, applying modern geophysical techniques and, through discovery, significantly increase their JORC 2012 nickel Resource inventories. These discoveries underpinned a period of strong

nickel production from their mines and growth in the capitalisation of those companies.

The 23km² area of the tenements comprising the Project hosts historically proven nickel producing mines, Foster and Jan Shaft, which between them delivered over 90,000 tonnes of nickel metal to the WMC Kambalda Concentrator (now Nickel West). These mines were closed in 1986 and 1994 respectively, before WMC initiated the later nickel mine sales mentioned above. This fact, together with the subsequent sale of the area comprising the Project to Gold Fields Ltd in 2001, has resulted in there being no meaningful nickel exploration programs executed for over 25 years. The Project plays host to over 9.0 km surface strike extent of contact between the Lunnon Basalt Formation in the footwall and the Silver Lake Peridotite komatiitic member in the immediate hanging wall, the prospective nickel mineralised position throughout the Kambalda nickel district. At a depth of 500 metres below surface, this linear distance is interpreted to increase to 10.5 km.

The opportunity to attempt to replicate this success now presents for Lunnon Metals. The acquisition of 100% of the nickel rights by the Company and its capitalisation in this IPO, offers a significant opportunity for shareholders to be exposed to an aggressive nickel discovery program in a prospective belt with near mine and standalone JORC 2012 Resources of over 39,000 tonnes

of nickel metal, all in close proximity to a range of relevant infrastructure and support services, including Nickel West's Kambalda Concentrator .

3.2 Mineral Resources Estimates

The program of activities presented in Section 3.2.2 in particular will, if successful, add to an already robust Mineral Resources estimate reported by the Company during the period of its prior farm-in under the JVA. These estimates at the Project document three deposits within the immediate Foster Mine area, namely Warren, 85H and Foster South shoots. All three deposits are considered to be potential underground Mineral Resources and have been prepared, estimated and reported in accordance with the JORC 2012 Guidelines above a 1.0% nickel lower cut-off.

Table 3-1: Combined Project Mineral Resources as at 31 January 2021

Shoot	Cut-off (Ni %)	Indicated			Inferred			Total		
		Tonnes	% Ni	Ni metal	Tonnes	% Ni	Ni metal	Tonnes	% Ni	Ni metal
85H	1%	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
Foster South	1%	223,000	4.7	10,500	117,000	4.8	5,500	340,000	4.7	16,000
Warren	1%	136,000	2.7	3,700	75,000	3.7	2,700	211,000	3.1	6,400
Total		746,000	3.6	27,000	492,000	2.4	12,000	1,238,000	3.2	39,000

All material modifying factors have been considered and accommodated in the chosen reporting cut-off grade, which is >1% Ni. Refer to the ITAR in Schedule 3 for further details, the Competent Person Statements for the Mineral Resources estimates for the nickel deposits and additional information required by ASX Listing Rules 5.8.1 and 5.8.2.

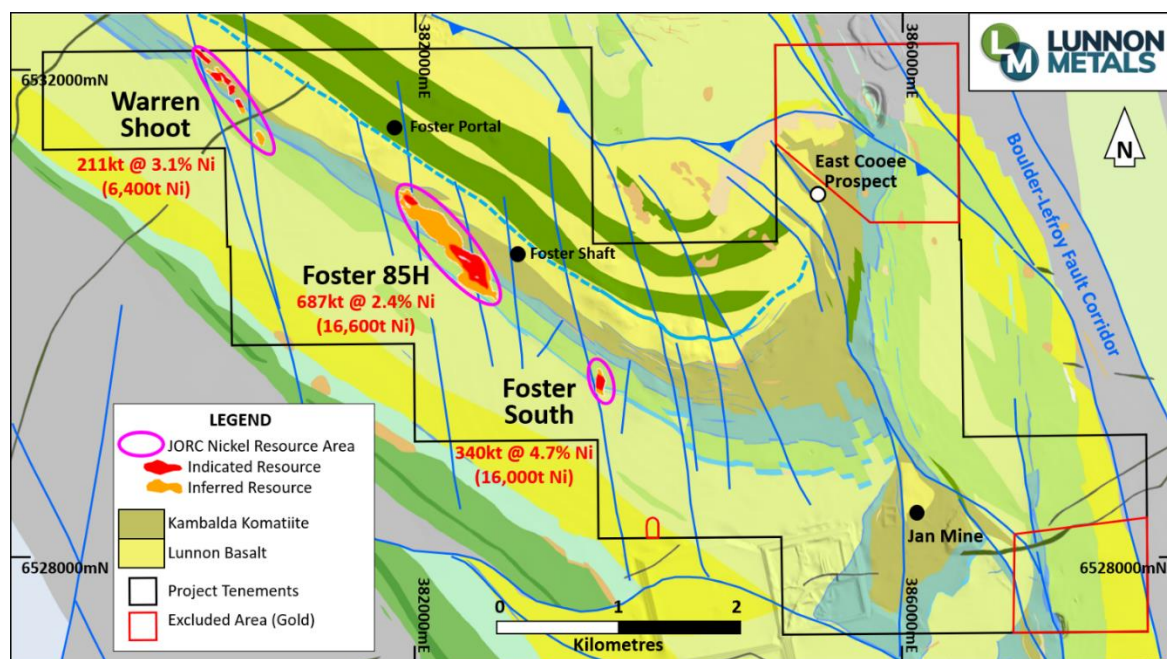


Figure 3-2 Plan view of the Project illustrating location of the Mineral Resource over surface interpreted geology

3.2.1 Testing a High-Quality Nickel Portfolio

The Project area is interpreted to contain at least five to six mineralised nickel positions, termed "troughs" (a diagrammatic representation of a "typical trough" is depicted in Figure 2-3 above):

1. **Warren** – previously termed Foster NW by WMC, the area was accessed by an independent decline branching off the main Foster decline near to its portal, and limited development and stoping occurred before an uncontrolled water ingress required the area to be blocked off. It is interpreted that the Warren Shoot ore trough runs sub-parallel to, potentially, the entirety of the Foster Main trough and may be a significant source of future nickel discovery in its own right. The mineralised trough displays strong structural overprint resulting in deeply embayed trough locations hosting massive nickel sulphides as shown in Figure 3 3 below (Hindson and Langworthy; 1989).

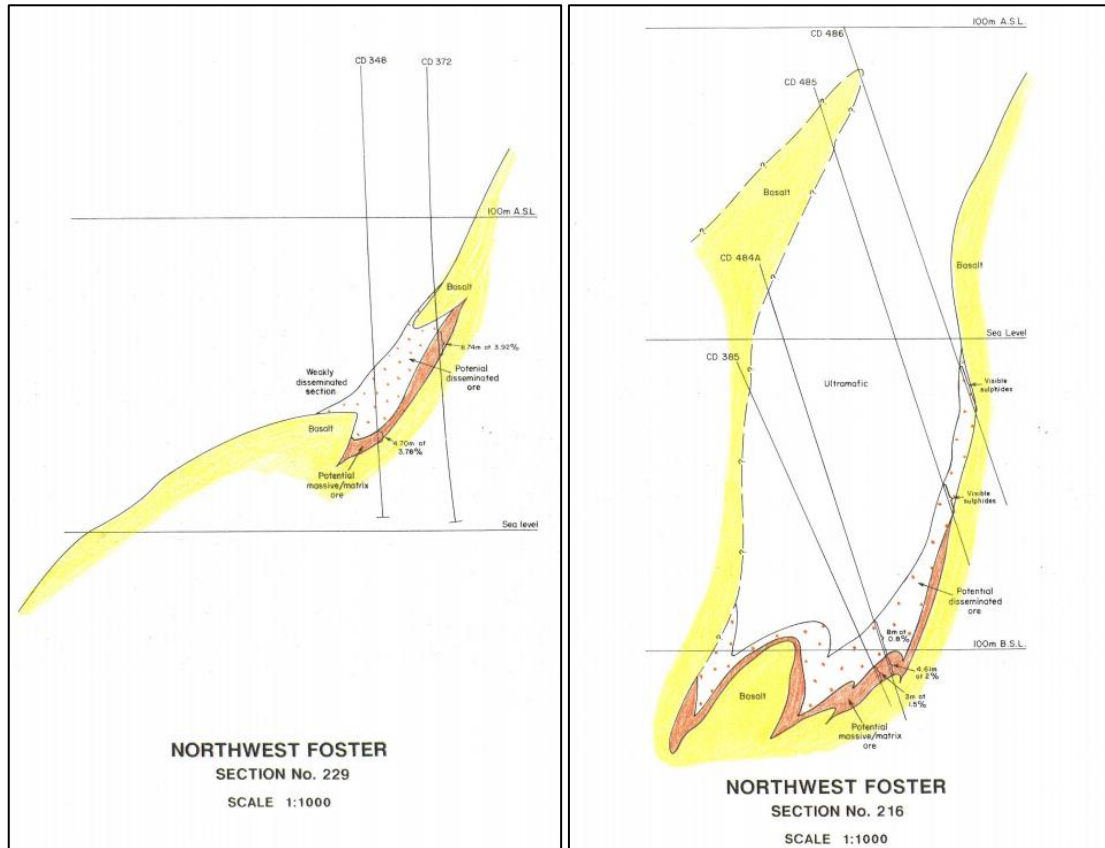


Figure 3-3 Historical WMC geological cross sections through Warren (then termed Northwest Foster) depicting the development of a deeply “embayed” nickel mineralised trough

2. **Foster Main** – mined between 1986 and 1994, the trough systems accessed underground at this mine produced over 60,000 tonnes of nickel metal. Foster’s nickel production represented up to 30% of the feed at WMC’s Kambalda Concentrator at its peak. The Company considers that the central and upper flank areas of the main mine represent an excellent extensional discovery opportunity;

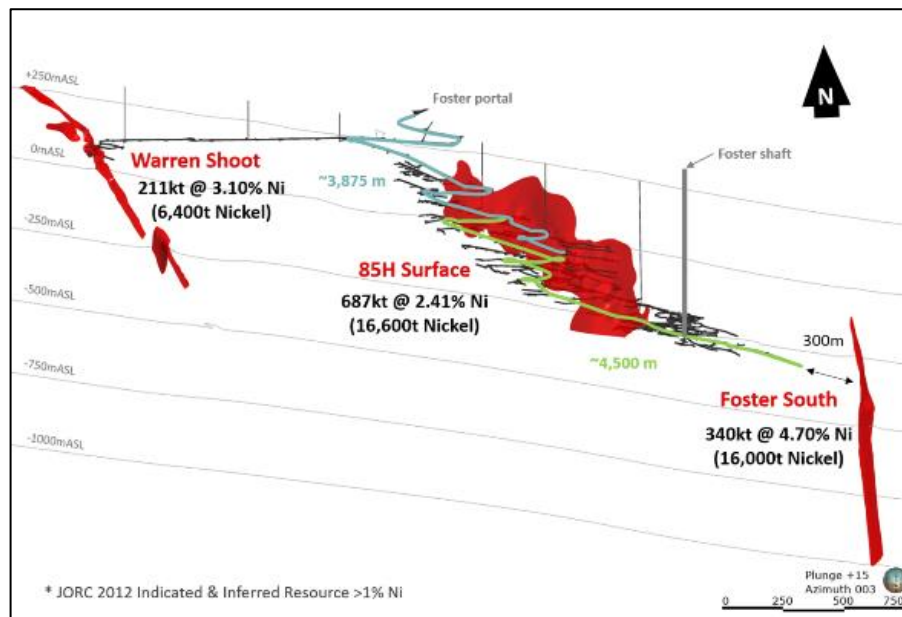


Figure 3-4 Perspective view (to the NNE) of the Foster Mine decline, workings and access points

3. **Foster South** – originally termed South, then renamed “Deeps - 64C” by WMC, the Foster South trough is believed to either be a fault offset segment of the main Foster trough system rotated to a more vertical plunge, or a potential new trough in its own right;
4. **Jan** – a series of deeply incised, vertical plunging troughs and associated extensive hanging wall shoots, Jan Shaft was one of the earliest nickel mines to be shut by WMC in 1986 after just over 30,000 tonnes of nickel metal were produced, with the then new 2-3 Mtpa St Ives gold processing plant subsequently built atop of the mine utilising a significant portion of the existing surface mine infrastructure for the new plant. The defined nickel shoots were mined to quite shallow depths of approximately 560 metres below surface at that time with significant high grade nickel sulphide intercepts recorded beneath the mine workings; and
5. **East Cooee** (two troughs) – located to the north-northwest of Jan Shaft, the East Cooee area is host to considerable quantity of hanging wall mineralisation and anomalism that has recorded sporadic phases of drill testing by WMC in the past. Two deeply embayed troughs have been interpreted to be present with only a handful of diamond or RC holes drilled at suitable orientations to test these features. As such, Lunnon Metals believes that East Cooee has the potential to be an important exploration target for both near surface RC/diamond drilling and deeper directional diamond drilling targeting the embayed trough positions at depth.

The Company's re-interpretation of the litho-structural setting across the entire Project area indicates that there is also sufficient empirical evidence to have a reasonable belief that there may be other previously unidentified troughs in the area termed the “**Cooee Gap**”. The prospectivity of this area is heightened by the following observations:

- It is the location of the strongest and highest magnitude nickel in soils geochemical anomalism at the Project. Figure 3-5 drapes the geochemical data over a 3D perspective model of the basalt contact which itself is further shaded (darker grey) to illustrate a 50 m wide buffer around any drill testing intercept; and
- this area also records anomalous thicknesses of the hangingwall ultramafic rocks, due to either structural thickening or thick original komatiite flows – both of interest as possible indications of conceptual concealed structural or trough style mineralisation.

As depicted, there are significant expanses of the potentially fertile nickel contact positioned directly below this highly anomalous Cooee anticline area.

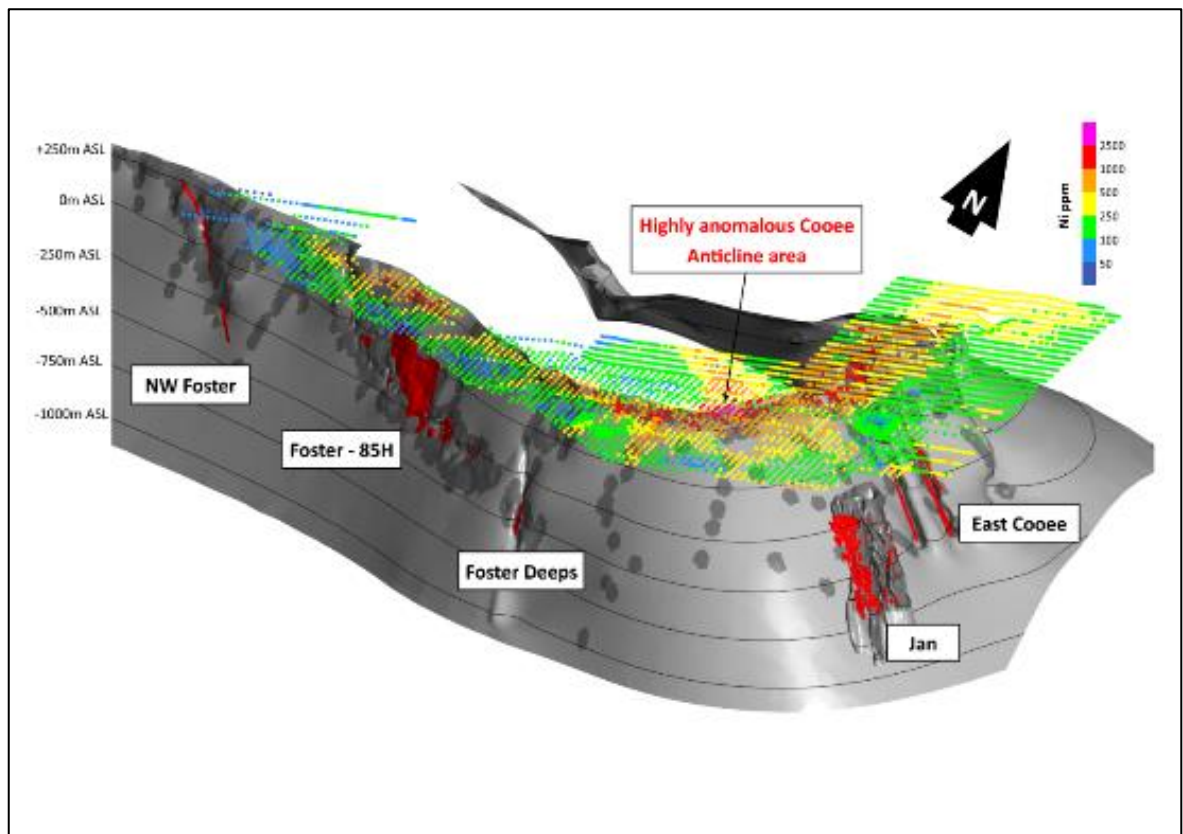


Figure 3-5 Perspective view (down to north-east) of the Cooee Gap Ni in soils anomaly over a 3D Lunnon Basalt surface

The Company will explore these known and new conceptual nickel troughs using techniques unavailable or not applied during the operational life of the historical mines but now considered industry standard. The exploration program seeking to discover nickel metal will be as follows:

Geophysical methods - surface

Significant surface geophysical datasets have already been collected by the Company's joint venture partner, St Ives, including extensive aeromagnetic, ground magnetic, gravity, Sub-Audio Magnetic ("SAM") surveys plus some limited air electro-magnetic survey. In addition, in 2016 the Company completed a detailed ground magnetics survey (20 m line spacing with continuous data capture along lines) over a portion of the Foster area (5.5 sq.km survey area). The survey provided significant litho-structural information that fed into the 3D structural and stratigraphic modelling of that area which forms the basis for nickel and gold exploration targeting presented herein. This survey technique is planned to be continued over the Warren Shoot, East Cooee and Jan Mines.

With the potential recognised for previously under-explored nickel trough positions at the Cooee Gap, understanding the geometry of the ultramafic-basalt contact is an important targeting imperative. At other nickel mines in the Kambalda district, e.g. the Long Mine (McLeay & Moran Shoots), seismic surveys have recorded anomalies, known as reflectors, that have thereafter been shown to correlate with both direct detection of mineralised nickel troughs and also structural offsets / repeats of the ultramafic-basalt contact that were determined to be host to high grade nickel mineralisation on the basalt contact (Stolz, 2012).

At Cooee Gap, the very limited surface drilling and untested contact area between the drilling that is present, affords the Company the opportunity to apply the 2D seismic survey technique to attempt to identify any structurally related anomalous geometries on the contact and thus provide a potential vector towards nickel trough mineralisation. (see Figure 3-6 and Figure 3-7).

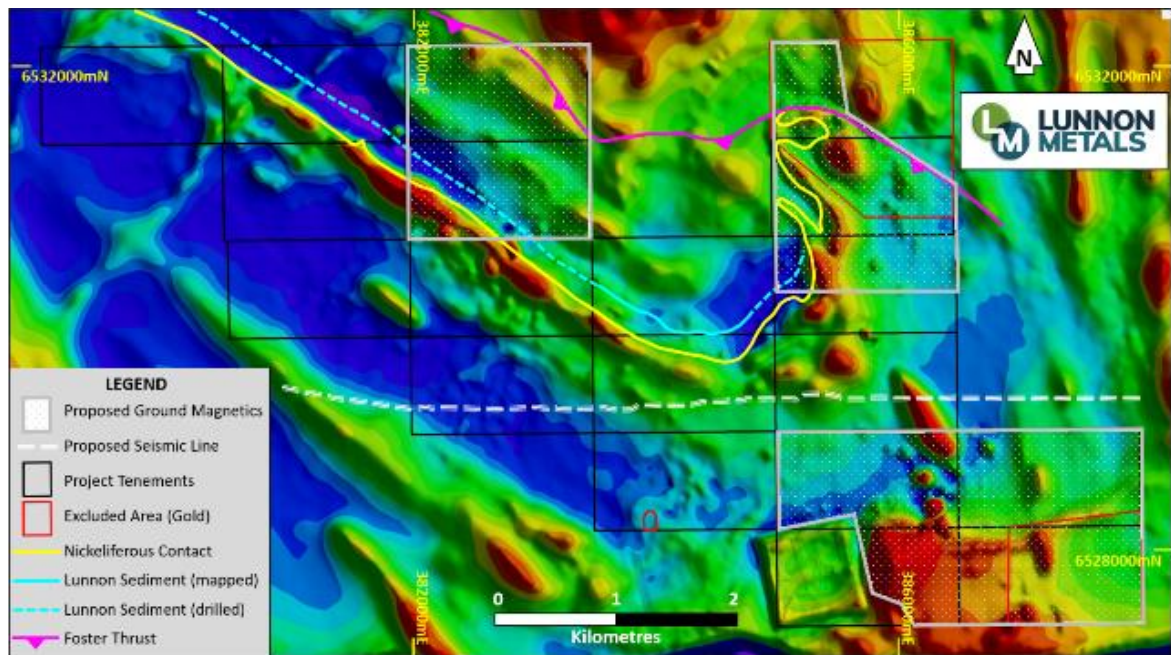


Figure 3-6 Plan view of the Project area geology with ground magnetic and seismic survey areas/lines illustrated (white dashed)

In the future, and subject to the success of the 2D seismic activities, the Company may consider more aerially extensive 3D seismic surveys over the entirety of the immediate Jan and East Cooe locations in order to more accurately define structures and possible nickel mineralised positions worthy of diamond drill testing.

Although the historical WMC logging has proven to be accurate and reproduceable, the Company will also use portable XRF logging of historical drill core to gain a better appreciation of the magnesium content of the ultramafic rocks which can help predict the potential fertility of this suite of rocks to host nickel mineralisation.

Aggressive drilling and downhole geophysical exploration activities

Currently identified nickel targets together with conceptual targets generated via the surface geophysical techniques detailed above (see Figure 3-7), will be subject to an aggressive drilling campaign. Surface exploration activities will use a combination of Reverse Circulation ("RC") and diamond drilling methods, subject to the relevant depth below surface of the target, to test both empirical and conceptual nickel targets.

Subject to the outcome of these initial holes, near surface targets will then receive both follow up, closer spaced RC drilling to define potential nickel Mineral Resources coupled with select diamond drilling to ensure both structural, metallurgical and geotechnical data is collected to assist the future analysis and reporting of any discovered nickel mineralisation. A significant proportion of these holes will undergo Down Hole Transient Electro-Magnetic surveys ("DHTEM").

Deeper targets when tested, if successful, will undergo follow up diamond drilling, typically via the drilling of wedge holes from the original parent hole, with DHTEM completed in advance to record any near or off hole geophysical anomalism, termed "plates", and better orient and focus the drilling of these wedge holes.

DHTEM survey is widely recognised as a fundamental tool in brownfields nickel exploration and resource delineation. In terms of the exploration process, these surveys can assist progress targets from early stage anomalies through to reported Mineral Resources rapidly, if successful. Where practical DHTEM surveys will be completed on the majority of proposed new drilling.

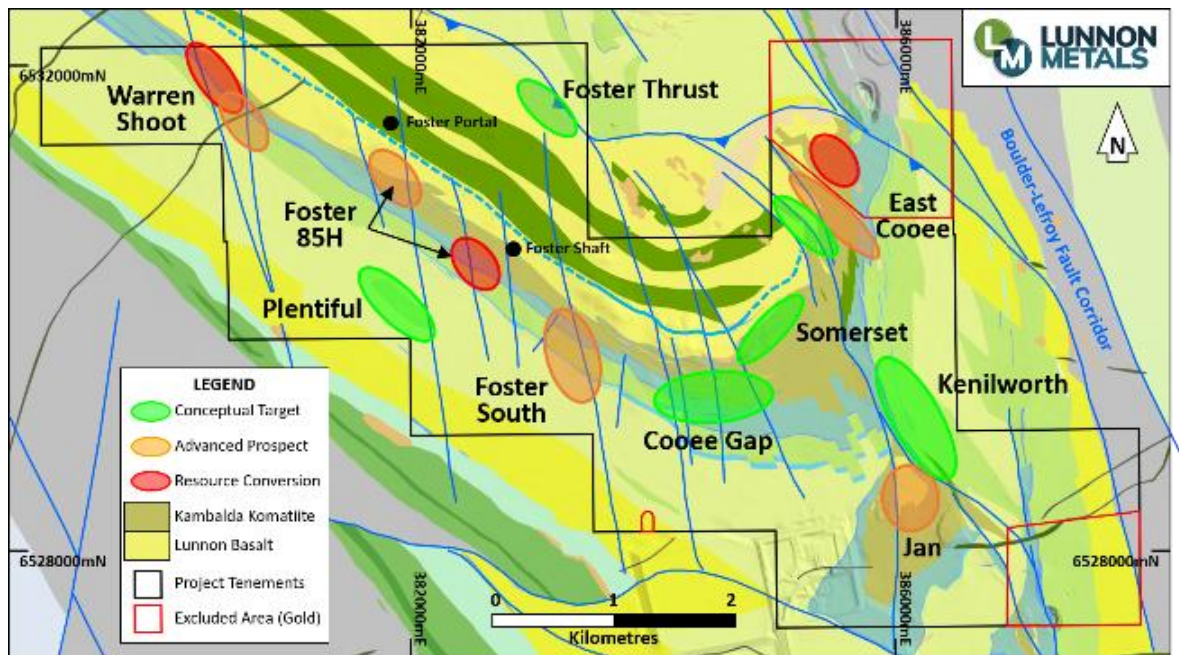


Figure 3-7 Nickel Target Portfolio by Exploration Stage with areas shaded (grey) to receive Ground Magnetics – Kambalda Nickel Project

Litho-stratigraphic Drilling

Strategically placed surface diamond drilling, not specifically targeting nickel sulphide mineralisation directly, will be considered as a method of collecting data to enhance the existing extensive 3D targeting model.

Historical Drill Hole Re-Entry Program

The Project is host an extensive diamond drill inventory of over some 350 km of previous WMC drilling. Little to none of this past drilling underwent DHTeM surveys and the Company will prioritise the location, clean out, re-entry and survey of available, strategically located drill holes to maximise the impact of this invaluable data set on the present discovery program.

3.2.2 Program to Review the Historical Estimates of Mineralisation and Exploration Targets

A significant proportion of the pre-IPO funds spent at the Project by the Company has been related to the review, analysis and effort to upgrade the status of former owner WMC's reported mineral inventory to one reported in accordance with the JORC 2012 guidelines. This program involved a detailed audit of the historical data and historical drill core that supports the resource including a process of duplicate sampling with QAQC (insertion of certified reference material or sample standards), SG determinations, check geological logging, mineralisation characterisation for metallurgical considerations, historical section and plan reviews, and paper geology logs, assays, and surveys cross referencing with the digital database.

It is planned to apply the same process for previously identified historical estimates of nickel mineralisation at the Jan Nickel Mine and other remaining mineralised areas in the immediate Foster Mine area (termed "Foster Remnants"). There are significant historical estimates of nickel mineralisation that are not capable of being reported as they are not 2012 JORC compliant, but which the Company plans to review to determine if they can be reported under current JORC 2012 Guidelines in the future.

The **Jan Nickel (Shaft) Mine** has a historical estimate prepared by WMC at the closure of the mine. Because testing of potential extensions to the main nickel mineralised positions at depth is difficult due to the orientation of the required surface drill positions (see Figure 3-8) activity will focus on

validating the historical estimate with the aim of converting a portion to JORC 2012 resource as discussed above.

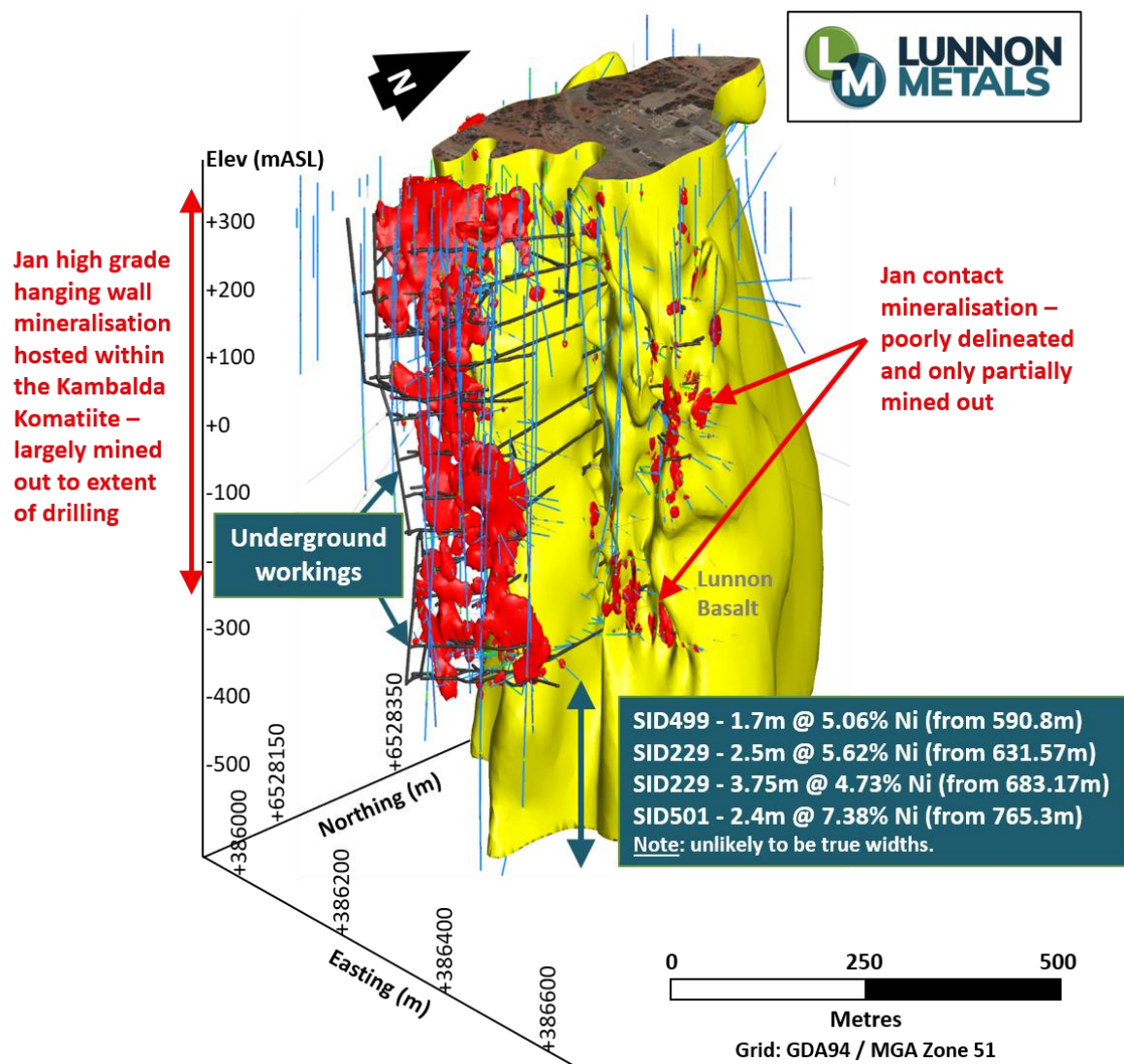


Figure 3-8 Perspective view (looking NNW) Jan Nickel Mine with selected nickel intercepts below the workings shown

Though challenging to assess and estimate, owing to the uncertainty in detail of what has been historically mined or left behind as remnant mineralisation, the main **Foster Mine** itself is a key target in this regard. An extensive catalogue of historical geological plan and cross section information has been recovered, digitised and is now able to be viewed interactively with modern 3D modelling software to facilitate this work program.

Excluding areas of the mine where mineralisation has now been estimated in accordance with the JORC 2012 guidelines and reported as Mineral Resources in this Prospectus (namely Foster 85H, Foster South and Warren Shoots) the Foster Mine is reasonably believed to be capable of generating additional opportunities for 2012 JORC compliant Resources, once the Company's review of the historical estimate is complete.

The **East Cooe** prospect area is currently poorly defined by drilling and thus the estimates of nickel mineralisation are only considered as an Exploration Target and are not reported as Mineral Resource. There is however sufficient drilling to highlight the potential of the area and its worthiness for ongoing exploration.

Refer to the ITAR in Schedule 3 for further details, the Competent Person Statements for the Mineral Resources estimates for the nickel deposits and additional information relating to the reporting of Historical Estimates.

3.2.3 Re-establish Site Infrastructure & Evaluate Cost to Establish an Underground Exploration Platform

In order to more efficiently allow for the future evaluation, testing and if successful, definition of nickel mineralised positions that may be prohibitive to both test and then drill define from surface alone, the Company considers a plan to complete a detailed costing of a program to dewater the Foster Mine decline down to an initial depth of 250 metres vertically below surface (mbs) a key part of its future strategy. Prior to commencing any of those activities, the Company will deploy funds raised in this Offer to refurbish the requisite site infrastructure as necessary to comply with the regulatory framework and approvals. Once complete, engineering design to cost and plan the dewatering program will be completed.

The initial target depth of 250 mbs is achievable with pumping solutions readily available from a range of local (Perth based) pumping equipment suppliers.

Funds allocated to this program will enable a detailed cost estimate to be derived for dewatering and re-entry of the full extent of the Foster Main decline and key workings, and, subject to results and expenditure recorded against plan, enable the Company to consider commencing dewatering down to the target level. Completion of this objective would enable a surface ventilation fan to be established over the existing No.#2 vent rise and for electrical reticulation to be established so that dedicated underground drill platforms could be made available to more easily test the nickel targets in the immediate Foster mine environs in the future.

It is highlighted that the funds raised in this IPO will be insufficient to complete the full dewatering of the entirety of the Foster Mine and thereafter commence the re-entry and rehabilitation of the Foster Mine decline; those objectives will require further equity to be raised, if warranted, at some future point.

3.3 Assessing the Potential for Gold

The Company's Project is largely enveloped by tenements held by its major shareholder and previous joint venture partner, St Ives (owned by Gold Fields Ltd). The St Ives gold operations have run continuously since inception when still part of the then WMC owned Kambalda Nickel Operations in 1980, with the first gold mined at Kambalda/St Ives being specimen stone at the Fisher, Hunt and Lunnon Nickel mines to the immediate south of the Kambalda township followed by recognition of gold mineralisation in the Victory, Orchin and Ives Reward areas on the south side of Lake Lefroy.

Open pit mining commenced at the Victory complex in 1981, just 1,500 metres north of the Project's boundary, moving to underground development of the Victory-Defiance system shortly thereafter. The deeper parts of this underground mine, termed Conqueror, are less than 250 metres to the north of the Project. In 1987 a dedicated gold processing facility was commissioned in the locality of the Company's Jan Shaft Nickel Mine and called St Ives (see Sections 3.2), whilst following purchase of the assets from WMC in 2001, Gold Fields Ltd built a new 4.8 Mtpa facility to the north of the Project on the south shore of Lake Lefroy in 2005, termed the Lefroy Plant (see Figure 3-9).

Gold discoveries continued to occur throughout the district and to the immediate south of the Project the Argo-Apollo- Hamlet- Athena camp of gold deposits evolved from first discovery in 1994 (Argo) through to the present day with Hamlet underground continuing in production. Approximately 3.5 million ounces of gold is believed to have been mined from over 16 separate open pit mines and 6 underground gold mines within just a 2.5 km from the Project's boundaries.

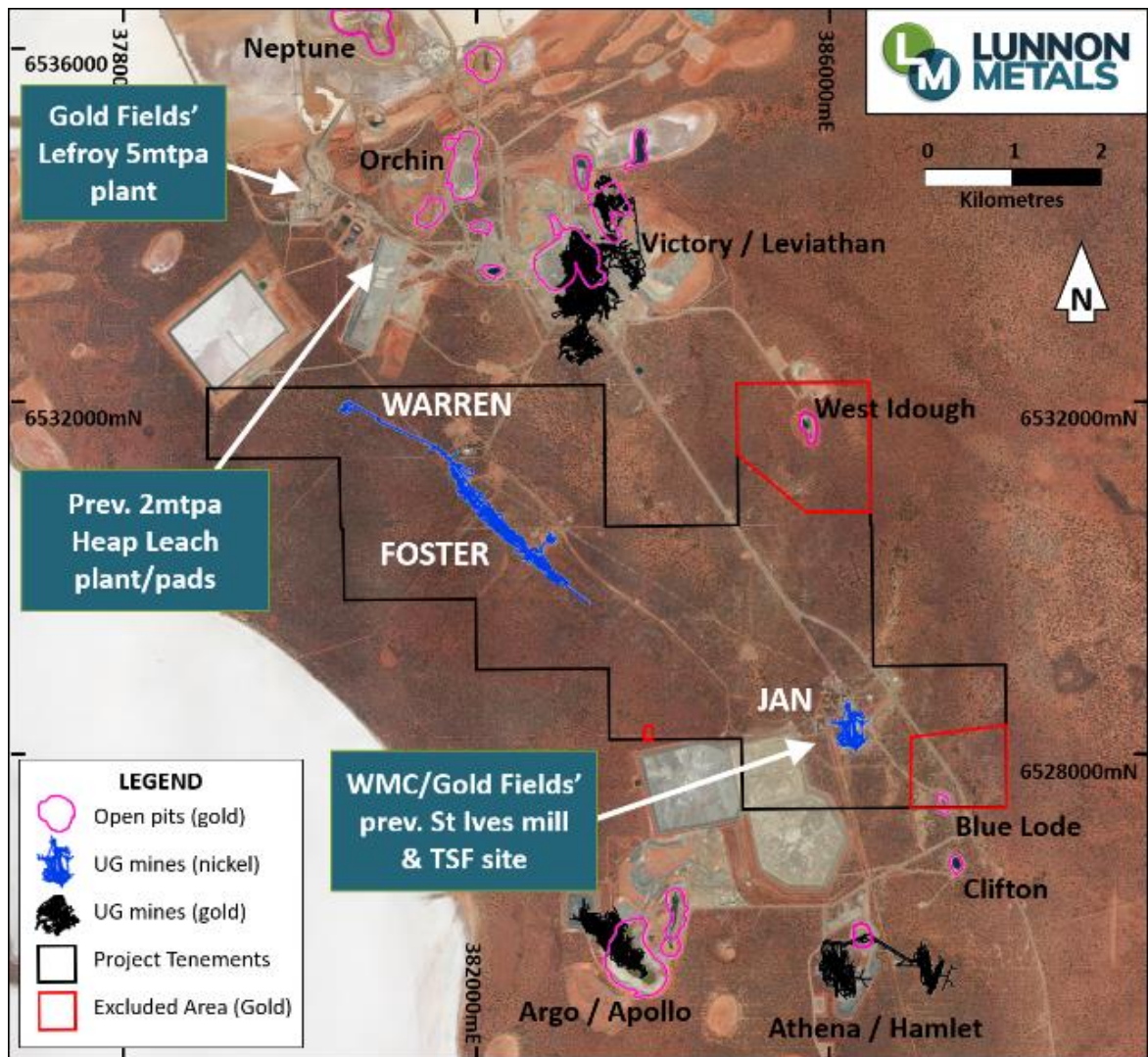


Figure 3-9 Aerial image of the Project boundary (red), historical underground nickel mine outlines (white) and nearby St Ives' gold mines (blue/yellow) and infrastructure

3.3.1 Surface Gold Exploration

Both WMC and St Ives have previously explored the surface of the Project extensively for gold. Limited gold anomalism has been detected in these past activities within the depth extent below surface that air core and RAB drilling have tested. Deeper RC drilling tests have been conducted at a range of near surface targets together with testing the down dip potential of 1920/30s vintage historical workings, again, with limited success. Gold mineralisation within the Project boundaries is therefore categorised by the Company as inconsistent although significant intercepts of gold mineralisation are recorded across the Project.

The area has benefited from extensive prior geophysical surveys allowing the Company's technical staff to complete a detailed review and analysis of the litho-structural framework that hosts both the nickel and the gold mineralisation, based on this holistic view of the comprehensive database coupled with their own direct personal experience on the Project and at St Ives, Lunnion Metals believes that this is the first time in the Project's history that both the nickel and gold data has been synthesised together with the objective of developing a single coherent model for both metals that honours all the available data.

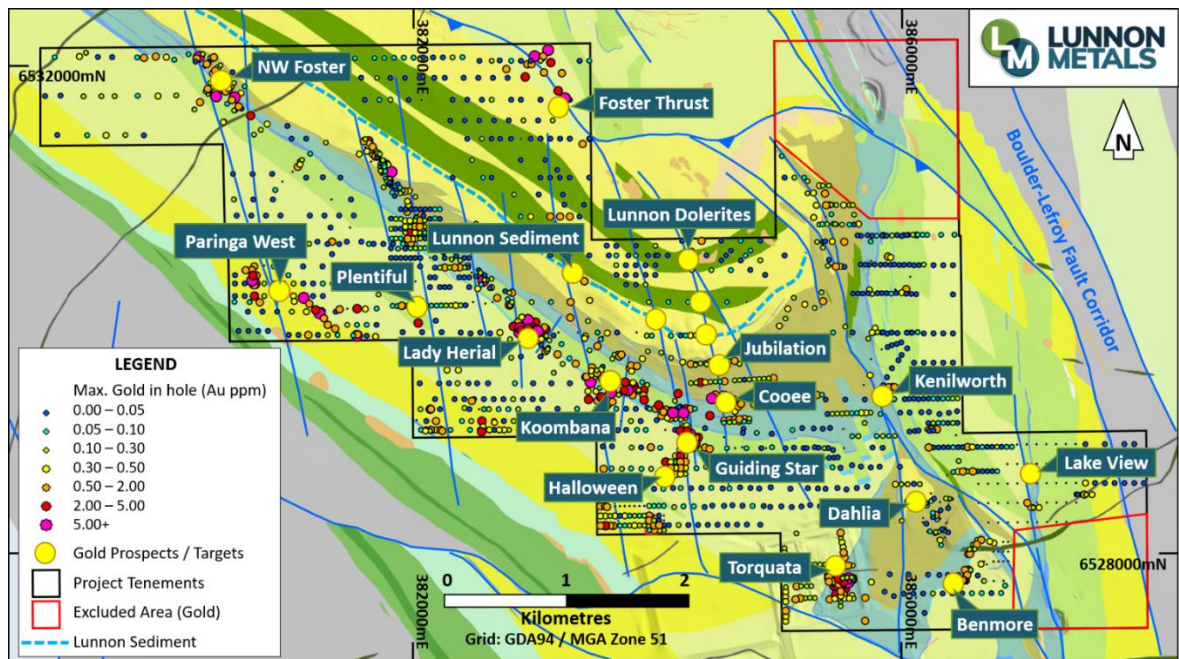


Figure 3-10 Project lease boundaries over surface geology, Max Au in hole (ppm) and gold (yellow) prospects

As a consequence, the Company has now been able to generate new surficial gold anomalism in its exploration work during the JV option period prior to IPO and further compiled a portfolio of empirical and conceptual targets (see Figure 3-10) that it considers warrant aggressive testing.

Plentiful & Kenilworth

As detailed on Figure 3-10 above, Plentiful and Kenilworth are the prospect names allocated to two distinct, geophysical, magnetic anomalies. Figure 3-11 below highlights that these two anomalies (circled in white), are discrete high magnetic responses located in areas of lower, subdued magnetic response. The current interpretation of the stratigraphic position of these two anomalies places them some distance, and thus separated, from the Silver Lake Peridotite ultramafic rocks which record a pronounced, folded high magnetic response in the data set. Consequently the Company interprets these anomalies to be potentially magnetite altered units within less altered basalts and dolerites contained within the stratigraphy, a setting considered to be a possible favourable gold host in the St Ives-Kambalda district.

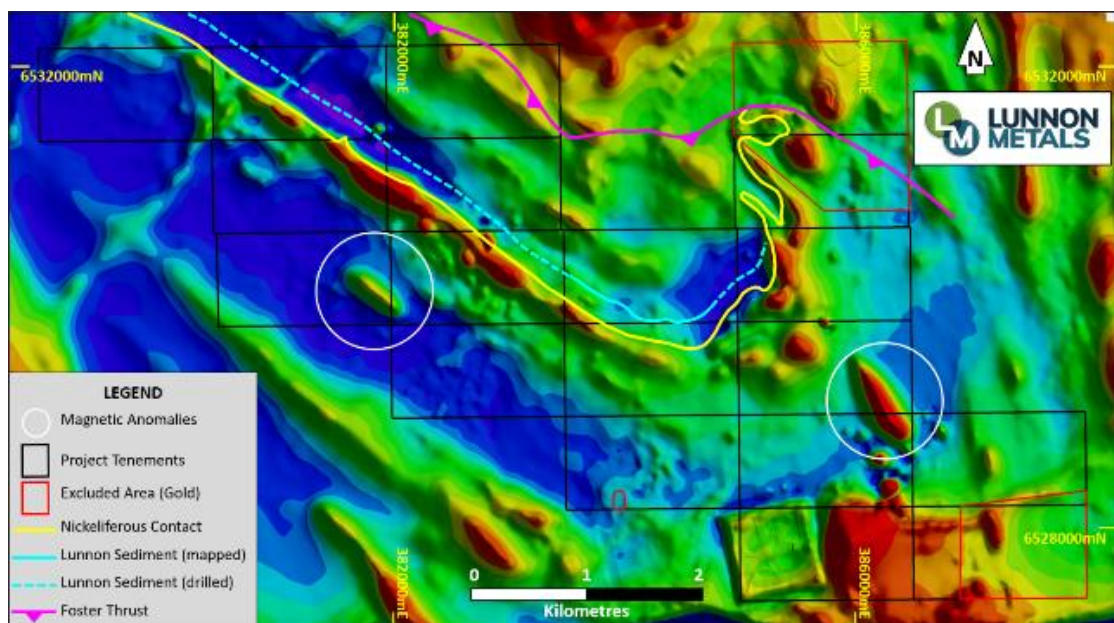


Figure 3-11 Magnetic compilation (RTP: NE shade) highlighting the Plentiful and Kenilworth conceptual "mag anomaly" targets circled in white

3.3.2 Lunnion Sediment Targeted Program

As stated in Section 3.1 above, the 23km² area of the tenements at the Project play host to over 9.0 km of strike extent of contact of the Lunnion Basalt. Of particular interest in recent discovery advancements made by neighbouring companies is the gold mineralisation found by RNC Minerals (now renamed Karora Resources, a TSX listed gold/nickel company who holds the rights to both metals at the nearby Beta/Hunt Nickel Mine via sublease with St Ives).

As reported by that company, extreme high grade gold has been located at the intersection of lode structures with an iron rich, sulphidic interflow sediment, which the Company is terming the Lunnion Sediment, and is a regional marker horizon within the Lunnion Basalt Fm. This position within the stratigraphic record at Kambalda/St Ives is, and has been, rarely tested by drilling, due to the fact that nearly all the historical drilling typically terminated once it had intersected the target nickel mineralisation horizon at the contact of the Lunnion Basalt with the overlying ultramafic rocks.

The Project contains at least 5.0 km of strike of this Lunnion Sediment at surface as mapped or interpreted by the Company from historical drillhole pierce points whilst potentially more significantly, this iron rich, sulphide rock unit has been recorded as being between less than approximately 80-100 horizontal metres to the immediate east of the Foster Mine decline wherever that stratigraphic position has been exposed by mining or underground diamond drilling.

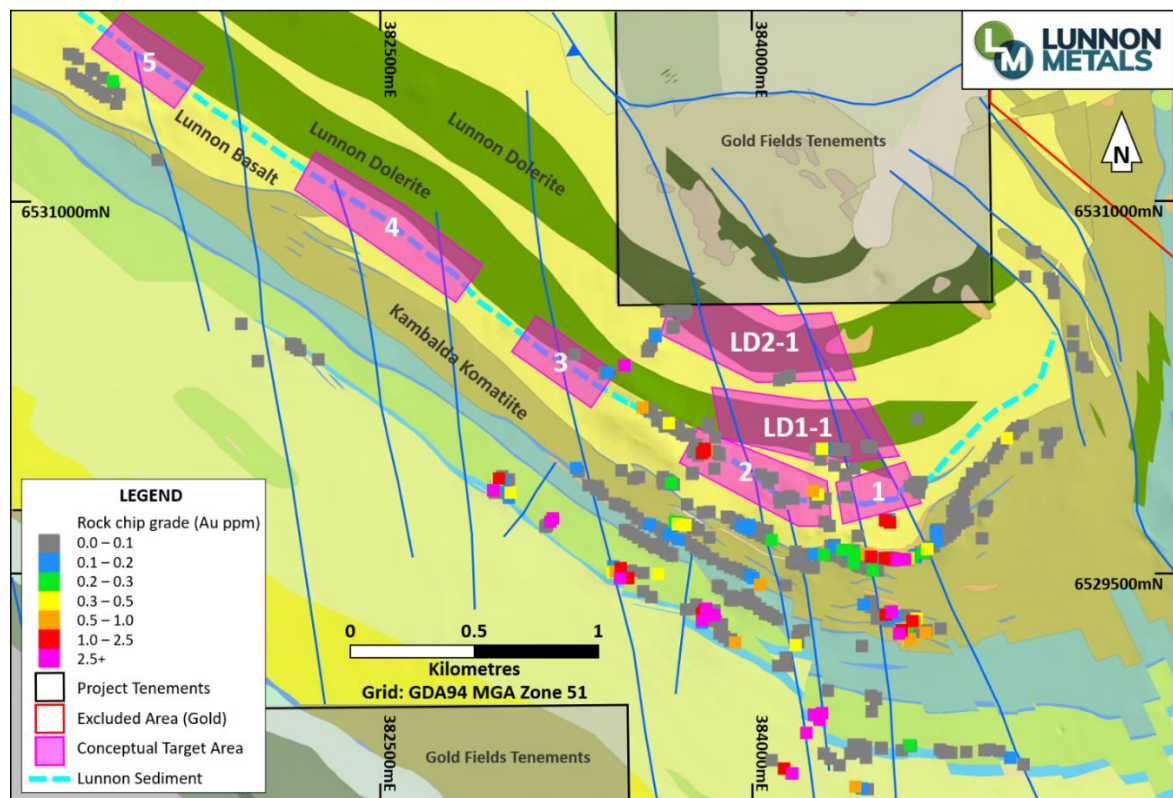


Figure 3-12 Surface Geology highlighting Lunnion Sediment (dashed blue) and associated conceptual gold targets

Whilst it is presently unknown whether the Lunnion Sediment hosts any gold mineralisation at the Project, given the gold endowment surrounding the Company's tenure and the litho-structural framework interpreted to exist across the area, the presence of the Lunnion Sediment as a potential host rock for gold offers an exciting additional portfolio of targets (labelled 1 through 5 and LD-1 and LD-2 on Figure 3-12 above) for consideration.

4. FINANCIAL INFORMATION

4.1 Independent Limited Assurance Report

The Independent Limited Assurance Report by Armada Audit & Assurance Pty Ltd in Schedule 1 includes:

- the reviewed Pro-Forma Statement of Financial Position for the Company assuming completion of the Offer;
- the historical reviewed Statement of Financial Position of the Company as at 31 December 2020;
- the historical reviewed Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows of the Company for the half year ended 31 December 2020; and
- the historical audited Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows of the Company for the financial years ended 30 June 2019 and 30 June 2020.

The Company's financial performance across this period includes losses of \$1,448,577 and \$1,110,600 for FY2020 and FY2019, respectively and a loss of \$1,066,101 for the FY2021 first half.

Investors are urged to read the Independent Limited Assurance Report in full and should note the scope and limitations of the report.

4.2 Financial Forecasts

Post-ASX Listing, the Company's financial performance will be largely dependent on expenditures incurred on, and returns received from, its interests in its Projects, which (particularly in the case of returns) are inherently uncertain.

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

4.3 Future Capital Requirements

The Company's exploration activities and potential future growth will require substantial expenditure. The Company has limited operating revenue and is only likely to generate substantial operating revenue in the near to medium term if, and when the Project is brought into production.

Further equity funding will be required to develop the Project and this has the potential to substantially dilute Shareholders.

No assurance can be given that adequate funding will be available, or available on suitable terms for an FID to be made to commence development of the Project, or to repay the outstanding Bolong Loan. The ability to raise the required additional capital is subject to entry into binding agreements and may be influenced by other factors, including the risks as set out in Section 7 of this Prospectus.

4.4 Dividend Policy

The Company does not expect to pay any dividends in the near future, as its focus will primarily be on using its cash reserves to progress its Projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and

financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

No assurance can be given by the Company in relation to the payment of dividends or franking credits attaching to dividends.

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 50 million Shares at an issue price of \$0.30 per Share to raise \$15.0 million before costs.

The Shares offered under the Offer will rank equally with the existing Shares on issue. Refer to Section 9.2 for a summary of the terms of the Shares.

5.1.1 Conditions of the Offer

The Offers under this Prospectus are conditional upon the following events occurring:

- a) the Company completing the acquisition under the SPA;
- b) the Company raising the Minimum Subscription, being \$15.0 million, under the Offer; and
- c) ASX granting approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied,

(together the “Conditions”).

If these Conditions are not satisfied, then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act, without interest (as applicable).

5.1.2 Minimum Subscription

The Minimum Subscription for the Offer is \$15.0 million.

If the Minimum Subscription has not been raised within four months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.1.3 Offer is Underwritten

The Company has appointed Euroz Hartleys Limited (AFSL 230052) as underwriter and lead manager of the Offer.

The terms of the Underwriting Agreement (including the fees payable to the Underwriter) and the obligations of the Underwriter are summarised in Section 8.2.

5.1.4 Minimum Application Amount

Applications under the Offer must be for a minimum of \$2,000 worth of Shares (6,667 Shares) and thereafter, in multiples of \$500 worth of Shares (1,667 Shares).

5.1.5 Quotation and Trading

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.1.6 Purpose of the Offer

The primary purposes of the Offer are to:

- a) raise sufficient funds to meet the Company's stated objectives;
- b) satisfy the requirements for admission of the Company to the Official List of ASX which will enable efficient trading of the Company's Shares, as well as to increase access to additional future funding after the Offer;
- c) provide the broader business with the benefits of increased profile, transparency and credibility that arises from being a listed entity.

5.1.7 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

5.2 Secondary Offers

In addition to the Offer, the Prospectus also contains two further offers for the issue of Securities to specified parties. The primary purpose of the Secondary Offers is to remove the need for an additional disclosure document to be issued upon the sale of any securities that are issued under the Secondary Offers (including any Shares issued on exercise of the Options under the Lead Manager Options Offer).

5.2.1 St Ives Offer

This Prospectus includes an offer of 44,711,062 Shares to St Ives Gold Mining Company Pty Ltd (a subsidiary of Gold Fields Limited) ("St Ives"), which are to be issued pursuant to the SPA, the material terms of which are summarised in Schedule 2 of the Solicitor's Report on Tenements ("St Ives Offer").

Only St Ives may accept the St Ives Offer. A personalised application form in relation to the St Ives Offer will be issued to St Ives together with a copy of this Prospectus.

The St Ives Offer will only proceed where the Offer is completed.

5.2.2 Lead Manager Offer

This Prospectus includes the offer of 1,426,738 Lead Manager Options to be issued to Euroz Hartleys (or its nominees).

The Lead Manager Options offered to the Lead Manager under the Lead Manager Options Offer will be issued on the terms and conditions set out in Section 9.3.2. The Lead Manager Options will not be quoted, but the Company will apply for quotation of all Shares issued upon exercise of the Lead Manager Options.

Only Euroz Hartleys (or its nominees) may accept the Lead Manager Options Offer. A personalised Application Form in relation to the Lead Manager Options Offer will be issued to Euroz Hartleys (or its nominees) together with a copy of this Prospectus.

The Lead Manager Offer will only proceed where the Offer is completed.

5.3 Use of Funds

The Company intends to apply funds raised from the Offer following admission to the Official List of the ASX over the next two (2) years as follows:

Use of Funds – Kambalda Nickel Project	\$15 million	
	\$ M	%
Exploration at the Kambalda Nickel Project ⁽¹⁾	\$11.1	74.0%
Corporate, administration and working capital ⁽²⁾	\$2.833	18.9%
Expenses of the Offer ⁽³⁾	\$1.067	7.1%
Total	\$15.0	100%

Notes:

- (1) As outlined in this Prospectus, the majority of funds are intended to be expended on the Kambalda Nickel Project. Funds allocated to exploration on the Kambalda Nickel Project include proposed expenditures on direct nickel exploration (approximately \$8.8 million), re-establishing surface site infrastructure, costing and then initiating dewatering of the upper levels of the underground areas of the Project for (approximately \$1.4 million) and specific gold exploration within the Kambalda Nickel Project area (approximately \$0.9 million).
- (2) Corporate and administration expenses include general company overheads including salaries, insurances and general company expenses, including amounts payable for stamp duty related to the completion of the Acquisition.
- (3) The expenses of the Offer includes a discretionary incentive fee payable to the Underwriter of up to 0.50% (excluding GST) of the amount raised under the Offer (being up to \$75,000 if \$15.0 million is raised) at the discretion of and subject to approval by the Board.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 7).

The Directors consider the Company will have sufficient working capital on completion of the Offer to achieve its stated objectives.

5.4 Capital Structure

The expected capital structure of the Company following completion of the Offer is tabled below.

Shares	\$15 million (Minimum Subscription)	%
Shares currently on issue	46,536,003	32.95
Shares to be issued under the St Ives Offer	44,711,062	31.65
Shares to be issued under the Offer	50,000,000	35.40
Total	141,247,065	100.0

Options	
Options currently on issue ⁽¹⁾	3,875,000
Options to be issued under the Lead Manager Options Offer ⁽²⁾	1,426,738
Total	5,301,738

- (1) Granted under the Company's Incentive Option Plan and subject to vesting conditions. \$0.05 exercise price, expiring 22 March 2026 and subject to a three-year disposal restriction (subject to limited exceptions). Refer to Sections 9.3.
- (2) Options to be granted to the Lead Manager under the Underwriting Agreement (refer to Section 8.2).

5.5 Substantial Shareholders

As at the date of this Prospectus, the following entities hold 5% or more of the total number of Shares on issue and will hold 5% or more on completion of the Offer (assuming they do not subscribe for any Shares under the Offer).

Shareholder	Shares	Current %	Shares following ASX Listing	% following ASX Listing
St Ives ⁽¹⁾	Nil	Nil	44,711,062	31.65%
Bolong ⁽²⁾	18,289,426	39.3%	18,289,426	12.95%
Mainglow Pty Ltd <Hedley Family Trust No. 1>	9,678,565	20.8%	9,678,565	6.85%
Aurora Prospects Pty Ltd <Aurora Family Trust>	9,678,565	20.8%	9,678,565	6.85%
Fan Rong Mineral Consulting Pty Ltd <Fan Rong Family Trust>	6,096,475	13.10%	6,096,475	4.32%
Total	43,743,031	94.0%	88,454,093	58.3%

Notes:

(1) St Ives will acquire its Shares subject to the SPA with the Company, immediately prior to ASX Listing (see Schedule 2 for details of the SPA).

5.6 Applications

5.6.1 How to apply under the Offer

Applications for Securities under the Offer must be made either online or by using the Offer Application Form.

5.6.2 Online Application Form with BPAY® or EFT

Applicants in Australia may apply for Securities by applying online by following the instructions at <https://investor.automic.com.au/#/ipo/lunnonmetals> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY® details, you must:

- access your participating BPAY® financial institution either through telephone or internet banking;
- select to use BPAY® and follow the prompts;
- enter the supplied biller code and unique customer reference number;
- enter the total amount to be paid which corresponds to the value of Securities you wish to apply for under each Application;
- select which account you would like your payment to come from;
- schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and

- g) record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 3.00 pm (WST) on the Closing Date.

If you require assistance in completing an online Application Form, please contact the Share Registry.

5.6.3 Paper Application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the relevant address shown on the Application Form so it is received before 5.00 pm (WST) on the Closing Date.

Payment must be in full and in Australian currency by cheque in accordance with the instructions set out in the Application Form.

An original, completed and lodged Application Form, whether online or in hard copy, together with payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final.

If your cheque, BPAY® or EFT payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- a) agrees to be bound by the terms of the relevant Offer;
- b) declares that all details and statements in the Application Form are complete and accurate;
- c) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- d) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- e) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- f) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not

be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

By completing an Application Form, whether online or using the paper-based form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

5.7 Allocation Policy

The allocation of Shares under the Offer will be determined by the Board in its absolute discretion, in consultation with the Sole Lead Manager.

The allocation of Shares by Directors will be influenced by the following factors:

- a) the number of Shares applied for;
- b) the overall level of demand for the Offer;
- c) the desire for spread of investors, including institutional investors; and
- d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Board reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Shares to be allocated to an Applicant will be final. There is no guaranteed allocation of Shares under the Offer.

5.8 Restricted Securities

Subject to the Company being admitted to the Official List, certain Securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. The Board does not expect that any Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

5.9 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following the completion of the Offer and prior to the date of admission of the Company to the Official List.

5.10 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System ("CHESS"). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time however, a charge may be made for such additional statements.

5.11 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained

5.12 Taxation

The disposal of Shares may have tax consequences, which may differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and/or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

5.13 Brokerage

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

6. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

6.1 Directors

Liam Twigger – Non-Executive Chair, B.Econ, CPA, GDipBus

Appointed: 25 February 2021

Liam is the Managing Director and Principal of PCF Capital Group, a licensed and independent investment banking and corporate advisory business based in Perth, Western Australia.

Liam is Chairman of Solgold Plc, a London and TSX listed resources company focussed on the discovery, definition and development of copper and gold deposits in Ecuador. He is also a Non-Executive Director of the Western Australian Government owned Gold Corporation (trading as the Perth Mint).

Liam holds a Graduate Diploma in Business, a Bachelor of Economics and is a Certified Practising Accountant.

The Board considers Mr Twigger is currently an independent Director.



Edmund Joseph Ainscough – Managing Director, B.Sc (Hons) (Geology), FGeolSoc, MAusIMM

Appointed: 22 January 2015

Mr Ainscough led the acquisition of joint venture rights to the Foster/Jan Nickel Project (in 2014) and the acquisition of the Great Southern project (in 2016) from Silver Lake Resources now owned by Medallion Metals Ltd, of which he is also a Non-Executive Director. A geologist by training, he has extensive operational experience (gold, copper and tin) in Australia, Africa, the UK and New Zealand. He was previously a senior member of the Gold Fields executive team in Australia where he held a key business development role reporting to the Executive Committee until 2008. He was the last Chief Geologist for WMC at the St Ives Gold Mine, and under the new Gold Fields' ownership initiated a \$25 million per annum drill budget. Prior to founding Lunnon Metals Ltd's forebear, ACH Nickel, Mr Ainscough was at PCF Capital Group where he advised resource sector companies on corporate, merger and acquisition, and valuation assignments.



The Board considers that Mr Ainscough is not an independent Director.

Ian Courtney Junk – Non-Executive Director, B.Eng (Hons) (Mining), MAusIMM

Appointed: 18 August 2014

Mr Junk has a Bachelor of Engineering (Mining) (Hons) from the WA School of Mines and has a detailed understanding and long history with nickel mining in Kambalda. In the past, having worked as a Mine Manager at various Kambalda nickel mines for Western Mining Corporation (WMC), he then played an integral role in the revitalisation of many WMC Kambalda nickel mines when they were divested in the early 2000s. Ian, along with his brother Leigh, and their company Donegal Resources, initiated the joint venture with Mincor Resources at the Miitel, Mariners, Wannaway and Redross nickel mines, and subsequently executed another joint venture with Panoramic Resources at the Lanfranchi nickel mine. Donegal Resources also managed and operated the Carnilya Hill nickel mine when that was sold by WMC to View Resources. Mr Junk



has played significant roles in the exploration, development and commissioning of various other mining operations around Australia, through his own mining entities and contracting companies.

The Board considers Mr Junk is not currently an independent Director.

Ashley McDonald – Non-Executive Director, B.Comm, LLB

Appointed: 24 February 2021

Mr. McDonald is the nominee for Gold Fields Limited. He is currently Vice President Corporate Development for Gold Fields and has played a key role in a number of the company's key growth transactions including acquiring the Granny Smith, Lawlers and Darlot gold mines from Barrick in 2013, acquiring a 50% interest in the Gruyere gold mine in 2016 and evaluating the various funding options for Gold Fields key development asset Salares Norte (capex US\$830M) in Chile in 2020. An experienced and skilled M+A practitioner with strong financial and analytical skills, Mr McDonald is also a legal practitioner with more than 20 years' experience in Corporate and Resources Law and was part of the legal team that assisted Gold Fields in its acquisition of St Ives and Agnew in 2001. Mr McDonald is an admitted legal practitioner holding a Bachelor of Laws (Hons) and Bachelor of Commerce (Accounting) from Murdoch University..



The Board considers Mr McDonald is not currently an independent director.

6.2 Senior Management

Aaron Charles Wehrle – Exploration & Geology Manager, B.Sc (Hons), MAusIMM



Mr Wehrle is a geologist with 25 years' experience in Australia, Canada and the Philippines. He has significant directly relevant operational experience having worked for WMC at St Ives in the Kambalda district for a number of years in a variety of production roles before being promoted to the site management team as Exploration Manager. In this role under new owner Gold Fields Ltd, he played a key part in the ramp up of drilling activities to dramatically increase the gold resource base in support of a new 4.8mtpa processing facility. His career progressed on to resource definition and delineation responsibilities with time spent in Meliadine, Nunavut, Canada (gold) prior to returning to Australia as a Regional Geologist in the company's Perth based exploration team. He then moved to the Philippines where he was responsible for the geological modelling and definition of the Far South East (gold-copper) Deposit based on site and in Manila. Mr Wehrle has worked for the Company since early 2015.

Jessamyn Sarah Lyons – Company Secretary



Ms Lyons is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing. Ms Lyons is also a Director of Everest Corporate and Company Secretary of Dreadnought Resources Limited (ASX:DRE), Doriemus PLC (ASX:DOR), Medallion Metals Limited (ASX:MM8), Alchemy Resources Limited (ASX:ALY), Stealth Global Holdings Ltd (ASX:SGI), Ragnar Metals Limited (ASX:RAG) and Joint Company Secretary of Los Cerros Limited (ASX:LCL). Ms Lyons also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently, Patersons Securities

6.3 Disclosure of Fees, Benefits and Interests of the Directors

The following table shows the total annual remuneration paid to Directors in the previous two financial years, proposed total annual remuneration for the current financial year and the relevant interests of Directors in Securities as at the date of this Prospectus.

Director	Remuneration ⁽¹⁾			Shares ⁽²⁾	Options ⁽³⁾
	FY2019	FY2020	FY2021		
Liam Twigger ⁽⁵⁾	Nil	Nil	\$18,750	Nil	475,000
Edmund Ainscough ⁽⁴⁾	\$275,000	\$275,000	\$275,000	1,396,408	1,700,000
Ian Junk ⁽⁶⁾	Nil	Nil	Nil	9,678,565	Nil
Ashley McDonald ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil
Total	\$275,000	\$275,000	\$293,750	11,074,793	2,175,000

Notes:

- (1) Remuneration excludes compulsory superannuation (currently 9.5% per annum) and reasonable expenses incurred. For the Non-Executive Directors, this is for the period 1 March 2021 to 30 June 2021.
- (2) In addition to the Shares outlined here, Mr Liam Twigger (through an associated entity) has indicated his intention to subscribe for up to 600,000 Shares (\$180,000) and Mr Ed Ainscough (through an associated entity) has indicated his intention to subscribe for up to 233,334 Shares (\$70,000).
- (3) Granted under the Company's Incentive Option Plan and subject to vesting conditions, \$0.05 exercise price, expiring 22 March 2026. Refer to Sections 9.3 and 9.4 for details.
- (4) Mr Ainscough will receive annual remuneration of \$275,000 per annum. Mr Ainscough's relevant interest in the Shares are held by Nub Holdings Pty Ltd <ATF Nub Operating Trust>, an entity controlled by Mr Ainscough. The Director Options are held directly by Mr Ainscough.
- (5) Mr Twigger will receive annual remuneration of \$75,000 per annum (pro-rated for FY2021). Mr Twigger's relevant interest in the Options are held directly
- (6) Mr Junk is not accepting any fees or Options as at the date of this Prospectus.
- (7) Mr McDonald is not accepting any fees or Options as at the date of this Prospectus.

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a Director. The Company's Constitution provides that the total remuneration of non-executive Directors will be not more than \$300,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting. The remuneration of any executive or Managing Director that may be appointed to the Board will be fixed by the Board from time to time.

Directors are entitled to be paid reasonable travel, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

6.4 Agreements with Related Parties and Substantial Shareholders

The Company has entered into the following transactions with related parties and current (>5%) substantial shareholders, which are summarised in Section 8:

- an executive services agreement with Managing Director, Mr Edmund Ainscough;
- an executive services agreement with Exploration & Geology Manager, Mr Aaron Wehrle;
- Non-executive Director appointment letters with Messrs Twigger, Junk and McDonald;
- Deeds of indemnity, insurance and access with the Directors on standard terms;
- The Company leases an office in West Perth from an entity controlled by director, Ian Junk. Total rental and payments made by the Company in relation to the lease since 1 September 2020 totalled \$32,215 (excluding GST);
- A Supplementary Heads of Agreement between the Company and its original private shareholders that details the prior conversion of debt previously owed by the Company to Bolong, and its conversion to equity issued pro rata to their then percentage ownership to entities controlled by Messrs Junk, Hedley, Li and Bolong; and

- with St Ives, who upon listing will become a 31.65% Shareholder, the following Agreements:
 - the JVA entered into between the Company and St Ives during the earn-in period prior to IPO whereby the Company will earn a 51% interest in the Project prior to ASX listing; and
 - a Sale and Purchase Agreement (“SPA”) wherein the Company will, conditional upon earning a 51% interest detailed above, subsequently acquire St Ives’ residual 49% interest in the Project immediately prior to ASX listing.

6.5 ASX Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs.

To the extent applicable, commensurate with the Company’s size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (“Recommendations”).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company’s main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details in the Company’s Corporate Governance Plan will be made available on the Company’s website at www.lunnonmetals.com.au in due course.

6.5.1 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company’s conduct and activities; and
- ensure compliance with the Company’s legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- developing initiatives for profit and asset growth;
- reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- acting on behalf of, and being accountable to, the Shareholders; and
- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors’ participation in the Board discussions on a fully-informed basis.

In light of the Company’s size and nature, the Board considers that the proposed Board is a cost effective and practical method of directing and managing the Company. If the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

6.5.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next annual general meeting and is then eligible for re-election by the Shareholders.

6.5.3 Identification and Management of Risk

The Board does not have a risk management committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a risk management committee.

6.5.4 Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

6.5.5 Independent Professional Advice

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

6.5.6 Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors and senior managers. The policy generally provides that key management personnel are required to refrain from trading in the Company's Shares during a 'closed period' except for trading during exceptional circumstances.

6.5.7 External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

6.5.8 Audit Committee

The Company does not have an audit committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of an audit committee.

6.5.9 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to report any departures from the recommendations in its annual financial report and/or on its website.

The Company's departures from the Recommendations as at the date of this Prospectus will be announced to ASX prior to the Company's Shares commencing trading on ASX.

7. RISK FACTORS

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their professional advisers, before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business, risks related to the industry sector in which the Company operates and, in addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.1 Company Specific Risks

The Company's growth and proposed operations will require substantial expenditure. The Company currently has limited operating revenue and is only likely to generate substantial operating revenue in the near to medium term if, and when, the Project is brought into production.

These risks include a variety of Company, industry specific and general risks, including (without limitation) the following:

7.1.1 Discovery

Exploration activities are inherently high risk with no guarantee of any success; consequently any decision to invest in the Company's share is highly speculative in nature.

7.1.2 Additional Funding

The Company will generate losses for the foreseeable future. While the funds to be raised under the Offer are considered sufficient to meet the stated objectives of the Company, the Company will require additional funding for its activities after the initial two years following the IPO. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company.

7.1.3 Re-commencement of historical mines

Re-entering historical mines that have been closed and partially or fully rehabilitated at surface, presents all the same risks noted below related to the business of project development and mining. These mines do, however, also present specific additional risks related to the circumstances of the mine including (but not limited to) water ingress, quality of original ground support and the extent and reliability of the surveying of past development and mining activity, which may be exacerbated by the time that has passed. The historical mines of Foster and Jan Shaft closed in 1994 and 1986 respectively and, in the case of Foster, is known to have flooded to within approximately 17 metres of surface. Programs to dewater, excavate the entrance and re-enter these mines may be potentially subject to inherent uncertainty regarding the volume, quality and extent of the flooded workings, the rate of draw down and thus the overall costs to complete that work. Once dewatering is complete, the nature of the rock mass encountered and the requirement to support it and make it safe to current regulatory requirements is another consideration. Whilst there is significant data available to assist in scoping, preparation and costing such programs, these uncertainties may cause significant divergence from forecasts..

7.1.4 Resource Exploration, Development and Mining

The business of exploration, project development and, if the Company successfully commences production at the Project, mining, contains elements of significant risk, including in relation to technical, financial, legal and social matters.

7.1.5 Key Personnel

The Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its Projects. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their relationship with the Company.

7.1.6 Liquidity

There can be no guarantee that there will be an active market for Shares or that the price of Shares will increase. If the Minimum Subscription is raised, the free float of Shares available for trading is expected to be approximately 35% of issued Shares at ASX Listing.

7.1.7 Royalties

Mining activities by the Company on the Tenements are subject to royalties payable to the State and private parties. These royalties will affect the profitability and may affect the commercial viability of the Company's possible future mining operations that are subject to these royalties.

7.1.8 Mineral Resources

There is a degree of uncertainty related to the estimation of Mineral Resources. These may be subject to change, which may result in alterations to any potential future development and mining plans which may, in turn, adversely affect the Company's operations, financial position and prospects. Even if additional exploration and resource drilling extend the Company's current Mineral Resource estimates, there is no guarantee that the Company will be capable of commencing or thereafter sustaining commercial development.

7.1.9 Project Funding

Any decision to mine at the Project in the future is subject, amongst other factors, to the Company discovering sufficient nickel metal resources, completing any further proposed resource drilling, pre-feasibility and feasibility studies into the economics case to support any pre-development activities, and thereafter obtaining sufficient project funding. The Company's intention at that time would be to seek project debt financing to fund the majority of the project development cost, however in the interim, further equity and/or other capital will also be required. There can be no assurance that sufficient funding will be available when needed or, if available, may not be favourable to the Company. Any future equity financing may be substantially dilutive to Shareholders and may be undertaken at prices lower than the Share issue price under the Offer.

7.1.10 Ore Processing

The Company currently has a contractual relationship with BHP Nickel West in respect to the processing of any potential future nickel mineralisation mined at the Project under the terms agreed at the time of the sale of the St Ives gold assets by WMC to Gold Fields Ltd. The obligation is to offer to sell ore for treatment in certain circumstances (or pay a royalty). The cost to permit and construct a processing facility of its own may be significant and the quantities of Mineral Resources under ownership may not be sufficient to warrant the deployment of such capital. In relation to any gold mineralisation that may be discovered and mined in the future, the Company has a contractual obligation to offer such ore to St Ives' Lefroy Processing Facility adjacent to the Project at Kambalda.

7.1.11 Environmental Approvals

The Company's activities are subject to environmental laws at both State and Federal level. Accidents or unforeseen circumstances could subject the Company to extensive liability and could delay future production or increase production costs. In addition, environmental approvals will be required from relevant government and regulatory authorities before certain activities may be undertaken which are likely to impact the environment, including for land clearing and ground disturbing activities. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited. Additional risk factors which will affect the Company are (non-exhaustively) disclosed below.

7.2 Industry Specific Risks

7.2.1 Commodity Price

Changes in the market price of a range of commodities but in particular nickel and gold, which in the past have both been subject to material fluctuations, will affect the profitability of the Company's operations and its financial condition in the future, if the Company is able to develop the Project and commence production.

7.2.2 Exchange Rate:

The international price of nickel and precious metals are typically denominated in United States dollars, whereas the income and expenditure of the Company with respect to the Project will be denominated in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined by international markets.

7.2.3 COVID-19:

The current COVID-19 (Novel Coronavirus) pandemic has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. While to date COVID-19 has not had any material impact on the Company, it could have an adverse impact on the Company's operations, financial position and prospects in the future in addition to impacting on the ability of Company personnel to travel to the Project and execute the planned activities.

7.2.4 Tenure and Title

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with.

It is the Company's intention to satisfy the conditions that apply to the Tenements. However, no guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be pleaded by third parties.

If the conditions that apply to a Tenement are not satisfied, it may be subject to additional conditions, penalties, objections or forfeiture applications. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

Tenements are subject to periodic renewal or extension of term. There is no guarantee that any renewal or extension applications will be approved, or that future applications for renewal or

extension will be approved. The consequence of failure to renew or involuntary surrender of all or part of a granted tenements could be significant.

Although the Company has investigated title to its tenements (as detailed in the Solicitor's Report on Tenements), the Company cannot give any assurance that title to such tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

The *Forrest & Forrest Pty Ltd vs Wilson* (2017) 346 ALR 1 recent High Court decision ("Forrest Decision") in relation to the validity of grants of Western Australian mining leases and other tenements could bring the validity of mining leases and other tenements into question, as any mining lease or other tenement granted other than in strict compliance with the relevant legislative regime may result in the grant of that mining lease or other tenement being deemed invalid by a court.

The tenements comprising the Projects may be affected by the same procedural defect and/or may have been granted other than in strict compliance with the relevant legislative regime and therefore may be subject to challenge. It is expected that legislation will be presented and passed by the Western Australian Parliament to address these issues. It is also not clear how long it will take for such legislation to be passed and whether it will trigger additional negotiation or compensation requirements under the *Native Title Act 1993* (Cth).

Please refer to the Solicitor's Report on Tenements in Schedule 2 for further details.

7.2.5 Failure to Satisfy Expenditure Commitments

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in that State and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

7.2.6 Native Title and Aboriginal Heritage

In relation to the Tenements which the Company has an interest in, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Considerable expense may be incurred in negotiating and resolving issues, including any compensation arrangements reached in settling Native Title claims lodged over any of the Tenements held or acquired by the Company.

The Directors will closely monitor the potential effect of native title claims involving the Tenements in which the Company has or may have an interest.

The presence of Aboriginal sacred sites and cultural heritage artefacts if present on the Tenements is protected by State and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and Court injunctions, which may adversely impact on exploration and mining activities. The Company will review and, as required, conduct surveys before conducting work which could disturb the surface of the land, The Tenements currently contain, and may contain additional, sites of cultural significance which will need to be avoided during field programs and resulting mining operations. The existence of such sites may limit or preclude exploration or mining activities on those sites and delays and expenses may be experienced in obtaining clearances.

Please refer to the Solicitor's Report on Tenements in Schedule 2 for further details.

7.2.7 Exploration Costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

7.2.8 Operating and Development Risks

If the Company becomes a producer, the Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins, and rock bursts. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible. In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communications systems, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

7.2.9 Safety

Safety is a fundamental risk for any exploration and production company with regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

7.2.10 Stamp Duty

The Company has estimated its stamp duty liability for the completion of the Acquisition to be approximately \$250,000. As at the date of this Prospectus, the assessment of the duty associated with the SPA has not been finalised. Should the assessment be an amount greater than the Company's estimate, it may result in the Company needing to utilise funds allocated toward other expenditures to meet its statutory duty obligations.

7.3 General Risks

7.3.1 Currently No Market

There is currently no public market for the Company's Shares. The price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

The price at which the Company's Shares trade after ASX Listing may be higher or lower than the \$0.30 issue price, and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that the Shareholder paid for their Shares.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.3.2 Share Market Risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. General share market conditions are affected by many factors such as:

- general economic and political outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of the Company's Shares may fluctuate significantly based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the gold and mineral exploration sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

7.3.3 Taxation

The acquisition and disposal of Shares will have tax consequences which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.3.4 Agents and Contracts

The Directors are unable to predict the risk of insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failures by any of the other service providers used (or to be used by the Company in the future) for any activity.

7.3.5 Force Majeure

The Company and its Projects, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

7.3.6 Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been taken into account. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial performance of the Company.

7.3.7 Management of Growth

There is a risk that the Company's management may not be able to implement the Company's growth strategy. The capacity of the Company's management to properly implement the strategic direction of the Company may affect the Company's financial and operating performance.

7.3.8 Litigation Risk

In the future, the Company could potentially be exposed to litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. It may also, in the ordinary course of business, become involved in litigation and disputes with, for example, competing mining tenement holders or applicants, government departments affecting or overseeing the Company's activities or proposed activities, service providers and customers. Any such litigation or dispute could involve significant economic costs and adversely affect the Company's operations and cause damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

7.3.9 Competition

The Company intends to compete with other companies, including larger nickel and gold companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future opportunities. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business. There can be no assurance that the Company can compete effectively with these companies.

7.3.10 Insurance

The Company intends to maintain adequate insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

7.3.11 Changes to Laws and Regulations and Policy

The Company may be affected by changes to laws, regulations and policy (in Australia and other countries in which the Company may operate) concerning mining and exploration, property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

7.4 Investment is Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Company's Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. MATERIAL CONTRACTS

8.1 Projects Related Agreements

A number of agreements are in force with respect to the Project and the Tenements. Refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for summaries of these material contracts, including with regard to the SPA for the purposes of the Condition in Section 5.1.5(c) of this Prospectus and the St Ives Offer.

8.2 Euroz Hartleys Lead Manager and Underwriting Agreement

The Company has appointed Euroz Hartleys to act as lead manager and underwriter of the Offer under an agreement dated 22 April 2021 ("Underwriting Agreement"). The Company has agreed to pay Euroz Hartleys:

- a) an underwriting fee of 3.5% of the of amounts raised under the Offer ("Gross Offer Proceeds")
- b) a management fee of 1.0% of the Gross Offer Proceeds;
- c) a discretionary incentive fee of up to 0.50% (plus GST) of the Gross Offer Proceeds, at the discretion, and subject to the written approval, of the Board;
- d) 1,426,738 Lead Manager Options; and
- e) its reasonable expenses incurred in relation to the Offer.

The above fees are exclusive of GST (as applicable) and are to be paid to Euroz Hartleys within five (5) business days of ASX Listing.

The obligations of Euroz Hartleys under the Underwriting Agreement are subject to certain events of termination. The Lead Manager may terminate its obligations under the Underwriting Agreement (without costs or liability to it) if:

- a) (disclosures) a statement contained in any of the "Offer Documents" (which includes this Prospectus, a pathfinder version of this Prospectus and any related investor presentation connected with the ASX Listing) or "Public Information" (including Company statements and announcements) is or becomes misleading or deceptive, or a matter required to be included is omitted from an Offer Document;
- b) (new circumstances) there occurs a "new circumstance" as referred to in Section 719(1) of the Corporations Act that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged that is materially adverse from the point of view of an investor;
- c) (supplementary prospectus) the Company issues or, in the reasonable opinion of the Lead Manager, is required to issue a supplementary prospectus to comply with section 719;
- d) (form of Supplementary Prospectus) the Company lodges a supplementary prospectus with ASIC in a form that has not been approved by the Lead Manager;
- e) (S&P/ASX Small Resources market or nickel price fall) at any time the:
 - i) S&P/ASX Small Resources Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the close of the Bookbuild; or
 - ii) the London Metal Exchange US\$/tonne nickel price falls to a level that is 85% or less of the level as at the close of trading on the last trading day before the date of the close of the Bookbuild;
- f) (listing and quotation) approval is refused or not granted, or approval is granted subject to non- customary conditions, to the Company's admission to the official list of ASX or the quotation of the Shares, or the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

- g) (notifications) any of the following notifications are made in respect of the Offer:
 - i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
 - ii) ASIC holds a hearing under section 739(2) of the Corporations Act;
 - iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document;
 - iv) any person (other than the Lead Manager) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
 - v) any person (other than the Lead Manager) gives a notice under section 730 in relation to the Offer Document;
- h) (certificate) the Company does not provide a "Closing Certificate" confirming the Company's compliance with its obligations under the Underwriting Agreement, as and when required by the agreement;
- i) (withdrawal) the Company withdraws the Prospectus or the Offer;
- j) (escrow deed) any escrow deed entered into by the restricted Shareholders is withdrawn, varied, terminated, rescinded, altered, amended or breached or failed to be complied with;
- k) (material contracts) if any of the obligations under the Company's material contracts are not capable of being performed (in the opinion of the Lead Manager) or any part of any of such contracts is materially amended without the prior written consent of the Lead Manager, terminated, materially breached, or ceases to have effect or becomes voidable, illegal, or terminable;
- l) (insolvency events) any member of the Company is or becomes insolvent or there is an act or omission which may result in any member of the Company becoming insolvent;
- m) (ASIC Modifications) ASIC withdraws, revokes or amends any applicable ASIC modifications;
- n) (regulatory approvals) if a regulatory body withdraws or revokes or amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Offer Documents;
- o) (change to Company) the Company alters the issued capital of the Company or disposes of a substantial part of the business or property of the Company, without the prior written consent of the Lead Manager;
- p) (applications and proceedings) any government agency (other than ASX or ASIC) commences or publicly gives notice of an intention to hold an enquiry;
- q) (fraud) the Company, any group member or any of their respective directors or officers engage in any fraudulent conduct or activity, whether or not in connection with the Offer;
- r) (prosecution) any of the following occur:
 - i) a director or proposed director named in the Prospectus is charged with an indictable offence;
 - ii) the commencement of legal proceedings against the Company or against any director of the Company in that capacity;
 - iii) any government agency commences any enquiry or public action against the Company or any of the directors of the Company in their capacity as a director of the Company; or
 - iv) any director or proposed director named in the Prospectus is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- s) (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for the

Lead Manager to satisfy an obligation under the Underwriting Agreement, or, in the case of an event, occurrence or non-occurrence that makes it commercially impracticable for the Lead Manager to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer, such event or occurrence lasting in excess of 7 days;

- t) (unable to issue or transfer) the Company is prevented from allotting, transferring or issuing the Offer Shares within the time required;
- u) (change in management) a change in senior management or the board of directors of the Company occurs;
- v) (timetable) the Offer is not conducted in accordance with the timetable set out in the Underwriting Agreement or any event specified in the timetable is delayed by more than 5 business days without the consent of the Lead Manager;
- w) (certificate) a statement in any Closing Certificate is provides is false, misleading or deceptive (including by way of omission);
- x) (disclosures in due diligence report) the due diligence report or verification material or any other information supplied by or on behalf of the Company to the Lead Manager in relation to the Offer is or becomes materially false or misleading or deceptive, including by way of omission;
- y) (hostilities) hostilities not presently existing commence or a major escalation in existing hostilities occurs involving any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore, the Democratic People's Republic of Korea or the People's Republic of China or any member state of the European Union or a major terrorist act is perpetrated against any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world or a national emergency is declared by any of those countries;
- z) (adverse effect) there is, in the reasonable opinion of the Lead Manager, an adverse effect, when compared to the position disclosed in the Offer Documents or the Public Information;
- aa) (compliance) the Company fails to comply with a provision of its constitution, applicable laws, or a requirement, order or request made by any governmental agency or commits a fraudulent act;
- bb) (compliance with law) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act or any other applicable law or regulation;
- cc) (default) a material default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs;
- dd) (representations and warranties) a representation or warranty contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
- ee) (constitution) the Company varies any term of its constitution without the prior written consent of the Lead Manager to the terms of the variation;
- ff) (charges) the Company or any of its affiliates charges, or agrees to charge, the whole or a substantial part of the business or property of the Company other than a charge over any fees or commissions to which the Company is or will be entitle, or as disclosed in the Offer Documents, or as agreed with the Lead Manager;
- gg) (information supplied) any information supplied by or on behalf of a Group member to the Lead Manager in respect of the Offer or a Group member is or is found to be false or misleading or deceptive or likely to mislead or deceive (including, by omission);
- hh) (regulatory approvals) a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement; or
- ii) (disruption in financial markets) any of the following occurs:

- i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore, the People's Republic of China or any member state of the European Union is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- ii) any adverse effect on the financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore, the People's Republic of China or any member state of the European Union or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
- iii) trading in all securities quoted or listed on the ASX, New York Stock Exchange, Hong Kong Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day on which that exchange is open for trading.

Euroz Hartleys may not terminate the Underwriting Agreement if a termination event in paragraphs (w) to (ii) above occurs unless, in its reasonable opinion, such event is likely to materially adversely affect the Offer, give rise to a material liability for the Lead Manager, or give rise to a contravention by the Lead Manager of any law, regulation, treaty or judicial ruling.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to Euroz Hartleys in connection with the Offer, as well as other provisions that are considered standard for an agreement of this type.

8.3 Managing Director's Executive Services Agreement

The Company has entered into an executive services agreement with Director Edmund Ainscough under which he will be the Managing Director of the Company with no fixed term. He will be entitled to a salary of \$275,000 per annum plus superannuation. He will not be entitled to any additional Director fees.

The Company may terminate the agreement without cause with six months' notice (or payment in lieu), which may be deemed to be triggered if there is a material diminution of Mr Ainscough's role in the three months following a change of control. Mr Ainscough can terminate with three months' notice. The agreement is otherwise on standard terms for agreements of this nature.

8.4 Exploration & Geology Manager's Executive Services Agreement

The Company has entered into an executive services agreement with Aaron Wehrle under which he will be the Exploration & Geology Manager of the Company with no fixed term. He will be entitled to a salary of \$225,000 per annum plus superannuation.

The Company may terminate the agreement without cause with six months' notice (or payment in lieu), which may be deemed to be triggered if there is a material diminution of Mr Wehrle's role in the three months following a change of control. Mr Wehrle can terminate with three months' notice. The agreement is otherwise on standard terms for agreements of this nature.

8.5 Non-Executive Letters of Appointment

The Company has entered into Non-Executive Director appointment letters with Messrs Liam Twigger, Ian Junk and Ashley McDonald pursuant to which they have been appointed as Non-Executive Directors of the Company on the following terms:

- a) (Fees): director fees of \$75,000 per annum are payable by the Company to Mr Twigger. Messrs Junk and McDonald will not be accepting any fees; and
- b) (Term): appointments are subject to provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors and will automatically

cease at the end of any meeting at which Messrs Twigger, Junk and McDonald are not re-elected as Directors by Shareholders.

The appointment letters otherwise contain terms and conditions that are considered standard for agreements of this nature.

8.6 Deeds of Indemnity, Insurance and Access

The Company has entered into deeds of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

8.7 Office

The Company's West Perth office is leased under a lease agreement assigned to the Company on 2 September 2020. The lease originally commenced on 9 March 2014, has now been extended until 9 March 2023 with a two-year renewal option and rental of \$26,200 plus GST per year payable plus outgoings. The lease is otherwise on industry standard terms for an agreement of its nature. The owner of the property is Junk Superannuation Pty Ltd ATF Ian Junk Superannuation Fund, a related party of a significant shareholder in the Company, Aurora Prospects Pty Ltd (as trustee for the Aurora Family Trust), and Mr Ian Junk, a Director.

8.8 Supplementary Heads of Agreement – Bolong and ACH Shareholders

By execution of an agreement dated 6 October 2020, Bolong (Australia) Investment Management Pty Ltd ("Bolong"), ACH Nickel Pty Ltd, ACH Global Pty Ltd, Aurora Prospects Pty Ltd (as trustee for the Aurora Family Trust) ("Aurora"), Fan Rong Minerals Consulting Pty Limited (as trustee for the Fan Rong Family Trust) ("Fan Rong") and Mainglow Pty Ltd (as trustee for the Hedley Family Trust No 1) ("Mainglow") (collectively the "Founding Shareholders") together with Aaron Charles Wehrle, JJ Metal Resources Pty Ltd and Nub Holdings Pty Ltd (collectively "Management Shareholders") and in total, with the exception of ACH Global Pty Ltd, constituting all the shareholders in ACH Nickel, agreed the following:

- a) That Bolong, the Founding Shareholders, ACH Nickel Pty Ltd and ACH Global Pty Ltd were parties to a Heads of Agreement dated 22 July 2014 under the terms of which Bolong had agreed to advance a loan of \$5 million in total to the Company as and when requested by its managing director to fund expenditures to be incurred by the Company in order to acquire interests under the Foster/Jan Project Option and Joint Venture Agreement with St Ives Gold Mining Company Pty Ltd;
- b) At the date of this Supplementary Heads of Agreement, Bolong had advanced \$3,834,375 in accordance the Heads of Agreement and had also been the recipient of \$100,000 loaned back to Bolong by the Company which remained unpaid;
- c) As Bolong was unable to make further advances in accordance with the Heads of Agreement at that time, Aurora and Mainglow agreed to assist the Company on an interim basis by advancing interim funding to it under the terms of a Convertible Note;
- d) The Company agreed it would not request Bolong to advance further funds to it under the Heads of Agreement until a reasonable time prior to the time at which the loan made under the Convertible Note was due for repayment (4 further months) to provide for further time for Bolong to be in a position to meet its obligations; and
- e) Bolong also agreed at that time to assign the net outstanding loan (being \$3,734,375) from the Company to the Founding Shareholders and itself in proportion to their respective

shareholdings and the Founding Shareholders and Bolong thereby also agreed to convert the amount of the net outstanding loan to shares in the Company.

Subsequent to the execution of this Agreement, Aurora and Mainglow, after consultation with Bolong and Fan Rong, exercised their rights to convert the Convertible Note into shares in the Company in January 2021.

As a consequence of the above agreements and dealings, the Company is now debt free and has a share register as described and disclosed in this Prospectus. Other than the Options payable to Euroz Hartleys, as disclosed in Section 8.2 above, and the Options detailed in Sections 6.3, 9.3 and 9.4 issued to the Board and senior management, no further rights, notes or other equity instruments are in existence that would give rise to a claim on any shares.

9. ADDITIONAL INFORMATION

9.1 Litigation

Neither the Company nor any of its respective subsidiaries are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of their respective subsidiaries.

9.2 Rights and Liabilities Attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which can be obtained at no cost from the Company's website (www.lunnonmetals.com.au) or its registered office during normal business hours.

9.2.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

9.2.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

9.2.3 Dividend Rights

Subject to the Corporations Act, Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied

at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

9.2.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

9.2.5 Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

9.2.6 Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

9.2.7 Future Increase in Capital

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

9.2.8 Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

9.2.9 Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting.

9.2.10 Sale of Small Parcels of Shares

The Company can, in accordance with the Corporations Act and the ASX Listing Rules, no more than once in any 12-month period, sell shareholdings which do not represent a “marketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

9.2.11 Proportional Takeover Provisions

Pursuant to section 648G of the Corporations Act, the Constitution includes provisions that provide that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act. These provisions will cease to have effect on the third anniversary of the adoption of the Constitution unless renewed with Shareholder approval in accordance with the Corporations Act.

9.3 Terms and Conditions of Options

9.3.1 Director and Employee Options

The Company has issued 5,625,066 Options under the Company's Incentive Option Plan. The Options are subject to the terms and conditions of the Incentive Option Plan (refer Section 9.4). The specific terms of the Options are set out below:

a) **Entitlement**

Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.

b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Incentive Option will be \$0.05 (**Exercise Price**).

c) **Expiry Date**

Each Incentive Option will expire at 5:00 pm (AEST) on 22 March 2026 (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) **Exercise Period**

i) Subject to section (d)(iii), the Incentive Options shall vest as follows:

A. 1/3 Incentive Options will vest and become exercisable upon the Company declaring JORC Code compliant Mineral Resources (Indicated and Inferred) of not less than 80,000 tonnes of nickel metal at the Company's Kambalda Nickel Project;

B. 1/3rd of the Incentive Options will vest upon the Company achieving a 20-trading day volume weighted average price of Company shares traded on the Australian Securities Exchange (**VWAP**) of \$0.45 per Share; and

C. 1/3rd of the Incentive Options will vest upon the Company achieving a 20-trading day VWAP of \$0.60 per Share,

(each a **Vesting Condition**).

ii) Upon vesting, the vested Incentive Options shall be exercisable at any time prior to the Expiry Date (**Exercise Period**).

iii) The Vesting Conditions will be automatically waived and all unvested Incentive Options will immediately vest and become exercisable if, after the Company lists on the ASX, an entity that does not control the Company at the time the Incentive Options are granted acquires a Voting Power (as defined in the Corporations Act) in the Company of more 50%.

e) **Notice of Exercise**

The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).

g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h) **Shares issued on exercise**

Shares issued on exercise of the Incentive Options rank equally with the then issued shares of the Company.

i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Incentive Options.

j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.

l) **Change in exercise price**

An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised, unless permitted under the Plan.

m) **Unquoted**

The Company will not apply for quotation of the Incentive Options on ASX.

n) **Lapse of Incentive Options**

The Incentive Options will lapse in accordance with the terms of the Plan.

o) **Transferability**

The Incentive Options are not transferable, unless otherwise determined in accordance with the Plan.

The Options have been granted and issued in reliance on the section 83A-33 of the Tax Act and so the Options, and any Shares issued on exercise of the Options, are subject to the *Start-up Disposal Restrictions* (refer Section 9.4.9 of this Prospectus).

9.3.2 **Lead Manager Options**

Pursuant to the Lead Manager Offer, the Company is offering Lead Manager Options to certain nominated parties. The terms and conditions of the Lead Manager Options are set out below:

a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

b) **Exercise Price**

Subject to paragraph i), the amount payable upon exercise of each Option will be \$0.45 ("Exercise Price").

c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 24 months after their issue date ("Expiry Date"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date ("Exercise Period").

e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate ("Notice of Exercise") and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds ("Exercise Date").

g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

9.4 Incentive Option Plan

The key terms of the Company's Incentive Option Plan are as follows.

9.4.1 Eligibility

Participants in the Incentive Option Plan may be:

- a) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a "Group Company");
- b) a full or part time employee of any Group Company;

- c) a casual employee or contractor of a Group Company (but, if ASIC Class Order 14/1000 as amended or replaced ("Class Order") is being relied on, only to the extent permitted by the Class Order;
- d) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (a), (b), or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Incentive Option Plan ("Eligible Participants").

9.4.2 Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Options, upon the terms set out in the Incentive Option Plan and upon such additional terms and conditions as the Board determines.

9.4.3 Incentive Option Plan limit

Where the Company needs to rely on the Class Order in respect of an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous three-year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

9.4.4 Vesting Conditions

Option will not vest and be exercisable unless the vesting conditions (if any) attaching to that Option ("Vesting Conditions") have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Incentive Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant ("Relevant Person")), resolve to waive any of the Vesting Conditions applying to Options.

9.4.5 Option Disposal Restriction

Except as otherwise provided for by the Plan, an Offer, the ASX Listing Rules or required by law, an Option issued under the Incentive Option Plan may only be disposed:

- a) with the consent of the Board (which may be withheld in its discretion) in Special Circumstances, being:
 - i) a Relevant Person ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
 - ii) a Relevant Person suffering severe financial hardship; or
 - iii) any other circumstance stated to constitute "special circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

9.4.6 Exercise of Options

A vested Option may, subject to the terms of any Offer, be exercised by the holder at any time before it lapses. The Board may, in its discretion, permit a holder to exercise some or all of their Options by using a cashless exercise facility.

9.4.7 Shares

Shares resulting from the exercise of the Options shall, subject to any disposal restrictions (refer Sections 9.4.8 and 9.4.9), from the date of issue, rank on equal terms with all other Shares on issue.

9.4.8 Share Restriction Period

A Share issued on exercise of an Option may be made subject to a period when it cannot be disposed of by the holder ("Restriction Period"). Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules. Participants agree to execute a restriction agreement for the Shares reflecting any Restriction Period applying.

9.4.9 Start-up Options

Where an Option is granted under start-up requirements of section 83A-33 of the *Income Tax Assessment Act 1997* (Cth) ("Tax Act"), the Option (and any Share issued on exercise of the Option) cannot be disposed until the earlier of:

- a) the Relevant Person in respect of those Options ceases to be an Eligible Participant;
- b) three years after the acquisition date of the Option;
- c) a disposal under an arrangement which meets the requirements in section 83A-130 of the Tax Act; and
- d) such time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act ("Start-up Disposal Restriction").

9.4.10 Lapsing of Options

An Option will lapse upon the earlier of:

- a) the Board, in its discretion, resolving an Option lapses as a result of an unauthorised disposal of, or hedging of, the Option;
- b) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
- c) in respect of an unvested Option, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Option or allow it to remain unvested;
- d) in respect of a vested Option, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Option must be exercised within one month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Option is not exercised within that period and the Board resolves, at its discretion, that the Option lapses as a result;
- e) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
- f) in respect of an unvested Option, a winding up resolution or order is made, and the Option does not vest in accordance with rules of the Incentive Plan; and
- g) the Expiry Date of the Option.

9.4.11 Quotation of Shares

If Shares of the same class as those issued under the Incentive Option Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

9.4.12 No Participation Rights

There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Option.

9.4.13 Change in Exercise Price or Number of Underlying Securities

An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.

9.4.14 Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

9.4.15 Amendments

Subject to express restrictions set out in the Incentive Option Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Incentive Option Plan, or the terms or conditions of any Option granted under the Incentive Option Plan including giving any amendment retrospective effect.

9.4.16 Previous Issues

The Company has issued a total of 5,625,066 Options under the Incentive Option Plan, of which 1,750,066 have been exercised into Shares, leaving 3,875,000 Options on issue at the date of this Prospectus as detailed in Section 9.3. The ASX has granted a waiver from the Listing Rules to enable the Company to have these Options on issue with an exercise price less than \$0.20 at listing.

9.4.17 Maximum Number of Securities

The maximum number of Securities that may be issued under the Incentive Option Plan may not exceed 5% of total number of shares on issue at the date of invitation.

9.5 Interests of Directors

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with:
 - i) its formation or promotion; or
 - ii) the Offer; or
- c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or Proposed Director:

- d) as an inducement to become, or to qualify as, a Director; or
- e) for services provided in connection with:
 - i) the formation or promotion of the Company; or
 - ii) the Offer.

9.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b) promoter of the Company; or
- c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- d) the formation or promotion of the Company;
- e) any property acquired or proposed to be acquired by the Company in connection with:
 - i) its formation or promotion; or
 - ii) the Offer; or
- f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- g) the formation or promotion of the Company; or
- h) the Offer.

Euroz Hartleys is acting as Sole Lead Manager for the Company in relation to the Offer. The Company will pay Euroz Hartleys fees in respect of the Offer as detailed in Section 8.2. During the 24 months preceding lodgement of this Prospectus with ASIC, Euroz Hartleys has received no other fees from the Company for their other services.

Armada Audit & Assurance Pty Ltd has acted as Investigating Accountant for the Company and has prepared the Independent Limited Assurance Report which is included in Schedule 1 of this Prospectus. The Company has or will pay Armada Audit & Assurance Pty Ltd \$12,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Armada Audit & Assurance Pty Ltd has received no other fees from the Company for their other services.

BDO Audit (WA) Pty Ltd has acted as auditor of the Company. The Company has paid BDO Audit (WA) Pty Ltd \$15,000 (excluding GST) for audit services in relation to the Company's financial report for the financial year ended 30 June 2020. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd or related BDO entities received a further \$12,617 (excluding GST) from the Company for their other services.

Steinepreis Paganin has acted as the solicitors to Company predominantly in relation to the Offer and ASX listing. The Company estimates it has or will pay Steinepreis Paganin \$70,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin received no other fees from the Company for their other services.

EMK Lawyers have acted as solicitors to the Company since its establishment and have prepared the Solicitor's Report on Tenements Schedule 2. The Company estimates it has or will pay EMK Lawyers approximately \$20,000 (excluding GST) for that Report. During the 24 months preceding lodgement of this Prospectus with ASIC, EMK Lawyers received \$70,787 in fees from the Company for their other previous services.

Optiro has acted as the Independent Technical Assessor for the Company and has prepared the Independent Technical Assessment Report in Schedule 3 of this Prospectus. The Company estimates it has or will pay Optiro approximately \$35,000 (excluding GST) for these services. During

the 24 months preceding lodgement of this Prospectus with ASIC, Optiro has received no other fees from the Company.

9.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 9.7:

- a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Euroz Hartleys has given its written consent to being named as a Sole Lead Manager to the Offer in this Prospectus. Euroz Hartleys has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Armada Audit & Assurance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Schedule 1 of this Prospectus in the form and context in which the information and report is included. Armada Audit & Assurance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Schedule 2 of this Prospectus in the form and context in which the information and report is included. EMK Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Optiro has given its written consent to being named as the Independent Technical Assessor in this Prospectus, the inclusion of the ITAR in Schedule 3 of this Prospectus, and the inclusion of statements in the Prospectus said to be by Optiro, or based on statements by Optiro, in the form and context in which the information, statements and report are included. Optiro has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic has given its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Automic has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company.

9.8 Expenses of the Offer

The total expenses of the Offer if the Minimum Subscription is raised are estimated to be approximately \$1.067 million exclusive of GST and are expected to be applied towards the items set out in the table below.

Table 9-1 Expenses of the Offer breakdown

Item of Expenditure	Minimum Subscription (\$15 million)
	Amount (A\$)
ASIC Fees	5,000
ASX Listing Fees	135,000
Capital Raising Fees	750,000
Independent Technical Assessor's Fees	35,000
Investigating Accountant's Fees	12,500
Legal Fees	90,000
Printing, Distribution and Miscellaneous	40,000
Total	1,067,500

The above table includes a discretionary incentive fee payable to the Underwriter of 0.50% (excluding GST) of the amount raised under the Offer (being up to \$75,000 if \$15.0 million is raised).

9.9 ASX Waiver

The Company has applied for a waiver of ASX Listing Rule 1.1 Condition 12 to allow the existing Options on issue to have an exercise price of less than \$0.20 each. The ASX has notified the Company that this waiver has been granted.

9.10 Continuous Disclosure Obligations

Following admission of the Company to the ASX's Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts links to this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.11 Privacy Statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, the Lead Managers and other brokers involved in the Offer, and related bodies corporate, agents, contractors and third-party service providers of the foregoing (Collecting Parties). The Collecting Parties collect, hold and will use that information to assess your application, service your needs as a Security holder and to facilitate distribution payments and corporate communications to you as a Security holder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form ("Personal Information") to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any public authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of an Offer.

If an Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, public authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in this Prospectus. A fee may be charged for access.

9.12 Governing Law

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

10. REFERENCES

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11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.



Liam Twigger
Non-Executive Chair
For and on behalf of Lunnon Metals Limited

12. GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$	means an Australian dollar.
Applicant	means a party that completes an Application Form and submits it to the Company in accordance with this Prospectus relating to the Offer.
Application Form	means an application form attached to or accompanying this Prospectus relating to the Offer, the St Ives Offer, or the Lead Manager Offer (as applicable).
ASIC	means Australian Securities and Investments Commission.
Associates	has the meaning set out in sections 11 to 17 of the Corporations Act, as applicable and in accordance with the note to Listing Rule 14.11.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
ASX Listing or Listing	means the date the Company is admitted to the Official List of the ASX.
ASX Listing Rules	means the Listing Rules of ASX.
ATF	means 'as trustee for'.
AusIMM	means the Australian Institute of Mining and Metallurgy.
Au	is the symbol for gold.
Automic	means Automic Pty Ltd (ACN 152 260 814).
Board	means the board of Directors as constituted from time to time.
Bolong	means Bolong (Australia) Investment Management Pty Ltd (ACN 134 507 449).
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
CHESS	means the Clearing House Electronic Sub-register System.
Closing Date	means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Company or Lunnon Metals	means Lunnon Metals Limited (ACN 600 008 848).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Euroz Hartleys, Lead Manager or Underwriter	Euroz Hartleys Limited (ACN 104 195 057) (AFSL 230052).
Excluded Areas and the Retained Rights	has the meaning given in the Solicitor's Report on Tenements in Schedule 2.
Exposure Period	means a seven-day period commencing the day after lodgement of this Prospectus with ASIC, and extendable by ASIC by a further seven days.
g/t	means grams per tonne.
Incentive Option Plan	means the Incentive Option Plan adopted by the Company as summarised in Section 9.3.
Independent Limited Assurance Report	means the report enclosed in Schedule 1 of this Prospectus.
Independent Technical Assessment Report or ITAR	means the report enclosed in Schedule 3 of this Prospectus.
IPO	means initial public offer.

JORC Code	means the Joint Ore Reserves Committee's Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
Kambalda Nickel Project or Project	means the Project located on the Tenements as shown in Figure 1 of this Prospectus.
km	means kilometre(s).
km ²	means square kilometres.
koz	means kilo-ounces (or thousand ounces).
kt	means kilo-tonnes (or thousand tonnes).
Lead Manager Options Offer	the offer of the Options to Euroz Hartleys in accordance with the Underwriting Agreement.
Mineral Resources	has the meaning given in the JORC Code.
Minimum Subscription	means the minimum number of Shares under the Offer, being 50,000,000 Shares at an issue price of \$0.30 per Share, to raise up to \$15.0 million before costs.
Mining Act	means the <i>Mining Act 1978</i> (WA).
Modifying Factors	has the meaning given to that term in the JORC Code. Broadly speaking, Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Mt	means million tonnes.
Ni	means nickel
Offer	means the offer, pursuant to this Prospectus, as set out in Section 5.1, of 50 million Shares at an issue price of \$0.30 per Share to raise approximately \$15.0 million (before costs).
Offers	means the Offer and the Secondary Offers.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
Optiro or Independent Technical Assessor	means Optiro Pty Ltd (ACN 131 922 739)
oz	means ounce(s).
ppb	means parts per billion.
ppm	means parts per million.
Prospectus	means this prospectus.
Related Party	has the meaning given in the Corporations Act.
Secondary Offers	the St Ives Offer and the Lead Manager Options Offer.
Section	means a section of this Prospectus.
Security	means a security issued or to be issued in the capital of the Company, including a Share or an Option.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Automic.
Shareholder	means a registered holder of a Share.
Solicitor's Report on Tenements	means the report in Schedule 2 of this Prospectus.
SPA or Share Purchase Agreement	means the SPA referred to in Section 8.1 and summarised in Solicitor's Report on Tenements.

St Ives	St Ives Gold Mining Company Pty Ltd (ACN 098 386 273), a wholly owned subsidiary of Gold Fields Ltd.
St Ives Offer	the offer of the Shares to St Ives in accordance with the SPA.
Tenements	means the mining tenements which the Company owns or has mining rights over, as detailed in the Solicitor's Report on Tenements.
Underwriting Agreement	means the underwriting agreement referred to in Section 8.2 between the Company and Euroz Hartleys.
Voting Power	has the meaning given in the Corporations Act.
WMC	means Western Mining Corporation Limited
WST	means Australian Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - INDEPENDENT LIMITED ASSURANCE REPORT

20 April 2021

The Directors
Lunnon Metals Ltd
Suite 5, 11 Ventnor Avenue
WEST PERTH WA 6005

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

1. INTRODUCTION

Armada Audit and Assurance Pty Ltd (**'Armada'**) has been engaged by Lunnon Metals Ltd (**'Lunnon Metals'** or **'the Company'**) to prepare this Investigating Accountant's Report (**'Report'**) for inclusion in a prospectus to be lodged by the Company on or about 20 April 2021 (**'Prospectus'**) in respect of the initial public offering of shares in the Company (**'the Offer'**) and the listing of the Company on the Australian Securities Exchange (**'ASX'**).

Pursuant to the Prospectus, the Company will offer 50,000,000 shares at an issue price of \$0.30 per share to raise approximately \$15,000,000 before associated costs (**'Public Offer'**).

The Company originally acquired an interest in the Foster-Jan Nickel Project (**'Project'**) from St Ives Gold Mining Company Pty Ltd (**'St Ives'**), a wholly owned subsidiary of major global gold producer Gold Fields Ltd, in November 2014 by way of an Option and Joint Venture Agreement to earn-in to an initial 51% ownership of the Project.

Subsequently, under the terms of the Sale and Purchase Agreement the Company will, conditional on earning the 51% interest in the Project immediately prior to ASX Listing, issue 44,711,062 shares to St Ives (**'St Ives Shares'**) for acquiring all of the exploration and evaluation assets associated with the Project thereby resulting in the Company owing 100% of the Project. No funds will be raised from the issue of the St Ives Shares.

The Company has appointed Euroz Hartleys Limited (**'Euroz'** or **'the Lead Manager'**) as the lead manager in connection with the Public Offer and will receive fees described in Section 7 of this report.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company. Expressions defined in the Prospectus have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. SCOPE

You have requested Armada to review the following historical financial information (together referred to as the '**Historical Financial Information**') included in the Prospectus:

- the reviewed historical Statement of Profit or Loss and Other Comprehensive Income of Lunnon Metals for the half year ended 31 December 2020;
- the reviewed historical Statement of Financial Position for Lunnon Metals as at 31 December 2020; and
- the reviewed historical Statement of Cash Flows of Lunnon Metals for the half year ended 31 December 2020.

The Historical Financial Information of Lunnon Metals has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Historical Financial Information of Lunnon Metals has been extracted from the financial report for the half year ended 31 December 2020, which was reviewed by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. The review report issued for the half year ended 31 December 2020 was unqualified with a material uncertainty clause in relation to going concern.

Pro-Forma Historical Financial Information

You have requested Armada to review the following Pro-Forma historical financial information (the '**Pro-Forma Historical Financial Information**') included in the Prospectus:

- the Pro-Forma historical Statement of Financial Position as at 31 December 2020.

The Pro-Forma Historical Financial Information has been derived from the Historical Financial Information of Lunnon Metals after adjusting for the effects of the subsequent events and Pro-Forma adjustments as detailed in Sections 6 and 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transaction to which the Pro-Forma adjustments relate as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro-Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro-Forma Historical Financial Information has been compiled by Lunnon Metals to illustrate the impact of the events or transactions detailed in Sections 6 & 7 of the Report on Lunnon Metals' financial position as at 31 December 2020. As part of this process, information about Lunnon Metals' financial position has been extracted by Lunnon Metals from the Company's financial statements for the half year ended 31 December 2020.

3. DIRECTORS' RESPONSIBILITIES

The Directors of Lunnon Metals are responsible for the preparation and presentation of the Historical Financial Information and Pro-Forma Historical Financial Information, including the selection and determination of Pro-Forma adjustments made to the Historical Financial Information and included in the Pro-Forma Historical Financial Information. This includes responsibility of such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro-Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro-Forma Historical Financial Information. We have conducted our limited assurance engagement in accordance with the Standard ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro-Forma Historical Financial Information included in a Prospectus or other Document*.

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

A limited assurance engagement of this nature provides less assurance than an audit, and accordingly, this Report **does not express an audit opinion** on the Historical Financial Information and Pro-Forma Financial Information included in this Report or elsewhere in the Prospectus.

For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any Historical Financial Information used in compiling the Pro-Forma Historical Financial Information.

5. CONCLUSION

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the historical Statement of Profit or Loss and Other Comprehensive Income of Lunnon Metals for the half year ended 31 December 2020 (Appendix 1);
- the historical Statement of Financial Position for Lunnon Metals as at 31 December 2020 (Appendix 2); and
- the historical Statement of Cash Flows of Lunnon Metals for the half year ended 31 December 2020 (Appendix 1),

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 1 of this Report.

Pro-Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro-Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the Pro-Forma historical Statement of Financial Position of Lunnon Metals as at 31 December 2020 (Appendix 2),

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. SUBSEQUENT EVENTS

The Pro-Forma historical Statement of Financial Position reflects the following events that have occurred subsequent to the half year ended 31 December 2020:

- On 13 January 2021, the convertible note of \$1,100,000, together with accrued interest of \$23,146, was converted to equity at a price of \$0.1662 per share. A total of 6,757,758 new shares were issued to Aurora Prospects Pty Ltd and Mainglow Pty Ltd, split equally between the two note holders;
- In consequence of the new issue above, a further tranche of 366,646 options was issued to the Directors of the Company under the Company's Employee Incentive Option Plan. These options were converted to ordinary shares prior to the Public Offer; and
- Prior to the Public Offer, a total of 1,383,420 options previously granted to Directors of the Company under the Company's Incentive Option Plan were exercised and converted into fully paid ordinary shares.

7. ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The Pro-Forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2020, the subsequent events set out above and the following transactions and events relating to the issue of shares under the Prospectus:

- Pursuant to the Public Offer, the Company is seeking to raise \$15,000,000 via an issue of shares at an issue price of \$0.30 per share;
- The total cost of the Public Offer, excluding the value of the options to be issued to the Lead Manager, is estimated to be \$1,045,000 with those costs directly attributable to the capital raising being approximately \$750,000. These costs are offset against contributed equity. The remaining costs which are not directly attributable to the capital raising are expensed through accumulated losses;
- The Company will issue 44,711,062 shares to St Ives ('St Ives Shares') at \$0.30 per share under the terms of the Sale and Purchase Agreement ('SPA') in consideration for acquiring all of the exploration and evaluation assets associated with the Project thereby resulting in the Company owing 100% of the Project. No funds will be raised from the issue of the St Ives Shares. St Ives will acquire its shares subject to the SPA with the Company immediately prior to ASX Listing under the St Ives Offer;
- The remuneration of the following to the Lead Manager of the Public Offer:
 - Lead Manager Fee: Fees totaling in aggregate up to 4.50% of the amount raised under the Offer (with a further discretionary incentive fee of up to 0.50% of the amount raised under the Offer payable at the discretion of and subject to approval of the Board); and
 - Lead Manager Options: The issue of unlisted and non-transferrable options equivalent to 1.00% of the post-IPO issued capital of the Company, at an exercise price of \$0.45, with an expiry date of 24 months from the date of issue, escrowed for six months or such longer period as the ASX may impose and triggered upon raising of the underwritten subscription amount following execution of, and pursuant to, the underwriting agreement; and
- The Company issued 3,875,000 Options in March 2021 under the Company's Incentive Option Plan. The Options are subject to the terms and conditions of the Incentive Option Plan.

8. INDEPENDENCE

Armada is a member of the Armada Group. Armada does not have any interest in the outcome of the Acquisition other than in connection with the preparation of this Report, for which professional fees will be received.

9. DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which described the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Armada has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, Armada has not authorised the issue of the Prospectus. Accordingly, Armada makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully,

*Armada Audit
& Assurance*

Armada Audit and Assurance Pty Ltd



Nigel Dias
Director

APPENDIX 1

LUNNON METALS LTD (FORMERLY ACH NICKEL PTY LTD)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Lunnon Metals Ltd Reviewed for the half year ended 31 December 2020 \$
Revenue	
Interest income	1,034
Government grant – cash flow boost	37,500
Total revenue	38,534
Expenses	
Audit fee	(5,000)
ASIC and government fees	(31,700)
Company secretarial and accounting fees	(22,497)
Computer, software and database	(10,331)
Consultants, design and testing	(46,353)
Finance costs	(20,011)
Legal costs	(67,454)
MRF levies	(57,238)
Management and service fees	(7,136)
Office rent	(14,586)
Tenement rent and outgoings	(99,492)
Samples and assays	(63,582)
Employee costs	(387,367)
Share based payments	(236,955)
Other expenses	(34,933)
Total expenses	(1,104,635)
Income tax expense	-
Net loss after income tax expense	(1,066,101)
Other comprehensive income	-
Total comprehensive loss for the period	(1,066,101)

STATEMENT OF CASH FLOWS

Lunnon Metals Ltd
Reviewed for the
half year ended
31 December 2020
\$

Cash flow from operating activities

Payments to suppliers and employees	(773,392)
Interest received	1,034
Net cash used in operating activities	<u>(772,358)</u>

Cash flow from investing activities

Payment for plant and equipment	(60,135)
Net cash used in investing activities	<u>(60,135)</u>

Cash flow from financing activities

Proceeds from borrowings	1,100,000
Net cash provided by financing activities	<u>1,100,000</u>

Net increase in cash and cash equivalents held	267,507
Cash and cash equivalents at the beginning of the period	<u>794,328</u>
Cash and cash equivalents at the end of the period	<u>1,061,835</u>

The above Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows shows the historical financial performance of Lunnon Metals Ltd and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3. Past performance is not a guide to future performance.

APPENDIX 2

LUNNON METALS LTD (FORMERLY ACH NICKEL PTY LTD)

PRO-FORMA STATEMENT OF FINANCIAL POSITION

		Reviewed 31-Dec-20	Subsequent Events	Pro-Forma Adjustments	Pro-Forma After Offer
	Notes	AUD\$	AUD\$	AUD\$	AUD\$
CURRENT ASSETS					
Cash and cash equivalents	2	1,061,835	17,501	13,955,000	15,034,336
Trade and other receivables		34,682	-	-	34,682
TOTAL CURRENT ASSETS		1,096,517	17,501	13,955,000	15,069,018
NON-CURRENT ASSETS					
Plant and equipment		60,135	-	-	60,135
Exploration Assets	7	-	-	13,663,319	13,663,319
TOTAL NON-CURRENT ASSETS		60,135	-	13,663,319	13,723,454
TOTAL ASSETS		1,156,652	17,501	27,618,319	28,792,472
CURRENT LIABILITIES					
Trade and other payables		91,950	-	250,000 ¹	341,950
Convertible notes		1,120,011	(1,120,011) ²	-	-
TOTAL CURRENT LIABILITIES		1,211,961	(1,120,011)	250,000	341,950
TOTAL LIABILITIES		1,211,961	(1,120,011)	250,000	341,950
NET (LIABILITIES) / ASSETS		(55,309)	1,137,512	27,368,319	28,450,522
EQUITY					
Issued capital	3	6,734,375	1,435,683	27,513,173	35,683,231
Options reserve	4	236,955	(236,955)	150,146	150,146
Accumulated losses		(7,026,639)	(61,216)	(295,000)	(7,382,855)
DEFICIENCY IN EQUITY		(55,309)	1,137,512	27,368,319	28,450,522

The Pro-Forma Statement of Financial Position after the Offer is as per the Statement of Financial Position before the Offer adjusted for the transactions relating to the issue of shares pursuant to the Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3.

Footnote:

¹ A provision for stamp duty of \$250,000 has been raised on the acquisition of the tenements from St Ives Gold Mining Company Pty Ltd (refer to Note 7).

² The convertible note together with accrued interest was converted to equity in January 2021 (refer to Note 3).

APPENDIX 3

LUNNON METALS LTD (FORMERLY ACH NICKEL PTY LTD)

NOTES AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Historical Financial Information and Pro-Forma Historical Financial Information are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2020. These policies have been consistently applied to all the years presented, unless otherwise stated.

The significant accounting policies adopted in the preparation of the Historical Financial Information and Pro-Forma Historical Financial Information included in this Report have been set out below.

Basis of preparation of historical financial information

The Historical Financial Information and Pro-Forma Historical Financial Information are presented in Australian Dollars (AUD), which is the functional currency of the Company, and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the requirements of the Corporations Act 2001, as appropriate for for-profit entities.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future by way of a public offering or other means;
- the provision of loans from the Company's existing shareholders;
- the undertaking of a whole or partial sale of interest in its mineral exploration project; and
- the scaling back of certain activities that are non-essential so as to conserve cash.

However should the fundraising under the prospectus be unsuccessful the entity may not be able to continue as a going concern. No adjustments have been made in relation to the recoverability of assets and classification of liabilities should the Company not be able to continue as a going concern.

a) Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15 Revenue, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Financial Instruments (continued)

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

b) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

c) Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

d) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

e) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the statement of financial position as current liabilities under borrowings.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Revenue

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax, except:

- i. where the amount of GST incurred is not recoverable from the Australian Tax Office. It is recognised as part of the cost of acquisition of an asset or as part of an item of the expense.
- ii. receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h) Income Taxes

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised. The amount of benefits brought to account or which may be released in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

i) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

k) Property, Plant and Equipment

All property, plant and equipment are initially measured at cost and are written off in profit or loss in line with ATO's various small business concessions for instant asset write off.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m) Exploration and Evaluation Assets

Exploration and evaluation asset acquired

Exploration and evaluation assets comprise of the acquisition cost of mineral rights (such as joint ventures) and the fair value (at acquisition date) of exploration and expenditure assets acquired from other entities. As the assets are not yet ready for use they are not depreciated.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the assets are demonstrable, exploration and evaluation assets are first tested for impairment and then reclassified to mine properties as development assets. The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the result of future exploration; and
- the recoupment of cost through successful development and exploitation of the areas of interest, or alternatively, by their sale.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Exploration and Evaluation Assets (continued)

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated and approved by the Directors of the Company, any capitalised exploration and evaluation expenditure is then reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

The Statement of Profit or Loss and Other Comprehensive Income will recognise expenses arising from excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

n) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o) Impairment of Non-Financial Assets

Exploration investment and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

q) Share Based Payments

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option pricing model. .

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The amount charged or credited to the Statement of Profit or Loss and Other Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

r) Adoption of New and Revised Standards

Management assessment indicates that there are no new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application.

NOTE 2. CASH AND CASH EQUIVALENTS	Reviewed 31-Dec-20 AUD\$	Pro-Forma After Offer \$15 million AUD\$
Cash and cash equivalents ¹	1,061,835	15,034,336
Reviewed balance of Lunnon Metals Ltd at 31 December 2020		1,061,835
<i>Subsequent event adjustments:</i>		
Proceeds from shares issued upon exercising of director options		17,501
		17,501
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under the Offer		15,000,000
Less: Capital raising costs – broker fees at 5% of total proceeds raised		(750,000)
Less: Other expenses relating to the Offer		(295,000)
		13,955,000
Pro-forma Balance		15,034,336

¹ The cash and cash equivalents balance above does not account for working capital spent during the period from 31 December 2020 to completion.

NOTE 3. ISSUED CAPITAL	Reviewed 31-Dec-2020 AUD\$	Pro-Forma After Offer \$15 million AUD\$
Issued capital	6,734,375	35,683,231
	Number of shares	\$
Fully paid ordinary share capital of Lunnon Metals Ltd at 31 December 2020	38,028,179	6,734,375
<i>Subsequent event adjustments:</i>		
Issue of ordinary shares upon conversion of convertible note	6,757,758	1,123,146
Issue of ordinary shares upon exercising of director options	1,750,066	17,501
Transfer of director options to issued capital upon exercising of options	-	295,036
	8,507,824	1,435,683
<i>Pro-forma adjustments:</i>		
Issue of ordinary shares to St Ives Gold Mining Co. Pty Ltd for acquisition of tenements (Note 7)	44,711,062	13,413,319
Proceeds from shares issued under the Offer	50,000,000	15,000,000
Capital raising costs – broker fees at 5% of total proceeds raised	-	(750,000)
Capital raising costs – broker options (refer Note 4)	-	(150,146)
	94,711,062	27,513,173
Pro-forma Balance	141,247,065	35,683,231

NOTE 4. OPTIONS RESERVE	Reviewed 31-Dec-2020 AUD\$	Pro-Forma After Offer \$15 million AUD\$
Options reserve	236,955	150,146
	Number of options	\$
Options on issue of Lunnon Metals Ltd at 31 December 2020	1,383,420	236,955
<i>Subsequent event adjustment:</i>		
Issue of director options prior to conversion into ordinary shares (refer to Note 5(a))	366,646	58,081
Issue of director options subject to vesting conditions (refer to Note 5(b))	3,875,000	-
Transfer of director options to issued capital upon exercising of options	(1,750,066)	(295,036)
	2,491,580	(236,955)
<i>Pro-forma adjustments:</i>		
Options issued to broker for fund raising (refer to Note 5)	1,426,738	150,146
	1,426,738	150,146
Pro-forma Balance	5,301,738	150,146

NOTE 5. VALUATION OF OPTIONS

Director Options

(a) The unlisted options issued to directors on 13 January 2021 under the employee incentive plan have been fair valued at \$58,081, being 366,646 options x \$0.15841 per option.

Using the Black-Scholes option valuation methodology, the fair value of the unlisted options issued to directors has been calculated using the following inputs:

Director Options	
Number of options	366,646
Underlying share price	\$0.1662
Exercise price	\$0.01
Expected volatility	89.38%
Expiry date (years)	5
Expected dividends	Nil
Risk free rate	0.40%

(b) On 22 March 2021, 3,875,000 unlisted options were issued to directors which are subject to the following vesting conditions:

- Tranche A – The first tranche of the options will vest and become exercisable upon the Company declaring JORC Code compliant Mineral Resources (Indicated and Inferred) of not less than 80,000 tonnes of nickel metal at the Company's Kambalda Nickel Project;
- Tranche B – The second tranche of the options will vest upon the Company achieving a 20-trading day volume weighted average price of Company shares traded on the Australian Securities Exchange (VWAP) of \$0.45 per share; and
- Tranche C – The third tranche of the options will vest upon the Company achieving a 20-trading day VWAP of \$0.60 per share.

Tranche A

The unlisted options issued to directors on 22 March 2021 under the employee incentive plan have been fair valued at \$181,283, being 1,291,667 options x \$0.14035 per option.

Using the Black-Scholes option valuation methodology, the fair value of Tranche A options issued to directors has been calculated using the following inputs:

Director Options	Tranche A
Number of options	1,291,667
Underlying share price	\$0.1662
Exercise price	\$0.05
Expected volatility	89.18%
Expiry date (years)	5
Expected dividends	Nil
Risk free rate	0.68%

NOTE 5. VALUATION OF OPTIONS (CONTINUED)

Director Options (continued)

Tranches B & C

The unlisted options issued to directors on 22 March 2021 under the employee incentive plan have been fair valued as follows:

- Tranche B – fair value of \$171,017, being 1,291,667 options x \$0.13240 per option; and
- Tranche C – fair value of \$168,562, being 1,291,666 options x \$0.13050 per option.

Using the Trinomial Barrier Model option valuation methodology, the fair value of the unlisted options issued to directors has been calculated using the following inputs:

Director Options	Tranche B	Tranche C
Number of options	1,291,667	1,291,666
Underlying share price	\$0.1662	\$0.1662
Exercise price	\$0.05	\$0.05
Expected volatility	89.18%	89.18%
Expiry date (years)	5	5
Expected dividends	Nil	Nil
Risk free rate	0.68%	0.68%

The fair value of the above options will be expensed over the vesting period in accordance with AASB 2 *Share Based Payments* as the vesting conditions are satisfied.

Refer to Section 9.3.1 of the Prospectus for further details regarding the terms and conditions associated with the 3,875,000 unlisted options issued to directors.

Broker Options

The unlisted options to be issued to the broker associated with the fund raising has been fair valued at \$150,146, being 1,426,738 options x \$0.10524 per option.

Using the Black-Scholes option valuation methodology, the fair value of the unlisted options to be issued to the broker following the Public Offer has been calculated using the following inputs:

Director Options	
Number of options	1,426,738
Underlying share price	\$0.30
Exercise price	\$0.45
Expected volatility	86.36%
Expiry date (years)	2
Expected dividends	Nil
Risk free rate	0.08%

NOTE 6. OPTIONS ON ISSUE

Following the Public Offer, the total number of unissued ordinary shares of the Company under option will be as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option
<i>Director Unlisted Options</i>			
22 March 2021	22 March 2026	\$0.05	3,875,000
<i>Broker Options</i>			
Completion and settlement of Public Offer	24 months from date of issue	\$0.45	1,426,738
			<u>5,301,738</u>

NOTE 7: EXPLORATION AND EVALUATION ASSETS	Reviewed 31-Dec-20 AUD\$	Pro-Forma After Offer \$15 million AUD\$
Exploration and Evaluation Assets	-	<u>13,663,319</u>
Reviewed balance of Lunnon Metals Ltd at 31 December 2020		-
<i>Pro-forma adjustments:</i>		
Issue of ordinary shares to St Ives Gold Mining Co. Pty Ltd for acquisition of tenements		13,413,319
Provision for stamp duty		<u>250,000</u>
		<u>13,663,319</u>
Pro-forma Balance		<u>13,663,319</u>

The Company has a farm-in and joint venture agreement with Gold Fields Ltd subsidiary, St Ives Gold Mining Company Pty Ltd ('St Ives'), as recorded in the Option and Joint Venture Agreement ('Agreement') in relation to the Foster and Jan Nickel/Gold Project ('Project') executed with that company in November 2014.

Exploration and evaluation expenditure incurred during the Option Period per the Agreement has been expensed as exploration and evaluation expenditure as incurred until an interest in the Project is crystallised by the Company. The Company executed a 3rd Deed of Variation on September 2020 with St Ives that allowed for the Company to crystallize its initial 51% interest in the Joint Venture by way of invitation to admission to the Australian Securities Exchange (ASX) involving an Initial Public Offering (IPO) of shares in the Company.

The Company has also executed an agreement to a subsequent Sale and Purchase Deed with St Ives on 19th November 2020, to acquire that company's residual 49% interest in the Foster/Jan Project upon the IPO noted above with the consideration payable to St Ives being the issue of such number of shares as required at that time to provide a 49% ownership interest in the Company.

In accordance with the Company's accounting policy disclosed in Note 1(m) the acquisition cost of the residual 49% interest of the Foster and Jan Nickel project, has been capitalised in accordance with the requirements of AASB 6 *Exploration and Evaluation of Mineral Resources (asset acquisition from another entity)*. The value attributable to the acquisition of the exploration and evaluation assets is based on the value of the equity instruments granted at the time of issue, being 44,711,062 shares multiplied by \$0.30 per share.

NOTE 8. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors' interests are disclosed in the Prospectus.

APPENDIX 4

LUNNON METALS LTD (FORMERLY ACH NICKEL PTY LTD)

The below Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows have been extracted from the most recent audited financial report, being the year ended 30 June 2020, and have been included for **illustrative purposes only**. The figures contained in the extracts were independently audited by the Company's auditor BDO Audit (WA) Pty Ltd. Armada Audit & Assurance have not conducted a review of this information and therefore express no opinion on the historical financial information contained in Appendix 4.

EXTRACTS FROM 2020 AUDITED FINANCIAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 30-Jun-20	Audited 30-Jun-19
	AUD\$	AUD\$
Sales		
Interest income	14,789	29,290
Government grant	62,500	-
Expenses		
Audit fee	(5,500)	(5,500)
ASIC and government fees	(36,867)	(417)
Computer, software and database	(42,136)	(41,173)
Consultants, design and testing	(62,443)	(9,435)
Legal costs	(209,545)	(38,863)
MRF levies	(57,750)	(63,201)
Management and service fees	(36,164)	(28,607)
Tenement rent and outgoings	(92,440)	(85,903)
Samples and assays	(46,736)	(59,718)
Employee costs	(789,406)	(681,215)
Other expenses	(146,879)	(125,858)
Total expenses	(1,525,866)	(1,139,890)
Loss before income tax expense	(1,448,577)	(1,110,600)
Income tax expense	-	-
Net loss after income tax expense	(1,448,577)	(1,110,600)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,448,577)	(1,110,600)

STATEMENT OF FINANCIAL POSITION

	Audited 30-Jun-20	Audited 30-Jun-19
	AUD\$	AUD\$
CURRENT ASSETS		
Cash and cash equivalents	794,328	2,237,490
Trade and other receivables	23,730	14,978
Loan to a related party	100,000	100,000
TOTAL CURRENT ASSETS	918,058	2,352,468
TOTAL ASSETS	918,058	2,352,468
CURRENT LIABILITIES		
Trade and other payables	44,221	30,054
Borrowings	3,834,375	3,834,375
TOTAL CURRENT LIABILITIES	3,878,596	3,864,429
TOTAL LIABILITIES	3,878,596	3,864,429
NET LIABILITIES	(2,960,538)	(1,511,961)
EQUITY		
Issued capital	3,000,000	3,000,000
Accumulated losses	(5,960,538)	(4,511,961)
DEFICIENCY IN EQUITY	(2,960,538)	(1,511,961)

STATEMENT OF CASH FLOWS

	Audited 30-Jun-20	Audited 30-Jun-19
	AUD\$	AUD\$
Cash flow from operating activities		
Receipts from reimbursements	25,877	3,270
Payments to suppliers and employees	(1,533,828)	(1,138,315)
Interest received	14,789	29,290
Government grant received	50,000	-
Net cash used in operating activities	(1,443,162)	(1,105,755)
Cash flow from financing activities		
Proceeds from shares	-	1,039,000
Loan to a related party	-	(100,000)
Proceeds from borrowings	-	1,520,750
Net cash provided by financing activities	-	2,459,750
Net (decrease) / increase in cash and cash equivalents held	(1,443,162)	1,353,995
Cash and cash equivalents at the beginning of the year	2,237,490	883,495
Cash and cash equivalents at the end of the year	794,328	2,237,490

SCHEDULE 2 - SOLICITOR'S REPORT ON TENEMENTS

20 April 2021

The Directors
Lunnon Metals Ltd
Suite 5, 11 Ventnor Avenue
West Perth WA 6005

Dear Sirs

Re: Solicitor's Report on Tenements

1. Introduction

This tenement report (**Report**) is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Lunnon Metals Ltd ACN 600 008 848 (**Company**) for a primary offer of 50 million shares at an issue price of \$0.30 (thirty cents) per share to raise \$15 million (before costs).

This Report relates to the Company's ownership interests and rights in relation to 19 granted Western Australian Mining Leases (**Tenements**).

The Tenements are currently registered 100% in the name of St Ives Gold Mining Company Pty Ltd (**Gold Fields**), a subsidiary of Gold Fields Limited.

The material deeds and agreements relating to the Tenements are summarised in Part 5 of the Tenement Schedule (**Material Agreements Summaries**).

Upon completion occurring in relation to the acquisition of a 51% and 49% percent interest respectively under each of the Option and JVA and the SPA (which documents are summarised in the Material Agreements Summaries), the Company will, except as indicated below, hold 100% of the rights to explore for, and mine nickel and other minerals on the Tenements and will have the right to be registered as the holder of the Tenements. Gold Fields retains the exclusive rights to explore for and mine all gold on the area of the Tenements described as the 'Excluded Area.' The 'Excluded Area' is shown in the Map in the Schedule. Gold Fields also has various other rights in relation to gold activities on the Tenements as indicated in the Option and JVA and SPA. Please refer to Sections 1 and 2 of Part 5 Material Agreements Summaries for a summary of the Option and JVA and SPA being the agreements under which the Company's rights and interests in the Tenements arise.

Schedule 1 of this Report contains an overview of the Tenements (**Tenement Schedule**) together with the Material Agreements Summaries in Part 5. The Tenement Schedule forms part of this Report.

See the commencement of the Tenement Schedule for a map of the Tenements.

2. Scope of the Report

The scope of the Report, as it relates to the Tenements, is limited to outlining the results of searches of the specified publicly available records listed below in Section 4. We have relied solely on the results of those searches and have not been requested by the Company to investigate or report as to any other matters. Except as expressly referred to in this Report, we have not conducted any enquires into, or reported on or advised in this Report, any legal or associated factual matters which may impact on the Tenements or their validity or any restrictions on conducting activities on the Tenements.

The summaries in the Material Agreements Summaries in Part 5 of the Schedule are based solely on a review of copies of the various deeds and agreements as provided to us by the Company.

3. Report

Based on the searches and enquiries listed in Section 4 we confirm at the date of our searches that:

- (a) the details of the Tenements contained in the Tenement Schedule are materially accurate;
- (b) the granted Tenements are generally in good standing in relation to obligations to pay applicable rents and satisfy applicable minimum expenditure conditions subject to the notes in the Tenement Schedule;
- (c) none of the Tenements are subject to any unusual material dealings, endorsements or conditions other than as disclosed in this Report;
- (d) this Report lists material third-party interests (including encumbrances) affecting the Tenements ascertainable from our searches of the Register (as defined below) and the NNTT Registers (as defined below); and
- (e) other than as disclosed in this Report we did not identify any material issues in respect of the Tenements.

The above confirmation is made subject to the limitations as to the scope of this Report referred to in Sections 2 and 4 and the qualifications and assumptions in Section 14 of this Report.

As mentioned above, the Material Agreements Summaries are based on a review of the specified deeds and agreements provided by the Company (most of which are not ascertainable from our searches of the Register).

4. Searches and Enquiries

Other than in relation to the Material Agreements Summaries, for the purposes of this Report we have conducted, and exclusively relied upon, the following searches and enquiries:

- (a) searches of the Tenements in the mining tenement register (**Register**) maintained by the Department of Mines, Industry, Regulation and Safety of Western Australia (**DMIRS**) pursuant to the *Mining Act 1978* (WA) (**Mining Act**) and *Mining Regulations 1981* (WA) (**Mining Regulations**) conducted on 19 April 2021 (**Tenement Searches**);
- (b) quick appraisal searches of the Tenements provided by DMIRS summarising information obtained on-line from the 'TENGRAPH' system (**Quick Appraisal**) maintained by the DMIRS conducted on 19 April 2021;
- (c) searches of the Register of Native Title Claims and the National Native Title Register maintained by the National Native Title Tribunal (**NNTT**) (**NNTT Registers**) for any Native Title claims (registered or unregistered) or Native Title determinations that overlap or apply to the Tenements on 16 April 2021; and
- (d) a request to the Company for copies of all material agreements and deeds relating to the Tenements.

5. Activities on Mining Leases

All Tenements were granted under the Mining Act and are regulated by the provisions of the Mining Act and Mining Regulations.

Although the Tenements represent the foundation form of tenure for conducting exploration and mining activities, the conduct of such activities will be affected by other regulatory requirements arising from relevant legislation and regulations. Typically, a range of other consents, permits or other authorisations may be required to conduct activities depending on the nature of the activities and other factors.

Where the Tenements cover any land falling into particular categories, additional consents or approvals may be necessary in order for exploration or mining activities to be conducted. Some of these requirements are reflected in the conditions imposed in relation to the Tenements. Other requirements arise from the Mining Act and Mining Regulations or other applicable legislation.

The Tenements comprise entirely of Mining Leases.

The primary rights granted by Mining Leases are as summarised as follows:

- (a) A Mining Lease authorises the holder to mine for and dispose of any minerals on the land in respect of which the Mining Lease is granted. A Mining Lease authorises the holder to do all acts and things necessary to effectively carry out mining operations and the lessee is entitled to use, occupy and enjoy the land for mining purposes and owns all minerals lawfully mined (subject to limited exceptions). The rights are exclusive for mining purposes.
- (b) A Mining Lease is subject to various prescribed covenants including a covenant not to use ground disturbing equipment unless a programme of works in that regard has been approved by the Minister or a prescribed official.

- (c) A Mining Lease remains in force for a period of 21 years. Under the Mining Act the holder has an option to renew 'as of right' for a further term of 21 years. Thereafter the Minister has a discretion to renew for successive periods of not more than 21 years.
- (d) A Mining Lease holder must comply with prescribed expenditure conditions unless an exemption is granted. Failure to comply with the expenditure conditions can render a Mining Lease liable to forfeiture. There are prescribed grounds upon which the Minister may grant an exemption which are set out in the Mining Act. To obtain an exemption, the holder of the Mining Lease must apply to the Minister before the end of the relevant Tenement year or within 60 days (unless an extension is granted). If the exemption is refused, the Warden may make a recommendation to the Minister that the tenement is forfeited. To make a recommendation, the Warden must be satisfied that the requirements of the Mining Act have not been complied with in a material respect and that the matter is of sufficient gravity to justify the forfeiture of the tenement.
- (e) The Warden, on application of any person, may make an order recommending the forfeiture of a Mining Lease on the ground of failure to comply with the minimum expenditure conditions. An application for forfeiture in respect of expenditure conditions must be made during the expenditure year in which there is non-compliance, or within eight months thereafter.

In making a recommendation, the Warden must be satisfied that the requirements of the Mining Act in relation to such mining tenement have not been complied with in a material respect and that the matter is of sufficient gravity to justify the forfeiture of the Mining Lease. The decision whether to forfeit a mining lease is made by the Minister after considering the Warden's recommendation.

- (f) The Minister also has power to forfeit mining leases for various breaches of the tenement or the Mining Act. The Minister may impose a penalty instead of forfeiting the Mining Lease. The penalty must not exceed \$75,000 in a case where expenditure conditions have not been complied with, and not exceed \$150,000 in any other case.

6. Reserves

Land reserved under Part 4 of the *Land Administration Act 1997* (WA) is generally subject to a requirement that under section 24(5A) of the Mining Act that 'mining' (which term includes exploration and prospecting) on that land may be carried out with the written consent of the Minister who may refuse his consent or give consent subject to terms and conditions. This does not apply to:

- (a) certain national parks and certain Class A nature reserves in relation to which more stringent controls may apply;
- (b) land reserved for mining or commons;
- (c) land reserved and designated for public utility for any purpose pursuant to that part; or

- (d) land that is a townsite within the meaning of the Land Administration Act.

Accordingly, holding a Tenement does not necessarily of itself permit exploration or mining where a relevant reserve is involved. A further consent must be obtained unless an exception above applies. The procedure for obtaining such a consent varies depending on the nature of the reserve involved.

The notes in the tables in Parts 1 and 2 in the Tenement Schedule disclose that a number of the Tenements are subject to "C" Class Common Reserves. Given the exception above for commons, no further consents are required for mining on such reserves.

We note that reserves may be established in the future of the areas affected by the Tenements. Depending on the type of reserve ministerial consent may be required for mining on the Tenement (which such considerations as the minister determines).

If the Company acquires a mining lease or general purpose lease over certain types of reserves, then consent via a resolution of both Houses of the Western Australian Parliament may be required for the grant of the tenement.

Sections 23 to 25A of the Mining Act impose a range of conditions to mining on public reserves and Crown land, breach of which makes the tenement liable to forfeiture.

7. Rehabilitation Obligations

A Tenement holder in Western Australia is subject to a range of environmental and rehabilitation obligations. These obligations can arise under a range of laws or documents including the Mining Act or the Mining Regulations, the *Environmental Protection Act 1986* (WA) and any works approvals or licences granted under it, the *Mining Rehabilitation Fund Act 2012* (WA), the *Contaminated Sites Act 2006* (WA) and the terms of any mine closure plan lodged with DMIRS in accordance with regulatory requirements and DMIRS guidelines.

Separately, Tenement holders are also required to pay levies under the *Mining Rehabilitation Fund Act 2012* (WA). These levies are in addition to a Tenement holder's separate environmental and rehabilitation obligations in relation to the Tenements in which they hold or have an interest.

8. Material Agreements

It is noted that in the Material Agreements Summaries, various disclosures are made in relation to deeds or agreements with third parties (**Material Agreements**) which are relevant to the Company's commercial interest in the Tenements and associated obligations to third parties.

Refer to Part 5 of the Tenement Schedule for summaries of Material Agreements relating to the Tenements.

9. State Royalty

Where minerals of economic significance are discovered, the holder of a Mining Lease is obliged to report this to the Minister promptly. A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a Mining Lease granted under the Mining Act.

The royalty rates vary according to the product concerned. Western Australia has a three-tiered royalty system which applies one of three royalty rates depending on the form in which the mineral is sold (ore, concentrate or final form), and the extent to which it is processed. In Western Australia, there are two systems used to collect mineral royalties:

specific rate – calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2020 and 30 June 2025 are 73 cents per tonne and 117 cents per tonne; and

ad valorem rate – calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:

- (a) bulk material (subject to limited treatment) – 7.5% of the royalty value;
- (b) concentrate material (subject to substantial enrichment through a concentration plant) – 5% of the royalty value; and
- (c) metal including nickel – 2.5% of the royalty value.

The 'royalty value' components used to calculate the 'royalty value' are defined under the Mining Regulations.

In the case of Nickel, the royalty value is determined under regulation 86AB of the Mining Regulations which provides for the royalty value of nickel to be determined by reference to:

- (a) for nickel sold at prices listed on the London Metal Exchange for nickel, the nickel contained in nickel material sold valued at those prices; or
- (b) where nickel is not sold at such listed prices, the reference price for such nickel (reference price being the price for fixed on the London Metal Exchange)

Some limited deductions relating to transport costs are permitted in determining royalty value for nickel.

10. Private Royalty Obligations

It is noted that the Material Agreements Summaries summarise a number of material agreements that impose obligations on the Company to potentially pay, in certain circumstances, and subject to various elections, private contractual royalties calculated by reference to the value of certain minerals mined from the Tenements. These royalties are as follows:

- (a) the right of Gold Fields to charge the Company on any gold won from the area of the Tenements (other than the Excluded Area) equal to 4% of the spot price; and
- (b) the right of BHP Nickel West Pty Ltd to charge the Company a royalty a royalty on nickel ore, concentrate or refined or smelted nickel won from the Tenements in an amount of 1% of the number of metric tonnes of refined nickel sold during the month multiplied by the weighted average London metal exchange cash settlement price for Nickel for the calendar month converted into Australian dollars

As outlined in the Material Agreements Summaries (sections 1 and 3 respectively):

- (a) the royalty in (a) above will not be applicable if Gold Fields exercises its rights to match any contract or arrangement with third parties involving the sale by the Company of any gold bearing ore from the Tenements;
- (b) the royalty in (b) above will not be applicable if BHP Nickel West elect to exercise their right of pre-emption in relation to any proposal by the Company to enter into a sales contract or other sales arrangement relating to the treatment or sale of nickel or ore or other products containing nickel.

Refer to Sections 1 and 3 of Part 5 of the Tenement Schedule for further details on these royalties.

11. Encroachments

Miscellaneous Licences may be granted over any existing tenements, whether held by the applicant or another person. Conversely, another mining tenement may be granted over the land covered by a Miscellaneous Licence (to the extent not covered by other tenements). Where this occurs, the Miscellaneous Licence and the mining tenement apply concurrently on the land. Based on the Quick Appraisal searches, the following Tenements are being encroached by live third party tenements as follows:

- (a) M15/1549 is encroached by L15/238 (to 1.02%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (b) M15/1550 is encroached by L15/238 (to 1.55%) and L15/242 (to 0.23%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (c) M15/1551 is encroached by L15/242 (to 1.36%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (d) M15/1556 is encroached by L15/238 (to 0.56%), L15/239 (to 1.48%), L15/241 (to 1.49%) and L15/242 (to 0.57%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (e) M15/1559 is encroached by L15/239 (to 1.37%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (f) M15/1570 is encroached by L15/238 (to 1.86%) and L15/242 (to 0.03%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;

- (g) M15/1571 is encroached by L15/238 (to 0.6%) and L15/242 (to 0.09%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (h) M15/1572 is encroached by L15/242 (to 1.58%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (i) M15/1573 is encroached by L15/238 (to 1.95%) and L15/242 (to 0.14%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd;
- (j) M15/1576 is encroached by L15/238 (to 1.937%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd; and
- (k) M15/1577 is encroached by L15/238 (to 1.42%) and L15/242 (to 1.59%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd.

The Company is, by assignment and novation, a party to a deed with Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd which regulates the relationship between the Company and Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd in relation to the overlapping miscellaneous licences. This document is summarised in section 6 of Part 5 of Schedule 1 of this Report.

12. Aboriginal Heritage

The laws governing the protection of aboriginal heritage can impact on, and restrict, the activities which can be conducted on a Tenement.

Western Australian Laws

The *Aboriginal Heritage Act 1972* (WA) (**Aboriginal Heritage Act**) prohibits a person from destroying or damaging sites of spiritual, cultural or heritage significance to Aboriginal people as defined in the *Aboriginal Heritage Act* (**Sites**). In order to comply with the *Aboriginal Heritage Act*, mining tenement holders will often arrange for Aboriginal heritage surveys and other research to be conducted to ensure that no Sites will be affected by the holder's proposed activities.

There is a process whereby consent to impact on a Site can be sought under the *Aboriginal Heritage Act*.

Although there is a process whereby Sites can be registered under the *Aboriginal Heritage Act*, Sites are protected whether registered or not.

We have not conducted any searches or investigations as to whether there are any protected Sites on the Tenements or whether there are any Sites registered under the *Aboriginal Heritage Act*. However, Part 3 of the Tenement Schedule lists which Tenements are shown in the Tenement Register as having had Aboriginal heritage surveys conducted over the Tenement or part of the Tenement. The Tenement Register does not disclose the outcome of those heritage survey or whether protected sites were identified. The fact that some surveys have been conducted does not preclude the need for further surveys or means that the area is free of protected sites.

Commonwealth Laws

Separate to the *Aboriginal Heritage Act*, the *Aboriginal and Torres Strait Island Heritage Protection Act 1994* (Cth) operates to protect areas and objects of

significance to Aboriginal people. Under this Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects and such a declaration, if made, could potentially limit the ability to conduct exploration or mining or other activities on the Tenements.

13. Native Title – General

The common law recognises that indigenous persons may have a form of traditional rights or interests in land or water known as “native title.” Native title is regulated and protected by the provisions of the *Native Title Act 1993* (Cth) (**Native Title Act**).

The Tenements are located within the native title determinations as set out in Part 4 of the Tenement Schedule (as relevant) (**NT Claims**). There are currently no registered native title claims affecting the Tenements although further native title claims may be made and registered in the future. The existence of a registered claim doesn’t necessarily mean that native title exists within the claim area. Whether native title exists in the area of a registered claim will be determined by the Federal Court in due course.

As native title rights and interests have been determined to exist in relation to areas within the Tenements, then the native title holders will have a right to claim compensation from the State of Western Australia under the Native Title Act in relation to the effect the grant of the relevant Tenements had on their native title rights and interests. Section 125A of the Mining Act operates to shift this compensation liability to the holder of the mining tenement at the time the amount is required to be paid. This means the Tenement Holder is likely to be liable for any compensation ordered to be paid to native title holders under Native Title Act in relation to the grant of the Tenements.

A native title holder may also have a right to claim compensation from a tenement holder under the Mining Act itself in the same way as a holder of ordinary freehold title, or other occupier or owner of land, can claim compensation in relation to the impact on activities under a mining tenement on the land the subject of their native title rights and interests.

Validity of the Tenements under the Native Title Act

Mining tenements granted over land on which native title rights and interests exist may be invalid in certain circumstances.

Any Tenement granted after 1 January 1994 which affects native title will generally only be valid if it was granted in compliance with the requirements of the Native Title Act applicable to future acts.

All Tenements were granted after 1 January 1994.

During the period in which the Tenements have been granted, it is understood that it has generally been the policy of the Western Australian Government to comply with the requirements of the Native Title Act in granting mining tenements.

On the assumption that the Western Australian Government did, in fact comply with the relevant requirements of the Native Title Act in relation to the grant of the Tenements, none of the Tenements granted after 1 January 1994 will be

invalid by reason of any part of the Tenements are subject to native title rights and interests. It is noted that the Ngadju People challenged the validity of a number of the Tenements on grounds relating to native title but this challenge was ultimately unsuccessful (*State of Western Australia v Graham on behalf of the Ngadju People and others* [2016] FCAFC 47).

Renewals or Extensions

Renewals or the extension of the term of mining tenements made after 1 January 1994 must comply with certain requirements in order to be valid under the Native Title Act.

None of the Tenements have been renewed, or had their term extended, as at the date of this Report.

To the extent that a Tenement affects land or waters subject to native title rights or interests, then any renewal or term extension will only be valid if the renewal or term extension complies with the Native Title Act including in particular compliance with the right to negotiate process in Subdivision P in Part 2 of Division 3 of the Native Title Act (**Subdivision P**), where it applies. Some renewals or term extensions are exempt from Subdivision P by operation of section 26D of the Native Title Act.

All of the Tenements wholly or partially overlap with areas the subject of determined native title rights and interests in the two Ngadju determinations. See Part 4 for details of the extent of the overlap of each Tenement with the areas the subject of those native title determinations.

Section 26D of the Native Title Act exempts certain renewals of mining rights and extensions of the terms of mining rights, from the right to negotiate process in Subdivision P where the renewal, or term extension, as the case may be, is of an earlier right to mine granted on or before 23 December 1996 and various other criteria are satisfied. As the current Tenements arose from the re-grant of mining rights granted prior to 23 December 1996, section 26D may operate to exempt the renewals or term extensions from the right to negotiate in Subdivision P, although the application of the section in a situation like this has yet to be considered by the Courts. The Company has indicated that it will seek to rely on section 26D of the Native Title Act if, at the appropriate time, the Company is satisfied that it is reasonable and appropriate to do so.

In the event that a future Tenement renewal or extension does require compliance with the right to negotiate process in Subdivision P in order to obtain a valid renewal or term extension, this would involve:

- (a) a minimum of six months negotiations with any determined native title holders or registered claimants under any native title claims registered four months after the time the Western Australian Government issues a notice under section 29 of the Native Title act of its intention to grant the renewal or extension. The purpose of the negotiation is to agree, if possible, the terms and conditions on which the registered native claimants or holders will agree to the renewal or extension of the term of the Tenements (for example, in exchange for agreed compensation, royalties or other benefits); and

- (b) if agreement cannot be reached after the minimum six months negotiation period, then the Company may make application to the National Native Title Tribunal for a determination that the Tenements should be renewed or extended in the absence of an agreement. There is no certainty that the National Native Title Tribunal will, in that instance, determine that the Tenement should be so extended or renewed.

Section 78(3) of the Mining Act provides that, where an application for renewal is made, the lease will continue in force until the application for renewal is determined. This section protects the Company from the risk of the Tenements expiring if a determination of the renewal applications is delayed while the right to negotiate process is being complied with.

14. Qualifications and Assumptions

In providing the confirmations in section 3 of this Report:

- (a) we have assumed the accuracy and completeness of the results of the searches of the Register and other information obtained from DMIRS including the quick appraisals and the results of the searches of the registers maintained by the NNTT;
- (b) we have assumed that all expenditure in relation to a Tenement noted on the Register as reported by the holder in relation to that Tenement is accurate and was actually expended by the holder in the requisite categories of expenditure in the period to which the expenditure relates;
- (c) we have assumed that the holder of each Tenement has complied with all applicable provisions of the Mining Act and all other legislation affecting the Tenement or activities on the Tenement;
- (d) we have assumed that the holder of each Tenement has complied with all conditions imposed in relation to that Tenement;
- (e) we have assumed that all Tenements were granted by the Western Australian Government in conformity with the procedures and requirements under the *Native Title Act* (Cth) such that the grant would not be wholly or partially invalid to the extent that native title rights or interests may exist on any part of the land or waters contained within such the area of such Tenement;
- (f) we express no opinion as to whether the area of any Tenement may be subject to native title rights or interests other than to the extent a determination has been made and is mentioned in Part 4 of the Tenement Schedule;
- (g) we have assumed that the copies of the agreements or deeds summarised in the Material Agreements Summaries as provided to us by the Company are true and complete copies (incorporating all amendments, assignments and novations) and that those agreements and deeds have been duly executed, are subsisting and are binding on the named parties to those documents;

- (h) all material deeds and agreements relating to the Tenements has been provided to us by the Company or are registered with the DMIRS; and
- (i) we have not conducted any searches or enquiries for the purposes of ascertaining whether there are any registered or unregistered sites of significance to aboriginal people within the area of any Tenement.

15. Benefit and Reliance

This Report is given solely for the benefit of the Company in connection with the issue of the Prospectus. This Report is not to be relied upon for any other purpose or quoted or referred to in any other public document. To the maximum extent permitted by law, EMK Lawyers disclaims any liability in respect of this Report to any person other than the Company.

16. Consent

EMK Lawyers has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and have not withdrawn their consent before the lodgement of the Prospectus with ASIC.

17. Disclosure of Interest

EMK Lawyers will be paid normal and usual professional fees for the preparation of this Report and related matters as set out elsewhere in the Prospectus.

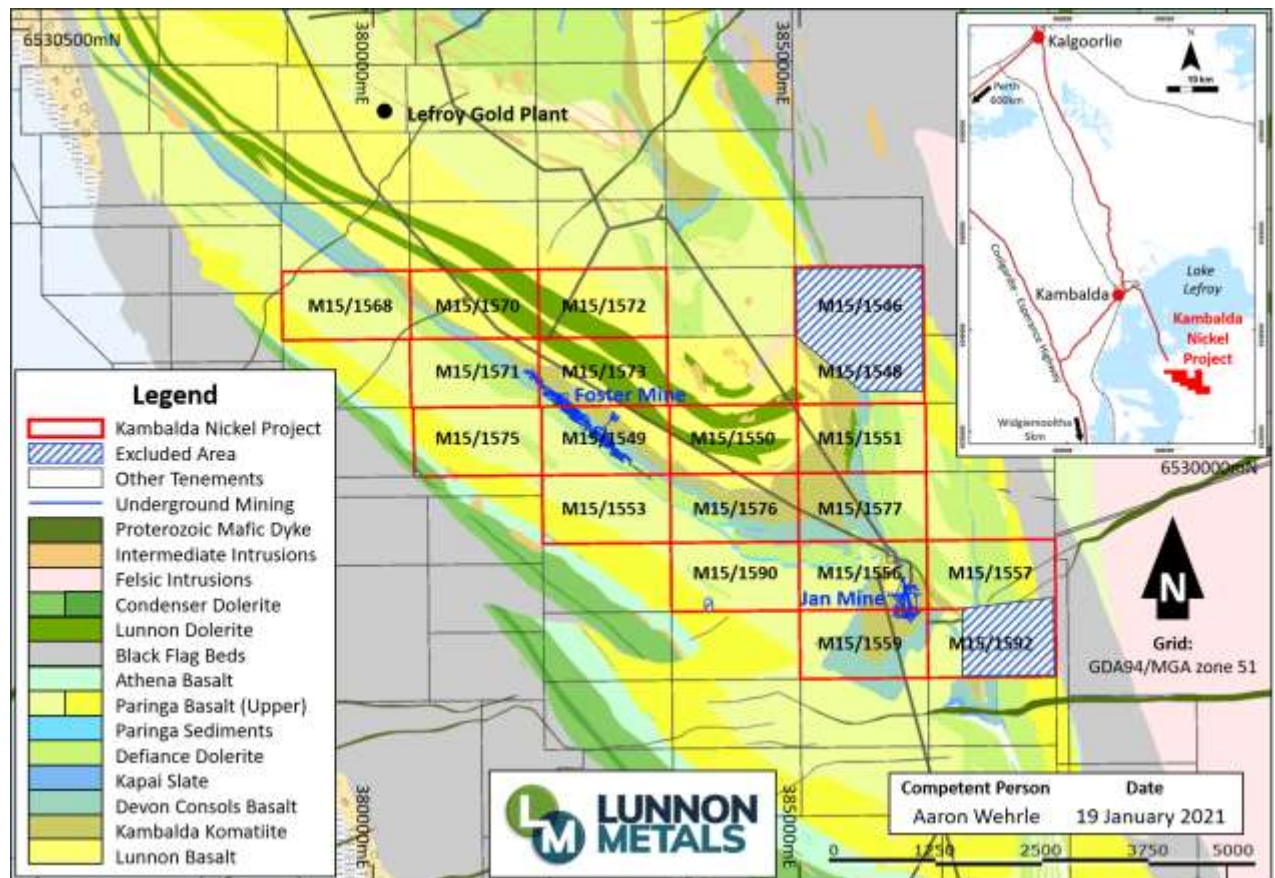
Yours faithfully

EMK Lawyers

EMK Lawyers

SCHEDULE 1- TENEMENT SCHEDULE

Map of the Tenements (also showing Excluded Area)



PART 1 – TENEMENTS

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
M15/1546	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.2 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$24,162 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1 – 12 and 45 - 49 — Part 2 Tengraph Interests 1 - 4 – Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595446) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595468) registered over 51/100 shares in the Tenement by the Company.
M15/1548	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.25 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$10,322.00 recorded as expended for that TY (an exemption was applied for in relation to the under expending). Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1 – 7, 9, 10, 45- 51 — Part 2 Tengraph Interests 1 – 4 – Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595447) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595469) registered over 51/100 shares in the Tenement by the Company.
M15/1549	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.35 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is	Minimum annual expenditure requirement for previous TY was \$12,200 with \$221,560 recorded as expended for that TY. Minimum annual	Material Conditions and Endorsements 1, 3, 5 - 7, 9, 13 – 19, 45 – 50 — Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
							\$2,440.	expenditure requirement for current TY is \$12,200.	<p>Tenement is encroached by L15/238 (to 1.02%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd</p> <p>Consent caveat (Caveat 595448) registered over 49/100 shares in the Tenement by the Company.</p> <p>Consent caveat (Caveat 595470) registered over 51/100 shares in the Tenement by the Company.</p>
M15/1550	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.45 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$5,229 recorded as expended for that TY (with an exemption applied for in relation to under expending). Minimum annual expenditure requirement for current TY is \$12,200.	<p>Material Conditions and Endorsements 1 – 7, 10, 13, 16 – 20 and 45-51 — Part 2</p> <p>Tengraph Interests 3 and 4 – Part 3</p> <p>Native Title Determination identified – Part 4</p> <p>Tenement is encroached by L15/238 (to 1.55%) and L15/242 (to 0.23%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd.</p> <p>Consent caveat (Caveat 595449) registered over 49/100 shares in the Tenement by the Company.</p> <p>Consent caveat (Caveat 595471) registered over 51/100 shares in the Tenement by the Company.</p>
M15/1551	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.4 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$37,724 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	<p>Material Conditions and Endorsements 1 -- 7, 9, 21 and 45 -51 – Part 2</p> <p>Tengraph Interests 3 and 4 – Part 3</p> <p>Native Title Determination identified – Part 4</p> <p>Tenement is encroached by L15/242 (to 1.36%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd.</p> <p>Consent caveat (Caveat 595450) registered over 49/100 shares in the</p>

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
									Tenement by the Company. Consent caveat (Caveat 595472) registered over 51/100 shares in the Tenement by the Company.
M15/1553	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	120.95 HA	Annual rent of \$2,420 reported as paid in full for the current TY. Annual rent for next TY is \$2,420.	Minimum annual expenditure requirement for previous TY was \$12,100 with \$59,351 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,100.	Material Conditions and Endorsements 1 and 3 – Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595451) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595473) registered over 51/100 shares in the Tenement by the Company.
M15/1556	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.1 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$102,835 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1 –7, 9, 10, 23, 25-28 and 45 -50— Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determinations identified – Part 4 Tenement is encroached by L15/238 (to 0.56%), L15/239 (to 1.48%), L15/241 (to 1.49%) and L15/242 (to 0.57%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat 595452) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595474) registered over 51/100 shares in the Tenement by the Company.
M15/1557	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.2 HA	Annual rent of \$2,440 reported as paid in full for the current TY.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$5,191 recorded as expended	Material Conditions and Endorsements 1-7, 9 and 45-50— Part 2 Tengraph Interests 2, 3 and 4 – Part 3

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
							Annual rent for next TY is \$2,440.	for that TY (with an exemption for underspending applied for in relation to the under expending). Minimum annual expenditure requirement for current TY is \$12,200.	Native Title Determinations identified – Part 4 Consent caveat (Caveat 595453) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595475) registered over 51/100 shares in the Tenement by the Company.
M15/1559	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	120.8 HA	Annual rent of \$2,420 reported as paid in full for the current TY. Annual rent for next TY is \$2,420.	Minimum annual expenditure requirement for previous TY was \$12,100 with \$11,396 recorded as expended for that TY (with an exemption applied for in relation to the under ending). Minimum annual expenditure requirement for current TY is \$12,100.	Material Conditions and Endorsements 1 –7, 9, 10, 30 and 45 – 50— Part 2 Tengraph Interests 3 - 5 – Part 3 Native Title Determinations identified – Part 4 Tenement is encroached by L15/239 (to 1.37%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat 595454) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595476) registered over 51/100 shares in the Tenement by the Company.
M15/1568	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.2 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$33,455 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1, 3-7, 9, 10, 16-19, 32-39 and 45-50— Part 2 Tengraph Interests 3 and 4— Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595455) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595477) registered over 51/100 shares in the Tenement by the Company.
M15/1570	St Ives Gold	100/100	24/12/2004	23/12/2025	Coolgardie	121.35	Annual rent of	Minimum annual	Material Conditions and Endorsements 1,

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
	Mining Company Pty Limited					HA	\$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	expenditure requirement for previous TY was \$12,200 with \$125,495 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	3 - 7, 9, 10, 13, 16-20, 32, 33, 35-39 and 45-50— Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4 Tenement is encroached by L15/238 (to 1.86%) and L15/242 (to 0.03%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat Caveat 595456) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595478) registered over 51/100 shares in the Tenement by the Company.
M15/1571	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.3 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$108,585 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1, 3, 6, 7, 9, 10, 13, 17-20, 32, 33 and 45-50 — Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4 Tenement is encroached by L15/238 (to 0.6%) and L15/242 (to 0.09%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat 595457) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595479) registered over 51/100 shares in the Tenement by the Company.
M15/1572	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.4 HA	Annual rent of \$2,440 reported as paid in full for the current TY.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$19,305 recorded as expended	Material Conditions and Endorsements 1 – 7, 9, 16-18, 21, 32, 33, 40 and 45 – 50— Part 2 Tengraph Interests 1, 3 and 4 – Part 3

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
							Annual rent for next TY is \$2,440.	for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Native Title Determination identified – Part 4 Tenement is encroached by L15/242 (to 1.58%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat 595458) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595480) registered over 51/100 shares in the Tenement by the Company.
M15/1573	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.15 HA	Annual rent of \$3,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$233,847 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1-7 , 9, 10, 13, 16-18, 20, 32, 33 and 45-50 — Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4 Tenement is encroached by L15/238 (to 1.95%) and L15/242 (to 0.14%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd. Consent caveat (Caveat 595459) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595481) registered over 51/100 shares in the Tenement by the Company.
M15/1575	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.35 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$13,981 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1, 3 - 7, 9, 10, 17, 18, 32, 33 and 45-50— Part 2 Tengraph Interests 3 and 4 – Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595460)

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
									<p>registered over 49/100 shares in the Tenement by the Company.</p> <p>Consent caveat (Caveat 595482) registered over 51/100 shares in the Tenement by the Company.</p>
M15/1576	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	120.8 HA	Annual rent of \$2,420 reported as paid in full for the current TY. Annual rent for next TY is \$2,420.	Minimum annual expenditure requirement for previous TY was \$12,100 with \$68,918 recorded as expended for that TY. Minimum annual expenditure requirement for current TY is \$12,100.	<p>Material Conditions and Endorsements 1-7, 9, 10, 13, 14, 16-19, 32, 42 and 45-50 — Part 2</p> <p>Tengraph Interests 3 and 4 – Part 3</p> <p>Native Title Determinations identified – Part 4</p> <p>Tenement is encroached by L15/238 (to 1.937%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd.</p> <p>Consent caveat (Caveat 595461) registered over 49/100 shares in the Tenement by the Company.</p> <p>Consent caveat (Caveat 595483) registered over 51/100 shares in the Tenement by the Company.</p>
M15/1577	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	120.7 HA	Annual rent of \$2,420 reported as paid in full for the current TY. Annual rent for next TY is \$2,420.	Minimum annual expenditure requirement for previous TY was \$12,100 with \$5,951 recorded as expended for that TY (with an exemption for underspending applied for). Minimum annual expenditure requirement for current TY is \$12,100.	<p>Material Conditions and Endorsements 1-7, 9, 10, 20, 32, 42 and 45-50– Part 2</p> <p>Tengraph Interests 3 and 4– Part 3</p> <p>Native Title Determinations identified – Part 4</p> <p>Tenement is encroached by L15/238 (to 1.42%) and L15/242 (to 1.59%) held by Tec Desert Pty Ltd and Tec Desert No.2 Pty Ltd.</p> <p>Consent caveat (Caveat 595462) registered over 49/100 shares in the Tenement by the Company.</p> <p>Consent caveat (Caveat 595484) registered over 51/100 shares in the Tenement by the Company.</p>

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
M15/1590	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121.3 HA	Annual rent of \$2,440 reported as paid in full for the current TY. Annual rent for next TY is \$2,440.	Minimum annual expenditure requirement for previous TY was \$12,200 with \$5,229 recorded as expended for that TY (with an exemption for underspending applied for). Minimum annual expenditure requirement for current TY is \$12,200.	Material Conditions and Endorsements 1, 3 - 7, 9, 10, 13, 16-19, 37-39 and 44-50 – Part 2 Tengraph Interests 2 and 3- Part 3 Native Title Determination identified – Part 4 Consent caveat (Caveat 595463) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595485) registered over 51/100 shares in the Tenement by the Company.
M15/1592	St Ives Gold Mining Company Pty Limited	100/100	24/12/2004	23/12/2025	Coolgardie	121 HA	Annual rent of \$2,420 reported as paid in full for the current TY. Annual rent for next TY is \$2,420.	Minimum annual expenditure requirement for previous TY was \$12,100 with \$5,148 recorded as expended for that TY (with an exemption for underspending applied for). Minimum annual expenditure requirement for current TY is \$12,100.	Material Conditions and Endorsements 1-7, 9, 10 and 45-50 — Part 2 Tengraph Interests 1-5 – Part 3 Native Title Determinations identified – Part 4 Consent caveat (Caveat 595464) registered over 49/100 shares in the Tenement by the Company. Consent caveat (Caveat 595486) registered over 51/100 shares in the Tenement by the Company.

Key to Tenement Schedule

HA – Hectare
M – Mining Lease
TY – Tenement Year

See Part 2 for Material Conditions and Endorsements

See Part 3 for material Tengraph interests

See Part 4 for Native Title Claims

See Part 56 for Material Agreements Summaries

Notes:

- All Tenements are subject to caveats lodged by the Company to protect the Company's interests in the Tenements pending a 100% interest in the Tenements being registered in the name of the Company.
- All Tenements currently enjoy project status as part of the "St Ives" project but this status is expected to cease once the Company becomes registered holder of the Tenements.

PART 2 – MATERIAL CONDITIONS AND ENDORSEMENTS

The notes below refer to particular conditions and endorsements of the Tenements. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the DMIRS Register should be conducted.

In addition to the conditions and endorsements noted the table below, the Tenements are subject to a range of other conditions and endorsements. For example, each of the Tenements are subject to standard conditions that must be complied with including rent payments, annual expenditure requirements, the requirement to lodge annual technical and environmental reports, mine closure plans and comply with relevant laws. Common conditions also include: a Tenement holder to obtain the consent of an officer of the DMIRS prior to conducting any ground disturbing work, environmental and rehabilitation compliance conditions (such as the removal of all waste, capping of drill holes, dust suppression (avoiding detrimental effects on the environment of saline water used in dust suppression etc)), notifying pastoral leaseholders of planned activities, having plans to safeguard the environment, to protect native vegetation and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations. The following conditions and endorsements are noted on the basis that they may be not considered common:

#	Condition/ endorsement
1	This mining lease authorises the mining of the land for all minerals as defined in Section 8 of the Mining Act 1978 with the exception of: <ul style="list-style-type: none">• Uranium ore;• Iron ore, unless specifically authorised under Section 111 of the Act
2	Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
3	The natural flow of water into Lake Lefroy not being obstructed or interfered with, and the salt crust forming from time to time on the lake not being contaminated or damaged by mine water, spoil, or tailings, being pumped or allowed to gravitate into the lake.
4	All mining operations to meet the environmental outcomes as measured by the performance criteria stated in Table 8-1 of the Mining Proposal (Reg ID 81919) "St Ives Gold Mining Company Pty Ltd Mining Proposal" retained on Department of Mines, Industry Regulation and Safety File No. EARS-MP-81919 as Doc ID 7931434.
5	All ground disturbance to be undertaken within the disturbance envelope as represented by the spatial data provided on 29 September 2020 and retained on Department of Mines, Industry Regulation and Safety File No. EARS-MP-81919 as Doc ID 7738924.
6	At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Executive Director, Environment Division, DMP.
7	The Lessee submitting to the Executive Director, Environment Division, DMIRS, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months.
8	On the completion of operations or progressively where possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMP.
9	A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMIRS. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans" available on DMIRS's website: 2020
10	Placement of waste material must be such that the final footprint after rehabilitation will not be impacted upon by pit wall subsidence or be within the zone of pit instability.

11	On the completion of operations or progressively where possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMP.
12	All activities being carried out in such a manner so as to not have a detrimental effect on the natural water flow through the lease and surrounding areas to the satisfaction of the Environmental Officer, DMP.
13	The lessee not commencing any mining or other operations which in the opinion of the Minister for State Development would cause undue interference with mining and other operations for commercial extraction and harvesting of salt from Lake Lefroy or any other land or existing salt stockpile not included in the Lease.
14	The rights of ingress to and egress from Miscellaneous Licence 15/238 being at all times, preserved to the licensee and no interference with the purpose or installations connected to the licence.
15	Not used.
16	Pipelines carrying dewatering effluent, saline groundwater from borefields, or process waters to and from tailings impoundments being fitted with automatic shutoff devices to prevent flow of effluent and waters to the environment in the event of systems failure.
17	The lessee visually inspecting for evidence of pipeline failure the ground surrounding the dewatering effluent and saline groundwater supply pipelines at a minimum frequency of once per week.
18	Should a failure in an inspected pipeline be discovered, the discharge being ceased immediately and not resuming until the pipeline has been repaired. The Environmental Officer, DoIR being notified within one week of the failure and provided with an estimate of total effluent volume lost due to the failure.
19	All pipeline access roads being engineered to prevent erosion and exposure of the pipeline caused by stormwater runoff.
20	The rights of ingress to and egress from Miscellaneous Licences 15/238 and 15/242 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
21	The rights of ingress to and egress from Miscellaneous Licence 15/242 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
22	Not used.
23	The rights of ingress to and egress from Miscellaneous Licences 15/238, 15/239, 15/241 and 15/242 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
24	Not used.
25	Regular monitoring of groundwater to be carried out in the vicinity of the tailings dam to ensure that ground water is not being polluted by tailings dam seepage.
26	The area of water ponded in the tailings dam to be kept to a practical minimum, and any fauna mortalities found in the dam to be reported to the State Mining Engineer or his nominee.
27	The tailings dam should be constructed and operated in such a manner so as to maximise the final tailings density, and create a safe, stable structure with minimum potential for erosion that will allow ease of rehabilitation.
28	The future construction of any major works, such as additional tailing dams, leach pads etc. associated with the mining operations will not proceed before a detailed plan is submitted to the Director, Environment, DoIR for his assessment and written approval.
29	Not used.
30	The rights of ingress to and egress from Miscellaneous Licence 15/239 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
31	Not used.
32	No timber being cut on the lease except by way of clearing for "bonafide" surface workings.
33	No action being taken to cause pollution to the water in either the drainage system or Victory Dam.
34	Not used.
35	The construction of any tailings storage embankment shall be supervised by an engineering or geotechnical specialist.
36	The construction details of any tailings storage embankment shall be documented by an engineering or geotechnical specialist and confirm that the construction satisfies the design intent. The construction document shall include the records of all construction quality control testing, the basis of any method specification adopted, and any significant modifications to the original design together with the reasons why the modifications were necessary. The construction document shall also present as-built drawings for the embankment earthworks and pipework. A copy of the construction document shall be submitted to DMP for its records.

37	The tailings storage facility shall be checked on a routine daily basis by site personnel during periods of deposition to ensure that the facility is functioning as per the design intent.
38	An engineering or geotechnical specialist shall audit and review the active tailings storage facility on an annual basis. The specialist shall review past performance, validate the design, examine tailings management, and review the results of monitoring. Any deficiencies noted in the audit and review report shall be suitably addressed and improved. The audit and review report shall be submitted to DMP and should be accompanied by a recent survey pick-up of the facility and an updated tailings storage data sheet.
39	At the time of decommissioning of the tailings storage facility and prior to rehabilitation, a further review report by a geotechnical or engineering specialist will be required by the Director, Environment, DMP. This report should review the status of the structure and its contained tailings, examine and address the implications of the physical and chemical characteristics of the materials, and present and review the results of all environmental monitoring. The rehabilitation stabilisation works proposed and any on-going remedial requirements should also be addressed
40	Not used.
41	Not used.
42	Mining on State Battery Reserve 17939 being confined to below a depth of 15 metres from the natural surface.
43	Not used.
44	The lessee ensuring that all matter containing saline, alkaline, cyanide or other process chemical constituents being retained within holding facilities, such that there is no impairment of surface or underground waters.
45	No alteration or expansion of mining operations beyond the activities detailed in Appendix B and Tables 3-24 – 3-152 of the Mining Proposal (Reg ID 81919) "St Ives Gold Mining Company Pty Ltd Mining Proposal" retained on Department of Mines, Industry Regulation and Safety File No. EARS-MP-81919 as Doc ID 7931434.
46	The Lessee to ensure adequate environmental monitoring and analysis is undertaken to demonstrate the level of achievement of the performance criteria stated in Table 8-1 of the Mining Proposal (Reg ID 81919) "St Ives Gold Mining Company Pty Ltd Mining Proposal" retained on Department of Mines, Industry Regulation and Safety File No. EARSMP- 81919 as Doc ID 7738924.
47	Management of mine closure to be undertaken in accordance with the Mine Closure Plan (Reg ID 62617) "St Ives Gold Mine 2016 Mine Closure Plan" retained on Department of Mines, Industry Regulation and Safety File No. EARS-MCP-62617 as Doc ID 4705760.
48	Report any incident arising from mining activities that has caused, or has the potential to cause environmental harm or injury to the land, to the Executive Director, Resource and Environmental Compliance Division, Department of Mines, Industry Regulation and Safety, within 24 hours of becoming aware of the occurrence of the incident.
49	Report any breach of environmental outcome or performance criteria stated in Table 8-1 of the Mining Proposal (Reg ID 81919) "St Ives Gold Mining Company Pty Ltd Mining Proposal" retained on Department of Mines, Industry Regulation and Safety File No. EARSMP- 81919 as Doc ID 7738924, to the Executive Director, Resource and Environmental Compliance Division, Department of Mines, Industry Regulation and Safety, within 24 hours of becoming aware of the occurrence of the breach.
50	All mining related landforms and disturbances must be rehabilitated, in a progressive manner where practicable, to ensure they are safe, stable, non-polluting, integrated with the surrounding landscape and support self-sustaining, functional ecosystems or alternative agreed outcome to the satisfaction of the Executive Director, Resource and Environmental Compliance, Department of Mines, Industry Regulation and Safety.
51	All activities being carried out in such a manner so as to not have a detrimental effect on the natural water flow through the lease and surrounding areas to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety.

PART 3 – TENGRAPH INTERESTS

#	Land Affected	Description
1	Aboriginal Heritage Survey Area	Aboriginal heritage survey conducted over part or all of the Tenement. Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and the results are described in an Aboriginal Heritage Survey Report. The Department of Aboriginal Affairs holds copies of these reports. A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on a number of factors. Not all Aboriginal sites within a survey area are necessarily recorded. The type of survey undertaken, such as site identification or Site avoidance, is decided by the professional heritage consultant engaged by the proponent and depends upon the scope and nature of the project.
2	Special Land Category and File Notation Area	M15/1546 to (26.36%), M15/1548 (to 1.89%) and M15/1557 (to 5.5%) encroach a General Purpose Lease lodged with Landgate (GEN288017) M15/1548 (to 1.89%) and M15/1557 (to 5.5%) encroach Proposed Request to Renew Lease N288017 Section 16(3) Clearance
3	Groundwater and Surface water Areas	<p>The Rights in Water and Irrigation Act, 1914 (WA) governs groundwater and surface water areas in Western Australia and imposes restrictions on actions that can be take in relation to such water including requiring a license to take water and construct relevant infrastructure for taking such water.</p> <p>M15/1546 (to 100%), M15/1548 (to 100%), M15/1549 (to 100%), M15/1550 (to 100%), M15/1551 (to 100%), M15/1553 (to 100%), M15/1556 (to 100%), M15/1557 (to 100%), M15/1559 (to 100%), M15/1568 (to 100%), M15/1570 (to 100%), M15/1571 (to 100%), M15/1572 (to 100%), M15/1573 (to 100%), M15/1575 (to 100%), M15/1576 (to 100%), M15/1577 (to 100%), M15/1590 (to 100%) and M15/1592 (to 100%) encroach a groundwater area Goldfields</p>
4	Reserves	<p>M15/1546 (to 100%), M15/1548 (to 100%), M15/1549 (to 100%), M15/1550 (to 100%), M15/1551 (to 100%), M15/1553 (to 100%), M15/1556 (to 100%), M15/1557 (to 100%), M15/1559 (to 24.74%), M15/1568 (to 100%), M15/1570 (to 100%), M15/1571 (to 100%), M15/1572 (to 100%), M15/1573 (to 100%), M15/1575 (to 100%), M15/1576 (to 87.19%), M15/1577 (to 96.05%), M15/1590 (to 100%) and M15/1592 (to 24.47%) encroach a "C" Class Reserve Common</p> <p>M15/1576 (to 12.81%) and M15/1577 (to 3.95%) encroach a "C" Class Reserve Common Battery Site</p>
5	Pastoral Leases	M15/1559 (to 75.26%) and M15/1592 (to 75.53%) encroach Pastoral Lease (C) Mt Monger

PART 4 – REGISTERED NATIVE TITLE DETERMINATIONS

Tenements Affected	Determination
M15/1546 (to 73.64%), M15/1548 (to 98.11%), M15/1549 (to 100%), M15/1550 (to 100%), M15/1551 (to 100%), M15/1553 (to 100%), M15/1556 (to 76.64%), M15/1557 (to 0.003%), M15/1559 (to 63.71%), M15/1568 (to 100%), M15/1570 (to 100%), M15/1571 (to 100%), M15/1572 (to 100%), M15/1573 (to 100%), M15/1575 (to 100%), M15/1576 (to 99.95%), M15/1577 (to 100%) and M15/1590 (to 99.75%).	Ngadju Part B (WCD2017/002) Native Title Determination
M15/1556 (to 23.36%), M15/1557 (to 99.997%), M15/1559 (to 36.29%) and M15/1592 (to 100%).	NGADJU(WCD2014/004) Native Title Determination

PART 5 – MATERIAL DEEDS AND AGREEMENTS

1. Option and Joint Venture Agreement Foster Jan Project

By an agreement dated 9 October 2014 titled “Option and Joint Venture Agreement” and made between the Company and St Ives Gold Mining Company Pty Ltd (**St Ives**) the Company was granted rights to acquire progressive interests in the mining tenements listed in Part One of this Schedule (**Tenements or Project Tenements**) and the various associated assets by meeting various milestones in terms of expenditure and technical outcomes within stipulated time periods to acquire interests of up to 60% in the Tenements and associated assets (including certain infrastructure on the Tenements, certain equipment and rights to Mining Information and other intellectual property) (**Interests**). The agreement has been the subject of three Deeds of Variation between the Company and St Ives dated 2 September 2015, 17 March 2016 and 15 September 2020 respectively. The agreement as varied is referred to in this Tenement Report as the “**Option and JVA**.”

The Option and JVA will be further varied upon Completion occurring under the Sale and Purchase Agreement between the Company and St Ives which is referred to in Section 2 of this Part 5 (**SPA**).

Under the Option and JVA the Company was granted the right to:

- (a) acquire a 25% Interest by completing a scoping study in relation to the area of the Tenements (**Project Area**) and incurring at least \$2 million on expenditure on the Tenements by the date 24 months after the Commencement Date (being the date on which the last of the Conditions in the Option and JVA were satisfied or waived. The ‘Commencement Date’ was stated to be 6 November 2014 in the Deed of Variation dated 2 September 2014); and
- (b) acquire a 26% Interest by completing certain dewatering requirements or completing a pre-feasibility study and incurring expenditure of at least a further \$8 million within 96 months of the Commencement Date. However, by virtue of the Deed of Variation dated 15 September 2020, if the Company has attained Listing within that 96 month period, the Company need only spend \$6 million in total on expenditure. “Listing” is defined in terms of the issue of an approval letter by the ASX approving the admission of the Company to the official list of the ASX which is either unconditional or conditional only on the Company completing that acquisition of the 26% Interest and/or completing the acquisition of any other Interest which the Company may in the process of acquiring and the implementation of usual administrative actions relating to the admission which are in the control of the Company to implement and which the Company agrees to implement.

The Company has additional actual and potential rights to acquire further Interests under the Option and JVA depending on various elections and circumstances. These are not summarised here on the basis that these provisions will become irrelevant as a consequence of the SPA discussed below under which the Company is to become the owner of 100% of the Tenements and associated assets for the consideration, and on the terms, set out in the SPA.

There are, however, a number of provisions of the Option and JVA which will continue to be relevant after completion occurs under the SPA (**Completion**). These provisions are summarised as follows:

- (a) provisions requiring St Ives' to be responsible for ongoing costs of compliance with obligations arising under any notice of intent or works program approval in relation to a Tenement in relation to activities undertaken prior to the date of the Option and JVA and all obligations, including rehabilitation obligations, arising from past for future activities solely conducted by St Ives (or prior owners to the extent St Ives has a liability);
- (b) provisions entitling the Company to access to mining information relating to the Tenements;
- (c) provisions governing the Company's use of access routes as directed by St Ives (acting reasonably) and requiring the Company to pay a reasonable portion of the costs of maintaining and repairing roads, tracks and routes used by the Company;
- (d) rights retained by St Ives over the area of the Tenements as detailed in Schedule 7 to the Option and JVA. These rights entitle St Ives and its affiliates to a non-exclusive licence over the Project Area for access purposes and for the purposes of accessing, using, augmenting, developing, constructing, maintaining, removing, relocating and connecting to their existing or new infrastructure (the Company has rights to object to infrastructure matters where St Ives' exercise of rights will interfere with the Company's current or intended activities in the relevant area). St Ives may also apply for a miscellaneous license over areas of the Tenements agreed or determined by an independent expert. There are various rights conferred on the Company to require the removal of infrastructure on terms agreed with St Ives or, in default of agreement, on terms determined by an independent expert. Fixtures installed by St Ives on the Tenements will remain St Ives' property;
- (e) provisions requiring the Company to satisfy rehabilitation obligations arising from the Company's activities;
- (f) rights retained by St Ives by way of an exclusive licence to explore for or mine gold on part of the Tenements defined as the "**Excluded Area**." The "Excluded Area" is shown on the map on appearing at the beginning of this Schedule. Some of these rights relating to sole risk rights have been modified in the SPA and are discussed in section 2 below. The rights retained by St Ives in relation to the Excluded Area may be summarised as follows:
 - (i) the full and exclusive licence, right and liberty to enter on any of the Excluded Area to explore for gold and where gold deposits are discovered which in St Ives' judgment are economically viable, to mine for gold by such means a St Ives may choose;
 - (ii) if future activities by St Ives in relation to gold in relation to an Excluded Area or areas immediately outside or adjacent to the Project Area indicates continuation of gold mineralization into the Project Area the boundaries of the Excluded Area will be expanded to include such gold mineralisation extensions provided such expansions or extensions do not unreasonably interfere with the actual or proposed activities of the Company or link directly with a some of gold mineralisation already

identified by the activities of the Company or intrude on any part of the Historic Resource (which is defined as being the delineated resource existing at the time of execution of the Option and JVA of approximately 988,000 tonnes at 2.35% grading for approximately 24,983 nickel tonnes and a polygon area that is greater than the resource and includes significant areas within the Project Area);

- (iii) if there is disagreement as to whether certain of the requirements for an expansion are satisfied, St Ives may refer the matter to an independent expert for determination;
 - (iv) Schedule 5 of the Option and JVA indicates that St Ives may construct and operate open cut and underground mines (should the deposit develop in such a way after surface mining is completed) in the Excluded Area and may install and operate mining plant and equipment and other infrastructure on an Excluded Area;
 - (v) St Ives may retain all gold retained from an Excluded Area but all other minerals and ores recovered by St Ives must be returned to the Company;
 - (vi) St Ives gold rights in an Excluded Area last for the duration of the relevant Tenement and the Company must offer a Tenement to St Ives for no consideration prior to relinquishing or failing to renew a Tenement and, if St Ives takes a transfer of the Tenement, St Ives must assume all liability attaching to the Tenement including any third-party royalties. The Company, however, must rehabilitate where rehabilitation is required as a consequence of the activities of the Company;
 - (vii) St Ives must pay 20% of the rents and rates and other outgoings in relation to a Tenement in the Excluded Area;
 - (viii) the Company has the right to object to any activities of St Ives on the Excluded Area which will adversely affect the actual or proposed mining for minerals other than Gold or exploration for or mining of minerals other than gold. If the objection cannot be resolved by negotiation the matter is to be determined by an independent expert having regard to criteria set out in Schedule 5 to the Option and JVA; and
 - (ix) St Ives has the right to lodge caveats against any Tenements overlapping the Excluded Area;
- (g) separate to St Ives' rights in relation to Excluded Areas, St Ives retains certain sole risk rights in relation potentially open pitable gold mineralisation in the Project Area. These provisions are varied by the SPA and are discussed in more detail below in the context of the SPA;
- (h) the option granted to St Ives to either exercise a right of pre-emption in respect of any sale contract or arrangement involving the sale by the Company of any untreated gold bearing ore from the Project Area or, alternatively, the right to charge a royalty on any gold won from the Project Area (other than the Excluded Area) equal to 4% of the spot price (being the London pm fix price by the London Metals Exchange or the London Bullion Market Association) converted into Australian dollars. The right of pre-emption in relation to sales contracts and arrangement is the right of St Ives to match any proposed contract with a third

party. If St Ives objects that the terms are not arms' length the matter can be referred to an independent expert to determine fair commercial terms;

- (i) provisions permitting the Company to assign any of its interests in a Tenement which includes a right to mine gold on a Tenement with St Ives' written consent, such consent not to be unreasonably withheld if the assignee has the financial and technical capacity to carry out the rights and obligations under the Option and JVA in relation to the relevant interest to be assigned. There are also obligations to procure the execution of a deed of assumption by the assignee in relation to the obligations under the Option and JVA relating to the assigned interest;
- (j) Ongoing pre-emptive rights of St Ives in relation to a sale of the Company's interest. These pre-emptive rights are varied by the SPA and are discussed in more detail below in the context of the SPA; and
- (k) usual ongoing confidentiality obligations.

2. **Sale and Purchase Agreement (SPA)**

By a Sale and Purchase Deed (**SPA**) dated 19 November 2020, St Ives' agreed to sell to the Company its residual 49% Interest under the terms of the Option and JVA (being in practical terms the 49% Interest St Ives would hold once the Company acquires a 51% Interest under the Option and JVA).

The consideration for the purchase of such 49% Interest is the issue by the Company of such number of shares in the capital of the Company, credited as fully paid, as will immediately after the issue represent 49% of the issued share capital of the Company on a Fully Diluted Basis but disregarding any IPO Shares or IPO Options.

"Fully Diluted Basis" is defined as meaning as though all Convertible Securities has been converted to shares.

"IPO Shares" are defined as meaning any shares issued by the Company under a prospectus or other disclosure document in connection with seeking to list on the ASX.

"IPO Options" means options to acquire shares in the Company granted as part of or in connection with its IPO including options granted to board members, executive management, brokers or other intermediaries in connection with the IPO or as part of the process of promoting or securing the success of the IPO.

The SPA is conditional upon:

- (a) the Company completing the acquisition of a 25% Interest and acquiring and completing the acquisition of a further 26% Interest under the Option and JVA (and thereby taking its total Interest to 51%);
- (b) Ministerial approval being under the *Mining Act (WA) 1978* to the transfer of St Ives' interest in the Tenements to the Company;
- (c) foreign investment approval under the Foreign Acquisitions and Takeover Act 1978 (Cth) for the Company to acquire the 49% Interest and for St Ives to acquire the shares in the Company;
- (d) the Parties obtaining any consent or waiver and any requisite deed of assumption and consent under various third-party agreements relating to the Project; and

- (e) the Company obtaining any consents required under its constitution or subsisting agreements between the Company and its shareholders necessary to issue the consideration shares to St Ives.

Completion under the SPA (**Completion**) is to take place on the date on which is 7 days after the last of these conditions is satisfied or waived.

The SPA provides that as long as St Ives holds a relevant interest in the Company of 10% or more following listing St Ives will be entitled to nominate one director to the board of the Company but such nomination will be subject to re-election or retirement by rotation and re-election by the shareholders as required by the constitution of the Company or the ASX Listing Rules (as applicable).

The Company is liable for any duty payable under the Duties Act (WA) 2008 in relation to the acquisition of the 49% Interest. St Ives is liable for any duty on the acquisition by St Ives of the 49% shareholding in the Company.

The SPA provides that the Option and the JVA will continue to govern the relationship of the Parties following Completion but on the basis that a number of changes will be made to the Option and JVA with effect from Completion, the primary ones being:

- (a) the Joint Venture created under the Option and JVA will terminate and a number of specified provisions in the Option and JVA will cease to apply. These are primarily provisions of the Option and JVA relevant to the earning phase and provisions governing the Joint Venture created, or to be created, between St Ives and the Company as co-owners of the Tenements and associated assets;
- (b) any shares issued by the Company in direct contemplation and connection with pursuing an initial public offering and listing on the ASX will not be taken into account for the purposes of clause 21.4 of the Option and JVA. Clause 21.4 of the Option and JVA provides that, subject to certain exceptions, if a 'change of control' occurs in relation to the Company then the Company is required to offer its entire Interest to St Ives for a price calculated by reference to the price paid for the relevant shares in the Company. A 'change of control' occurs if a person other than the shareholders in the Company at the time of execution of the Option and JVA acquire control of the Company or a relevant interest in more than 51% of the securities in the Company;
- (c) upon Completion occurring, clause 21.4 of the Option and JVA will cease to apply entirely;
- (d) clause 21 of the Option and JVA which deals with pre-emptive rights, change of control and tag along rights, will cease to apply on listing occurring other than in that St Ives will retain a pre-emptive right over the sale of any of the Tenements by the Company. Any offer to St Ives under the pre-emptive right will be conditional on obtaining any shareholders' approval or waiver required to ensure that the Company is in compliance with the ASX Listing Rules or the Corporations Act. If St Ives' don't exercise their pre-emptive right on a sale of any Tenements, the Tenements sold will cease to be subject to the pre-emptive right. The pre-emptive right does not apply to the grant of a mortgage or other security for the purposes of raising project finance;
- (e) under the terms of the pre-emptive right, any sale or proposed sale to the third party of an Interest (e.g., in the Tenements and other assets) must first be offered to St Ives on the same terms and St Ives will have 20 business days to accept

- the offer. If the sale or proposed sale includes non-cash consideration, St Ives can pay the reasonable cash equivalent in lieu of the non-cash consideration and there is provision for the reasonable cash equivalent to be determined by an independent expert if there is a dispute about the reasonable cash equivalent;
- (f) no earlier than 5 years after the Commencement Date, if St Ives believes that there is potential for open pitable gold mineralisation on the Project Area then it may present the technical information to the Company together with a proposed work program designed to test the concept (**GF Proposal**). In that case:
- (i) if the GF proposal unreasonably interferes with the Company's actual or proposed activities, the Company may object and reject the GF Proposal. St Ives may in that instance refer the matter to an expert for determination;
 - (ii) if the Company rejects the GF Proposal and if the GF Proposal does not interfere with the actual proposed activities of the Company (or the expert makes such a determination) then St Ives may undertake the GF Proposal at its own cost;
 - (iii) if the Company accepts the GF Proposal then the Company must within a reasonable time implement the GF Proposal and St Ives will have a non-dilutable 10% interest in the gold in or recovered (including a right to take 10% of gold and associated minerals produced) and the Company must free carry St Ives and pay all expenditure in relation to the GF Proposal; and
 - (iv) if the Company does not accept the GF Proposal and a sole risk activity of St Ives delineates a gold deposit or resource with reasonable prospects of being extracted by open pitable methods, St Ives may nominate it as an Excluded Area in which case the Company will be granted a 10% non-dilutable interest in the gold in or recovered from that Excluded Area (including a right to take 10% of gold and associated minerals produced in kind from that Excluded Area) and St Ives must free carry the Company and pay all expenditure in relation to that Excluded Area; and
- (g) St Ives may not submit a GF Proposal in relation to nickel or the Historic Resource (which is defined as being the delineated resource existing at the time of execution of the Option and JVA of approximately 988,000 tonnes at 2.35% grading for approximately 24,983 nickel tonnes and a polygon area that is greater than the resource and includes significant areas within the Project Area).

3. Mining Rights Agreement

By Deed of Assignment and Assumption dated 4 May 2015 and made between St Ives, the Company, BHP Billiton Nickel West Pty Ltd (**Nickel West**) and Agnew Gold Mining Company Pty Ltd (**Agnew**), the Company was assigned interests under a document known as the "Mineral Rights Agreement" (**MRA**) in accordance with interests acquired by the Company from time to time under the Option and JVA and the Company also assumed obligations of St Ives and Agnew Gold Mining Company Pty Ltd to the extent relating to a Tenement under the MRA proportionate to such interests. The Deed of Assignment and Assumption expressly provides that the Company does not assume obligations under the MRA to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements. Under the Deed of

Assignment and Assumption Nickel West consented to the transfer to the Company of interests in the Tenements under the Option and JVA and the assignment of corresponding rights under the MRA to the extent relating to the Tenements.

By a Second Deed of Assignment and Assumption dated 24 February 2021 and made between St Ives, the Company, Nickel West and Agnew, the Company is assigned further rights and interests under the MRA to the extent relating to a Tenement in accordance the further 49% Interest acquired SPA and the Company also assumed obligations of St Ives and Agnew to the extent relating to a Tenement under the MRA proportionate to such further 49% Interest. Such assignment and assumption takes effect from Completion under the SPA. This Deed of Assignment and Assumption also expressly provides that the Company does not assume obligations under the MRA to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements. The Deed of Assignment and Assumption also conferred on Nickel West the right to lodge caveats against the Tenements to protect their rights under the MRA. Under the Deed of Assignment and Assumption Nickel West consented to the transfer to the Company of the 49% interest in the Tenements and the assignment of 49% of the rights under the MRA to the extent relating to the Tenements.

The MRA is an agreement dated 5 November 2001 and made between St Ives, Agnew and Nickel West as assigned, assumed, novated and amended from time to time. We have been provided with four deeds of variation between the parties to the MRA namely the First Deed of Variation dated 19 June 2000, the Second Deed of Variation dated 6 September 2002, the Third Deed of Variation dated 4 August 2003 and a Fourth Deed of Variation dated 3 November 2003.

Nickel Reservation Tenements

The MRA was entered into in the context of a sale by Nickel West to St Ives and Agnew, as purchasers, of various assets including a large number of mining tenements. Under the MRA:

- (a) St Ives and Agnew granted to Nickel West the right to explore for and mine nickel on certain mining tenements defined as the "Nickel Reservation Tenements"; and
- (b) the "Nickel Reservation Tenements" are defined as the mining tenement described in Schedule 1 of the Mining Rights Agreement coded OL and renewals or extensions or substitutions plus the "Additional Land" until transferred to St Ives and Agnew.

Under clause 4.1 the Mining Rights Agreement, Nickel West are granted the exclusive rights in relation to nickel in relation to the Nickel Reservation Tenements. None of the Tenements is a Nickel Reservation Tenement.

Nickel Option Tenements

Separate to the provisions applicable to nickel rights in relation to the Nickel Reservation Tenements, the MRA also provides for Nickel West to be granted certain rights in relation to nickel or ore recovered from any Nickel Option Tenements (defined as the mining tenements described in Schedule 1 which are coded OR plus any other tenements that become Nickel Option Tenements under clause 4.1(c) plus any renewals extensions or substitutions for those tenements).

All of the Tenements are Nickel Option Tenements.

Under clause 8.1 of the MRA, Nickel West has the option in respect of the Nickel Option

Tenements to either:

- (a) exercise a right of pre-emption in relation to any proposal by St Ives/Agnew (or the Company as assignee of the Tenements) in respect of any proposal 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 Nickel Option Tenements; or
- (b) to charge a royalty on any nickel won from the Nickel Option Tenements.

It would appear to be at the option of Nickel West whether to exercise the right of pre-empt or to be paid the royalty.

Under the right of pre-emption, the Company must give Nickel West a period of 30 days to elect to enter in the sales contract or other sales arrangement with the Company in lieu of the proposed third-party buyer. Accordingly, if the Company commences nickel mining on any of the Tenements and proposes to enter into a sale contract for any production, the Company must give Nickel West the opportunity to enter into such contract in lieu of the third-party buyer.

If Nickel West elects instead to be paid the royalty, then the Company must pay a royalty to Nickel West on a monthly basis and is in an amount of 1% of the number of metric tonnes of refined nickel sold during the month multiplied by the weighted average London Metal Exchange Cash Settlement Price for Nickel for the calendar month converted into Australian dollars.

By a Deed of Variation of the MRA dated 4 August 2003 and made between St Ives, Agnew and Nickel West a new clause was inserted into the MRA which conferred upon St Ives and Agnew the right to assign its interest in the Nickel Option Tenements to a third party which gives the assignee the right to mine for nickel or nickel bearing ore provided Nickel West gives its consent to such assignment and the assignee enters into a deed of covenant with Nickel West acknowledging Nickel West's rights and undertaking by way of assignment or novation to observe St Ives and Agnew's obligations under the MRA in respect of the assigned interest. Nickel West must not unreasonably withhold its written consent to assignment if, in the reasonable opinion of Nickel West, the assignee has the financial and technical capacity to carry out the obligations under the MRA relation to the interest in assigned. The two deeds of Deeds of Assignment and Assumption referred to above in the first two paragraphs of this section 3 record Nickel West's consent to the assignment of the Tenements to the Company under the Option and JVA and SPA respectively and provide for assumption of relevant obligations by the Company.

As a consequence of this clause, the Company may require the consent of Nickel West in order to grant a mortgage or other security over the Tenements to secure project finance.

4. Agreement for Access by WMC

By a Deed of Assignment and Assumption dated 4 May 2015 and made between St Ives, the Company, Nickel West and Agnew, the Company was assigned rights under a document known as the "Agreement for Access by WMC" (**Access Agreement**) to the extent relating to a Tenement in accordance with interests acquired by the Company from time to time under the Option and JVA and the Company also assumed obligations of St Ives and Agnew to the extent relating to a Tenement under the Access Agreement proportionate to such interests. The Deed of Assumption expressly provides that the

Company does not assume obligations under the Access Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements. Under the Deed of Assignment and Assumption, Nickel West consented to the transfer to the Company of interests in the Tenements under the Option and JVA and the assignment of corresponding rights under the Access Agreement to the extent relating to the Tenements.

By a Second Deed of Assignment and Assumption dated 24 February 2021 and made between St Ives, the Company, Nickel West and Agnew, the Company was assigned further rights and interests under the Access Agreement to the extent relating to a Tenement in accordance the further 49% Interest acquired under the SPA and the Company also assumed obligations of St Ives and Agnew to the extent relating to a Tenement under the Access Agreement proportionate to such further 49% Interest. Such assignment and assumption takes effect from Completion occurring under the SPA. This Deed of Assumption also expressly provides that the Company does not assume obligations under the Access Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements. Under the Deed of Assignment and Assumption, Nickel West consented to the transfer of the 49% interest in the Tenements and the transfer of 49% of the rights under the Access Agreement to the extent relating to the Tenements.

The Access Agreement is made between St Ives, Agnew and Nickel West dated 5 November 2001 and has been amended by three Deeds of Variation, namely a deed undated but executed on or around 30 November 2001 and stamped 14 June 2002, and deeds dated 11 July 2003 and 3 November 2003 respectively.

Under the Access Agreement, St Ives and Agnew granted to Nickel West a non-exclusive licence over an area defined as the Licence Area (**Licence Area**) for the purposes of providing access for vehicles, plant, machinery and equipment and the like of Nickel West and its related bodies corporate and the servants, agents, workmen and contractors of Nickel West and its related bodies corporate to the tenements and land which, from time to time, are held by Nickel West or in which Nickel West has an interest and access to which may most conveniently be had through the Licence Area.

We are instructed by the Company that all Tenements fall within the Licence Area.

Under the Access Agreement, St Ives and Agnew also grant to Nickel West an non-exclusive license in respect of the Licence Area for the purposes of Nickel West and its related bodies corporate to enter upon the License are with servants, agents, workmen and contractors and plant and machinery for the purposes of maintaining, repairing, replacing, constructing and augmenting, extending or using certain power lines of the Licence Area constituting the electricity transmission and distribution system servicing the Licence Area and forming part of certain assets excluded for the sale of a tenement package by Nickel West to St Ives and Agnew.

Clause 4.7 of the Access Agreement provides that if St Ives or Agnew determines it will extend or construct any infrastructure to or in such a location that it is necessary to move a power line or any other equipment forming party of the Power Transmission System, as defined, then a process of consultation will be undertaken as to how to relocate the infrastructure so as to cause as little interference with the activities of the parties as practicable. If there is disagreement, provision is made for the relevant matters to be referred to an independent expert for determination.

The cost of any relocation or any additional capital works required to implement the relocation will be borne by St Ives and Agnew unless the parties otherwise agree.

Clause 5.2 of the Access Agreement provides for the grant to Nickel West of a non-exclusive licence to enter the Licence Area to connect to St Ives and Agnew's electricity distribution system in the Licence Area. Nickel West must pay the costs of any capital works required to permit connection to the system of Nickel West's power load.

Provision is made in clause 5.5 for St Ives and Agnew to initiate a process to move a power line or other equipment in the context of extending or constructing a mine or other infrastructure. If relevant matters cannot be agreed there is provision for those matters to be determined by an independent expert. The costs of re-location and additional capital costs will be borne by St Ives and Agnew if the power line or other equipment was constructed in a location nominated by them. Nickel West must bear the costs if the power line or other equipment as constructed in a location which St Ives and Agnew advised Nickel West prior to construction was not acceptable to St Ives and Agnew because of the possibility of extension or construction of mine or other infrastructure.

Under clause 6.2, St Ives and Agnew grant Nickel West and its related bodies corporate permission to enter upon the Licence Area for the purpose of accessing and connecting to St Ives and Agnew's water supply and distribution system on the Licence Area. Nickel West is required to pay the capital costs to permit Nickel West to connection to the system including the costs of any pipelines or other equipment needed to extend the system as required by Nickel West. Nickel West has the right to enter upon the Licence Area to lay and connect water distribution pipelines or other equipment to the system.

There is provision for the moving of water pipelines or other equipment forming part of the water distribution system if St Ives and Agnew is to extend or construction any mine or other infrastructure with the costs of re-location and any additional capital costs required to effect the relocation to be borne by St Ives and Agnew. If relevant matters are not agreed there is provision for the matters to be referred to an independent expert for determination.

There also provision for any water pipeline or other equipment constructed by Nickel West to be moved in the context of any extension or construction of a mine or infrastructure by St Ives and Agnew. In that instance, St Ives and Agnew will bear the costs if the equipment was constructed in a location nominate by them. Nickel West must pay the costs if St Ives and Agnew has advised Nickel West before construction that the location was not acceptable because of the possibility of extension or construction of a mine or other infrastructure.

There are similar provisions under which St Ives and Agnew grant Nickel West a non-exclusive licence to access their communications infrastructure in the Licence Area in relation to communications between Nickel West's operations. Cables do not form part of St Ives and Agnew's communication system and Nickel West remains solely responsible for the control, operation and maintenance of the Cables and has permission for Nickel West and its related bodies corporate to enter on the Licence Area for such purposes. St Ives and Agnew have a right to use any spare capacity in the Cable for providing communications between their operations.

Under clause 9.1 St Ives and Agnew grant Nickel West anon-exclusive licence to remove mullocks from certain tenements defined as the "Beta/Hunt Tenements. None of the Project Tenements are Beta/Hunt Tenements.

Nickel West has obligations under clause 18.1 to effect certain insurances including public liability insurance with St Ives and Agnew named as co-insureds.

Clause 24.1 prohibits a part from assigning rights or obligations under the Access

Agreement except with the prior written consent of the other party. Consent is not to be unreasonably withheld where the assignees have the financial and technical capacity to carry out the assignor's obligations under the Access Agreement.

Any assignment of an interest in the Tenements may only occur if the assignee has entered into a binding deed with Nickel West agreeing to be bound by the Access Agreement. Encumbrances may be granted over a Tenement if the person taking the encumbrance enters into a deed acknowledging the rights of Nickel West under the Access Agreement.

5. **Mount Monger Compensation Agreement**

By a Deed of Assignment and Assumption undated but executed in 2015 and made between St Ives, the Company, and BJ Cahoots Pty Ltd (**Pastoralist**), the Company was assigned rights under a document titled "Consent, Compensation and Restoration Agreement" (**Compensation Agreement**) to the extent relating to a Tenement in accordance with interests acquired by the Company from time to time under the Option and JVA and the Company also assumed obligations of St Ives and Agnew to the extent relating to a Tenement under the Access Agreement proportionate to such interests. The Deed of Assignment and Assumption expressly provides that the Company does not assume obligations under the Access Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements.

By a second Deed of Assignment and Assumption dated in or around March 2021 and made between St Ives and the Company the Company was assigned further rights and interests under the Compensation Agreement (as replaced as indicated below) to the extent relating to a Tenement in accordance the further 49% Interest acquired SPA and the Company also assumed obligations of St Ives to the extent relating to a Tenement under the Compensation Agreement proportionate to such further 49% Interest. Such assignment and assumption takes effect from Completion under the SPA. This Deed of Assignment and Assumption also expressly provides that the Company does not assume obligations under the Compensation Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements.

The Compensation Agreement is an agreement dated 13 December 2012 made between St Ives and the Pastoralist as trustee of the Joli Trust trading as Saltbush Pastoral Company. This Compensation Agreement has been replaced by a new Compensation Agreement dated 3 November 2020 and under the terms of the Deed of Assignment and Assumption executed in 2015, the assignment and assumption under that deed applies to the new replacement Compensation Agreement.

The new Compensation Agreement provides for the payment of set compensation to the Pastoralist as owner of Mt Monger Station in connection with the Pastoralist's rights to compensation in connection with exploration and mining on Mt Monger Station. The general compensation amount is \$120,000 per annum adjusted in accordance with CPI movements but this amount relates to a number of different mining tenements and not just the Project Tenements. Under a second Deed of Assignment and Assumption between the Company and St Ives which is undated but executed in or around March or April 2021, St Ives agreed to assign its residual rights under the new Compensation Agreement on completion occurring under the SPA. Under the second Deed of Assignment and Assumption St Ives also agreed to pay the entire global compensation amount and as such the Company has no obligation to contribute to such amount.

In addition to the set compensation, the Compensation Agreement provides that the Pastoralist is to be paid the market value of any livestock, crops or improvements actually damaged or destroyed which is not restored.

There are obligations to restore when the land is damaged by mining operations.

6. **SCE (Tec) Access Agreement**

By a Deed of Assignment and Assumption dated 21 May 2015 and made between St Ives, the Company and TEC Desert Pty Ltd and TEC Desert No. 2 Pty Ltd (collectively **TEC**), the Company was assigned rights under a document titled "Deed of Covenant" (**SCE Access Agreement**) to the extent relating to a Tenement in accordance with interests acquired by the Company from time to time under the Option and JVA and the Company also assumed obligations of St Ives to the extent relating to a Tenement under the Access Agreement proportionate to such interests. The Deed of Assumption expressly provides that the Company does not assume obligations under the Access Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements.

By a Second Deed of Assignment Assumption dated on or around 8 February 2021 and made between St Ives, the Company and TEC, the Company was assigned further rights and interests under the SCE Access Agreement to the extent relating to a Tenement in accordance the further 49% Interest acquired SPA and the Company also assumed obligations of St Ives to the extent relating to a Tenement under the SCE Access Agreement proportionate to such further 49% Interest. Such assignment and assumption takes effect from Completion under the SPA. This Deed of Assignment and Assumption also expressly provides that the Company does not assume obligations under the SCE Access Agreement to the extent those obligations arise from or relate to St Ives' independent activities or rights in relation to the Tenements. Under the Deed of Assignment and Consent TEC consented to the transfer of a 49% interest in the Tenements and the assignment of 49% of the rights under the SCE Access Agreement to the extent relating to a Tenement.

The SCE Access Agreement is dated 8 July 2003 and set out the terms on which St Ives agreed to withdraw its objections to a number of miscellaneous licences which TED had applied for (namely miscellaneous licences 15/238, 15/239, 15/240, 15/241 and 15/242 or replacements). The miscellaneous licences affected a number of St Ives tenements including a number of the Project Tenements.

The SCE Access Agreement provided for St Ives and TEC to grant each other mutual rights of access over their respective specified tenement holdings.

Clause 5 of the SCE Access Agreement provides that if St Ives determines that it will extend any mine or other infrastructure such that it is necessary to move any facilities constructed by TEC on an area defined in the SCE Access Agreement as the "Licence Area", then the Parties will consult and if they cannot agree on the relocation matters, those matters are to be referred to an expert for determination. The costs of relocation and any additional capital costs will be borne by St Ives if the facilities were constructed in a located nominated or agreed by St Ives and by TEC if the facilities were constructed in a location which St Ives advised TEC prior to construction was not acceptable to St Ives because of the possibility of extension or construction of a mine or other infrastructure.

SCHEDULE 3 - INDEPENDENT TECHNICAL ASSESSMENT REPORT



Lunnon Metals Limited Independent Technical Assessment Report



J_2593

Principal Author:

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Principal Reviewer:

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April 2021

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Principal Reviewer:	Christine Standing <i>BSc Hons, MSc (Min Econ), MAusIMM, MAIG</i>	Signature:	
		Date:	14 April 2021
<p>Important Information:</p> <p>This Report is provided in accordance with the proposal by Optiro Pty Ltd ('Optiro') to Lunnon Metals Limited and the terms of Optiro's Consulting Services Agreement ('the Agreement'). Optiro has consented to the use and publication of this Report by Lunnon Metals Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Lunnon Metals Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.</p> <p>Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Lunnon Metals Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent technical expert to perform any due diligence procedures on behalf of the Company. The Directors of the Lunnon Metals Limited are responsible for conducting appropriate due diligence in relation to mineral projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.</p> <p>The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.</p> <p>The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete. The terms of engagement are such that Optiro has no obligation to update this report for events occurring subsequent to the date of this report.</p>			



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11 March 2021

Our Ref: J_2626

The Directors,
Lunnon Metals Limited
Suite 5
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Dear Sirs

INDEPENDENT TECHNICAL ASSESSMENT REPORT

At the request of Lunnon Metals Limited (Lunnon Metals or the Company), Optiro has prepared an Independent Technical Assessment Report (Report) on the mineral assets held by Lunnon Metals. This Report has been prepared in accordance with the Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and additionally the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

This Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the mineral assets held by Lunnon Metals. It is Optiro's understanding that this Report will be included in a Prospectus to be published by the Company in connection with its proposed admission of the shares in the Company to trading on the ASX. Optiro has been informed by Lunnon Metals that the principal purpose of the offering is to raise funds to complete:

- Surface exploration of their portfolio of nickel and gold targets ranging in maturity from Mineral Resource extensional drilling through to conceptual targets.
- The review and potential re-estimation of the historical inventory of nickel mineralisation subject to the Company's re-sampling and re-estimation programme.
- The re-establishment of site infrastructure and prepare and cost a programme to initiate dewatering to enable re-entry to the top 250 vertical metres of the Foster Nickel Mine. This is for the purpose of establishing an underground exploration platform to efficiently test and define near mine nickel and gold exploration targets.

The mineral assets of Lunnon Metals comprise the Kambalda nickel project (KNP or the Project) located 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District of the Eastern Goldfields in Western Australia. Lunnon Metals acquired an interest in the KNP from St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Limited (Gold Fields), in 2014, through an Option and Joint Venture Agreement.

The Project comprises 19 Mining Leases covering the historical underground nickel mines of Foster and Jan Shaft with a total area of approximately 23 km². Optiro understands that WMC Resources Ltd mined over 90,000 tonnes of nickel from the historical mines at Foster and Jan over their active production history up to 1996. Following the proposed IPO, the Company will have a 100% ownership

of the Project other than selected rights to gold in various excluded areas that have been retained by Gold Fields.

Lunnon Metals has provided to Optiro drilling and sampling data and other information generated by Lunnon Metals, its subsidiaries and by previous owners of the mineral assets. Optiro has not completed a current site inspection of the properties. Contributing author Mr Ian Glacken, however, worked on the projects between 1981 and 1986, has extensive experience and knowledge of the geology and mineralisation controls within the Project area and has visited the historical underground workings at both Foster and at Jan during their production periods. Given this previous experience it was considered that a site visit was unlikely to reveal any additional information or data that is material to this Report. Furthermore, the authors are satisfied that sufficient information was available to give an informed opinion on the various projects.

Based on Optiro's assessment of Lunnon Metals' mineral assets, it is our opinion that they are of value and contain the Mineral Resources and exploration potential as presented. Optiro has considered the expenditure schedules, studies and exploration programmes outlined by Lunnon Metals and considers them to be reasonable and appropriate to progress the projects. However, all exploration projects are subject to risks from unforeseen future issues and events beyond the control of the company; in this sense, Lunnon Metals is no exception.

Consent has been sought from Lunnon Metals and its representatives to include technical information and opinions expressed by Lunnon Metals. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

Optiro has prepared this Report on the understanding that the mineral assets held by Lunnon Metals are currently in good legal standing and has not independently verified Lunnon Metals' legal tenure over its tenements. Optiro is not qualified to make statements in this regard and has relied upon information provided by Lunnon Metals.

Optiro has endeavoured, by making reasonable enquiry of Lunnon Metals, to ensure that all material information in the possession of Lunnon Metals has been fully disclosed. However, Optiro has not carried out any type of audit of the records of Lunnon Metals to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of Lunnon Metals, along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Optiro. Optiro has based its findings upon information supplied up until 14 April 2021.

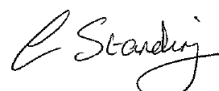
Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. Optiro declares that the authors and reviewer of this Report have no material interest in Lunnon Metals, their associated entities or in the assets described in this Report. Optiro has charged Lunnon Metals a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely

OPTIRO PTY LTD

A handwritten signature in black ink, appearing to read "J C Froud".

J C Froud *BSc Hons, Grad Dip (Fin Mkts) MAIG*
Principal

A handwritten signature in black ink, appearing to read "C Standing".

C Standing *BSc Hons, MSc, MAusIMM, MAIG*
Principal

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1. EXECUTIVE SUMMARY

1.1. PURPOSE

At the request of Lunnon Metals Limited (Lunnon Metals or the Company), an Independent Technical Assessment Report (Report) on the mineral assets held by Lunnon Metals has been prepared by Mr Jason Froud (Principal) and Mr Ian Glacken (Director and Principal) and was reviewed by Mrs Christine Standing (Principal), all of Optiro Pty Ltd (Optiro). This Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the various mineral assets. It is our understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed admission of its shares trading on the ASX. Optiro has been informed by Lunnon Metals that the principal purpose of the offering is to raise funds to complete further exploration including drilling of the known deposits; targeting further discoveries; and the re-establishment of site infrastructure along with preparing and costing a programme to initiate dewatering of the top 250 vertical metres of the Foster Nickel Mine. This final item is for the purpose of establishing an underground exploration platform to efficiently test and define near mine nickel and gold exploration targets.

The mineral assets of Lunnon Metals comprise the Kambalda nickel project (KNP or the Project) located 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District of the Eastern Goldfields in Western Australia.

1.2. KAMBALDA NICKEL PROJECT

The KNP comprises 19 tenements in the Kambalda region, just south of Gold Fields Limited's (Gold Fields) current Lefroy Plant, with a total landholding of 23 km². The principal historical production sources on the KNP are the historical Foster and Jan mines, which last produced nickel from sulphide ore in 1996 and 1986 respectively. Collectively, Foster and Jan produced over 90 kt of nickel metal. At that time, the mineralisation was trucked across Lake Lefroy to the Kambalda Nickel concentrator, wholly owned by WMC Resources Ltd (WMC). The Kambalda Nickel concentrator is now owned by BHP Nickel West and is currently on care and maintenance. The Jan underground workings were accessed via a shaft and the Foster workings via a decline. Production was largely via handheld airleg mining, with some stoping, and jumbo cut and fill.

The Company has updated the Mineral Resources based upon revised geological interpretations, but no new drilling, in recent times. The updates have largely been in and around the historical Foster mine and comprise the 85H surface (which contains the largest Mineral Resource), the Foster South shoot (which remains unmined), and the Warren Shoot (previously called Northwest Foster) which has only seen limited underground mining (Table 1.1). There is the potential to recover remnant mineralisation at the Jan Shaft, but no JORC 2012 Mineral Resource has been declared.

Table 1.1 Total Mineral Resources reported above a cut-off grade of 1% nickel (source: Cube, 2020A, 2020B, 2021)

Classification	Tonnes (kt)	Nickel grade (%)	Contained nickel (kt)
Measured	-	-	-
Indicated	746	3.6	27
Inferred	492	2.4	12
Total	1,238	3.2	39

Note: Inconsistencies in totals due to rounding.

In addition to the main near-term production targets around the historical Foster Mine, the Company also sees potential for near-surface nickel sulphide mineralisation in the East Cooee region, 2 km to the north-northwest of the old Jan Shaft site, and within the favourable komatiite stratigraphy which underlies the Project.

The St Ives area remains a significant gold producer, and the Company believes that there is potential for gold mineralisation within the Project area at a number of prospects which are not subject to an exclusion agreement with St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields.

1.3. EXPLORATION AND DEVELOPMENT POTENTIAL

In Optiro's opinion, Lunnon Metals' mineral projects are of merit and worthy of further exploration and development. The planned work programmes are appropriate for the various development stages of the project areas and will provide suitable data to assess the technical risks and the further exploration potential of the identified prospects.

The Project includes a surface strike extent of over 9 km of the highly prospective contact between the Lunnon Basalt and the Silver Lake Peridotite komatiitic member as the hangingwall contact. This contact is the prospective nickel mineralised position throughout the Kambalda nickel district. At a depth of 500 m below surface, this strike extent is interpreted to increase to more than 10.5 km.

In addition to the currently defined Mineral Resources, there are significant historical estimates at Jan and Foster that warrant further work to determine the Reasonable Prospects for Eventual Economic Extraction (RPEEE) and the potential for this material to be upgraded to Mineral Resources estimated under JORC 2012 guidelines. Similarly, at East Cooee, the prospect is poorly defined by drilling and the Company has prepared an Exploration Target for the potential mineralisation in this area. Where present, the existing drilling has intersected significant nickel mineralisation and further work is required to determine the economic potential of this area.

Furthermore, the potential for untested or inadequately tested gold targets within the project area is apparent based on the lithological modelling, structural interpretations and general conceptual thinking about the Project area to date. The identified prospects, amongst others, include Koombana, Lady Herial, Cooee, Guiding Star and Torquata, as well as two deep conceptual targets at Kenilworth and Plentiful.

The Project is largely surrounded by tenements held by its major shareholder, Gold Fields. Optiro notes that the St Ives gold operations have run continuously since 1980. Open pit mining commenced at the Victory complex in 1981, 1,500 m north of the Project, moving to underground development of the Victory-Defiance system shortly after. The deeper parts of this underground mine are less than 250 m to the north of the Project.

Gold discoveries are present throughout the district and to the immediate south of the Project at the Argo-Apollo-Hamlet-Athena deposits. Approximately 3.5 Moz of gold has been mined from over 16 separate open pit mines and six underground gold mines within 2.5 km of the Project's boundaries.

2. INTRODUCTION AND TERMS OF REFERENCE

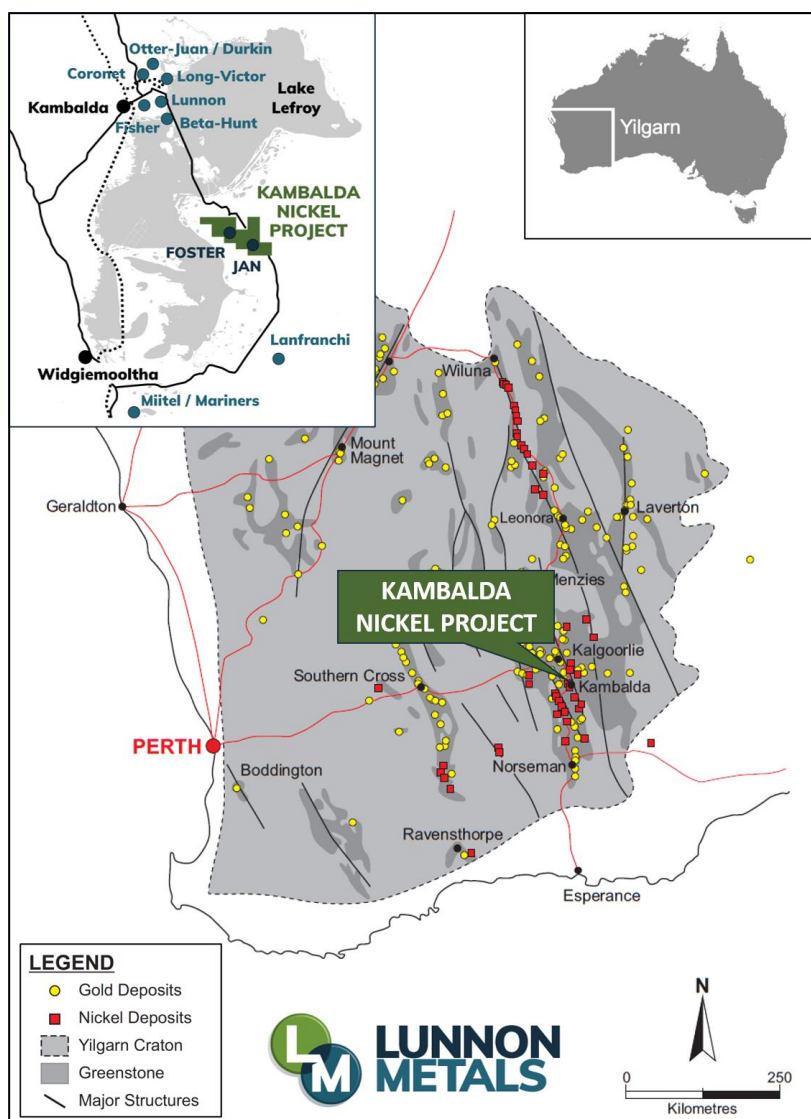
2.1. TERMS OF REFERENCE

At the request of the Company, an Independent Technical Assessment Report (Report) on the mineral assets of Lunnon Metals has been prepared.

This Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the mineral assets. It is our understanding that this Report will be included in a Prospectus to be published by the Company in connection with the proposed admission to trading on the ASX. Optiro has been informed by Lunnon Metals that the principal purpose of the offering is to raise funds to complete further exploration including drilling of the known deposits; targeting further discovery; and the re-establishment of site infrastructure along with preparing and costing a programme to initiate dewatering of the top 250 vertical metres of the Foster Nickel Mine. This final item is for the purpose of establishing an underground exploration platform to efficiently test and define near mine nickel and gold exploration targets.

Lunnon Metals was incorporated in Western Australia on 9 June 2014 as ACH Nickel Pty Ltd. The Company was renamed Lunnon Metals Limited and became a public company limited by shares on 17 February 2021. Lunnon Metals is focused on mineral exploration and development within Western Australia, with a principal focus on nickel together with the opportunity to explore for gold. The mineral assets of Lunnon Metals comprise the Kambalda nickel project (KNP or the Project) located 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District of the Eastern Goldfields in Western Australia (Figure 2.1).

Figure 2.1 Location of Lunnon Metals' mineral projects (source: Lunnon Metals)



This report has been prepared by Mr Jason Froud (Principal) and Mr Ian Glacken (Director and Principal) and was reviewed by Mrs Christine Standing (Principal), all of Optiro. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

Mr Jason Froud, Mr Ian Glacken and Mrs Christine Standing meet the competency criteria as set out under Section 11 of the JORC Code, 2012 and Section 3.1 of the VALMIN Code, 2015. Mr Froud (MAIG) is the principal author and is responsible for this report. Mr Froud is a Principal Consultant with Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation, type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as described by the JORC Code, 2012. Mr Froud consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The objectives of this Report are to provide an overview of the geological setting of Lunnon Metals' mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the Project area and comment on the current Mineral Resources and exploration potential of the Project area and the proposed future work programmes.

Consent has been sought from Lunnon Metals' representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

2.2. VALIDATION OF TENURE

Optiro has prepared this Report upon the understanding that the mineral licences held by Lunnon Metals are currently in good legal standing. Optiro has not independently verified Lunnon Metals' legal tenure over its tenements and has relied on information provided by Lunnon Metals. Optiro understands that Lunnon Metals has engaged EMK Lawyers to review the tenement status which is included elsewhere in Lunnon Metals' Prospectus. Among other things, this Report provides an opinion on Lunnon Metals' mineral licences, material conditions, native title determinations and agreements.

Optiro is not qualified to provide a legal opinion on the status of the granted project licences but has reviewed the licence permits and records and found them to be in good order. Accordingly, Optiro is satisfied that Lunnon Metals currently has good and valid title to the described granted licences required to explore and undertake project development on the project areas in the manner proposed. Lunnon Metals has met or exceeded licence expenditure and has met licence conditions, and Optiro considers it likely that the licences will be renewed as and when required.

Within Western Australia, Lunnon Metals will hold 19 granted Mining Leases covering approximately 2,307 Ha (23.07 km²) (Table 2.1) which will be acquired through an Option and Joint Venture Agreement (Option and JVA) and a Sale and Purchase Agreement (SPA) prior to the proposed listing.

On 9 October 2014, the Company entered into the Option and JVA with St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Limited (Gold Fields), to acquire an interest in the KNP Mining Leases (Table 2.1), by meeting various milestones.

Under the Option and JVA the Company was granted the right to:

- acquire a 25% interest by completing a Scoping Study on the project and incurring at least \$2 M in expenditure on the tenements within 24 months

- acquire a further 26% interest by completing certain dewatering requirements or completing a pre-feasibility study and incurring expenditure of at least \$8 M within 96 months.

Furthermore, under the Option and JVA, Gold Fields retained by way of an exclusive licence the right to explore for or mine gold on part of the tenements defined as the Excluded Area (see Figure 2.2). The rights retained by Gold Fields in relation to the Excluded Area include:

- the full and exclusive licence, right and liberty to enter on any of the Excluded Area to explore for gold and where gold deposits are discovered, which in Gold Fields' judgment are economically viable, to mine for gold by such means as Gold Fields may choose.
- if future activities by Gold Fields in relation to gold in relation to an Excluded Area or areas immediately outside or adjacent to the Project area indicates continuation of gold mineralisation into the Project area the boundaries of the Excluded Area will be expanded to include such gold mineralisation extensions provided such expansions or extensions do not unreasonably interfere with the actual or proposed activities of the Company or link directly with gold mineralisation already identified by the activities of the Company.

Table 2.1 Western Australia exploration tenure (source: Lunnon Metals)

Licence	Register holder	Grant	Expiry	Area (Ha)	Rent	Expenditure commitment
M15/1546	Gold Fields	24/12/2004	23/12/2025	121.20	\$2,440	\$12,200
M15/1548	Gold Fields	24/12/2004	23/12/2025	121.25	\$2,440	\$12,200
M15/1549	Gold Fields	24/12/2004	23/12/2025	121.35	\$2,440	\$12,200
M15/1550	Gold Fields	24/12/2004	23/12/2025	121.45	\$2,440	\$12,200
M15/1551	Gold Fields	24/12/2004	23/12/2025	121.33	\$2,440	\$12,200
M15/1553	Gold Fields	24/12/2004	23/12/2025	120.87	\$2,420	\$12,100
M15/1556	Gold Fields	24/12/2004	23/12/2025	121.06	\$2,440	\$12,200
M15/1557	Gold Fields	24/12/2004	23/12/2025	121.11	\$2,440	\$12,200
M15/1559	Gold Fields	24/12/2004	23/12/2025	120.68	\$2,420	\$12,100
M15/1568	Gold Fields	24/12/2004	23/12/2025	121.10	\$2,440	\$12,200
M15/1570	Gold Fields	24/12/2004	23/12/2025	121.24	\$2,440	\$12,200
M15/1571	Gold Fields	24/12/2004	23/12/2025	121.20	\$2,440	\$12,200
M15/1572	Gold Fields	24/12/2004	23/12/2025	121.29	\$2,440	\$12,200
M15/1573	Gold Fields	24/12/2004	23/12/2025	121.06	\$2,440	\$12,200
M15/1575	Gold Fields	24/12/2004	23/12/2025	121.26	\$2,440	\$12,200
M15/1576	Gold Fields	24/12/2004	23/12/2025	126.68	\$2,420	\$12,100
M15/1577	Gold Fields	24/12/2004	23/12/2025	120.61	\$2,420	\$12,100
M15/1590	Gold Fields	24/12/2004	23/12/2025	121.30	\$2,440	\$12,200
M15/1592	Gold Fields	24/12/2004	23/12/2025	120.89	\$2,440	\$12,200

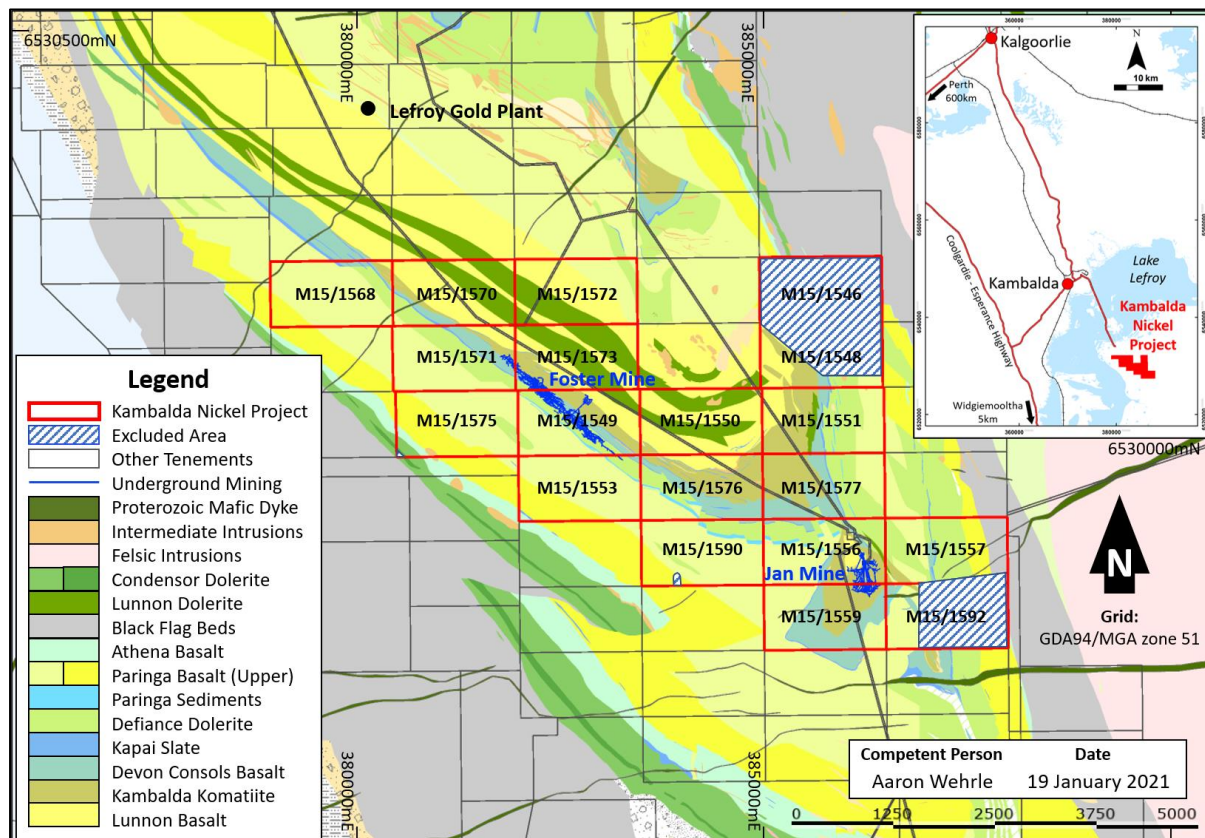
Subsequently, through a Deed of Variation dated 15 September 2020, if the Company attained a listing on the ASX within the ensuing 12-month period the Company need only spend \$6 M on expenditure.

On 19 November 2020, the Company then entered into a Sale and Purchase Deed (SPA) with Gold Fields whereby Gold Fields agreed to sell to the Company its residual 49% interest under the terms of the Option and JVA. The consideration for the purchase of the remaining 49% interest is the issue of Lunnon Metals shares to Gold Fields representing 49% of the issued share capital of the Company on a fully diluted basis prior to any IPO shares or IPO options.

Details of the full terms and conditions of the Option and JVA and the SPA are provided in the Solicitor's Report prepared by EMK Lawyers which is included elsewhere in Lunnon Metals' Prospectus.

Mineral licence definitions are provided below in Section 2.3. All tenements and are currently 100% held by Gold Fields subject to the transfer to Lunnon Metals under both the JVA and SPA as relevant to the 51% and 49% respectively. Annual expenditure requirements on the tenements totals A\$231,400 for each of years one and two.

Figure 2.2 KNP Mining Leases and geology showing Excluded Areas (source: Lunnon Metals)



2.3. LEGISLATION AND PERMITTING

All exploration and mining activity in Western Australia must be conducted under an authority from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS), the Western Australian State Government department responsible for mineral resources. The following information is of a general nature and has been sourced from the Western Australian Department of Mines, Industry, Regulation and Safety website. There are seven different types of mining tenements prescribed under the Mining Act 1978:

- Prospecting Licences (Sections 40 to 56, PL)
- Special Prospecting Licences for Gold (Sections 56A, 70 and 85B)
- Exploration Licences (Sections 57 to 69E, EL)
- Retention Licences (Sections 70A to 70M)
- Mining Leases (Sections 70O to 85A, M)
- General Purpose Leases (Sections 86 to 90)
- Miscellaneous Licences (Sections 91 to 94, L).

Those categories of relevance to the Lunnon Metals mineral assets are described below.

EXPLORATION LICENCE

On 28 June 1991, a graticular boundary (or block) system was introduced for Exploration Licences (one minute of latitude by one minute of longitude). The minimum size of an Exploration Licence is one block, and the maximum size is 70 blocks, except in areas not designated as mineralised areas, where the maximum size is 200 blocks. An Exploration Licence is not marked out and there is no limit to the number of licences a person or company may hold, but a security bond (A\$5,000) is required in respect of each licence.

For licences applied for after 10 February 2006, the term is five years plus a possible extension of five years and further periods of two years thereafter, with 40% of the ground to be surrendered at the end of year six. The holder of an Exploration Licence may, in accordance with the licence conditions, extract or disturb up to 1,000 tonnes of material from the ground, which includes overburden. The Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply. The owner of the Exploration Licence must complete an annual Expenditure Report on the tenement, demonstrating that the minimum prescribed expenditure has been met.

The owner of the Exploration Licence has surface access rights but no excavation rights. Access from outside the tenement needs to be negotiated with the pastoral owner, where relevant. Prior to drilling or any ground-disturbing work, an application and approval of a Program of Work (PoW) is required. A PoW provides the right to carry out specified exploration (e.g., drilling or trenching) on the tenements applied for. Permitting needs to be obtained for any infrastructure.

MINING LEASES

The maximum area for a Mining Lease applied for before 10 February 2006 is 1,000 hectares. Beyond that, the area applied for relates to an identified orebody as well as an area for infrastructure requirements.

An application for a Mining Lease must be accompanied by one of the following:

- a Mining Proposal completed in accordance with the Mining Proposal Guidelines published by the department
- a statement of mining operations and a mineralisation report that has been prepared by a qualified person
- a statement of mining operations and a resource report that complies with the JORC.

There is no limit to the number of Mining Leases a person or company may hold. The term of a mining lease is 21 years and may be renewed for further terms. The lessee of a Mining Lease may work and mine the land, take and remove minerals, and do all the things necessary to effectually carry out mining operations in, on or under the land, subject to conditions of title. Prescribed minimum annual expenditure commitments and reporting requirements apply.

MISCELLANEOUS LICENCES

There is no maximum area for a Miscellaneous Licence. A Miscellaneous Licence is for purposes such as a roads and pipelines, or other purposes as prescribed in Regulation 42B. There is no limit to the number of Miscellaneous Licences a person or company may hold. The term of a Miscellaneous Licence is 21 years and it may be renewed for further terms. A Miscellaneous Licence can be applied for over (and can 'co-exist' with) other mining tenements.

GENERAL PURPOSE LEASES

Unless granted special approval by the Minister for Mines and Petroleum a General Purpose Lease can only be a maximum of 10 hectares. A General Purpose Lease is for purposes such as operating machinery, depositing or treating tailings etc. A person or company may hold an unlimited number of General Purpose Leases. The term of a General Purpose Lease is 21 years, and it may be renewed for further terms. A General Purpose Lease application requires a statement accompanying the application to include either a development and construction proposal or a statement setting out specific intentions for the lease.

NATIVE TITLE

Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs, and which are recognised by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.

Australian law recognises that, except where native title had been wholly extinguished by the historical grant of freehold, leasehold and other interests, native title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty. The rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt and fish, build shelter, and visit places of cultural importance. Some native title holders may also have the right to control access.

Australian law also requires that native title approval be obtained before mining applications can commence.

All of the Project tenements are within the boundaries of native title claims (both registered and unregistered) and/or native title determinations. Registered native title claimants and holders of native title under the determinations are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist. Lunnon Metals may be liable to pay compensation to the determined native title holders for the impact of a tenement on native title. The amount of compensation will be determined in accordance with the Native Title Act, 1993 (NTA) and will be affected by the specific circumstances of each case.

Under Section 26D of the Native Title Act, certain renewals of mining rights and extensions of the terms of mining rights, are exempt from the right to negotiate process. In particular, Subdivision P applies, where the renewal or term extension is of an earlier right to mine granted on or before 23 December 1996 (and various other criteria are satisfied). Optiro however notes that the application of Section 26D in a similar situation has yet to be considered by the Court. The Company has indicated that it will seek to rely on section 26D of the Native Title Act if, at the appropriate time, the Company is satisfied that it is reasonable and appropriate to do so.

2.4. RESPONSIBILITY FOR THE INDEPENDENT TECHNICAL REPORT

This report was prepared by Mr Jason Froud (Principal) and Mr Ian Glacken (Director and Principal) and was reviewed by Mrs Christine Standing (Principal), all of Optiro.

This report has been prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code).

In developing its technical assumptions for the report, Optiro has relied upon information provided by Lunnon Metals and its consultants, as well as information obtained from other public sources. The

material on which this report is based includes internal and open-file project documentation, technical reports, drillhole and other exploration databases. Lunnon Metals has provided to Optiro the drilling and sampling data and other information generated by Lunnon Metals and by previous owners of the project areas.

Optiro has independently reviewed all relevant technical and corporate information made available by the management of Lunnon Metals, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Lunnon Metals. Optiro has additionally sourced publicly available information relative to Lunnon Metals' mineral assets.

Optiro has not completed a current site inspection of the properties. Contributing author Mr Ian Glacken, however, worked on the projects between 1981 and 1986, has extensive experience and knowledge of the geology and mineralisation controls within the Project area and has visited the historical underground workings at both Foster and at Jan during their production periods. Mr Glacken has extensive experience of the Kambalda-style komatiite-hosted nickel sulphide mineralisation and its Mineral Resource estimation and worked previously as Group Manager of Resources for WMC's Western Australian nickel assets. Given this previous experience it was considered that a site visit was unlikely to reveal any additional information or data that is material to this Report. Furthermore, the authors are satisfied that sufficient information was available to give an informed opinion on the various projects.

3. KAMBALDA NICKEL PROJECT (KNP)

3.1. INTRODUCTION

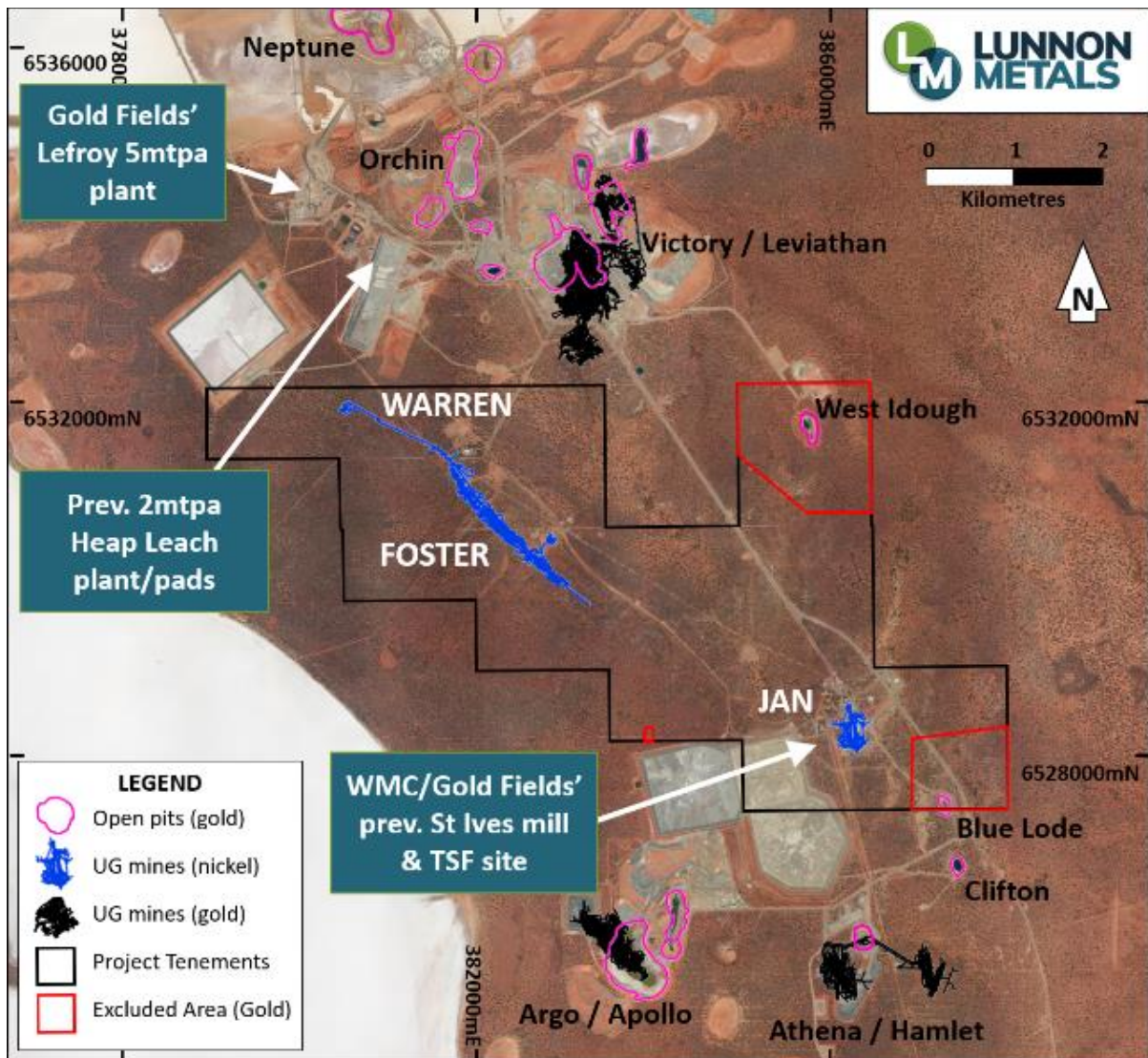
The KNP area is located approximately 570 km east of Perth and 70 km south-southeast of Kalgoorlie within the Kambalda Nickel District, Eastern Goldfields, Western Australia (centred on 6,530,000 mN, 384,000 mE, GDA94/MGA zone 51). The Project area comprises 19 contiguous Mining Leases covering approximately 23 km². Each Mining Lease is each approximately 1,500 m by 800 m in area and is surrounded by tenements held by Gold Fields (and outside of the Option and JVA).

The Project area is located south and east of Lake Lefroy and is accessed via well-established mine road infrastructure and lake causeway from the Kambalda East township located 19 km to the north. Gold Fields' main administration office on the south side of Lake Lefroy is within 3.5 km north of the Project area (Figure 3.1). BHP Limited's Kambalda nickel concentrator is located 20 km to the north.

The Project 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.

The distribution of rainfall in the Kalgoorlie region has two distinct seasons. In winter, there are light but consistent showers between April and October, whereas in summer there are heavy but irregular rainfall events, usually associated with cyclonic depressions. Rainfall in the district is extremely variable, with an annual average rainfall of 264.8 mm. The average evaporation is estimated at 2,700 mm per year or some 10 times the annual rainfall.

Figure 3.1 Location of the KNP relative to Gold Fields mines (blue) and infrastructure (source: Lunnon Metals)



3.2. OVERVIEW

The KNP area hosts the historically producing underground nickel mines of Foster and Jan Shaft. Between them, these mines produced over 90,000 tonnes of nickel metal which was delivered to the Kambalda Concentrator (owned by WMC, now Nickel West, part of BHP Ltd).

The Foster and Jan Shaft mines were closed in 1996 and 1986 respectively prior to the sale of the broader project area to Gold Fields in 2001. Consequently, there has been no meaningful nickel exploration since this time.

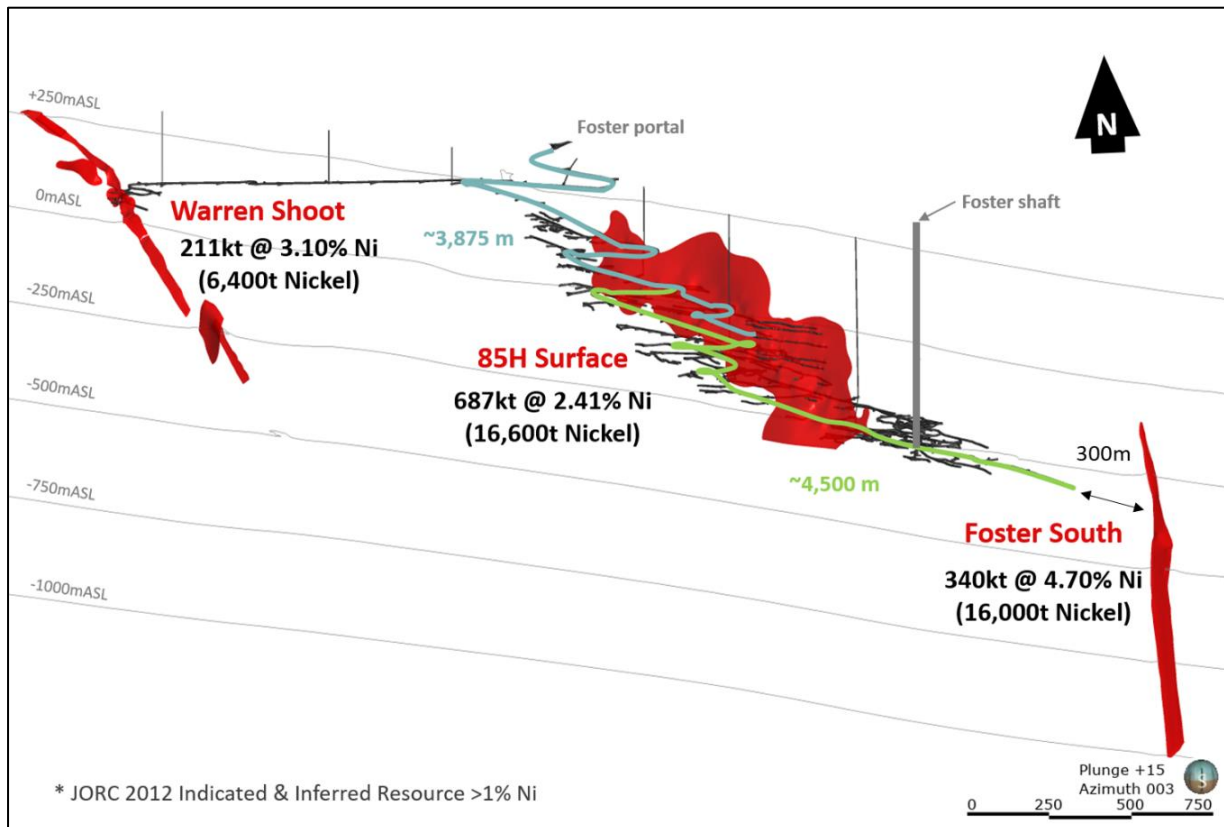
The KNP area is interpreted to contain at least five mineralised nickel troughs (see Section 3.5.1 below). The known troughs comprise:

- Warren (previously termed Foster NW): this area was accessed by an independent decline branching off the main Foster decline near to the portal. Limited development and stoping occurred before an uncontrolled water ingress required the area to be blocked off. It is interpreted that the Warren Shoot trough runs sub-parallel to (potentially) the entirety of the

Foster Main trough and may present a significant source of future nickel mineralisation in its own right.

- Foster Main: this area was mined between 1986 and 1994, producing over 60,000 t of nickel metal, from an original 1985 'Pre-Mined Factored Geological Ore Reserve' (this is broadly a diluted Mineral Resource estimated prior to JORC guidelines). At its peak, Foster's nickel production represented up to 30% of the feed to the Kambalda Concentrator. Based on the Company's new mineralisation and structural interpretation, it considers that the central and upper flank areas of the main mine represent good potential for near mine development discovery.
- Foster South (originally termed South, then renamed 'Deeps - 64C' by WMC): the Foster South trough is considered to either be a fault offset segment of the main Foster trough system rotated to a more vertical plunge, or a potential new trough in its own right. The high-grade massive sulphide is open up- and down-plunge and is located just 300 m beyond the end of the current main decline (Figure 3.2).

Figure 3.2 Perspective view (to the NNE) of the Foster mine decline, workings and access points



- Jan Shaft: this mineralisation comprises a series of deeply incised, vertical plunging troughs and associated extensive hangingwall shoots. The Jan Shaft was one of the earliest nickel mines to be shut by WMC in 1986, after just over 30,000 tonnes of nickel metal were produced. The St Ives gold processing plant was subsequently built on top of the mine utilising a significant portion of the existing surface mine infrastructure for the new plant. The defined nickel shoots were mined to shallow depths of approximately 560 m below surface with significant high grade nickel sulphide intercepts recorded beneath the mine workings.
- East Cooe: this mineralisation is located to the north-northwest of Jan Shaft, comprising a considerable quantity of hangingwall style mineralisation and anomalism that was subject to sporadic phases of drill testing by WMC. Two deeply embayed troughs have been interpreted to be present, with only limited diamond or reverse circulation (RC) holes drilled at suitable

orientations to test these features. The East Cooee area has the potential to be an important exploration target for both near surface RC/diamond drilling and deeper directional diamond drilling, targeting the embayed trough positions at depth.

3.3. HISTORY

Following the Coolgardie and Kalgoorlie gold rushes, gold was first discovered in the Kambalda area in alluvial gullies on the north edge of Lake Lefroy around December 1896. On the south side of the lake, gold was initially discovered at Red Hill, Victory, Orchin and Delta Island, and subsequently at Ives Reward in 1919.

Ives Reward was the most renowned mine of the time, producing 22,210 tonnes of ore containing 7,115 ounces of gold. Numerous other small claims produced lesser ore which was largely treated at either the Ives Reward battery or the State battery located to the immediate south of the Cooee anticline where stone building remnants remain today. Optiro notes that several of Lunnon Metals' current gold targets are centred on these claims with the objective of targeting gold mineralisation at depth in favourable lithological units. The targets are named after the claim to which they are spatially associated, such as Lady Herial, Koombana, and Kenilworth.

Mining ceased in the goldfield during the 1930s, with a total reported cumulative production of 1.25 t of gold. The Kambalda nickel deposits were then discovered around 1966, with the first gossan samples taken only a few hundred metres from the historic Red Hill gold mine. WMC drilled hole KD1 on 29 January 1966 intersecting 2.75 m at 8.3% nickel in what would later be termed the Lunnon Shoot.

3.3.1. WESTERN MINING CORPORATION

Following the success of the historic drillhole KD1, WMC rapidly expanded its exploration efforts, identifying much of the nickel mineralisation known today. During the exploration and mining of these nickel deposits, sporadic rich patches of gold mineralisation were intersected in the Lunnon, Hunt and Fisher nickel mines.

The nickel mineralisation at Jan was present at surface through a gossanous expression of hangingwall sulphides. This material was recognised during mapping of the area in 1966. The nickel mineralisation at Jan was first drilled in 1967, immediately after the discovery of the Lunnon Shoot. Subsequent detailed exploration led to the sinking of Jan Shaft in late 1974, with the first ore being produced in mid-1975 (Barratt, 1987).

The Foster mineralisation had no direct surface expression and was not discovered until 1971. A decline was developed from 1981 to access the upper Foster 'Tops' and Foster 'Main' deposits (Barratt, 1991). A haulage shaft to access deeper portions of the Foster 'Main Trough' and Foster 'South' mineralisation commenced in September 1983 and was completed in February 1986.

The Jan nickel mine, accessed via the Jan Shaft, produced 1.1 Mt at an average grade 2.82% nickel for 30,000 tonnes of nickel metal before closing in 1987 (Barratt, 1987).

The Foster mine produced 2.4 Mt at an average grade of 2.57% nickel for 61,000 nickel metal tonnes. The Foster mine operation consisted of a shaft, decline, ventilation shafts, workshops, a dewatering pipeline to Lake Lefroy and ancillary facilities. Development was stopped at Northwest (NW) Foster (now termed the Warren Shoot) in 1985 and this portion of the mine was later closed due to an uncontrollable influx of water that threatened to flood the entire Foster decline. Underground production ceased in 1994 and, following processing of minor surface stocks, the decision to not recommence underground production was made in 1996 at which time the Foster mine portal was blocked and backfilled. At the time of closure, WMC reported a total remaining resource of 1,192,000

tonnes at 2.27% nickel for 29,460 nickel tonnes (Flomersfeld and Clark, 1996). Since closure, the Foster mine has been allowed to flood to the static water table level of approximately 17 m below surface, based on a direct measurement at the Foster shaft.

Since its discovery in 1966, the Kambalda field has produced over 1.4 Mt of nickel metal. Although production from the main Kambalda field is currently restricted to the Beta Hunt mine (owned by Karora Resources Inc - Karora) there are also plans to revive production from the eastern side of the Kambalda Dome, which was the site of the most recent mining in the Long-Victor complex, by Lightning Nickel Pty Ltd (now owned by Mincor Resources NL). Optiro understands that Karora is currently trucking nickel ore to the Perseverance Nickel Complex at Leinster, but BHP will be able to re-open the Kambalda Nickel concentrator given sufficient future local production.

3.3.2. GOLD FIELDS

During the late 1990s and early 2000s, WMC effected the divestment of most of its nickel mines in the Kambalda district. Subsequently, in December 2001, Gold Fields purchased the St Ives gold project from WMC. Although Gold Fields' acquisition was focused on the gold potential at St Ives, a number of existing nickel mines and rights to nickel were included in the acquisition.

In November 2004, Reliance Operations Ltd (Reliance) was granted an option by Gold Fields to acquire an interest in mining tenements over the Foster and Jan Project area. From 2004 to 2014, Reliance carried out desktop assessments of the nickel mineralisation at Foster, NW Foster, Jan and East Cooe and drilled a single deep diamond drillhole with two wedge holes along strike of, and down the then interpreted plunge lineation, of the Foster Main trough line, without success. Optiro notes that Lunnon Metals has since re-interpreted the litho-structural setting of what is now termed the Foster South shoot and suspects that the Reliance drilling missed the nickel trough and intersected the planar, sediment covered upper flank contact of the main nickel shoot.

The exercise of the Reliance option was subsequently declined by Gold Fields in 2008 and the deed terminated in 2014. In 2014, Lunnon Metals (ACH Nickel Pty Ltd at the time) commenced a farm-in under the terms of the JVA, as detailed in Section 2.2.

3.3.3. LUNNON METALS

In 2016, Lunnon Metals completed a Scoping Study on the Project as required under the terms of the JVA. The study involved strategic review and ranking of the complete portfolio at that time, which included identified prospects, the existing historical WMC mineral inventory, Lunnon Metals generated mineral inventory and conceptual opportunities for both gold and nickel targets. Lunnon Metals concluded, in the prevailing low nickel price environment, the most advanced nickel prospects required higher nickel prices to be economic. It also highlighted that further study was warranted on whether the 85H deposit could present as a standalone development and whether the Warren Shoot (Foster NW) and East Cooe showed potential merit when modelled under potential higher nickel price scenarios.

In 2017, the Company completed a Pre-Feasibility Study (PFS) into the conceptual mining of the 85H deposit as a standalone operation. Optiro notes that over the 12 months from the Scoping Study the spot nickel price had continued to weaken and major metal price forecasts had pushed back the time anticipated for the nickel price to recover to levels that would justify a redevelopment of the mine.

The results of the PFS indicated that the 85H was marginally economic as a standalone project at the spot nickel price at the time, with improving returns at higher modelled prices. The PFS further noted that 85H and Foster South should be mined together, but only under higher nickel price scenarios. Consequently, the PFS recommended not advancing the study to the more detailed Feasibility Study level until a more favourable nickel price environment was realised.

Since the completion of the PFS, the company has re-estimated Mineral Resources for the 85H, Foster South and Foster NW (now termed Warren Shoot), has grown the inventory of available Mineral Resources and the Company's view of the mining method in any future redevelopment is now different from that assumed in the PFS.

Due to this variation in input parameters, the Scoping Study and PFS are no longer considered to be current or applicable. However, the protocols and processes developed by the Company during these studies in regard to data integrity, quality control and quality assurance (QAQC), and verification of the historical WMC geoscientific information and assays results are relevant and have been relied upon. This has provided the confidence in the Mineral Resources being reported under the JORC 2012 Guidelines and the definition of a portfolio of exploration targets for both nickel and gold mineralisation.

3.4. GEOLOGY

3.4.1. REGIONAL GEOLOGY

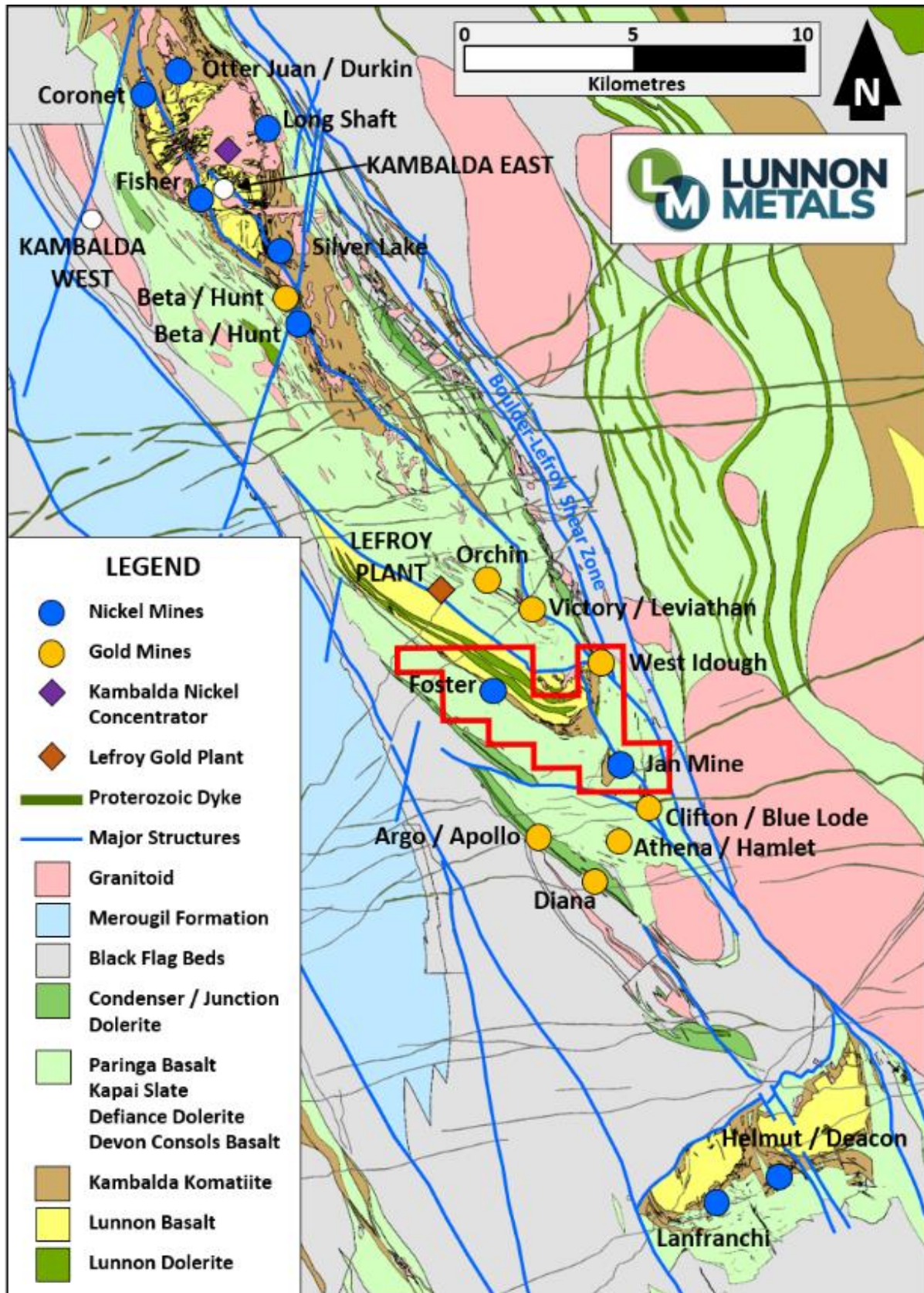
The Kambalda-St Ives region is part of the Norseman-Wiluna greenstone belt, which comprises a regionally extensive volcano-sedimentary packages. These were extruded and deposited in an extensional environment between 2,700 Ma and 2,660 Ma. The mining district is underlain by a north-northwest trending corridor of basalt and komatiite rocks with a number of significant mafic intrusions. Iron-nickel mineralisation is normally accumulated within the thick Silver Lake Member of the Kambalda Komatiite Formation above or on the contact with the dome structured Lunnon Basalt. The Lunnon Basalt repeats in the Foster-Jan area due to south-north thrusting, along with the favourable komatiite stratigraphy, and also in the Tramways area, some 20 km to the south of Jan.

The St Ives mineral field forms part of the Kambalda Domain, a subset of the Kalgoorlie Terrane (Swager et al., 1990). The Kambalda Domain is bound by the north-northwest trending Boulder-Lefroy Fault in the east and the Zuleika Shear to the west. The region has undergone four compressional events predated by early extension and has been metamorphosed to upper greenschist to lower amphibolite facies.

The St Ives stratigraphy is dominated by the Kalgoorlie Group volcanic rocks and the Black Flag Group felsic volcanic and sedimentary rocks, overlain by the Merougil Beds. The regional succession is intruded by three episodes of Archaean mafic, intermediate to felsic intrusions, as well as Proterozoic mafic dykes.

The main structural feature of the St Ives area is the gently doubly-plunging Kambalda Anticline, which extends south from the southern end of the Kambalda Dome. The Cooee Anticline structure is an upthrust repeat of the Kambalda stratigraphy and is the dominant structure in the Foster/Jan Project area. The Cooee Anticline is bounded to the north by the Foster thrust which ramps the mafic stratigraphic succession (host to the gold and nickel mineralisation) northwards over younger stratigraphy. The south-plunging anticline folds the stratigraphy about an axis lying between Foster mine and East Cooee prospect. The stratigraphic section overlying the southwesterly dipping, upward facing contact in the Foster area is essentially intact.

Figure 3.3 Regional geology (source: Lunnon Metals)

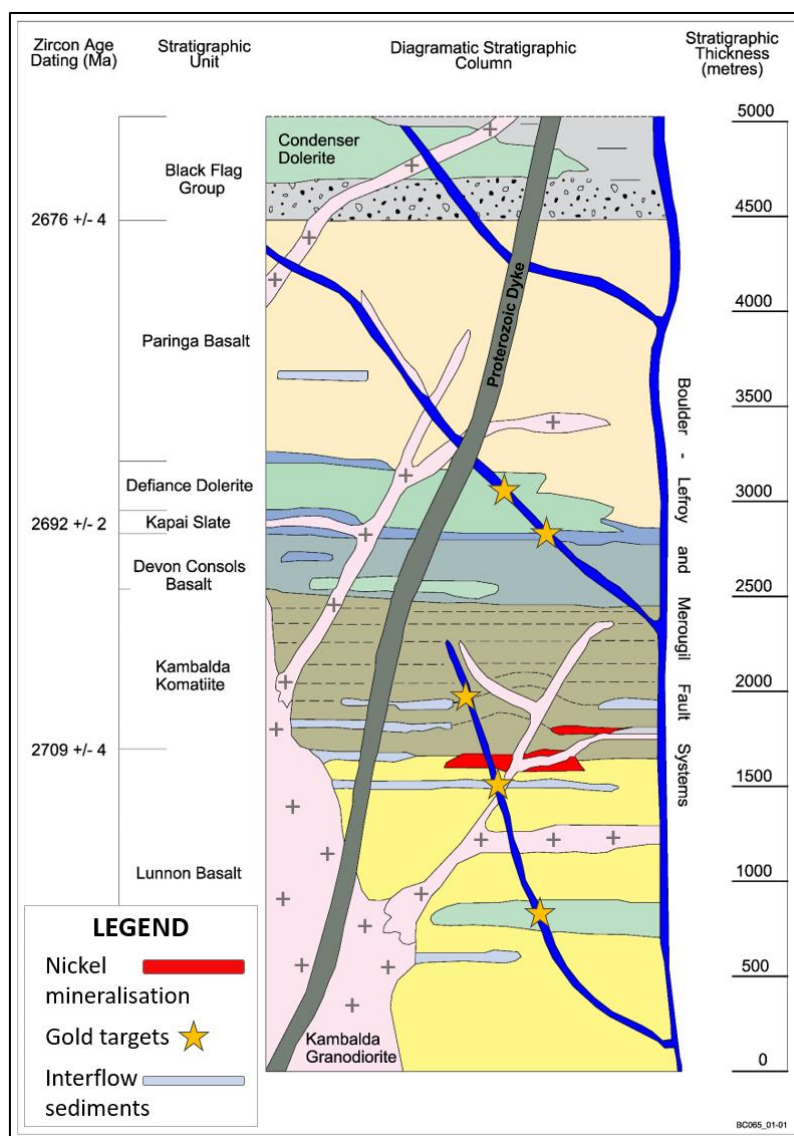


3.4.2. LOCAL GEOLOGY

LUNNON BASALT

The Lunnion Basalt Formation forms the main basal unit within the project area (Figure 3.4 and Figure 3.5). It consists of a sequence of pillowed lava flows, concordant gabbro-dolerite and thin interflow sedimentary rocks. Deep drilling on the Kambalda Dome indicates that the Formation is at least 2,000 metres thick. It is conformably overlain by the Silver Lake Member of the Kambalda Komatiite Formation. A thin carbonaceous argillite-chert horizon (termed the Lunnion Sediment by the Company, or Second Sediment by Karora) separates a lower sequence of relatively magnesium-rich dominantly pillow basalt (Tower Hill Member) from a 100 m to 200 m thick upper sequence of less magnesium-rich pillow basalts, dolerites and massive basalts (Footwall Member).

Figure 3.4 Type stratigraphic column for the KNP area (after www.goldfields.com)



KAMBALDA KOMATIITE

Silver Lake Member

The Silver Lake Member conformably overlies the Lunnion Basalt Formation (Figure 3.5) and generally consists of one or more high-magnesium komatiite flows (typically three around the Kambalda Dome).

The flows are 10 m to 100 m thick, with the thickest flow at the base. The basal flow and the Lunnon Basalt and the overlying flows, are generally separated by laminated, albitic and sulphidic interflow sediments ranging in thickness from 0.5 m to 3.0 m.

Within each flow, lateral variations in composition, differentiation and distribution of interflow sediments define two particular volcanic facies, namely:

- channel-flow facies (ore environment)
- sheet-flow facies (non-ore environment).

The regionally sub-parallel channels are up to 14 km long and up to 500 m wide. The channels are commonly embayed into the Lunnon Basalt footwall, and importantly, contain little or no interflow sediment.

Spherical felsic segregations, known as ocellar komatiites, are occasionally found on the margins of the channel facies. These are spherical to ellipsoidal pea-sized segregations of felsic composition, generally underlain by fine-random spinifex komatiite and overlain by interflow sediment. They are typically albitic rich and enclosed in a chloritic matrix.

The thinner flows of the sheet flow facies are more clearly differentiated into lower cumulate zones and upper spinifex-textured zones. Interflow sediments are prominent and gradually thicken away from the channel position.

Interflow Sediments

Within the Silver Lake Member, the interflow sediments may be subdivided into three main types:

- pale-grey cherty rocks (hard, fine-grained, pale grey to white and sulphide-banded; pyrrhotite is the dominant sulphide along with minor pyrite and lesser chalcopyrite and sphalerite)
- black, carbonaceous shales (dark grey to black sulphide-banded; pyrrhotite is dominant sulphide)
- dark-green chlorite-rich rocks (dark-green, fine-grained with fine-grained pyrrhotite in thin, regularly spaced laminae).

In general, sediment thickness decreases and the albitic/quartz ratio increases towards the sediment-free channel-flow facies. Nickeliferous and chloritic sediments are empirical proximal ore indicators.

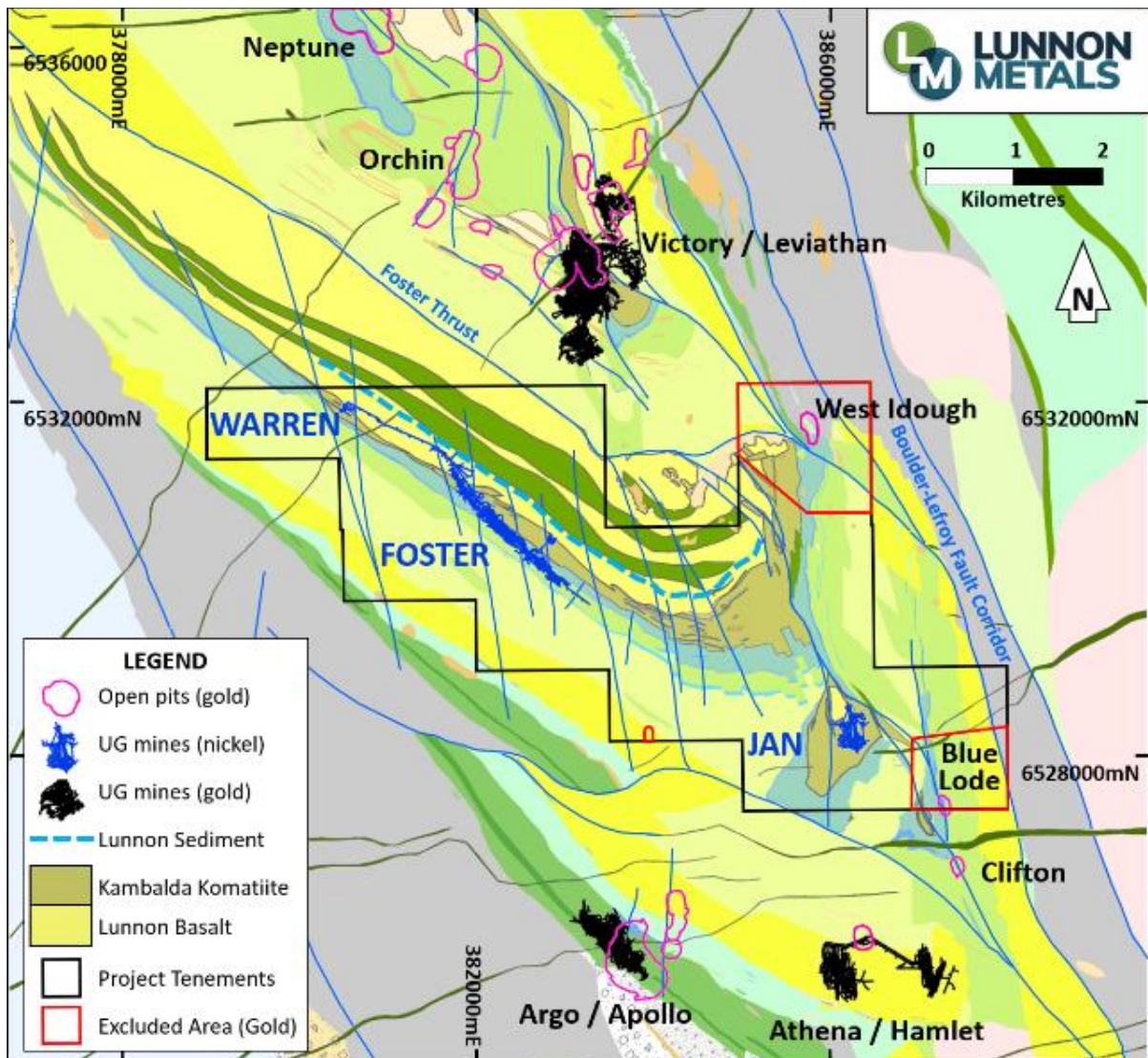
Tripod Hill Member

The Tripod Hill Member consists of up to 700 m of thin <0.5 m to 10 m komatiite flows. Interflow sediments are absent or only weakly developed. Compared to the Silver Lake Member komatiite flows, the Tripod Hill Member flows are significantly thinner with less lateral continuity.

Devon Consols Basalt

The 60 to 100 m thick Devon Consols Basalt comprises pillowed and massive variolitic lava flows and thin differentiated dolerites (Victory Dolerite, Trafalgar Dolerite). The lower contact with Tripod Hill Komatiites is typically gradational but locally sharp.

Figure 3.5 Surface interpreted geology with historical nickel mines and adjacent gold operations (source: Lunnon Metals)



Kapai Slate

The Kapai Slate Formation is an important regional stratigraphic marker (approximately 10 m thick) representing a major hiatus between two periods of volcanism (between the extrusion of the Devon Consols and Paringa Basalts). It consists of five lithofacies:

- laminated siliceous magnetite-bearing slate or phyllite (Victory area)
- siliceous pyrrhotite-bearing slate or phyllite (Orchin area)
- magnetite-bearing chert or phyllite (mainly in the Revenge-Victory area)
- carbonaceous pyrite-bearing slate or phyllite (Kambalda area)
- sulphide-bearing chert (Kambalda area).

Isoclinal, intrafolial folds occur throughout the unit. The bands of sediment are separated by albitised mafic rocks, rhyolite sills or regionally extensive lamprophyre sills and intrusions. The Kapai Slate is host to significant gold mineralisation in the Revenge-Victory area (owned by Gold Fields).

The Widgiemooltha chert is believed to regionally equivalent to this formation.

Defiance Dolerite

A number of mafic intrusion (or extrusions) of varying thickness and displaying varying degrees of differentiation occur within the Kambalda stratigraphy. Several dolerite/gabbro units are known in the Lunnon Basalt. Others occur at the base of and within the Devon Consols Basalt (Victory Dolerite and Trafalgar Dolerite), at the base of the Paringa Basalt (Defiance Dolerite) and within the Black Flag Beds (Junction Dolerite and Condenser Dolerite). For the most part these sills have compositions equivalent to that of the extrusive magmas they are associated with.

The Defiance Dolerite is a favoured host to gold mineralisation within the stratigraphic sequence. Its high competence compared to the units it occurs within means it often fails brittly. It is also iron rich, making it a favoured site for deposition of gold through desulphidisation of the gold carrying fluid. The combination of the differentiated units of the Defiance Dolerite, the iron-rich Kapai Slate, and appropriate fluid-channelling pathways have been the locus for most of the gold mineralisation in the Revenge-Victory area, which has produced over 5 Moz of gold since 1981.

Paringa Basalt

The 500 to 1,000 m thick Paringa Basalt Formation comprises thin variolitic pillowed flows. Thin laminated interflow cherty sediments are prominent towards the base of the Formation in contact with the Defiance Dolerite. Within the project area, this basal interflow sediment can be up to 10 m thick and are considered a prospective host for gold mineralisation similar to the Kapai Slate Unit at the base of the Defiance Dolerite.

Felsic to Intermediate Porphyritic Intrusions

The above succession has been intruded by mafic sills and later felsic to intermediate dykes related to syn-and post-tectonic granite intrusions.

3.5. MINERALISATION

3.5.1. NICKEL MINERALISATION

The nickel deposits in the Kambalda region, including those within the project area, fall within the komatiite-associated nickel deposit classification scheme as proposed originally by Lesher (1989). The deposits are classified either as komatiitic peridotite-hosted or komatiitic dunite-hosted and then further grouped into stratiform or stratabound types. Under this scheme, Kambalda type nickel deposits are described as stratiform komatiitic peridotite-hosted deposits or Class IA.

Class IA deposits are collectively described as small (0.5 to 5.0 Mt), high-grade (2% to 4% nickel) deposits comprising (from bottom to top) massive, matrix and disseminated sulphides at the base of komatiitic peridotites (Groves and Witt, 1994). The deposits are commonly clustered and characteristically ribbon-like (troughs), extending from 100 m to 2,500 m in length, with widths of 50 to 250 m. Thicknesses generally range from 1 to 5 m but lower-grade ores may be 5 to 20 m thick (Marston et al., 1981).

Most deposits occur at the base of the thick, basal komatiitic peridotite and are referred to as contact ores (Ross and Hopkins, 1975). Some deposits, however, occur at the base of overlying flow units and are referred to as hangingwall ores. A typical ore profile consists of a thin, discontinuous, massive-sulphide (>80% sulphides) layer, which overlies footwall rocks, and is itself overlain successively by a thick, more continuous layer of matrix sulphides (40 to 80% sulphides), then disseminated (10 to 40% sulphides) and komatiitic peridotite. Some of the massive sulphide layers are strongly layered whereas others are massive. Larger ore-shoots commonly have more massive sulphides than smaller shoots. A feature of the mineralisation is the almost total restriction of sulphides to ore zones with negligible disseminated sulphides in normal flow units.

Nickel sulphide ores within the Kambalda region form the type example of the basal contact deposits associated with ultramafic flows in greenstone belts. They occur within the ultramafic flows of the Kambalda Komatiite (2,710 Ma). The underlying member of this succession is the Lunnon Basalt, and the overlying units are a sequence of basalts, slates and greywackes (2,710 to 2,670 Ma).

The Kambalda Komatiite is made up of a pile of thinner, more extensive sheet flows and thicker channel flows which have created channels by thermal erosion of the underlying substrata. The flows that contain ore are channel flows, which may be up to 15 km long and 100 m thick and occupy channels in the underlying basalt. Flows in the pile are commonly interspersed with interflow sediment which is typically sulphidic. The currently accepted genetic model is that the basal contact ores formed within an incised channel, created by thermal erosion of the hot, viscous komatiite flows, and that the absorption of the pre-existing sulphidic sediments provided the source of the nickel and copper sulphides, which were then redeposited and later often substantially structurally modified.

The deposits have been metamorphosed and deformed and these processes have modified the mineralisation to varying degrees. Structural modification has been extreme because highly ductile massive-sulphide ores are sited on major lithological contacts which are the focus for shear deformation in the greenstone belts.

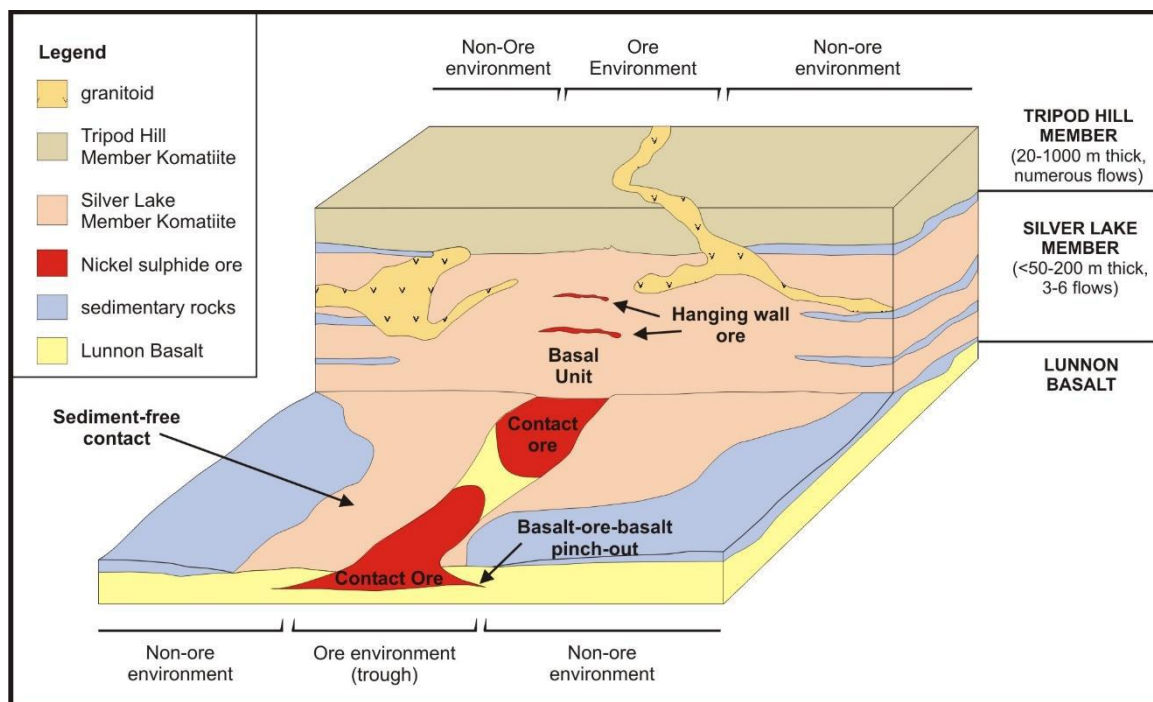
The mineralogy of massive and matrix ores in Class IA deposits is simple, being dominated by pyrrhotite-pentlandite-pyrite, lesser pentlandite-pyrite and rare pentlandite-pyrite-millerite assemblages. Chalcopyrite, magnetite and ferrochromite are ubiquitous minor phases. Pyrite is relatively abundant in massive ores, whereas magnetite is more abundant in matrix ores.

Iron-nickel sulphide mineralisation at Foster, Jan and East Cooe is most closely associated with the Lunnon Basalt Formation (footwall) and the Kambalda Komatiite Formation (host rocks and hangingwall). Interflow sedimentary units are generally absent but in some ore shoots (Lunnon, Foster, Durkin, McMahon, Edwin, Blair, Mt Edwards) sulphidic sedimentary units are overlain by the channel facies flow. The channel flow facies is traceable as north-northwest trending belts for up to 15 km in length and 500 m in width and occupies physical embayments (troughs) in the underlying Lunnon Basalt.

At surface, the KNP has over 9 km of strike extent of contact between the Lunnon Basalt Formation in the footwall and the Silver Lake Peridotite komatiitic member in the immediate hangingwall, the prospective nickel mineralised position throughout the Kambalda nickel district. At a depth of 500 m below surface, this linear distance is interpreted to increase to 10.5 km.

The volcanic lithofacies architecture represented by the channel flow facies and the flanking flow facies is interpreted to result from the flow of large volumes of komatiite lava down central feeder channels and episodic or singular overflow to form thinner 'overbank' flows (Figure 3.6).

Figure 3.6 Schematic model showing the favourable geologic environment for the Kambalda style nickel sulphide ore shoots



3.5.2. GOLD MINERALISATION

The style of gold deposit expected within the Project area is the same as those encountered within the remainder of the Gold Fields tenement package which are hosted by the Kalgoorlie Group volcanic succession and cross-cutting felsic to intermediate intrusions. These are greenstone-hosted quartz-carbonate vein deposits, a sub-type of lode gold deposits (Poulsen et al., 2000). They are also known as mesothermal, orogenic, lode gold, shear-zone-related quartz-carbonate or gold-only deposits (Dubé and Gosselin, 2007).

These deposits correspond to structurally controlled complex epigenetic deposits hosted in deformed metamorphosed terranes. They consist of simple to complex networks of gold bearing, laminated quartz-carbonate fault-fill veins in moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. They are typically hosted by greenschist to locally amphibolite facies metamorphic rocks of dominantly mafic composition and formed at intermediate depth in the crust (5 to 10 km).

The gold mineralisation is typically associated with iron-carbonate alteration. The mineralisation is syn- to late-deformation and typically post-peak greenschist facies or syn-peak amphibolite facies metamorphism. They are genetically associated with a low salinity, CO_2 - H_2O -rich hydrothermal fluid. Gold mineralisation is largely confined to the quartz-carbonate vein network but may also be present in significant amounts within iron-rich sulphidised wall rock selvages or silicified and arsenopyrite-rich replacement zones. Gold deposits are distributed along major compressional to trans-tensional crustal-scale fault zones in deformed greenstone terranes of all ages, but are more abundant and significant, in terms of total gold content, in Archean terranes.

The diagnostic features of greenstone-hosted quartz-carbonate vein type gold deposits are arrays and networks of fault- and shear-zone-related quartz-carbonate laminated fault-fill and extensional veins in associated carbonatised metamorphosed greenstone rocks. The deposits are typically associated with largescale (crustal) compressional faults. They often have a significant vertical extent (<2 km), with very limited metallic zonation.

Within the project area the main Gold Fields gold deposit analogues currently being applied to interpretation, targeting, exploration and modelling activities include:

- Victory-Defiance and Revenge style
- Junction/Argo style
- Britannia style.

3.6. PREVIOUS EXPLORATION

Lunnon Metals has compiled, organised, assessed and interpreted a considerable volume of project-wide geoscientific data generated over the life of the Project area. The objective was primarily to develop a 3D litho-structural understanding of the Project and define its exploration potential and total nickel inventory estimates. The work focused on the historical areas of potential where historical drilling data is most prevalent, namely the Foster, Warren, East Cooe and Jan deposits.

In 2015, Lunnon Metals contracted Planetary Geophysics Pty Ltd (Planetary Geophysics) to undertake detailed ground magnetic surveys over key areas of the Project focusing on all the current gold targets and the Foster Deeps structure. Planetary Geophysics completed their ground magnetic data collection in April 2015 over a 5.5 km² survey area.

Processing of the detailed ground magnetic data was completed by Gold Fields in mid-May 2016. The images revealed a number of unexpected features which greatly improved the geological interpretations and modelling in the area. Two disjointed linear magnetic highs in the hangingwall of the ultramafic unit were interpreted to be the ultramafic basalt unit of the Paringa Basalt and, most likely, the granophyric zone of the Defiance Dolerite. Demagnetised zones or 'breaks' in the Defiance Dolerite are considered strong targets for gold mineralisation as they are interpreted to represent mineralised structures cross-cutting the favourable host rock.

Lunnon Metals investigated the 3D structural architecture of the Foster/Jan area geology which resulted in a new structural interpretation. The interpretation was based primarily on 2D geophysical images along with local knowledge of the 3D environment at the Leviathan and Argo gold complexes. This approach facilitated the linking of the structural architecture through the Project area from these well-studied complexes outside the area. In addition to supporting the gold targeting exercise, this new interpretation has important implications for previously unrecognised potential for the nickel trough extensions, repeats and new discoveries. In summary, the projection of certain structures through the Foster nickel trough, that are identified as being anomalous for gold mineralisation near surface and thus post-date nickel emplacement, is proving to be coincident with apparent terminations or disruptions to the plunge trend of the Foster nickel mineralisation.

3.7. MINERAL RESOURCES

Lunnon Metals has applied significant attention to the review and analysis of the former WMC reported mineral inventories to upgrade and report these in accordance with JORC 2012 guidelines. The work carried out by the Company included a detailed audit of the historical data and historical drill core that supports the current Mineral Resources, including:

- duplicate sampling with QAQC (insertion of certified reference material or sample standards)
- density determinations
- check geological logging
- mineralisation characterisation for metallurgical considerations
- historical section and plan reviews (in 2D and also in 3D as scanned and geo-referenced images)
- review of paper geology logs, assays and surveys cross referencing with the digital database.

In addition to these data validation activities, where appropriate, the drill collars of selected historical drillholes that intersect the nickel mineralisation were also resurveyed as an audit of positional accuracy.

3.7.1. 85H

In January 2021, Cube Consulting Pty Ltd (Cube) estimated a Mineral Resource for the 85H nickel surface in the main Foster area. Drillhole data and geological interpretations were supplied by Lunnon Metals and Cube produced the estimate using standard processes and procedures including data selection, compositing, variography, estimation by ordinary kriging (OK) and model validation. Estimates were made for nickel and bulk density only.

The unmined and unsterilised portion of the 85H Mineral Resource estimate above a 1% nickel cut-off is summarised in Table 3.1.

Table 3.1 85H Mineral Resources reported above a cut-off grade of 1% nickel (source: Cube, 2021)

Deposit	Classification	Tonnes (kt)	Nickel grade (%)	Contained nickel (kt)
85H	Measured	-	-	-
	Indicated	387	3.3	12.8
	Inferred	300	1.3	3.8
	Total	687	2.4	16.6

Note: Inconsistencies in totals due to rounding.

Note that other than reporting above a cut-off grade, no Reasonable Prospects of Eventual Economic Extraction (RPEEE) criteria have been applied. Optiro notes that the 1% nickel cut-off grade has historically been used for the reporting of Kambalda nickel sulphide resources and given the current nickel price, this is considered reasonable.

Interpretation of the 85H lode was based on supporting geological data including:

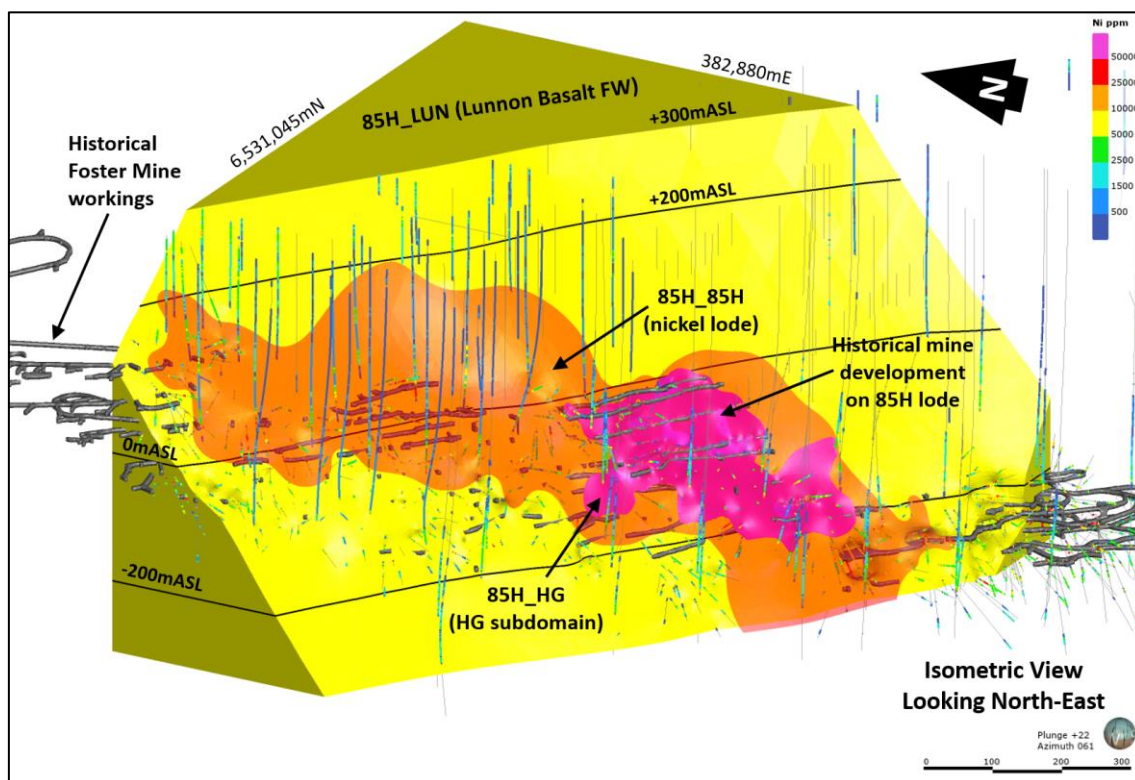
- Original WMC 20 m spaced cross sections (scanned and geo-referenced in 3D in Leapfrog).
- Original WMC level plan mapping (scanned and geo-referenced in 3D in Leapfrog) along with the 3D mine development drives. The mapping (along with the cross sections) was essential for distinguishing the 85H lode from other nickel lodes located between the 85H surface and the basal ultramafic-basalt contact. The historical mining and mapping of the 85H lode also documents well its character which is used to identify the lode in drill core.
- Historical and check logging of drill core. The 85H lode is typically logged as containing disseminated to massive nickel sulphides in komatiite (and occasionally interflow sediments) which is consistent with the underground level plan mapping.
- Historical and check sampling and assaying of drill core. In general samples with >1% nickel were preferred for selection (corresponding well with logged nickel sulphides), however anomalous samples with >0.5% nickel were also included to improve lode continuity. Samples with >0.5% and <1% nickel on the peripheries were not included unless the overall lode width was very narrow (<1 m total width).
- Distance from the basal ultramafic-basalt contact, which is typically 15 to 25 m, was maintained.

These aspects were used as a guide with each drill intercept considered on its own merits for inclusion or otherwise into the 85H lode. The lode is modelled with a 20° towards 140° average plunge over approximately 1,200 m and an across plunge width of between 200 and 300 m.

The top of the 85H nickel lode model occurs at 220 mASL (90 m below topographic surface) and extends to at least -300 mASL (610 m below surface), which is well below the weathered regolith zone,

and the entire surface is in fresh rock. An oblique view of the mineralised lodes looking to the northeast is shown in Figure 3.7, with the mineralised lodes extending for more than 1200 m down plunge. The 85H surface has an average true thickness of 3 to 4 m and the high-grade surface has an average true thickness of 1 to 2 m.

Figure 3.7 85H (orange) and HG (magenta) mineralised surfaces, looking northeast (source Wehrle, 2021)



The estimation workflow comprised the following steps:

- Reinterpretation of the main zones of hangingwall mineralisation, and where applicable, the contact mineralisation (sitting upon the Lunnon Basalt) using Leapfrog.
- Definition of a number of mineralisation domains or shoots constrained by structural features or by nickel grade. These comprise narrow, ribbon-like sheets of mineralisation. The various sulphide facies (massive, matrix and disseminated) have largely been defined at a surface or domain level, but otherwise have not been differentiated in the modelling.
- Flagging and compositing of mineralisation intercepts within each domain or surface, followed by data conditioning and top cutting of high grades (where necessary).
- Limited kriging neighbourhood analysis for the determination of optimum estimation parameters, along with variography of nickel in the main shoots or surfaces.
- Ordinary kriging into parent cells, with sub-celling to define mineralised volumes.
- Model validation at the local, intermediate and domain level scale against the informing drillhole composites.
- Post-processing to remove material which has been mined. There has been limited mining of the 85H surface but workings on the underlying Foster Main contact mineralisation often impact potential extraction of the overlying 85H ore, and in these cases a zone of sterilisation has been defined as a 3D exclusion zone.

Classification of the 85H Mineral Resource considered two main criteria: 1) confidence in the nickel estimate and 2) reasonable prospects for eventual economic extraction. The assessment of confidence in the estimate of nickel included:

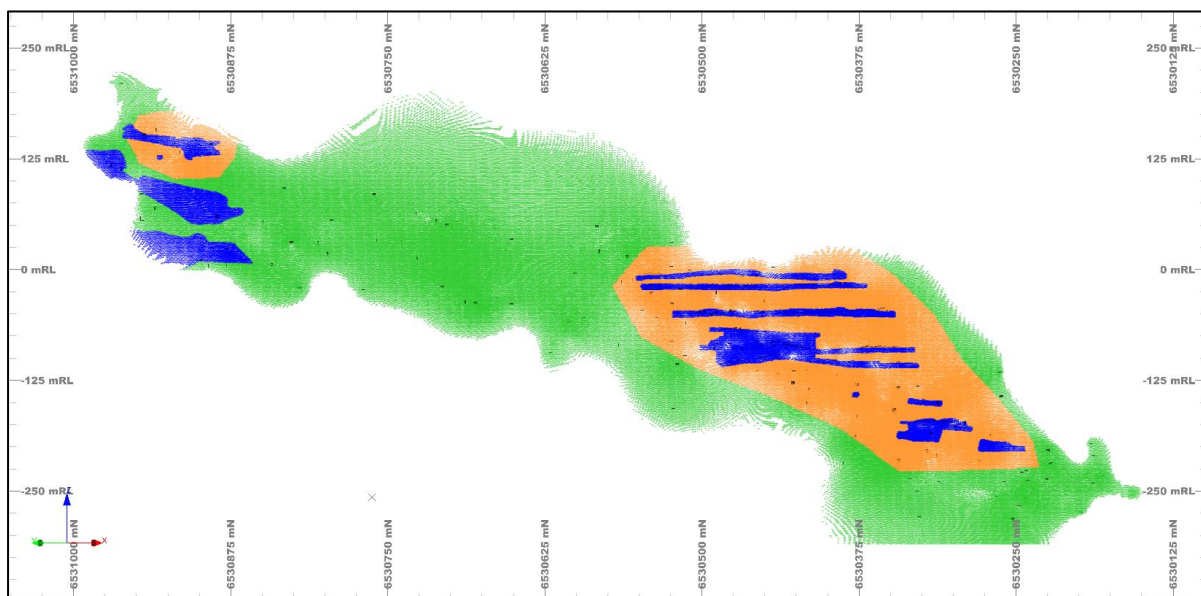
- drill data quality and quantity
- geological interpretation (particularly aspects that impact on nickel mineralisation)
- geological domaining (for mineralised surfaces specific to the estimation of nickel)
- the spatial continuity of nickel mineralisation
- geostatistical measures of nickel estimate quality.

Areas that have been previously mined were flagged as depleted in the model and areas considered to be sterilised, as they are close to stoping on other lodes, were also coded and removed from the Mineral Resource estimate. In general, the classification comprises:

- Mineralised blocks within about 20 m of the historical mining and face sampling have been classified as Indicated. This level of data would generally be sufficient for a classification of Measured, but the lack of drillhole and QAQC data in the high grade zones has resulted in a classification downgrade.
- The remaining resource outside the Indicated area is classified as Inferred, which has a general drillhole spacing of about 30 m by 30 m.
- Areas that have been mined or are within the sterilisation zones are not classified.

Figure 3.8 shows the Mineral Resource classification. The ‘not classified’ material comprises sterilised and mined areas (northern part of lode, left hand side of Figure 3.8) and mined areas (mid to southern part of lode, right hand side of Figure 3.8).

Figure 3.8 85H Mineral Resource classification (source: Cube 2021)
orange – Indicated, green – Inferred, blue – not classified (drillhole intercepts in black)



Optiro has reviewed the Foster 85H Mineral Resource estimation workflow as applied by Cube and endorsed by Aaron Wehrle of Lunnon Metals (acting as Competent Person) and believes that it reflects standard to good industry practice. The defining step is the definition of the mineralised zones (the estimation domains) and this has been carried out diligently and with due consideration of all of the informing data, both mapping and drilling. The Company and Cube have provided such validation as to gain confidence that the estimation fairly reflects the underlying drilling and mapping data.

3.7.2. FOSTER SOUTH

In December 2020, Cube estimated a Mineral Resource for the Foster South nickel deposit. As for 85H, drillhole data and geological interpretations were supplied by Lunnon Metals and Cube produced

the estimate using standard processes and procedures including data selection, compositing, variography, estimation by OK and model validation. Estimates were made for nickel and bulk density as well as the minor elements of arsenic, cobalt, copper, iron, magnesium oxide (MgO) and sulphur. Furthermore, estimates were made for all variables in the background 'halo' domain (outside the mineralised lodes) for potential future mine planning purposes (e.g., dilution calculations).

The Foster South Mineral Resource estimate is summarised in Table 3.2. No lower nickel cut-off grade was applied to the resource reporting, but the lowest nickel grade estimated in the mineralised lodes is 3.3% nickel. Note that no RPEEE criteria have been applied other than reporting the material within the Indicated and Inferred categories. The nature of the mineralisation is such that the defined contact ore shoot reflects high-grade mineralisation.

Table 3.2 Foster South Mineral Resources (source: Cube, 2021)

Deposit	Classification	Tonnes (kt)	Nickel grade (%)	Contained nickel (kt)
Foster South	Measured	-	-	-
	Indicated	223	4.7	10.5
	Inferred	117	4.8	5.5
	Total	340	4.7	16

Note: Inconsistencies in totals due to rounding.

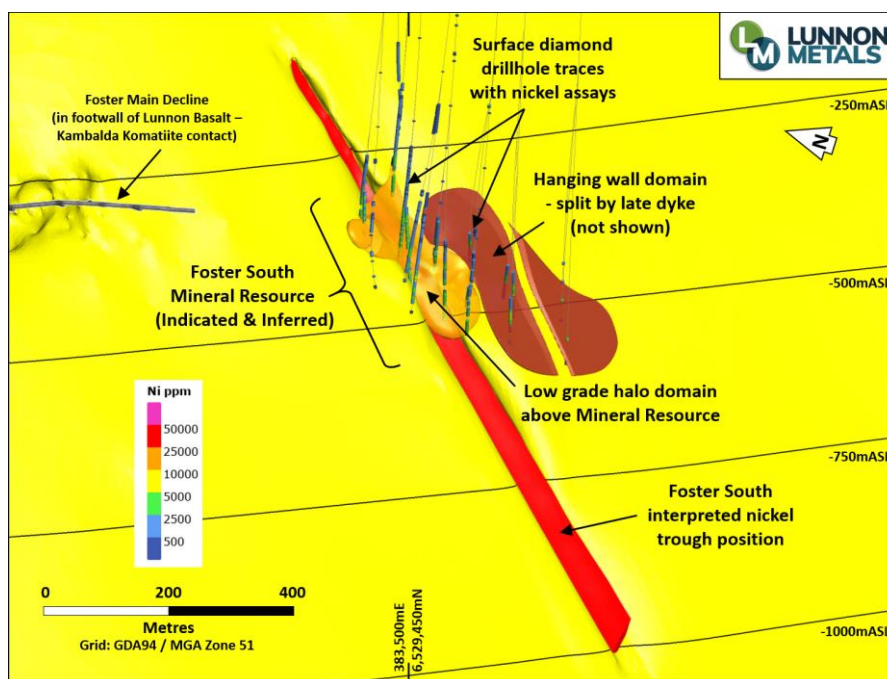
The mineralised domains comprise a high-grade (HG) domain, a low-grade mineralised cloud and hangingwall mineralisation. An oblique view of the mineralised lodes looking to the northeast is shown in Figure 3.9. The HG surface extends for approximately 1,050 m down plunge, varying in width across strike from 20 m up to 80 m wide. True thickness varies from 2 m to more than 10 m with an average of about 8 m. The shoot has been extrapolated significantly beyond the data but the extrapolated portion has largely not been classified.

The high-grade nickel sulphide trough mineralisation is hosted within the Kambalda komatiite and consists of ponding at the contact with the footwall Lunnon basalt. The trough and mineralisation have a relatively narrow width to length ratio, and the shoot plunges approximately 55° towards 174°. Mineralisation is defined by an approximate 1% nickel lower cut-off grade.

The low-grade domain consists of a dispersed low-grade nickeliferous halo or cloud (approximately 0.5% nickel average grade) immediately above the high-grade trough and basal ultramafic-basalt contact. The domain comprises typically 5 to 10% disseminated, stringy to blebby pyrrhotite with medium tenor nickel sulphides hosted within the Kambalda komatiite. While this has been modelled it has not been classified and, were it to be reported in the future, a cut-off grade would need to be applied.

The hangingwall domain comprises a narrow perched nickeliferous horizon representing the basal portion of an upper ultramafic flow (approximately 30 to 40 m above the basal ultramafic-basalt contact). While the host rock is predominantly ultramafic rock, it also includes minor interflow chemical sediments associated with the base of the ultramafic flow.

Figure 3.9 Foster South mineralised surfaces looking northeast (Source: Lunnon Metals)
red – high grade domain, green – low grade halo, orange – hangingwall domain



The estimation workflow is essentially the same as the 85H estimate described above. Optiro has reviewed the estimate, the validation and the methodology and endorses it as appropriate to represent this style of mineralisation.

Classification of the Foster South Mineral Resource has followed similar criteria as summarised above for 85H. Further to these criteria, and relating to data density, the Mineral Resource has been classified as follows:

- Indicated Mineral Resources are within the area bounded by drilling and estimated in search pass 1.
- Inferred Mineral Resources are within the area immediately outside the drilling and estimated in search pass 2 (that is up to 120 m beyond drilling up and down dip).
- an Exploration Target was defined in the area outside the classified resource, where estimated, using search pass 3.

An oblique long section view of the Foster South Mineral Resource classification is shown in Figure 3.10. The Mineral Resource estimate with minor element grades is summarised in Table 3.3.

Figure 3.10 Foster South Mineral Resource classification, oblique north-south long section view (source: Cube, 2020B) (drillhole intercepts in black)

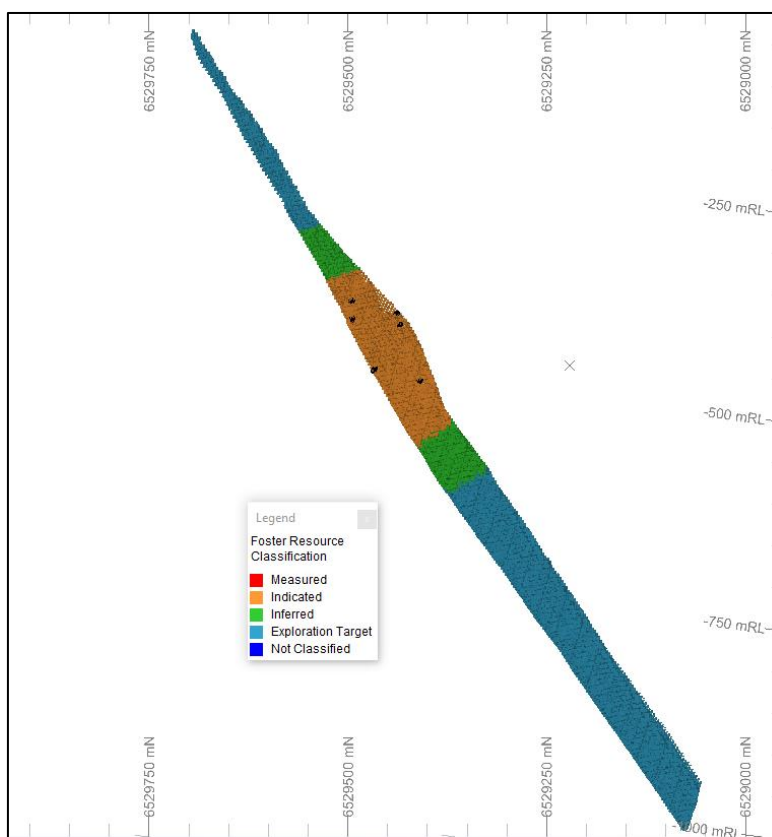


Table 3.3 Foster South Mineral Resources with minor element grades (source: Cube, 2021)

Classification	Tonnes (kt)	Nickel (%)	Arsenic (ppm)	Cobalt (ppm)	Copper (%)	Iron (%)	MgO (%)	Sulphur (%)
Indicated	223	4.7	18.3	941	0.47	23.7	17.8	14.3
Inferred	116	4.8	21.5	931	0.47	23.3	18.2	14.3
Total	340	4.7	19.4	938	0.47	23.6	18.0	14.3

Note: Inconsistencies in totals due to rounding.

3.7.3. WARREN

In October 2020, Cube estimated a Mineral Resource for the Warren nickel deposit (formerly known as Foster NW). As for 85H and Foster South, drillhole data and geological interpretations were supplied by Lunnon Metals and Cube produced the estimate using standard processes and procedures, including data selection, compositing, variography, estimation by OK and model validation. Estimates were made for nickel and bulk density only. The focus of the estimate was the high-grade mineralised lodes, but estimates were also made for the adjacent hangingwall and footwall lower grade oxide mineralised lodes. Unlike the 85H and Foster South areas, the Warren Shoot comprises a large number of separate mineralised zones, both on the komatiite-basalt contact and higher up within the ultramafic sequence, as hangingwall mineralisation. Compared to the Foster South mineralisation, the Warren Shoot area has been relatively well-drilled from the surface and from the access decline. The basalt 'trough' is narrow but is well-defined and constrained by drilling.

Table 3.4 details the Warren Shoot Mineral Resource, reported above a cut-off grade of 1% nickel, reflecting RPEEE constraints.

Table 3.4 Warren Mineral Resources (source: Cube, 2021)

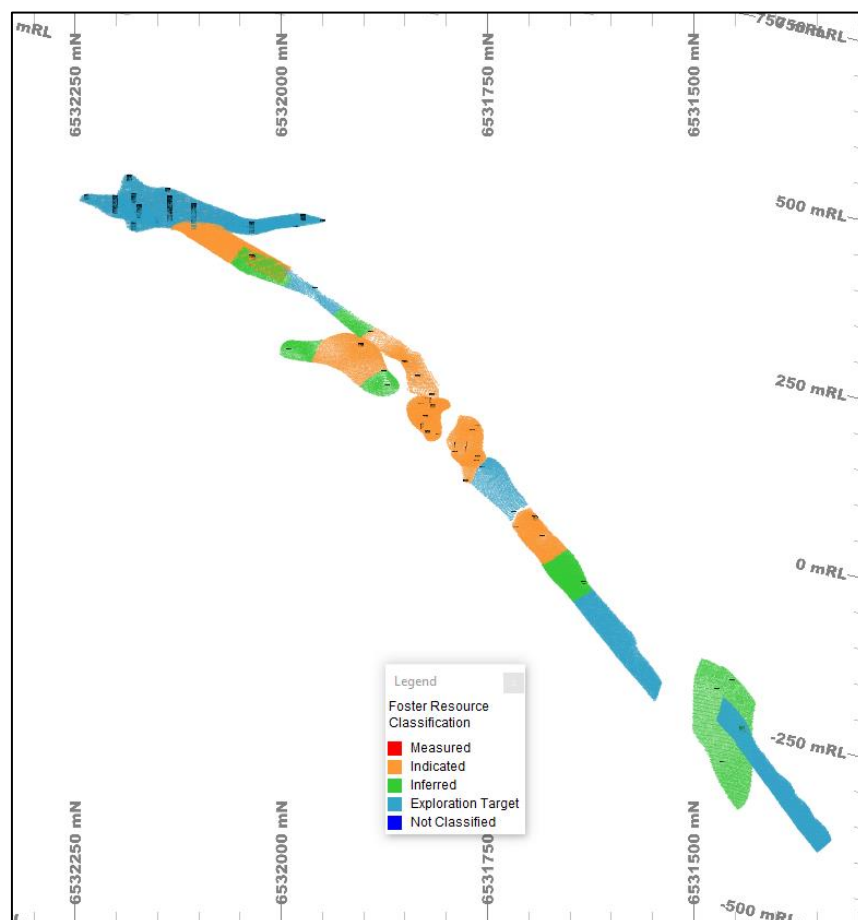
Deposit	Classification	Tonnes (kt)	Nickel grade (%)	Contained nickel (kt)
Warren Shoot	Measured	-	-	-
	Indicated	136	2.7	3.7
	Inferred	75	3.7	2.7
	Total	211	3.1	6.4

Note: Inconsistencies in totals due to rounding.

Classification of the Warren Mineral Resource has followed similar criteria as summarised above for 85H. Further to these criteria, relating to data density, the Mineral Resource has been classified as follows:

- Indicated Mineral Resources are within the area bounded by drilling and estimated in search pass 1.
- Inferred Mineral Resources are within the area immediately outside the drilling and estimated in search pass 2 (that is up to 50 m beyond drilling up and down dip).

An oblique long section view of the Warren Mineral Resource classification is shown in Figure 3.11.

Figure 3.11 Warren Mineral Resource classification, oblique north-south long section view (source: Cube, 2020A) (drillhole intercepts in black)


3.7.4. OPTIRO REVIEW OF MINERAL RESOURCES

Optiro has reviewed the KNP Mineral Resources and confirmed the tonnage and nickel grades reported from the block models (Table 3.5). The quality of input data, QAQC, interpretation and sample spacing is 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 are appropriate and provide a realistic estimation and classification of the global Mineral Resources.

Optiro considers that more rigorous application of RPEEE criteria could be applied, in line with the JORC Code (2012); however, the current reporting criteria are deemed to be acceptable and the classification is sufficiently conservative such that no excessive extrapolation has been applied. The current reporting criteria accord with historical practice and it may be argued that the application of a 1% nickel cut-off grade for reporting is conservative, given current commodity prices and predictions.

Table 3.5 Total Mineral Resources reported above a cut-off grade of 1% nickel (source: Cube, 2020A, 2020B, 2021)

Deposit	Classification	Tonnes (kt)	Nickel grade (%)	Contained nickel (kt)
85H	Measured	-	-	-
	Indicated	387	3.3	12.8
	Inferred	300	1.3	3.8
	Total	687	2.4	16.6
Foster South	Measured	-	-	-
	Indicated	223	4.7	10.5
	Inferred	116	4.8	5.5
	Total	340	4.7	16
Warren	Measured	-	-	-
	Indicated	136	2.7	3.7
	Inferred	75	3.7	2.7
	Total	211	3.1	6.4
Total	Measured	-	-	-
	Indicated	746	3.6	27
	Inferred	492	2.4	12
	Total	1,238	3.2	39

Note: Inconsistencies in totals due to rounding.

The information in this report that relates to the KNP Mineral Resource estimation is based on information compiled by Aaron Wehrle and fairly represents this information. Mr Wehrle is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Lunnon Metals Limited. Mr Wehrle has sufficient experience which is 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 JORC Code. Mr Wehrle consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

3.8. EXPLORATION POTENTIAL

3.8.1. NICKEL

JAN

The Company is yet to estimate Mineral Resources at the Jan deposit; however, it plans to apply the same process as used for the currently reported Mineral Resources (Section 3.7). In addition to this work, the Company plans to re-enter historical drillholes where appropriate to complete downhole surveys as an audit of positional accuracy.

Of note, the Jan mine has a historical WMC remnant mineral inventory of 865 kt at 1.95% nickel for 16.9 kt of nickel metal as reported by Barratt (1987). This mineral inventory has not been reported or classified under JORC 2012 guidelines but is considered material to the KNP and is indicative and relevant to the exploration potential at Jan. The estimates and methodologies used have been reviewed along with interviewing previous mine geologists responsible for the estimates to ensure the reliability of the estimates. Lunnon Metals will, however, need to establish RPEEE criteria before converting this historical estimate to a Mineral Resource reported under JORC 2012 guidelines. This will require a realistic (but high-level) assessment of how the Jan resources may be accessed and extracted, given the removal of the shaft infrastructure.

Optiro notes that the estimates are historical estimates and are not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimates as Mineral Resource in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as Mineral Resources or in accordance with the JORC Code.

The historical closure inventory is based upon significant underground mining, development and drilling that occurred at Jan up to its closure in 1986 (see Appendices A and B). Given the generally discontinuous nature of mineralisation at Jan, the density of drilling and sampling was high. The estimate is considered a reasonable proxy for the known remnant mineralisation and its global tonnes and grade. To verify the historical estimate and potentially report as a Mineral Resource in accordance with JORC guidelines, the Company will complete the following work over the next 24 months:

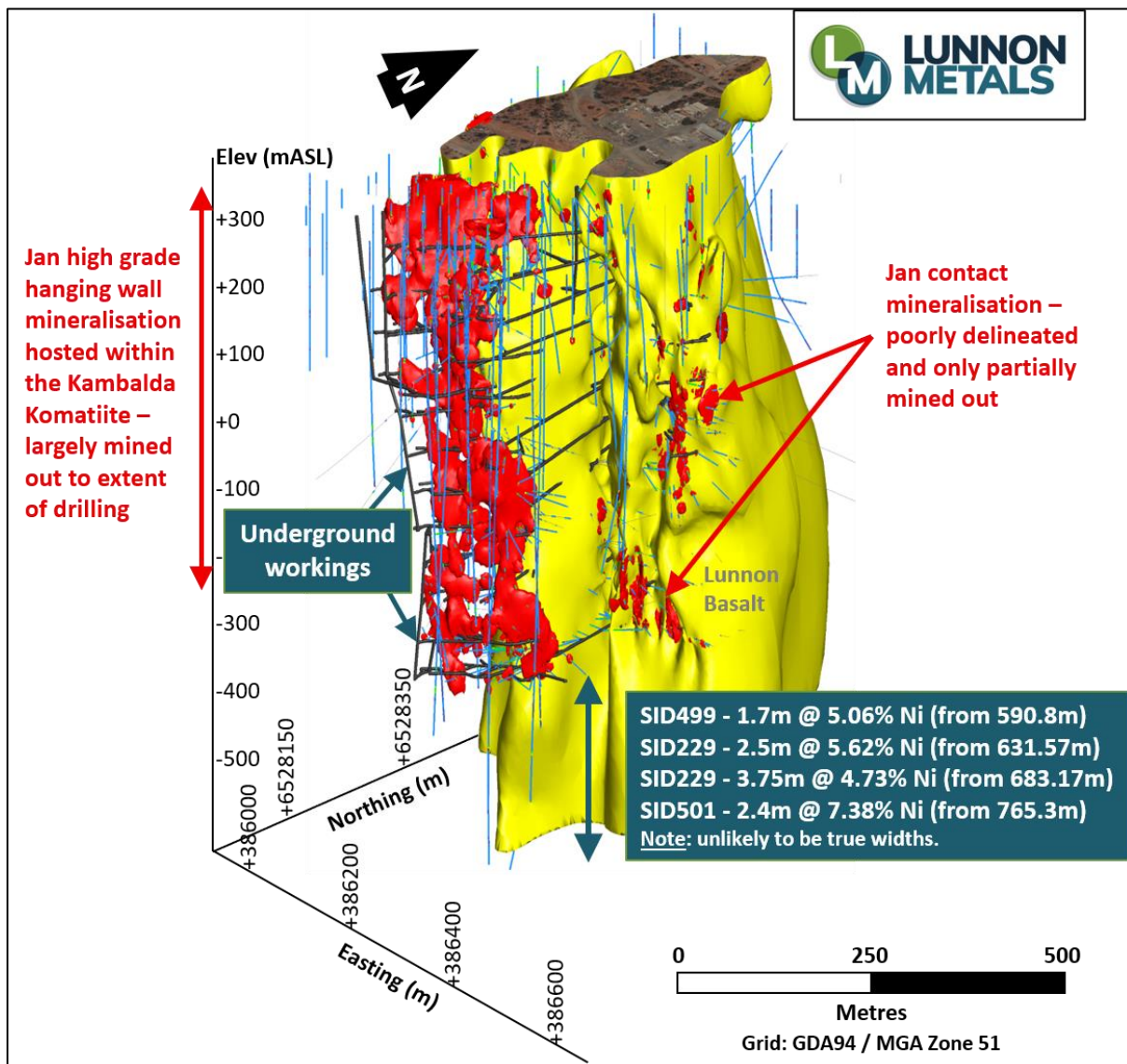
- duplicate sampling with QAQC (insertion of certified reference material or sample standards)
- density determinations
- check geological logging
- mineralisation characterisation for metallurgical considerations
- historical section and plan reviews
- review of paper geology logs, assays and surveys cross referencing with the digital database
- establish RPEEE criteria for reporting as per JORC 2012 requirements.

An appropriate allocation of funds from the IPO has been budgeted to complete the verification work.

Optiro considers that the historical estimate is an accurate representation of the available data and studies for the Jan deposit at the time of mine closure in 1986 and no more recent estimates have been reported. Furthermore, it is based on, and fairly represents, information and supporting documentation prepared by WMC at the time.

Optiro notes that the testing of potential extensions to the main Jan mineralisation at depth is difficult due to the orientation of the required surface drill positions, but that this area remains open at depth (Figure 3.12). As such, the Company's immediate future activities at Jan will focus on validating the WMC remnant inventory with the aim of updating to JORC 2012 Mineral Resource, with due consideration of RPEEE criteria relating to existing mining infrastructure and likely extraction methods.

Figure 3.12 Schematic north-northwest view of the historical Jan nickel mine with selected nickel intercepts below the historical workings (source: Lunnon Metals)
red – pre-mining mineralisation, blue – surface and underground drilling]



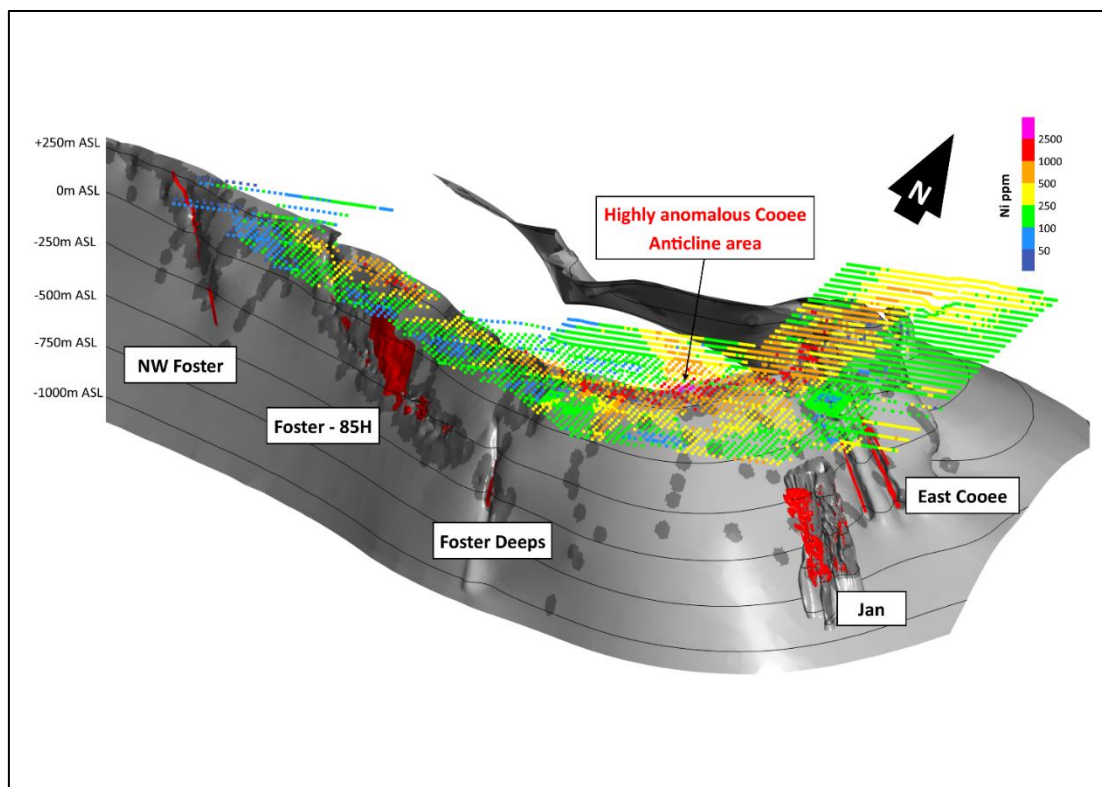
EAST COOEE AND THE COOEE GAP

The Company's re-interpretation of the litho-structural setting across the Project area indicates there is potential for a further two previously unidentified troughs in the area termed the 'Cooee Gap'. The prospectivity of this area is highlighted by the following observations:

- It displays the strongest and highest magnitude nickel-in-soils geochemical anomalism within the Project. Figure 3.13 drapes the geochemical nickel-in-soil data (at surface) over the 3D modelled Lunnon Basalt contact. The basalt contact is shaded darker to illustrate a 50 m wide buffer around any drill testing intercept.
- The area also records anomalous thicknesses of the hangingwall ultramafic rocks, due to either structural thickening or thick original komatiite flows. Both of these are of interest as possible indications of conceptual concealed structural or trough style mineralisation.

Figure 3.13 illustrates that there are significant expanses of the prospective basalt contact positioned directly below the highly anomalous nickel-in-soils Cooee anticline area.

Figure 3.13 Northeast view of the Cooee Gap (between Foster Deeps and Jan) nickel-in-soils anomaly over a 3D Lunnon Basalt surface (source: Lunnon Metals)



The East Cooee prospect area, to the north-northwest of Jan Shaft, is poorly defined by drilling and Mineral Resources have not been estimated. There is sufficient drilling to highlight the potential of the area and its merit for ongoing exploration. Of the two troughs modelled, the first (West Trough) is poorly tested with respect to potential mineralisation, while the second parallel, down-dip, trough (East Trough) has numerous sparsely drilled mineralised intercepts, including drillholes:

- CD555: 1.24 m at 3.70% nickel from 196.41 m
- CD587: 2.25 m at 3.36% nickel from 285 m
- CD315: 3.33 m at 2.75% nickel from 479.9 m.

These intercepts are considered to be approximate true width intercepts of the mineralisation. Optiro understands that the Company will test this area with a surface exploration program.

An Exploration Target for East Cooee was estimated by the Company in 2020 in accordance with the guidelines of the JORC Code, 2012. This work identified multiple mineralised surfaces in basalt-ultramafic contact trough locations, contact flanking locations, footwall positions and extensive hangingwall surfaces.

The combined tonnage and grade potential of the Exploration Target was estimated to be in the range of 500 to 750 kt with an average grade of 1.25% to 2.5% nickel. The potential quantity and grade of the Exploration Target is conceptual in nature. Optiro notes that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is based on supporting geological information and drillhole data from WMC and geological interpretations by Lunnon Metals. Included in the data on which this Exploration Target

has been prepared are the results from more than 30 surface diamond drillholes, completed by WMC during the 1970s and 1980s.

The Exploration Target does not account for potential geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target was estimated in order to provide an assessment of the potential scale and grade of the mineralisation intersected in drilling and supported by the strong and high magnitude nickel-in-soils geochemical anomalism.

The Exploration Target was defined by using a combination of two methodologies. The first used the historical surface drilling to generate detailed 3D models (within the Leapfrog software) of the basalt-ultramafic contact across the East Cooe area. Drillhole intercepts with lower cut-off grades of between 0.5% and 1.0% nickel were identified and tagged in the 3D modelling environment as representing either hangingwall, contact (both trough style and flanking style), or footwall mineralised domains. Solid 3D wireframes were created from these tagged drill intercepts. The wireframes were modelled to an extent that they 1) conform to the geometry of the modelled basalt-ultramafic contact; 2) are supported by adjacent drill intercepts; and 3) with dimensions no greater than what is supported by observed occurrences of those styles of mineralisation in the Foster mine environment. The Leapfrog implicit radial basis function interpolant process was used to estimate the nickel grades within the various East Cooe domains and populate block models to obtain volumes and grade above a 1.0% nickel cut-off grade. Tonnes were calculated by multiplying the volumes by a fixed density of 3.0 t/m³.

The second methodology involved Cube in December 2020, whereby they estimated an Exploration Target for the two main East Cooe hangingwall nickel lodes in the East Cooe area. Drillhole data and geological interpretations were supplied by Lunnon Metals and Cube produced the estimate using standard processes and procedures including data selection, compositing, variography, estimation by OK and model validation. Estimates were made for nickel and bulk density only. Although the estimation work completed by Cube is to a standard consistent with the JORC (2012) guidelines for the reporting of Mineral Resource, the resulting classification as Exploration Target was determined by the Company based on insufficient RPEEE due to broad spaced drilling and relatively low estimated nickel grades.

Based on these two estimation methodologies a range of tonnes and grade was derived for the Exploration Target of the combined East Cooe mineralised domains.

Lunnon Metals has budgeted for and intends to test the Exploration Target with further drilling which is expected to extend over the next 18 months after listing. This drilling is adequately allowed for in Lunnon Metal's proposed exploration budget. Depending upon initial results, this may lead to further resource definition drilling. Geometallurgical characterisation work is also planned at an early stage to test for any potentially deleterious elements or characteristics of the various types of mineralisation known to be present which might impact on future metallurgical performance.

Optiro has reviewed the Exploration Target and considers it has been appropriately estimated and is representative of the exploration potential at East Cooe. The Exploration Target is based on and fairly represents, information and supporting documentation prepared by the Competent Person, Mr Aaron Wehrle.

The information in this report that relates to the East Cooe Exploration Target is based on information compiled by Mr Aaron Wehrle. Mr Wehrle is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wehrle is an employee of Lunnon Metals and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Wehrle consents to the

inclusion in the report of the matters based on their information in the form and context in which it appears.

FOSTER

The main Foster mine area is considered a key target for future exploration. The Company's interpretation is that the central and upper flank areas of the main mine present excellent extensional discovery opportunities, together with a new interpretation of the orientation and structural setting of the deeper parts of the trough that create opportunities for near mine development discovery.

Similar to the Jan mine, the Foster mine has a historical WMC remnant mineral inventory of 766 kt at an average grade of 2.1% nickel for 16 kt of nickel metal as reported by Flomersfeld and Clark (1996). This mineral inventory has not been reported or classified under JORC 2012 guidelines but is considered material to the KNP and is indicative and relevant to the exploration potential at Foster. The estimates and methodologies used have been reviewed along with interviewing previous mine geologists and the underground mine manager responsible for the estimates to ensure the reliability of the estimates. Lunnon Metals will need to establish RPEEE criteria before converting this historical estimate to a Mineral Resource reported under JORC 2012 guidelines. This will require a realistic (but high-level) assessment of how the resources may be accessed and extracted, in combination with the Foster Mineral Resources already reported at Warren, 85H and Foster South.

Optiro notes that the estimates are historical estimates and are not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimates as Mineral Resource in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as Mineral Resources or in accordance with the JORC Code.

The historical closure inventory is based upon significant underground mining, development and drilling that occurred at the Foster mine up to its closure in 1994. Given the generally discontinuous nature of mineralisation at Foster, the density of drilling and sampling was high. The estimate is considered a reasonable proxy for the known remnant mineralisation and its global tonnes and grade. To verify the historical estimate, and potentially report as a Mineral Resource in accordance with JORC guidelines, the Company will complete the following work over the next 24 months:

- duplicate sampling with QAQC (insertion of certified reference material or sample standards)
- density determinations
- check geological logging
- mineralisation characterisation for metallurgical considerations
- historical section and plan reviews
- review of paper geology logs, assays and surveys cross referencing with the digital database
- establish RPEEE criteria for reporting as per JORC 2012 requirements.

An appropriate allocation of funds from the IPO has been budgeted to complete the verification work.

Optiro considers that the historical estimate is an accurate representation of the available data and studies for the Foster deposit at the time of mine closure in 1996 and no more recent estimates have been reported. Furthermore, it is based on, and fairly represents, information and supporting documentation prepared by WMC at the time.

WARREN SHOOT

Warren Shoot (NW Foster in Figure 3.13) is a nickel trough sub-parallel to and approximately 1.5 km to the northwest the main Foster trough. The Company has interpreted that this trough has the potential to run parallel over the entirety of the adjacent Foster trough, and to contain mineralisation

in addition to the currently defined Mineral Resources. The deposit was historically mined from underground for a short period before closure after an uncontrolled water ingress incident.

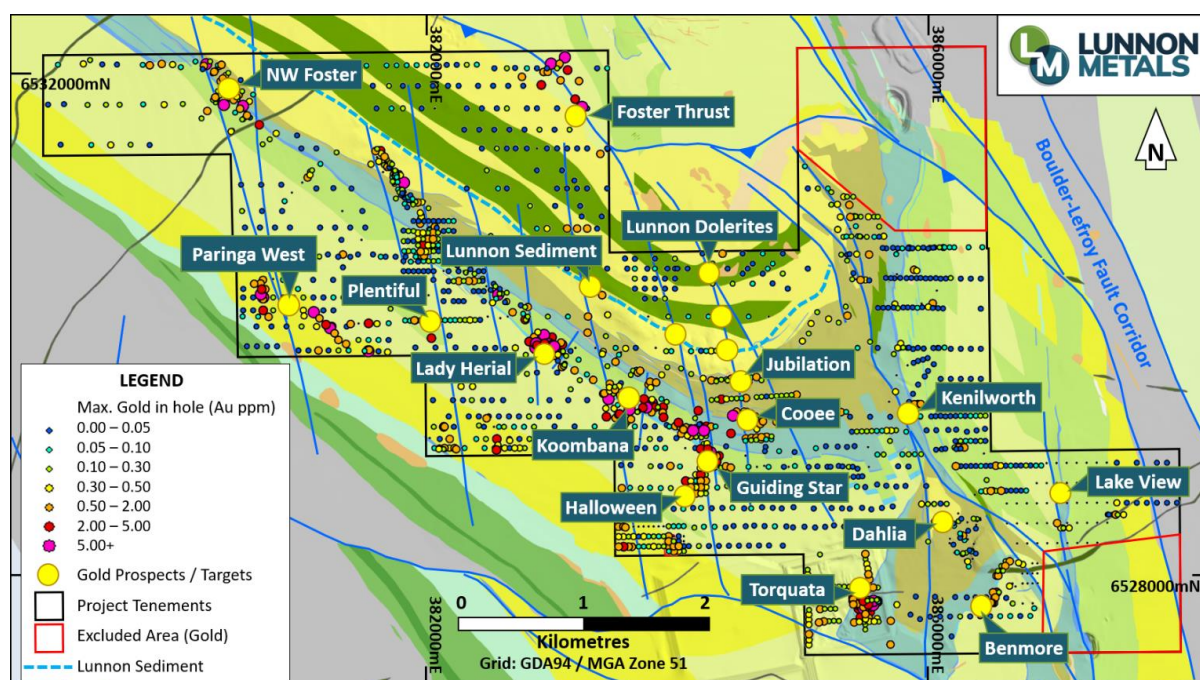
Optiro understands that the Company plans to test the exploration potential of the Warren Shoot from surface where depth allows. The target is, however, more appropriately tested and defined from underground, potentially after additional anomaly definition work from surface is completed such as 2D seismic and/or DHTeM surveys from the re-entry of historical surface drillholes at surface. There are many suitable drilling locations from the existing NW Foster decline, once dewatering and ground remediation has been completed.

3.8.2. GOLD

The potential for untested or inadequately tested gold targets within the project area is apparent based on the lithological modelling, structural interpretations and general conceptual thinking about the Foster project area to date.

The identified prospects amongst others include Koombana, Lady Herial, Cooe, Guiding Star and Torquata, as well as two deep conceptual targets at Kenilworth and Plentiful (Figure 3.14).

Figure 3.14 Location of identified gold prospect with maximum gold in drillhole (ppm) (source: Lunnon Metals)



PLENTIFUL AND KENILWORTH

The Plentiful and Kenilworth prospects are present as two distinct high magnetic geophysical anomalies. The Company's current interpretation of the stratigraphic position of these two anomalies places them at a distance from the Silver Lake Peridotite ultramafic rocks which record a pronounced, folded high magnetic response in the data set. As such, it is interpreted that, as an alternative to representing possible nickel bearing ultramafic rocks, these anomalies are potentially magnetite altered units within less altered basalts and dolerites contained within the stratigraphy. This setting is considered to be a possible favourable host for gold mineralisation in the St Ives-Kambalda district.

HANGING WALL HOSTED GOLD TARGETS

The Lady Herial, Koombana, Guiding Star, Cooee and Torquata prospects (Figure 3.14) present examples of target types related to the intersection of interpreted structures with potential favourable hosts rocks, the Defiance Dolerite and the Kapai Slate Formation. Both these rock units host most of the gold mineralisation at the Victory-Defiance complex of mines to the immediate north of the Project, and in the Revenge area on Lake Lefroy. The Defiance Dolerite and the Kapai Slate Formation are considered as favourable traps for gold mineralisation where they are intersected by structures.

Work completed by the Company has identified a greater than 0.5 g/t gold anomaly in rock chip samples over a strike length of more than 90 m at the Jubilation prospect (including eight samples collected over a strike length of 55 m of over 1.0 g/t gold) as well as spot high gold results recorded in the Lunnon Sediment in the stratigraphic footwall of the main nickeliferous contact.

TORQUATA AND OTHERS

The Torquata prospect was discovered and defined in the late 1980s by WMC. At the time, with the prevailing gold price, it was determined that it did not warrant further investigation. Subsequently a tailing storage facility (TSF) was constructed over the prospect. The tailings above the prospect have been progressively removed for use in Gold Fields' gold operations as cemented paste fill after underground mining with approximately 10 m of tailings remaining above the prospect location.

LUNNON SEDIMENT

Surface mapping, combined with drillhole pierce points, within the project area has identified at least 5 km of strike of the Lunnon Sediment. This unit is a metamorphosed pyritic sedimentary rock horizon interpreted to have been deposited during the break in volcanic deposition between the upper and lower members of the Lunnon Basalt. This iron-rich sulphidic unit has been recorded within 80 to 100 m to the immediate east of the Foster mine decline, where that stratigraphic position has been exposed by mining or predominantly underground diamond drilling.

In September 2018, Karora Resources Inc (Karora) reported a new high-grade gold discovery at its Beta Hunt mine (the Father's Day Vein) located approximately 20 km to the northwest of the Project. On 20 September 2018, Karora further reported that an estimated 27,000 ounces had been produced from development of the high-grade vein on the 15 level at the Beta Hunt mine.

The Lunnon Sediment is a regional marker horizon within the Lunnon Basalt Formation. This position within the stratigraphic record at Kambalda/St Ives has historically rarely been tested by drilling with nearly all drilling terminated once it had intersected the target nickel mineralisation horizon at the contact of the Lunnon Basalt with the overlying ultramafic rocks.

It is unknown if the Lunnon Sediment hosts any gold mineralisation within the Project area, however, the Company has rock chip sampled the sediment in surface outcrop during pre-IPO mapping campaigns under the JVA and returned maximum assays including:

- 0.65 g/t gold and 1.7 g/t silver (ACH 25590)
- 1.51 g/t gold and 2.0 g/t silver (ACH 25593)
- 1.92 g/t gold and 1.6 g/t silver (ACH 25569)
- 0.91 g/t gold and 1.9 g/t silver (ACH 25902).

Given the recent discovery at Beta Hunt and the gold endowment surrounding the Company's tenure, the presence of the Lunnon Sediment as a potential host rock for gold is considered to present a compelling gold exploration target.

3.9. ENVIRONMENTAL

The Option and JVA details the responsibility for existing environmental and rehabilitation liability, which generally sit with Gold Fields. Any disturbance caused by future Lunnon Metals activities sit with Lunnon Metals. The Mineral Rehabilitation Fund (MRF) levy for the Project area is currently \$65,000. Most of the fee is generated by the presence of the old St Ives' tailing storage facility on the Project's southern boundary and the presence of the heap leach pads and dumps at the very northern edge of the Project area. These structures are classed as separate obligations for Gold Fields but Lunnon Metals is responsible under contract for the payment of the total MRF. The actual underlying rehabilitation liability remains with Gold Fields.

3.9.1. PERMITS

Gold Fields holds a groundwater abstraction licence (GWL 62505(8)6) associated with their mining activities in the Lake Lefroy area that includes the Foster tenements, valid from 2014 to 2024, which permits the extraction and discharge for mining and mine related purposes of 30 GL per year.

The discharge of hypersaline mine drainage water from both land-based mines, such as the Foster shaft, and Gold Fields' mines on Lake Lefroy itself, is covered by a Ministerial Statement (MS879) issued under the Environmental Protection Act 1986. The MS was the subject of a Public Environmental Review triggered by Gold Fields' development and rehabilitation programme proposals for Lake Lefroy mining and associated activities. The MS also permits 30 GL per annum discharge of mine water into Lake Lefroy.

Should dewatering activities be required in conjunction with a decision to recommence mining operations at Foster or elsewhere then, in light of the transfer of the tenements to Lunnon Metals from Gold Fields, it may be necessary to seek an amendment to the provisions of the MS879. However, the current Prescribed Premises Permit has already been varied and approved enabling dewatering to commence if required.

It is likely that no clearing permits would be required for future activities as there would only be minimal clearing of native vegetation which would take place on previously disturbed ground. This degree of clearance would likely fall under the 'clearing to maintain existing cleared areas around infrastructure etc' category within Schedule 2 of the Environmental Protection (Clearing of Native Vegetation) Regulations 2004.

4. WORK PROGRAMME

Lunnon Metals has developed an exploration budget for a subscription of \$15.0 M which is summarised in Table 4.1. The majority of the exploration budget is allotted to nickel exploration (59%) with further funds allocated to initiating a plan to dewater and re-enter the existing underground workings for exploration purposes (9%) and gold exploration (6%).

Table 4.1 Proposed work programme budget - A\$15 M raise (source: Lunnon Metals)

Item	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Exploration/site costs			
Nickel exploration	4.30	4.50	8.8
Gold exploration	0.60	0.30	0.9
Re-establish site/initiate dewatering	0.90	0.50	1.4
Administration/other			
Insurances/duty	1.20	1.20	2.4
Expenses of offer	0.38	0.08	0.5
	1.00	0	1.0
Total	8.38	6.58	15.0

At Cooee Gap, the Company plans to apply a 2D seismic survey technique to attempt to identify any structurally related anomalous geometries on the ultramafic-basalt contact to provide a potential vector towards nickel trough mineralisation. Subject to the success of the 2D seismic survey, the Company may consider more aerially extensive 3D seismic surveys over the entirety of the immediate Jan and East Cooee locations to more accurately define structures and possible nickel mineralised positions worthy of diamond drill testing.

The identified nickel targets together with conceptual targets generated via the surface geophysical techniques will be targeted through extensive drilling. Surface exploration activities will use a combination of RC and diamond drilling methods depending on the target depth below surface.

Subject to the outcome of these initial drillholes, near surface targets will then receive both follow up, closer spaced RC drilling to define potential nickel Mineral Resources coupled with diamond drilling to ensure both structural, metallurgical and geotechnical data are collected to assist the future analysis and reporting of any discovered nickel mineralisation. The company also plans that a significant proportion of these drillholes will undergo down hole transient electro-magnetic surveys (DHTEM).

Any future deeper targets will undergo follow up diamond drilling, typically via the drilling of wedge holes from the original parent hole. The Company plans to use DHTEM prior to completing the wedge holes to identify any near or off hole geophysical anomalism and better orient and focus the drilling of these wedge holes.

Optiro also notes that the Project is host to an extensive diamond drill inventory of over some 350 km of previous WMC drilling. Little to none of this past drilling underwent DHTEM surveys and the Company will prioritise the location, clean out, re-entry and survey of available, strategically located drillholes to maximise the information available to complement their planned drilling programme.

Optiro has reviewed the proposed two-year budget and it is considered appropriate and reasonable for the mineralisation styles within the projects and the stage of exploration. The proposed exploration budget for the minimum raising exceeds the minimum required expenditure commitment for the Project.

5. DECLARATIONS BY OPTIRO

5.1. INDEPENDENCE

Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk

assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects across a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes and in compliance with ASIC Regulatory Guide 112. The authors and reviewer do not hold any interest in Lunnon Metals, their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report. Optiro will charge Lunnon Metals fees of approximately A\$26,000 for the preparation of this report. Optiro has not had any material prior association with either Lunnon Metals or the mineral assets being assessed.

5.2. QUALIFICATIONS

The principal person responsible for the preparation of this Report, and Competent Person, is Mr Jason Froud (Principal). Mr Ian Glacken (Director and Principal) contributed to this report and this report was reviewed by Mrs Christine Standing (Principal). Mr Froud, Mr Glacken and Mrs Christine Standing are all employed by Optiro.

Mr Jason Froud [BSc (Hons) Geology, Grad Dip (Fin Mkts), MAIG] is a geologist with over 25 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

Mr Ian Glacken [BSc (Hons) Geology, MSc (Mining Geology), MSc (Geostatistics), FAusIMM (CP), FAIG, CEng, DIC] is a mining geologist and geostatistician with over 35 years' worldwide experience. His early experience was gained in the Kambalda region as a nickel and gold mine and resource geologist with WMC Resources, including exploration work on the KNP area. He has made underground inspections at both the Foster and Jan shoots, and has many years of experience in the estimation of nickel sulphide deposits at Kambalda and elsewhere in the world. He held the position of Group Resources and Reserves Manager for the Nickel Division assets of WMC, covering all of the projects described above.

Mrs Christine Standing [BSc (Hons) Geology, MSc (Min Econs), MAusIMM, MAIG] is a geologist with over 35 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 30 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and Competent Persons' reporting on worldwide projects for a range of commodities. She has acted as a Qualified Person and Competent Person for gold, silver, copper, mineral sands, nickel, chromium, lithium and PGEs.

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7. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
abbreviations	Ft – foot, g/t – grams per tonne, ha – hectare, JV - joint venture, km – kilometre, km ² – square kilometre, kt – thousand tonnes, m – metre, m ³ – cubic metres, M – million, Ma – million years ago, Mt – million tonnes, Moz – million ounces, oz – ounce, % - percentage, ppm – parts per million, t – tonnes.
chemical elements	Ag - silver, Au - gold, Cu – copper, Fe - iron, Mg - magnesium, Ni - nickel.
albite	An alkali feldspar mineral. It is the sodium end member of the plagioclase solid solution series.
alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
amphibolite	A rock composed largely of amphibole and other similar minerals
amphibolite facies	Moderate to high temperature and low pressure regional metamorphic facies. Characterised by the presence of amphibole.
anticline	A fold shaped like an arch.
Archaean	Era of the geological time scale within the Precambrian aeon containing rocks greater than 2,500 Ma.
argillite	A compact rock, derived from either mudstone or shale that has undergone a higher degree of induration but is less clearly laminated than slate.
basalt	A fine-grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
breccia	A detrital sedimentary rock composed of poorly sorted fragments which are all angular to sub-angular in shape, and have a particle size of greater than 2 mm.
bulk density	A property of particulate materials. It is the mass of many particles of the material divided by the volume they occupy. The volume includes the space between particles as well as the space inside the pores of individual particles.
Cambrian	First geological period of the Palaeozoic Era. The Cambrian lasted from 541 Ma to the beginning of the Ordovician Period at 485 Ma.
chalcopryite	A copper ore (CuFeS ₂).
chert	A very fine-grained sedimentary rock composed of silica.
classification	A system for reporting Mineral Resources and Ore Reserves according to a number of accepted Codes.
complex	A unit of rocks composed of rocks of two or three metamorphic, igneous or sedimentary rock types.
compositing	The process of combining drillhole assay grades into even sample intervals to provide an even representation of sample grades and eliminate bias due to sample length.
cut-off grade	The grade that differentiates between mineralised material that is economic to mine and material that is not.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
dilution	Waste mined as ore.
dolerite	Basaltic rocks which are comparatively coarse grained.
domain	A homogenous zone within a mineral deposit consisting of a single grade population, orientation of mineralisation and geological texture.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.
felsic	Silicate minerals, magmas, and rocks which are enriched in the lighter elements such as silica, oxygen, aluminium, sodium, and potassium.
footwall	The underlying side of a fault, orebody or mine workings.
formation	A defined interval of strata, often comprising similar rock types.
gabbro	A dark, coarse-grained, intrusive igneous rock chemically equivalent to basalt.
geophysical survey	A survey that measures the physical properties of rock formations, commonly magnetism, specific gravity, electrical conductivity and radioactivity.
gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. Gneissic rocks are coarsely foliated and largely recrystallised.
gossanous (rocks)	Gossanous rocks are intensively oxidised and weathered and usually represent the upper and exposed part of an ore deposit or mineral vein. They are enriched in iron containing iron oxides such as goethite and limonite.
granite	A coarse grained intrusive felsic igneous rock.
greenschist facies	Assemblage of minerals formed during regional metamorphism.
greenstone belt	Greenstone belts are zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.
hangingwall	The overlying side of a fault, orebody or mine workings.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are

Term	Explanation
	too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2012)
intercept	Mineralised intersection in a drillhole.
intrusive	A rock formed when magma cools slowly below the Earth's surface.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
komatiite	Ultramafic mantle-derived volcanic rocks. They have low SiO ₂ , low K ₂ O, low Al ₂ O ₃ , and high to extremely high MgO. Komatiites occur with other ultramafic and high-magnesian mafic volcanic rocks in Archean greenstone belts.
lamprophyre	Ultrapotassic mafic igneous rocks which have primary mineralogy consisting of amphibole or biotite, and with feldspar in the groundmass.
mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
magnetite	An iron oxide mineral, Fe ₃ O ₄ .
Measured Mineral Resource	'A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.' (JORC 2012)
metamorphism	Alteration of the minerals, texture and composition of a rock caused by exposure to heat, pressure and chemical actions.
millerite	A nickel sulphide mineral (NiS).
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
modifying factors	Factors affecting extraction which are taken into consideration and applied to Indicated and Measured Mineral Resources to produce Ore Reserves. The factors include mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations.
Ordinary Kriging	A geostatistical estimation method which relies upon a model of spatial continuity as defined in a variogram.
pentlandite	An iron-nickel sulphide, (Fe,Ni) ₉ S ₈
peridotite	a dense, coarse-grained ultramafic rock, consisting mostly of the minerals olivine and pyroxene.
phyllite	A type of foliated metamorphic rock primarily composed of quartz, sericite mica, and chlorite.
plunge	The inclination of a fold axis or other linear structure measured in the vertical plane.
porphyry	A variety of igneous rock consisting of large-grained crystals, such as feldspar or quartz, dispersed in a fine grained feldspathic matrix or groundmass.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1,000 – 2,500 Ma.
pyrite	Iron disulphide, (FeS ₂).
pyrrhotite	An iron sulphide mineral (FeS)
quartz	Crystalline silica (SiO ₂).
regolith	Loose unconsolidated rock that sits atop a layer of bedrock
reverse circulation drilling	Drilling method that uses compressed air and a hammer bit to produce rock chips.
rhyolite	A pale fine-grained volcanic rock of granitic composition, typically porphyritic in texture
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
shale	A detrital sedimentary rock composed of clay minerals with a well-marked bedding plane usually due to the alignment of the clay minerals.
silica	Most commonly quartz (SiO ₂).
sill	A concordant intrusive sheet of igneous rock
slate	A hard platy rock, formed by the action of pressure on shales.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
sphalerite	The main ore mineral of zinc, (Zn,Fe)S.
stratigraphy	The study of stratified rocks, their timing, characteristics and correlations in different locations.
strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
sulphide	Minerals consisting of a chemical combination of sulphur with a metal. Also refers to fresh or unoxidised material.
tailings storage facility	A dam constructed to contain milled waste from a process plant.

Term	Explanation
top-cut	A process that reduces the effect of isolated (and possible unrepresentative) outlier assay values on the estimation.
ultramafic	Igneous rocks with very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium and are composed of usually greater than 90% mafic minerals.
VALMIN Code	The Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets. It is a companion to the JORC Code.
vein	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints, or faults.
volcanic	An igneous rock of volcanic origin.
volcano-sedimentary sequence	A stratigraphic sequence comprised of volcanic and sedimentary units in vertical succession, usually formed in tectonic rift environments.
weathering	The process by which rocks are broken down and decomposed by the action of wind, rain, changes in temperature, plants and bacteria.

Appendix A KNP project drilling collars (nickel)

Tenure	Area	Diamond (Surface)		Diamond (UG)		RC Percussion		Air Core		OTHER		Total	
		No. of Holes	Holes w/ Ni≥1.0%	No. of Holes	Holes w/ Ni≥1.0%	No. of Holes	Holes w/ Ni≥1.0%	No. of Holes	Holes w/ Ni≥1.0%	No. of Holes	Holes w/ Ni≥1.0%	No. of Holes	Holes w/ Ni≥1.0%
Western Mining Corporation (1967-2001)	JAN	229	94	489	310	27	2	1	-	-	-	746	406
	85H	38	36	117	111	2	-	-	-	240	234	397	381
	ECO	149	32	-	-	66	-	22	-	-	-	237	32
	FSO	29	14	-	-	8	-	-	-	-	-	37	14
	WRN	119	39	31	17	16	-	-	-	4	-	170	56
	M15/1546	42	-	-	-	181	-	84	-	1	-	308	-
	M15/1548	-	-	-	-	11	-	30	-	-	-	41	-
	M15/1549	75	18	407	239	95	-	14	-	35	34	626	291
	M15/1550	7	-	-	-	3	-	14	-	-	-	24	-
	M15/1551	1	-	-	-	8	-	6	-	-	-	15	-
	M15/1553	24	3	5	-	2	-	29	-	-	-	60	3
	M15/1556	26	-	-	-	1	-	5	-	-	-	32	-
	M15/1557	1	-	-	-	39	-	47	-	-	-	87	-
	M15/1559	38	-	-	-	42	-	9	-	-	-	89	-
	M15/1568	2	-	-	-	-	-	-	-	-	-	2	-
	M15/1570	8	-	3	-	25	-	11	-	-	-	47	-
	M15/1571	50	20	214	138	22	2	6	-	-	-	292	160
	M15/1572	11	-	-	-	3	-	6	-	-	-	20	-
	M15/1573	28	6	185	135	34	-	15	-	6	5	268	146
	M15/1575	1	-	-	-	8	-	39	-	-	-	48	-
	M15/1576	89	5	-	-	55	-	7	-	-	-	151	5
	M15/1577	40	2	-	-	43	-	7	-	-	-	90	2
	M15/1590	17	-	-	-	16	-	106	-	-	-	139	-
	M15/1592	26	-	-	-	148	-	80	-	-	-	254	-
	Total	1050	269	1451	950	855	4	538	-	286	273	4,180	1,496
Gold Fields (2001-2021)	JAN	-	-	-	-	-	-	2	-	-	-	2	-
	85H	-	-	-	-	-	-	-	-	-	-	-	-
	ECO	-	-	-	-	-	-	47	-	-	-	47	-
	FSO	3	-	-	-	-	-	-	-	-	-	3	-
	WRN	-	-	-	-	1	-	-	-	-	-	1	-
	M15/1546	11	-	-	-	210	-	121	-	234	-	576	-
	M15/1548	-	-	-	-	2	-	22	-	-	-	24	-
	M15/1549	-	-	-	-	16	-	53	-	-	-	69	-
	M15/1550	-	-	-	-	1	-	51	-	-	-	52	-
	M15/1551	-	-	-	-	-	-	24	-	-	-	24	-
	M15/1553	1	-	-	-	21	-	54	-	-	-	76	-
	M15/1556	-	-	-	-	-	-	51	-	-	-	51	-
	M15/1557	-	-	-	-	-	-	13	-	-	-	13	-
	M15/1559	-	-	-	-	-	-	76	-	-	-	76	-
	M15/1568	-	-	-	-	22	-	2	-	-	-	24	-
	M15/1570	-	-	-	-	-	-	12	-	-	-	12	-
	M15/1571	-	-	-	-	-	-	43	-	-	-	43	-
	M15/1572	8	-	-	-	-	-	57	-	-	-	65	-
	M15/1573	-	-	-	-	-	-	43	-	-	-	43	-
	M15/1575	-	-	-	-	33	-	86	-	-	-	119	-
	M15/1576	1	-	-	-	27	-	40	-	-	-	68	-
	M15/1577	-	-	-	-	-	-	52	-	-	-	52	-
	M15/1590	1	-	-	-	4	-	62	-	-	-	67	-
	M15/1592	-	-	-	-	63	-	8	-	23	-	94	-
	Total	25	-	-	-	400	-	919	-	257	-	1,601	-
Grand Total		1075	269	1451	950	1255	4	1457	-	543	273	5,781	1,496

Notes:

- Nickel drillholes with significant assays: number of holes containing at least one assay value greater than or equal to 1.0% nickel versus total number of holes in the database (i.e., there are 5,781 holes in the database including the Excluded Areas of which 1,496 holes contain assay values greater than or equal to 1.0% Ni).
- JAN is within M15/1556 and M15/1559.
- 85H is within M15/1571, M15/1573, M15/1575, M15/1549, and M15/1553 and refers to holes only that intersect the modelled lode.
- ECO (East Coee) is within M15/1548 and M15/1551.
- FSO (Foster South) is within M15/1553 and M15/1576.
- WRN (Warren) is within M15/151568, M15/1570 and M15/1571.
- Foster nickel mine is located on M15/1571, M15/1573, M15/1549, and M15/1553.
- "Other" drill types include Face Samples.

Appendix B KNP significant drilling results (nickel)

Tenure	Area	Number of Assay Values $\geq 1.0\%$ Ni					
		Diamond (Surface)	Diamond (UG)	RC Percussion	Air Core	Other	Total
Western Mining Corporation (1967-2001)	JAN	712	1,229	4	-	-	1,945
	85H	354	739	-	-	502	1,595
	ECO	76	-	-	-	-	76
	FSO	94	-	-	-	-	94
	WRN	180	70	-	-	-	250
	M15/1546	-	-	-	-	-	-
	M15/1548	-	-	-	-	-	-
	M15/1549	139	1,804	-	-	79	2,022
	M15/1550	-	-	-	-	-	-
	M15/1551	-	-	-	-	-	-
	M15/1553	10	-	-	-	-	10
	M15/1556	-	-	-	-	-	-
	M15/1557	-	-	-	-	-	-
	M15/1559	-	-	-	-	-	-
	M15/1568	-	-	-	-	-	-
	M15/1570	-	-	-	-	-	-
	M15/1571	85	641	3	-	-	729
	M15/1572	-	-	-	-	-	-
	M15/1573	32	728	-	-	5	765
	M15/1575	-	-	-	-	-	-
	M15/1576	9	-	-	-	-	9
	M15/1577	2	-	-	-	-	2
	M15/1590	-	-	-	-	-	-
	M15/1592	-	-	-	-	-	-
	Total	1,693	5,211	7	-	586	7,497
Gold Fields (2001-2021)	JAN	-	-	-	-	-	-
	85H	-	-	-	-	-	-
	ECO	-	-	-	-	-	-
	FSO	-	-	-	-	-	-
	WRN	-	-	-	-	-	-
	M15/1546	-	-	-	-	-	-
	M15/1548	-	-	-	-	-	-
	M15/1549	-	-	-	-	-	-
	M15/1550	-	-	-	-	-	-
	M15/1551	-	-	-	-	-	-
	M15/1553	-	-	-	-	-	-
	M15/1556	-	-	-	-	-	-
	M15/1557	-	-	-	-	-	-
	M15/1559	-	-	-	-	-	-
	M15/1568	-	-	-	-	-	-
	M15/1570	-	-	-	-	-	-
	M15/1571	-	-	-	-	-	-
	M15/1572	-	-	-	-	-	-
	M15/1573	-	-	-	-	-	-
	M15/1575	-	-	-	-	-	-
	M15/1576	-	-	-	-	-	-
	M15/1577	-	-	-	-	-	-
	M15/1590	-	-	-	-	-	-
	M15/1592	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Grand Total		1,693	5,211	7	-	586	7,497

Notes:

- Number of nickel assay values greater than or equal to 1.0% in the database (i.e., there are a total of 7,497 assay values in the database greater than or equal to 1.0%).
- Based on historical database.
- Excludes assays in the excluded areas.
- Lease M15/1546 is an excluded area lease.
- M15/1548 and M15/1592 are both majority excluded area leases.
- OTHER - Underground face samples predominantly

Appendix C KNP project drilling collars (gold)

Tenure	Area	Diamond (Surface)		Diamond (UG)		RC Percussion		Air Core		OTHER		Total	
		No. of Holes	Holes w/ Au≥1.0 ppm	No. of Holes	Holes w/ Au≥1.0 ppm	No. of Holes	Holes w/ Au≥1.0 ppm	No. of Holes	Holes w/ Au≥1.0 ppm	No. of Holes	Holes w/ Au≥1.0 ppm	No. of Holes	Holes w/ Au≥1.0 ppm
Western Mining Corporation (1967-2001)	M15/1546	-	-	-	-	-	-	-	-	-	-	-	-
	M15/1548	49	-	-	-	28	-	5	-	-	-	82	-
	M15/1549	100	2	474	5	95	4	14	1	269	-	952	12
	M15/1550	7	-	-	-	3	-	14	-	-	-	24	-
	M15/1551	58	2	-	-	17	-	6	-	-	-	81	2
	M15/1553	49	5	5	-	6	2	29	2	-	-	89	9
	M15/1556	212	1	333	-	23	-	6	-	-	-	574	1
	M15/1557	1	-	-	-	31	1	46	-	-	-	78	1
	M15/1559	81	8	156	-	47	24	9	-	-	-	293	32
	M15/1568	54	4	-	-	7	-	-	-	-	-	61	4
	M15/1570	66	3	34	1	34	1	11	-	4	-	149	5
	M15/1571	62	3	220	1	23	-	6	-	-	-	311	4
	M15/1572	11	5	-	-	3	-	6	-	-	-	20	5
	M15/1573	38	-	229	2	35	-	15	2	12	-	329	4
	M15/1575	1	-	-	-	8	-	39	1	-	-	48	1
	M15/1576	93	6	-	-	59	17	7	-	-	-	159	23
	M15/1577	40	3	-	-	43	1	7	-	-	-	90	4
	M15/1590	17	2	-	-	16	8	90	7	-	-	123	17
	M15/1592	3	-	-	-	16	5	24	-	-	-	43	5
Total		942	44	1,451	9	494	63	334	13	285	-	3,506	129
Gold Fields (2001-2021)	M15/1546*	-	-	-	-	-	-	-	-	-	-	-	-
	M15/1548	-	-	-	-	-	-	9	-	-	-	9	-
	M15/1549	-	-	-	-	16	8	53	-	-	-	69	8
	M15/1550	-	-	-	-	1	-	51	-	-	-	52	-
	M15/1551	-	-	-	-	-	-	55	-	-	-	55	-
	M15/1553	1	-	-	-	21	7	54	4	-	-	76	11
	M15/1556	-	-	-	-	-	-	53	-	-	-	53	-
	M15/1557	-	-	-	-	-	-	13	-	-	-	13	-
	M15/1559	-	-	-	-	-	-	76	5	-	-	76	5
	M15/1568	-	-	-	-	23	1	2	-	-	-	25	1
	M15/1570	-	-	-	-	-	-	12	-	-	-	12	-
	M15/1571	-	-	-	-	-	-	43	-	-	-	43	-
	M15/1572	8	6	-	-	-	-	57	-	-	-	65	6
	M15/1573	-	-	-	-	-	-	43	1	-	-	43	1
	M15/1575	-	-	-	-	33	12	86	4	-	-	119	16
	M15/1576	4	-	-	-	27	14	40	5	-	-	71	19
	M15/1577	-	-	-	-	-	-	52	-	-	-	52	-
	M15/1590	1	1	-	-	4	4	62	-	-	-	67	5
	M15/1592	-	-	-	-	3	-	7	-	-	-	10	-
Total		14	7	-	-	128	46	768	19	-	-	910	72
Grand Total		956	51	1,451	9	622	109	1,102	32	285	-	4,416	201

Notes:

- Number of holes containing at least one assay value greater than or equal to 1.0 ppm gold versus total number of holes in the database (i.e., there are 4,416 holes in the database outside the excluded areas of which 201 holes contain assay values greater than or equal to 1.0 ppm gold).
- Excludes holes and assays in the excluded areas.
- Lease M15/1546 is an excluded area lease.
- M15/1548 and M15/1592 are both majority excluded area leases.
- Other drill types include face samples.

Appendix D KNP significant drilling results (gold)

Tenure	Area	Number of Assay Values $\geq 1.0\text{ppm Au}$				
		Diamond (Surface)	Diamond (UG)	RC Percussion	Air Core	Total
Western Mining Corporation (1967-2001)	M15/1546	-	-	-	-	-
	M15/1548	-	-	-	-	-
	M15/1549	5	7	7	1	20
	M15/1550	-	-	-	-	-
	M15/1551	2	-	-	-	2
	M15/1553	8	-	2	2	12
	M15/1556	1	-	-	-	1
	M15/1557	-	-	1	-	1
	M15/1559	32	-	100	-	132
	M15/1568	6	-	-	-	6
	M15/1570	3	2	1	-	6
	M15/1571	4	3	-	-	7
	M15/1572	31	-	-	-	31
	M15/1573	-	2	-	4	6
	M15/1575	-	-	-	1	1
	M15/1576	6	-	32	-	38
	M15/1577	4	-	1	-	5
	M15/1590	3	-	16	8	27
	M15/1592	-	-	9	-	9
	Total	105	14	169	16	304
Gold Fields (2001-2021)	M15/1546	-	-	-	-	-
	M15/1548	-	-	-	-	-
	M15/1549	1	1	34	-	36
	M15/1550	-	-	-	-	-
	M15/1551	-	-	-	-	-
	M15/1553	-	-	9	4	13
	M15/1556	-	3	-	-	3
	M15/1557	-	-	-	-	-
	M15/1559	-	-	-	7	7
	M15/1568	-	-	1	-	1
	M15/1570	-	-	-	-	-
	M15/1571	-	-	-	-	-
	M15/1572	12	-	-	-	12
	M15/1573	-	2	-	1	3
	M15/1575	-	-	17	6	23
	M15/1576	1	-	29	5	35
	M15/1577	-	-	-	-	-
	M15/1590	5	-	15	-	20
	M15/1592	-	-	-	-	-
	Total	19	6	105	23	153
Grand Total		124	20	274	39	457

Notes:

- Number of gold assay values greater than or equal to 1.0 ppm in the database (i.e., there are a total of 449 assay values in the database greater than or equal to 1.0 ppm gold outside the Excluded Areas).
- Based on historical database.
- Excludes assays in the excluded areas.
- Lease M15/1546 is an Excluded Area lease.
- M15/1548 and M15/1592 are both majority Excluded Area leases.

Appendix E JORC Code Table 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	<ul style="list-style-type: none"> Sampling procedures followed by Western Mining Corporation Ltd (WMC) in the drilling, retrieval, and storage of diamond drill core both surface and underground are considered to be in line with industry standards at the time (1966 to 1994). The drill core was typically collected in steel core trays of 1 m lengths comprising five to seven compartments depending on drill core diameter. The core trays were 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 demarcating the depth meterage of rod pull breaks. The drillhole number and the 'from' and 'to' depth of the contained drill core was labelled on the front of the core tray. The earlier drilling was collected in wooden, and hybrid wooden/steel core trays.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	
	<i>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.</i>	
Drilling techniques	<i>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.).</i>	<ul style="list-style-type: none"> The Mineral Resource estimates ('MRE') completed by Lunnon Metals Limited ('Lunnon Metals') utilised a combination of surface diamond NQ and BQ size drill core and underground BQ size diamond drill core. Pre-collars to the surface diamond drillholes are typically PQ and HQ size and occasionally comprised reverse circulation percussion ('RC') drilling techniques. The pre-collars are not typically mineralised. 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. None of the diamond drill core was oriented. <p>85H</p> <ul style="list-style-type: none"> The vast majority of diamond drilling utilised in constructing the MRE comprised underground diamond drilling. Drilling included both up hole and downhole, retrieving BQ diameter drill core. Surface diamond drilling of both NQ and BQ size drill core was also used in MRE.

Criteria	JORC Code explanation	Commentary
		<p><i>Foster South</i></p> <ul style="list-style-type: none"> All diamond drilling utilised in constructing the MRE comprised surface diamond drilling producing NQ size drill core. <p><i>Warren Shoot</i></p> <ul style="list-style-type: none"> The Warren MRE utilised a combination of surface diamond NQ size drill core and underground BQ size drill core. Although minor RC drillholes were used to help create the 3D geological model no RC drill samples were used in the estimation process.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<ul style="list-style-type: none"> There are no available records for sample recovery for diamond drilling completed by WMC; however, the re-logging exercise completed by Lunnon Metals of both underground and surface diamond drillholes between 2017 and 2021 found that on average drill recovery was very good and acceptable by industry standards. There is no relationship between grade and core loss.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	
	<i>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.</i>	
Logging	<i>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.</i>	<ul style="list-style-type: none"> There is no available documentation describing the logging procedures employed by WMC geologists at the Foster nickel mine; however, the historical graphical hardcopy logs available for the project are of high quality and contain significant detail with logging intervals down to as narrow as 0.01 m. 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 plan and cross sections of an older vintage and which was converted by WMC to the latter 5 character code at some later point). 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. 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. Based on the personal experience of the Competent Persons to this report, having worked for WMC in Kambalda between 1987 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. Lunnon Metals sourced historical underground diamond core from the St Ives Kambalda core yard on Durkin Road. A selection of high priority drillholes was identified based on proximity to the proposed areas of interest. A representative number of holes were re-logged to validate lithological and structural information whilst a lesser number of holes were logged for geotechnical data such as rock quality designation ('RQD'), fracture count assessment and core recovery. As part of the assessment all ore zones and hangingwall core trays retrieved were photographed for ready referencing.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	
	<i>The total length and percentage of the relevant intersections logged.</i>	

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<ul style="list-style-type: none"> All historical core that was relevant to the mineralisation drilled and sampled by WMC as sighted by Lunnon Metals were sawn with half or quarter core sampling practices. It is assumed that all samples contributing to the MRE were prepared with this standard methodology. Portions of drill core distal to the main high-grade mineralisation were sometimes 'chip sampled'. None of these such samples have been used in the grade estimation process. WMC typically sampled in interval lengths relevant to the underlying lithology and mineralisation such that sample interval lengths associated with the MRE's varied from between minima of 0.05 m and maxima up to 2.00 m within the modelled lodes or shoots. Intervals of no mineralisation or interest were not sampled. Review of historical drill core during re-logging and re-sampling 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. While the WMC procedure for logging, sampling, assaying and QAQC of drillhole programs were not available at the time of this report it is understood that it was of high quality and in line with industry standards at that time. It is the opinion of the Competent Persons that the sample preparation, security, and analytical procedures pertaining to the above-mentioned historical WMC drilling are adequate and fit for purpose based on: <ul style="list-style-type: none"> WMC's reputation of excellence in geoscience stemming from their discovery of nickel sulphides in Kambalda in the late 1960s; identification of procedures entitled WMC QAQC Practices for Sampling and Analysis, Version 2 - adapted for St Ives Gold in February 2001 and which includes practices for nickel; and the first-hand knowledge and experience of the CPs of this report whilst working for WMC at Kambalda between 1987 and 2001. The re-sampling programme undertaken by Lunnon Metals as part of the MRE was done so using industry standard practices relating to duplicate sampling of half core drilling described below. The main purposes for employing quality control measures during the Lunnon Metals re-sampling programme was to avoid issues of duplicate sample numbers, sample numbers being mismatched with sample interval information, and to address the lack of previous documented QAQC results from the original WMC work. To avoid these issues in the drill core re-sampling programme completed by Lunnon Metals the following methodology was employed: <ul style="list-style-type: none"> the historical drill core was check logged against the original graphical drill logs and the database sample interval information was validated against the observed sampled ½ or ¼ core and depth interval marks where present; the drill core was re-measured from the first core tray retrieved to the last using a steel tape measure to access the accuracy of core tray depth labels and logging and sample intervals depths; and intervals for re-sampling corresponding to existing historical sample intervals were then recorded in a sample register which also listed details including but not limited to drillhole ID, from and to metre
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	
	<i>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.</i>	
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	

Criteria	JORC Code explanation	Commentary
		<p>intervals, core diameter, historical assay values and former sample numbers.</p> <ul style="list-style-type: none"> Commercially available sample ticket books were purchased to ensure unique sample numbers were used for re-sampling. A sample number column in the sample register was populated with unique and unused numbers from the ticket books (i.e., tickets still intact). The sample register included regularly inserted Certified Reference Material (CRM) standards into strings of sample numbers. Calico sample bags were then pre-marked to match the unique sample numbers in the sample register and an 'ACH' prefix added to denote ownership by Lunnon Metals. The physical process of collecting the second ½ or ¼ core of the drill core was completed by the Lunnon Metals Field Services Superintendent under the direct supervision of the Lunnon Metals Exploration Manager to cross check that sample bag numbers matched the drill core sample interval on the sample register. All calico bags with inserted core sample material were left in place on the drilling core trays until the end of the process at which time the samples were each weighed to provide an approximate weight to the laboratory. The sample tickets were then removed from the sample ticket books and inserted into the corresponding numbered sample bag and marked off the sample register. The CRM standard samples were inserted with the corresponding sample ticket into the appropriately numbered calico bags and crossed off the sample register before all sample bags were arranged in number order. The ordered calico bags, including CRM standard samples, were transferred in groups of five to large pre-numbered green plastic bags before sealing closed with a cable tie ready for loading into the secured vehicle for transport to the laboratory. A sample submission form was provided with the samples to the laboratory (as well as emailed) which listed all samples being delivered, approximate weights, and the specific analytical method codes relevant to each sample number. Where necessary a cover letter was also provided to explain the intricacies of the testwork that might be a variation from the norm (e.g. not all samples were to undergo all analyses) and this was stipulated on the sample submission form and summarised in the cover letter.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<ul style="list-style-type: none"> There is no data available at the time of this report 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 at the Foster nickel mine; however, it is expected that industry standards as a minimum were likely to have been adopted at the Foster mine and analytical laboratory considering WMC's reputation for excellence in geosciences. The extensive Lunnon Metals re-sampling programme of historical ½ or ¼ core drill core is assayed at the commercial Intertek laboratories using four-acid digest with ICP-OES or ICP-MS finish. This is considered a near total digest however elements incorporated in high refractory minerals may not be completed digested. This issue does not pertain to the high-grade Kambalda style nickel sulphide mineralisation. CRM standard or blank samples are added to every batch of samples at a rate of approximately 1 in 20 such that total Lunnon Metals QAQC samples make up approximately 5% of all samples assayed. Intertek Laboratories also insert and report the results of CRM samples (standards and control blanks) for each batch of assaying at a rate of between 1 in 10 and 1 in 20 samples, along with internal check assays to assess repeatability. <p>The resultant Lunnon Metals and laboratory QAQC data is reviewed upon receipt and prior to MRE work and the accuracy and precision of the data has been identified as acceptable.</p>
	<i>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.</i>	
	<i>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.</i>	

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p><i>Generic</i></p> <ul style="list-style-type: none"> Diamond core data - Lunnon Metals has undertaken exhaustive analysis of historical WMC underground and surface diamond drilling to inspect and visually validate significant drill assays and intercepts that inform the MRE exercise. Firstly, confirmation is made of the sample ID and visual presentation of the core (to match logged lithology). Then the re-sampling exercise of remaining ½ or ¼ core drill core represents an independent duplicate style of data verification of the original nickel assay results obtained by WMC as stored in the database. The analysis of the duplicate samples is undertaken through the Intertek Genalysis laboratory in Perth using four-acid digest with ICP-OES or ICP-MS finish with appropriate company and laboratory analytical QAQC procedures. No significant anomalies have been identified and the CP is satisfied that the original data is representative of the geology and mineralisation modelled; thus no adjustments to assay data have been deemed necessary or made. No twin holes have been completed to date. No non company personnel (other than in the assay laboratory processes) or alternative company personnel have been involved in the exercise due to the small size of the company and the robustness of the procedures detailed herein. <p><i>85H</i></p> <ul style="list-style-type: none"> Face sampling data - Lunnon Metals has undertaken a comprehensive analysis to validate the use of face sample data in the grade estimation exercise for the 85H surface. This work has demonstrated that although the face data is comprised predominantly of historical visual estimates of the Ni grade, with a subordinate component of rock chip sample data, the visually estimated face data is representative of the location, width and also the grade of the nickel mineralisation as recorded in both the rock chip and the proximal underground diamond drilling data. Each individual face grade (nickel assay and lithological log) is well supported by detailed and high quality continuous underground drive backs mapping as was the standard at WMC at the time. Kambalda style of nickel mineralisation is highly visible from which the nickel grade can be relatively accurately estimated by experienced geologists and a practise that is not uncommon in the nickel mining industry. Lunnon Metals has concluded that the chance of overestimating the nickel resource grade by incorporating the face-grade data is unlikely. The 12 most frequently used visual mineralisation logging codes are on average 3.7% lower in nickel grade than the corresponding drill core assay grades for the same logging codes. This further suggests that no factoring of the face-grade data need be considered and that the data is fit for purpose at the Pre-feasibility (and higher) levels of study accuracy. The only potential anomaly is for data with the visual mineralisation logging code \$46**, the 4th most frequently used face-grade logging code; however, this sub-population only represents around 6% of all the face-grade logged intervals by number and as such has not been adjusted.
	<i>The use of twinned holes.</i>	
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	
	<i>Discuss any adjustment to assay data.</i>	
Location of data points	<i>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.</i>	<p><i>Surface drilling – applies to all MRE</i></p> <ul style="list-style-type: none"> Historical methods of drill collar survey pick-up are not known. The easting, northing and elevation values were originally recorded in local KNO ('Kambalda Nickel Operations') grid and later converted to the currently used

Criteria	JORC Code explanation	Commentary
	<i>Specification of the grid system used.</i>	<p>GDA94/MGA Zone 51 grid. Both the original KNO grid coordinates and the converted coordinates are recoded 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.</p> <ul style="list-style-type: none"> • 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. • No new downhole surveys have been conducted however Lunnon Metals has corrected where necessary incorrect data in the database where down hole measurements from the hardcopy data were incorrectly processed. • No other significant errors or inconsistencies were deemed present or capable of being detrimental to the MRE. <p><i>Underground drilling – pertains to 85H and Warren Shoot</i></p> <ul style="list-style-type: none"> • Although the historical records of collar pick-up and drilling accuracy (collar, downhole surveys) is not uniformly available for underground diamond drilling the location of drill collars relative to underground workings is consistent with the sample points being accurately located in space as provided by the database. The documented collar coordinates and collar dip and azimuth from graphical drill logs have been cross checked with the current digital database figures and shown to be representative. • A representative number of original hardcopy graphic logs from the underground diamond drillholes that inform the 85H MRE were cross checked against the database with respect to collar coordinates, azimuth, dip date, sample intervals and logging codes. Comparison of the positional information between the graphic logs and the database values showed just one discrepancy. • Historical hardcopy mining level plans, cross sections, and longitudinal projects were reviewed to spatially/graphically validate drillhole locations and logging and assays, face-grade data, and underground development drive and stope locations. • There were a small number of obvious discrepancies which were addressed. Any inconsistencies that were not obvious were not deemed to be significant or detrimental to the MRE.
	<i>Quality and adequacy of topographic control.</i>	
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<p><i>Generic</i></p> <ul style="list-style-type: none"> • <u>Surface diamond drilling</u> The typical drill spacing for the early WMC drill traverses is approximately 120 m apart with drillhole spacing along the traverses between 10 m and 80 m (close spacing due to one to four wedge holes from each parent hole). These traverses were sometimes infilled to about 60 m spacing where drillhole depths were less than approximately 450 m. This drill spacing from surface diamond drilling sufficiently delineated the nickel mineralisation to a degree that allowed WMC at the time to commence underground mining from where further close spaced infill underground drilling aimed at defining the dimensions and extent of the various nickel mineralisation shoots and delineate the mining blocks contemplated. • Surface diamond drill coverage extends the full plunge of each of the estimated deposits though for the 85H deposit is most concentrated along the most central and northern portions of the lode plunge. Little surface drilling is
	<i>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</i>	
	<i>Whether sample compositing has been applied.</i>	

Criteria	JORC Code explanation	Commentary
		<p>present in the deeper plunge extents of the Warren Shoot.</p> <p><i>85H & Warren Shoot</i></p> <ul style="list-style-type: none"> <u>Underground diamond drilling</u> The underground diamond drilling spacing is quite variable but is on average spaced at approximately 30 m by 30 m to 20 m by 20 m with infill rarely to about 10 m in areas of added geological complexity. <p><i>85H</i></p> <ul style="list-style-type: none"> <u>Face-grade data</u> Although not a drillhole, the face-grade data has been included in the database as a quasi-drillhole (i.e. collar, dip, azimuth length and logging/assay intervals) and forms a significant source of information for the 85H MRE particularly in the highest value portion. The maximum length of sampled ore development drive is 250 m (9 Level) with a total of 1,300 m over 11 ore drive levels and sublevels. The maximum inter-level distance (down dip) is 45 m between the 9 Level and 10 Level. Typically, the face-grades are about 5 m apart along the ore drives.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<p><i>Generic</i></p> <ul style="list-style-type: none"> The <u>surface diamond drilling</u> comprises predominantly NQ diamond drill core drilled near vertical at the collar and then typically drifting northeast towards the lode surfaces being targeted, drilling from hangingwall to footwall with increasing depth. The intersection angle with the lodes is typically around 50° but may vary depending on local complexity in the ore surfaces. The majority of surface holes were targeting contact style nickel mineralisation, not the 85H hangingwall lode per-se. The underlying ultramafic-basalt contact is host to the more typical Kambalda trough-style massive nickel sulphide mineralisation as estimated in the Warren and Foster South MREs. <u>Underground diamond drilling</u> at Foster was typically collared from the footwall and drilled through the main nickel contact on the Lunnon Basalt - Kambalda Komatiite contact, onwards in the case of the 85H surface into the hangingwall. This was due to the fact that the capital development from where drilling occurred was mined in the more competent footwall Lunnon Basalt. It does not appear that any specific drill drives were developed as dedicated platforms for drilling out the deposit and instead drilling locations took advantage of existing underground infrastructure such as decline and access stockpiles. This is not unusual in the underground mining environment at Kambalda during this mine's life. Drilling was completed on successive levels as mining advanced to optimise the angle of intersection with the ore surface. The intersection angle between drillholes and the mineralised target surfaces, for example, ranged between 20° and 90° but was typically close to 50°. The <u>face-grade</u> channel samples are designed to be almost normal to the 85H lode. Lunnon Metals does not consider that any bias was introduced by the orientation of sampling resulting from either drilling technique of face sampling.
	<i>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.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> There is no documentation available at the time of this report which describes the historical sample handling and submission protocols during the WMC drilling programmes; however, it is assumed that due care was taken with

Criteria	JORC Code explanation	Commentary
		<p>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, St Ives' core farm) and it remains at this location to this present day.</p> <ul style="list-style-type: none"> All drill core retrieved from the core farm and samples collected as part of the Lunnon Metals historical drill core re-sampling programme was done so by the Lunnon Metals Exploration Manager, the Lunnon Metals Site Representative and/or the Lunnon Metals Fields Services Superintendent over a period of time. Once samples had been collected Lunnon Metals staff personally transported the samples on a daily basis in a closed and secure vehicle directly to the Intertek sample preparation facility in Kalgoorlie along with the requisite sample submission forms. Occasionally collected samples remained over night at the core farm in a secure locked room before being transported to Intertek Kalgoorlie.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> Cube Consulting Pty Ltd are independent of Lunnon Metals and were retained to complete the grade estimation for the MREs but also to review and comment on the protocols developed 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 the current JORC standard for the generation and reporting of MREs. Cube has documented no fatal flaws in the work completed by Lunnon Metals in this regard.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p><i>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.</i></p> <p><i>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.</i></p>	<ul style="list-style-type: none"> 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, the company 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. The complete area of contiguous tenements that are the subject of this report is collectively referred to as the Kambalda Nickel Project area. Gold Fields Ltd's wholly owned subsidiary, St Ives Gold Mining Company Pty Ltd (SIGM) is currently the registered holder and the beneficial owner of the Project area. The rights to nickel and gold on the Project area are governed by an Option and Joint Venture Agreement ('JVA') executed between Lunnon Metals and SIGM which in summary grants right to nickel and gold to Lunnon Metals in such a manner and form as if Lunnon Metals were the tenement holder, until such time as the JV farm-in commitments are met at which point the requisite percentage interest (initially 51%) will be transferred to Lunnon Metals. Lunnon Metals and SIGM have subsequently varied the JVA and executed a Sale and Purchase Agreement whereby Lunnon Metals, upon listing on the ASX, shall hold 100% of the rights and title to the Project, its assets and leases, subject to certain select reservations and excluded rights retained by SIGM, principally relating to the right to gold in defined areas and the rights to process any future gold ore mined at their nearby Lefroy Gold Plant. The Project area comprises 19 tenements, each approximately 1,500 m by 800 m in area, which are subject to the

Criteria	JORC Code explanation	Commentary
		<p>JVA and three tenements on which infrastructure may be placed in the future. The Project area tenement numbers are as follows:</p> <p>M15/1546; M15/1548; M15/1549; M15/1550; M15/1551; M15/1553; M15/1556; M15/1557; M15/1559; M15/1568; M15/1570; M15/1571; M15/1572; M15/1573; M15/1575; M15/1576; M15/1577; M15/1590; and M15/1592;</p> <p>and additional infrastructure tenements:</p> <p>M15/1668; M15/1669; and M15/1670.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none"> In relation to nickel mineralisation, WMC, now BHP Billiton Nickel West Pty Ltd and a wholly owned subsidiary of BHP Ltd, 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. SIGM has conducted later gold exploration activities on the Project area since 2001, however until nickel focused work recommenced under Lunnon Metals 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 'daughter' wedge holes, has been completed in total since WMC ownership.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none"> The relevant area is host to typical 'Kambalda' style, komatiitic hosted, nickel sulphide deposits.
Drillhole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drillhole collar</i> <i>elevation or RL (elevation above sea level in metres) of the drillhole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth hole length.</i> 	<ul style="list-style-type: none"> No new drilling has been conducted by Lunnon Metals relating to any nickel exploration activities or nickel MREs reported herein. Historical drilling completed by WMC as recorded in the drilling database and relevant to the reported Lunnon Metals MREs has been verified.
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Composite nickel grades are calculated as the length and density weighted average typically to a 1% Ni cut-off unless otherwise specifically stated. The interval may contain internal waste however the resultant composite must be greater than 1% Ni (or the alternatively stated cut-off grade). As per other Kambalda style nickel sulphide deposits the Lunnon Metals modelled MRE composites include samples of very high nickel grades down to lower grades approaching the 1% Ni cut-off. The sample widths for the different nickel grades can be variable between drillhole intercepts. For example, at the Foster South MRE raw sample interval lengths in the HG lode varied between 0.06 m and 1 m, with the mean sample length of 0.69 m, but the most frequent sample interval was 1 m, therefore 1 m was chosen as the composite length to avoid excessive splitting of samples into multiple composites of the same. A minimum composite size was set to 0.5 m – any 'residual' composites of less than 0.5 m at the lower limit of a lode were 'added' back to the final down hole composite.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> The general strike and dip of the Lunnon Basalt footwall contact and thus the zones of contact nickel sulphides are well defined by drilling and allows for true width calculations to be made regardless of the density or angle of drilling. The same applies to the perched hangingwall mineralisation such as the 85H surface.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Appropriate maps, sections and 3D images are included in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> The historical drill database contains more than 5,000 drillholes and more than 100,000 nickel assays (and more than 145,000 gold assays) and thus summary tables are provided in the report to note: <ul style="list-style-type: none"> nickel drillholes with significant assays i.e. the number of drillholes containing at least one assay value greater than or equal to 1.0% Ni versus total number of holes in the database; number of nickel assay values greater than or equal to 1.0% in the database; number of drillholes containing at least one assay value greater than or equal to 1.0 ppm Au versus total number of holes in the database; and number of gold assay values greater than or equal to 1.0 ppm in the database.
Other substantive exploration data	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> There are no records for any bulk density measurements collected historically by WMC. Since 2017, Lunnon Metals has routinely collected bulk density data during the re-sampling programs of the historical drill core. During the Lunnon Metals re-sampling programmes a 33 element suite was analysed for by four acid digest which includes potentially deleterious elements such as arsenic and MgO for use in ore characterisation and metallurgical studies in the future. No further exploration data relevant to the MRE have been collected at this stage.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> Planned further work is documented in the body of the report. The resources are not closed off down plunge and also have potential for further definition drilling up-plunge. Whilst some testing of these areas can be achieved via surface diamond and/or RC drilling, typically it would be undertaken from underground drill platforms which are yet to be established.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation	Commentary
Database integrity	<p><i>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.</i></p> <p><i>Data validation procedures used.</i></p>	<ul style="list-style-type: none"> The project wide Lunnon Metals Kambalda Nickel Project database ('Lunnon Metals database') is hosted and maintained remotely under contract by Maxwell GeoServices Pty Ltd ('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. The Lunnon Metals database pertaining directly to the Project used in this study continues to be predominantly sourced from the database transferred from SIGM, as per the provisions of the Option and JVA and as such has been deemed in a general sense to be suitable for use in MREs for the Project. 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. 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 Lunnon Metals 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). This new and improved version was the starting point for the update to the MREs for the 85H, Foster South, and Warren and resource models at, or in the vicinity of, the Foster mine. During the MRE process a more thorough validation of those portions of the database pertaining to the MRE areas 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.
Site visits	<p><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></p> <p><i>If no site visits have been undertaken indicate why this is the case</i></p>	<ul style="list-style-type: none"> The CP, the Lunnon Metals Exploration & Geology Manager, has visited the Foster mine site and associated locations hosting data, historical core and historical records, such as the SIGM Administration Building, the Ngadju archive building and SIGM core farm, on numerous occasions for the purposes of conducting surface exploration activities, desktop and hardcopy data retrieval, and review, re-logging and re-sampling of historical drill core.
Geological interpretation	<p><i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></p> <p><i>Nature of the data used and of any assumptions made.</i></p> <p><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></p> <p><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></p> <p><i>The factors affecting continuity both of grade and geology.</i></p>	<ul style="list-style-type: none"> The deposit types are well understood through decades of nickel mining within the Project area and immediate surrounds. No new detailed studies or re-interpretation of the deposit styles were undertaken as part of the MREs, nor are deemed to be required, due to the absence of any new geological data, i.e. no drilling was performed that would change the accepted geological deposit type understanding. Accordingly, the understanding of the deposit styles is taken directly from previous experts and authors in the field. Lunnon Metals has also relied upon numerous personal communications with previous KNO/ WMC Resources Ltd technical staff at the Foster mine during the late 1980s to early 1990s to underpin Lunnon Metals' understanding of the modelled and estimated ore surfaces at the Foster mine in particular. In the case of the Warren and Foster South MREs the mineralisation is closely associated with the contact between the Lunnon Basalt Formation (footwall) and the Kambalda Komatiite Formation (nickel host rock and hangingwall). As such the geometry of this contact forms the basis for the MRE 3D volume models. In the case of the 85H MRE the mineralisation is interpreted to have formed at the base of a younger hangingwall

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		komatiitic lava flow. Narrow discontinuous lenses of cherty to sulphidic interflow sediment also occupy this horizon and are used to help guide the 3D volume models.
Dimensions	<i>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.</i>	<p>Foster South</p> <ul style="list-style-type: none"> The modelled Foster South lode (Indicated and Inferred portion) can be described as an elongated ovoid channel which plunges approximately 54° towards 176° and extends for approximately 330 m down plunge. The across plunge dimension is about 55 m while the maximum horizontal strike is approximately 70 m. The current modelled vertical extent of the lode is 275 m ranging from -345 mASL (665 m below surface) to -620 mASL (940 m below surface). The lode is of variable thickness with a true width ranging from 4 m to 5 m. <p>Warren Shoot</p> <ul style="list-style-type: none"> The modelled Warren Shoot is a ribbon-like deposit which plunges approximately 34° towards 152° and extends for at least 1,000 m down plunge. The across plunge dimension varies between 30 m and 55 m while the maximum horizontal strike is approximately 65 m. The current modelled vertical extent of the lode is 560 m ranging from +260 mASL (55 m below surface) to -300 mASL (610 m below surface). The lode is of variable thickness with a true width ranging from very narrow pinch outs up to about 8 m. <p>85H</p> <ul style="list-style-type: none"> The modelled 85H lode inclusive of the internal HG domain is defined by an undulating planar surface with an overall strike and dip of 305°/56° southwest. The outline of the lode is one of an irregular ovoid shape with a 1,200 m long axis plunge of approximately 20° towards 140°. The across plunge dimension is between 200 m and 300 m while the maximum horizontal strike is approximately 800 m. The vertical extent of the lode is 520 m ranging from +220 mASL (90 m below surface) to -300 mASL (610 m below surface). The lode is of variable thickness with a mean true width of about 3 to 4 m and has been modelled to pinch out at its extremities.
Estimation and modelling techniques	<p><i>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.</i></p> <p><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></p>	<ul style="list-style-type: none"> The Foster South, Warren Shoot and 85H lode wireframes 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 (and CP) in the Leapfrog Geo® 3D software environment whereby drillhole sample/logging intervals are tagged and coded with the relevant nickel lode ID. The Leapfrog Geo® implicit vein modelling function was used to construct the lode wireframes by using mathematical tools to derive the 3D model surfaces from the interval selection data. The geometry, thickness and extent of the lode model is defined primarily by the footwall and hangingwall depth positions down the drillholes denoted by the selected interval. 3D strings created from georeferenced level plan mapping and cross-sectional interpretation were also used to help shape the 3D model where there is insufficient drilling data to define the location, thickness and geometry of the lode. In the case of the 85H MRE an internal high grade nickel sub-domain was included using the same interval selection and vein modelling process and then restricted to within the volume limits of the 85H lode.

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	<p><i>The assumptions made regarding recovery of by-products.</i></p> <p><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></p> <p><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></p> <p><i>Any assumptions behind modelling of selective mining units.</i></p> <p><i>Any assumptions about correlation between variables.</i></p> <p><i>Description of how the geological interpretation was used to control the resource estimates.</i></p> <p><i>Discussion of basis for using or not using grade cutting or capping.</i></p> <p><i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i></p>	<ul style="list-style-type: none"> If required, historical mining depletion was taken into account (85H and Warren Shoot only) by considering both the 3D underground mine working wireframes and validating them against the WMC estimates and mine depletion vertical projections. All Mineral Resource figures quoted are exclusive of any mined and/or sterilised blocks. Cube Consulting was retained by Lunnon Metals to produce a MRE for the Foster South, Warren Shoot and 85H nickel deposits. Drillhole data and geological interpretations were supplied by Lunnon Metals, and Cube produced the MREs using standard processes and procedures including data selection, compositing, variography, estimation by ordinary kriging (OK) and model validation. Estimates were made for nickel and bulk density only. Cube was not required to sign off on the MREs, 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. <p><i>Foster South</i></p> <ul style="list-style-type: none"> <u>Estimation Input Data</u> - Lunnon Metals produced wireframe solids in Leapfrog software then exported in Datamine ASCII and dxf format, received by Cube on 21 April 2020. Lunnon Metals provided Cube with a series of 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. Assay data was available for four variables, Cu, Cr Ni and Zn. There were six individual intervals identified for the HG lode. Cube undertook visual validation of the coded drillhole intervals against the wireframes and did not identify any issues. There were 52 Ni samples (not composited) in the HG lode – given that these samples come from only six drillholes, and that the lode does have substantial thickness, a 3D rather than 2D estimation approach was adopted. <u>Compositing</u> - Raw sample interval lengths in the HG lode varied between 0.06 m and 1 m, with the mean sample length 0.69 m, but the most frequent sample interval was 1 m, therefore 1 m was chosen as the composite length to avoid excessive splitting of samples into multiple composites of the same. A minimum composite size was set to 0.5 m – any ‘residual’ composites of less than 0.5 m at the lower limit of a lode were ‘added’ back to the final down hole composite per lode. Length and density weighting was used during compositing. The resulting composite data set for the HG lode (35 samples) has a minimum sample length of 0.94 m, a maximum of 1.47 m and a mean of 1.03 m, with 86% of the composites exactly 1 m. Calculation of the ‘accumulated metal’ (Ni*length*SG) before and after compositing were exactly the same, meaning that no data or information had been lost during the compositing process. <u>Exploration Data Analysis</u> – after compositing in Datamine software, the data was imported into Isatis Software for statistical and geostatistical analysis. Cross-checking of statistics between Datamine and Isatis ensured they were the same datasets. The nickel distribution is slightly positively skewed, but there are no extreme outliers, with the highest value being 10.18% Ni. <u>Grade capping</u> - Estimates were run for capped (6% Ni top-cut) and uncapped Ni grades – however, as the coefficient of variation (CV) for the uncapped data was low (0.46) and there are no extreme values, the uncapped estimate is reported. <u>Variography</u> - Given the limited amount of data and tightly constrained geometry for the HG lode, the data configuration essentially controls the variography. Experimental variograms were omnidirectional in the plane of

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		<p>continuity (plunging -50° towards 170°) with the minor direction perpendicular to the major direction and were modelled with a nugget effect and two spherical structures.</p> <ul style="list-style-type: none"> • <u>Block Model Definition</u> - the parent block size of 5 mE by 20 mN by 5 mRL was chosen to be compatible with the drillhole spacing and the geometry of the mineralisation. Minimum sub-block size of 1.25 mE by 2.5 mN by 0.625 mRL was used to appropriately fill the mineralisation volume. The block model volume compared to the lode wireframe volume showed a very close result of 99.8%. • <u>Dynamic Anisotropy</u> - search function in Datamine was used which allows the search neighbourhood ellipse dip and dip direction to be defined separately for each block to account for local changes in the geometry of the lode. • <u>Ordinary Kriging Grade Estimation</u> - The search radius for the HG lode is 60 m down plunge, 60 m across strike, and 15 m across thickness. As there is strong positive correlation between Ni and SG, using the same search parameters to maintain these correlations during independent OK estimation. The orientations of the search ellipses were the same as those for the variograms and rotated according to the dynamic anisotropy process. A minimum number of samples required was set to 8 and octant or maximum number of samples per drillhole restrictions were not used for the HG lode. • <u>Search Passes</u> - 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 ten times the original search was used if required with a lower number of minimum samples of two. All blocks for the HG lode were filled by the third pass. In the main area with the drilling, the first search pass was mostly used. • <u>Model Validation</u> - Checks of the estimated block grade with the corresponding composite dataset were completed using several approaches involving both numerical and spatial aspects as follows: <ul style="list-style-type: none"> • A global statistical comparison for the HG lode restricted to the area with drilling (6,529,350 to 6,529,550mN) shows the mean grade for the model (4.87% Ni) is slightly above the raw mean of the composite grades for the HG lode (4.39% Ni), due to clustering. The mean grade for the model is much closer to the declustered mean of 4.87% Ni for the drilling (using an 80 mE by 80 mN by 2 mRL moving window). • A semi-local comparison using swath plots show that the informing composites and the block estimates were observed to correspond satisfactorily both semi-locally and globally. • Visual local comparison of the OK estimates with the informing composites shows that the estimation reflects local variations in the data. • It is Cube's opinion that the nickel and density estimates in the Foster South HG lode are valid and satisfactorily represent the informing data. • The output for this estimate is a Datamine block model named fd200504m.dm <p><i>Warren Shoot</i></p> <ul style="list-style-type: none"> • <u>Estimation Input Data</u> - Lunnon Metals produced wireframe solids in Leapfrog software then exported in Datamine ASCII and dxf format, received by Cube on 1 September 2020. Lunnon Metals provided Cube with a series of 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. • Assay data was available for many variables, although Ni and density were the only ones to be estimated. There

Criteria	JORC Code explanation	Commentary
		<p>were 70 individual intervals identified for the mineralised lodes, with forty intercepts in the trough lodes, two in the perched, eleven in the flanking and seventeen in the LG lodes. Cube undertook visual validation of the coded drillhole intervals against the wireframes and did not identify any issues.</p> <ul style="list-style-type: none"> • <u>Compositing</u> - Raw sample interval lengths in the high-grade trough and flanking lodes varied between 0.05 m and 1.53 m, with the mean sample length 0.66 m, but the most frequent sample interval was 1 m, therefore, 1 m was chosen as the composite length for all the high-grade mineralised lodes to avoid excessive splitting of samples into multiple composites of the same grade. • A minimum composite size was set to 0.5 m – any ‘residual’ composites of less than 0.5 m at the lower limit of a lode were ‘added’ back to the final down hole composite per lode. For complete lode intercepts that were less than 1 m, a minimum composite size of 0.2 m was used. This only occurs for four samples – 1 by 0.2 m, 2 by 0.27 m and 1 by 0.46 m. • Length and density weighting was used during compositing. The resulting composite data set for the HG lodes (153 samples) has a minimum sample length of 0.2 m, a maximum of 1.43 m and a mean of 0.96 m, with 71% of the composites exactly 1 m. Calculation of the ‘accumulated metal’ (Ni*length*SG) before and after compositing were exactly the same, meaning that no data or information had been lost during the compositing process. • <u>Exploration Data Analysis</u> - after compositing in Datamine, the data was imported into Supervisor for statistical and geostatistical analysis. Cross-checking of statistics between Datamine and Isatis ensured they were the same datasets. The nickel distributions are sometimes slightly positively skewed, but there are no extreme outliers, with the highest value being 10.89% Ni. • <u>Grade capping</u> - As there were no extreme outliers in any of the mineralised lodes, top-caps were not applied to Ni. • <u>Variography</u> - The trough HG lodes were combined for variography. Experimental variograms were omnidirectional in the plane of continuity (plunging -28° towards 170°) with the minor direction perpendicular to the major direction and were modelled with a nugget effect and two spherical structures. • <u>Block Model Definition</u> - 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 1.25 mE by 1.2 5mN by 0.625 mRL was used to appropriately fill the mineralisation volume. The block model volumes compared to the lode wireframe volumes showed a very close result of 99.8% across the HG lodes. • <u>Ordinary Kriging Grade Estimation</u> - The search radii across the various HG lodes are 70 m down plunge, 60 m across strike, and 10 m across thickness. As there is strong positive correlation between Ni and SG, using the same search parameters was used to maintain these correlations during independent OK estimation. The orientations of the search ellipses were then adjusted individually for each lode, and the same rotations were used for the variograms. A minimum number of samples required was set at 6, octant or maximum number of samples per drillhole restrictions were not used, and the block discretisation was set at 5 by 5 by 5. • <u>Search Passes</u> - 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. Blocks for all of the mineralised lodes were filled by the third pass. • <u>Post Processing</u> - Default densities were applied to the mineralised lodes that did not have any density measurements – these defaults were based on regression against the lode average Ni estimate, using the regression

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		<p>equations described above.</p> <ul style="list-style-type: none"> • <u>Model Validation</u> - Checks of the estimated block grade with the corresponding composite dataset were completed using several approaches involving both numerical and spatial aspects as follows: <ul style="list-style-type: none"> • A global statistical comparison for the mineralised lodes shows that the mean grades for the model are very similar to the raw and declustered (10 by 10 by 1) mean of the composite grades for most of the lodes. The exceptions are lode N02C and N09F – for lode N02C, the very high grades are clustered at the southern extremity, and a few lower drillhole grades inform the majority of the lode to the north. The opposite is the case for lode N09F, where the single high grade influences a large part of the model. • A semi-local comparison using swath plots show that the informing composites and the block estimates were observed to correspond satisfactorily both semi-locally and globally. • Visual local comparison of the OK estimates with the informing composites shows that the estimation reflects local variations in the data. • It is Cube's opinion that the nickel and density estimates in the Warren Shoot deposit are valid and satisfactorily represent the informing data. • The output for this estimate is a Datamine block model named ws201008m.dm <p>85H</p> <ul style="list-style-type: none"> • <u>Estimation Input Data</u> - Lunnon Metals produced wireframe solids in Leapfrog software then exported in Datamine ASCII and dxf format – they were received by Cube on 11 January 2021. Lunnon Metals provided Cube with a series of 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. • Assay data was available for many variables, although Ni and density were the only ones to be estimated. There were 397 individual intervals identified for the 85H surface and 278 for the HG surface, although 240 of these for the 85H and 230 from the HG surface were from underground face sample data. Cube undertook visual validation of the coded drillhole intervals against the wireframes and did not identify any issues. • <u>Compositing</u> - Raw sample interval lengths in the mineralised surface varied between 0.01 m and 7.4 m – however, the maximum drillhole sample length was 2 m with all intervals longer than this being face samples. The mean sample length for the 85H lode was 0.94 m, but the most frequent sample interval was 1 m. For the HG domain, the mean sample length was 0.68 m, with the majority of samples less than 0.5 m. Therefore, 1 m was chosen as the composite length for the main 85H surface, and 0.5 m was used for the HG domain compositing. A minimum composite size was set to 0.5 m – any 'residual' composites of less than 0.5 m at the lower limit of a surface were 'added' back to the final down hole composite per surface. • Length and density weighting was used during compositing. Calculation of the 'accumulated metal' ($Ni \times length \times SG$) before and after compositing were exactly the same, meaning that no data or information had been lost during the compositing process. • <u>Exploration Data Analysis</u> - after compositing in Datamine, the data was imported into Isatis and Supervisor for statistical and geostatistical analysis. Cross-checking of statistics between Datamine, Supervisor and Isatis ensured they were the same datasets. The mean grade for the high-grade domain is significantly higher using all data

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		<p>compared to the drillhole data alone. The nickel distributions are positively skewed, with some extreme values greater than 10% Ni in the HG domain, and many values greater than 5% Ni in the main 85H surface.</p> <ul style="list-style-type: none"> • <u>Grade Capping</u> - was applied to restrict the influence of the single extreme grade during estimation. A 'distance limited threshold' was also used whereby blocks within 10 m of the extreme grades (5% Ni for the 85H and 12% Ni for the HG domains) were estimated without a top-cut, but beyond 10 m caps of 5% and 12% Ni respectively were used during estimation. • <u>Variography</u> - Experimental variograms were produced in the plane of continuity for both domains (85H plunging - 20° towards 150°, but the HG domain had no plunge but trending towards 130°) with the minor directions perpendicular to the major directions, and both variograms were modelled with a nugget effect and two spherical structures. • <u>Block Model Definition</u> - 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 1.25 mE by 1.25 mN by 0.625 mRL was used to appropriately fill the mineralisation volumes. The block model volumes compared to the lode wireframe volumes showed a very close result of 100%. • <u>Ordinary Kriging Grade Estimation</u> - Kriging Neighbourhood Analysis (KNA) was used to select the search parameters. The search radius for the 85H Lode is 50 m down plunge, 20 m across strike, and 10 m across thickness and for the HG domain is 60 m down plunge, 30 m across strike, and 15 m across thickness. A minimum number of samples required was set at 8, octant or maximum number of samples per drillhole restrictions were not used, and the block discretisation was set at 5 by 5 by 5. The distance limiting threshold techniques as discussed above was used for the extreme Ni grades. • <u>Search Passes</u> - 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. Not all blocks for the mineralised domains were filled by the third pass, so default Ni values of 0.9% Ni (> -250 mRL) and 0.4% Ni (< -250 mRL) were assigned for 85H Lode (remaining 595m³ not filled). • <u>Post Processing</u> - As there are very few SG data within the mineralised surfaces densities were applied by regression, based on regression against the block Ni estimate, using the regression equations described in the compositing section above. • There has been previous mining at 85H, mainly in the area of the HG domain, so mining depletion was required. The existing development wireframes were used to select blocks that had been mined, but in areas where the development wireframe did not sufficiently match the interpretation spatially, and for the stoped-out areas, a second mining depletion wireframe supplied by Lunnon Metals was used. In addition, Lunnon Metals supplied wireframes for areas that have been sterilised that are close to stoping of other mineralised surfaces in the immediate footwall. • <u>Model Validation</u> - Checks of the estimated block grade with the corresponding composite dataset were completed using several approaches involving both numerical and spatial aspects as follows: <ul style="list-style-type: none"> • A global statistical comparison for the mineralised surfaces showed mean grades for the model are comparable to the mean of the composite grades. The model mean shown in the table is that using the distance limited technique, so it will be higher than the capped mean. Estimates were also run for uncapped and domain-wide

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		<p>capping of the extreme grade, with the resulting mean model estimates very close to those of the input composite data.</p> <ul style="list-style-type: none"> A semi-local comparison using swath plots showed that informing composites and the block estimates corresponded satisfactorily both semi-locally and globally. Visual local comparison of the OK estimates with the informing composites shows that the estimation reflects local variations in the data. It is Cube's opinion that the nickel and density estimates in the 85H surface are valid and satisfactorily represent the informing data. The output for this estimate is a Datamine block model named 85h210125m.dm <u>Model Comparisons</u> - The previous MRE was completed by Lunnon Metals in 2017. The 2021 MRE shows a significant increase in tonnage, drop in grade, but overall substantial amount of contained metal compared to the 2017 estimate. The 2017 85H surface had a total volume of 264,000 m³, and the 2021 surface has a total volume of 406,000 m³ with the 2020 interpretation (as used for the 2021 MRE) having much greater strike and depth extents. In addition, a substantial amount of the 2017 model was flagged as mined or sterilised where there was some uncertainty with how the 85H surface interpretation interacted with the other mineralised surfaces. This has now been resolved, and the amount of material flagged as sterilised due to proximity of stoping on other surfaces has been greatly reduced.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	<ul style="list-style-type: none"> Tonnage is estimated on a dry, in-situ basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	<ul style="list-style-type: none"> 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 attributed breakeven grade to cover processing and mining benchmarked unit rates at a spot nickel price of U\$7.00/lb, taking into account an A\$:US\$ exchange rate of 0.7, an assumed 94% processing recovery, 65% attribution (payability) and standard ore offtake processing costs experienced by other third parties in the Kambalda district.
Mining factors or assumptions	<i>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.</i>	<ul style="list-style-type: none"> External industry consultants have previously advised on appropriate access, development and stoping methodologies. Benchmarking of current industry capital start-up, development and operating costs indicate that reasonable prospects for eventual economic extraction of the MRE exist. 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 within the historical mine environment, all support this assessment. Access to the mineralisation at the Warren, 85H and Foster South shoots will be via the existing and extensive Foster decline, once dewatered and rehabilitated. Only minimal new waste development would be required to access the mineralised surfaces at 85H and Warren and approximately 300 m of decline development is required to access the Foster South mineralisation from the current Foster decline. Conventional underground stoping techniques, most likely Underhand Cut and Cemented Paste Fill, employed

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		routinely and successfully in the immediate Kambalda district nickel operations, would be employed.
Metallurgical factors or assumptions	<i>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.</i>	<ul style="list-style-type: none"> • Foster mine supplied 2.4 Mt of ore at 2.57% Ni for over 61 kt of nickel metal between 1982 and 1994. Available data from mill feed belt sampling during the mine's operational life indicated that all key metallurgical parameters were within acceptable limits for the then WMC Resources' Kambalda Concentrator. • Remaining ½ or ¼ core samples from available historical drillholes were collected by Lunnon Metals. The samples were selected on a basis of ore type and hangingwall and footwall material representivity, proximity to the MRE areas, range of Ni grades, and relative freshness. • A representative number of drill core samples were identified to undergo the various laboratory analyses which, based on other Kambalda-style nickel orebodies, included analysis of arsenic levels, Fe:MgO ratios, S:Ni ratios and nickel content. • The results of this metallurgical characterisation indicated that future ore produced from the MRE areas will be comparable with the historical data for ore quality with likely recoveries consistent with normal Kambalda sulphide nickel mines in the area.
Environmental factors or assumptions	<i>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 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.</i>	<ul style="list-style-type: none"> • The Foster project is 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. • 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 Project. • The BHP Nickel West Kambalda Concentrator which has been in operation for 50 years, has previously received ore production from the Foster mine as noted above and has adequate tailing storage facilities and is the logical destination for processing any ore production. • The Project is 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 waste rock fill of the production stopes. • All surface disturbance is within areas already previously disturbed and no new disturbance is required to commence operations. • There are not expected to be any environmental hindrances that would prevent the eventual economic extraction of ore from the Project. • The Project area has been the subject of several 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.
Bulk density	<i>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.</i> <i>The bulk density for bulk material must have been measured by methods that adequately account for</i>	<ul style="list-style-type: none"> • During the Lunnon Metals re-sampling exercises of historical drill core bulk density measurements were routinely taken as determined by the standard gravimetric water immersion technique. • The historical drill core is generally competent and non-porous with negligible moisture content as a result. Core samples with excessive weathering or degradation due to atmospheric exposure since the time of drilling were avoided during sample selection for bulk density determination. The results are consistent with similar rock types at nearby nickel mines. • In deposits where bulk density is correlated with grade then length and density weighting during compositing is

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	<p>void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	<p>advised. This was the case for the Foster South, Warren Shoot and 85H surface:</p> <p><i>Foster South</i></p> <ul style="list-style-type: none"> Bulk density measurements were not available for all of the Foster South sampled intervals, so a regression of density against Ni was established for the HG lode to derive density values for weighting where measured density values were missing, as follows: <ul style="list-style-type: none"> Density = $0.1635 \times \text{Ni} + 2.8387$ <p><i>Warren Shoot</i></p> <ul style="list-style-type: none"> Bulk density measurements were not available for all of the Warren Shoot sampled intervals, so a regression of density against Fe (where available) was established for the HG lodes to derive density values for weighting where there were missing density values. The correlation between Fe and density is higher than that for Ni and density. Where Fe was not available, a regression against Ni only was used, as follows: <ul style="list-style-type: none"> Density = $0.0422 \times \text{Fe} + 2.4188$ (Fe available) Density = $0.1566 \times \text{Ni} + 2.8647$ (Ni only) <p><i>85H</i></p> <ul style="list-style-type: none"> Bulk density measurements were not available for all of the 85H sampled intervals, so a regression of density against Ni was established for both the 85H surface and the HG domain to derive density values for weighting where measured density values were missing, as follows: <ul style="list-style-type: none"> Density = $0.08895 \times \text{Ni} + 2.8677$ (85H surface) Density = $0.18833 \times \text{Ni} + 2.6789$ (HG domain) <p><i>Generic</i></p> <ul style="list-style-type: none"> During the MRE post processing exercise blocks that were not within the mineralised lodes were given default values based on the global statistics per rock type as follows: <ul style="list-style-type: none"> 2.93 t/m³ - Kambalda Komatiite (KK) 2.78 t/m³ - Lunnnon Basalt (LB) 2.4 t/m³ - Oxidised KK 2.4 t/m³ - Oxidised LB 2.65 t/m³ - Intermediate Dyke 2.65 t/m³ - Proterozoic Dyke 3.1 t/m³ - Devon Consols Basalt 2.6 t/m³ - Kapai Slate 2.8 t/m³ - Defiance Dolerite
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	<ul style="list-style-type: none"> 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

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	<p><i>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).</i></p> <p><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></p>	<p>Mineral Resource classification was established by discussions between Lunnon Metals and Cube.</p> <ul style="list-style-type: none"> In general, classification of the Mineral Resources at Foster South, Warren Shoot and 85H uses two main criteria as follows: <ol style="list-style-type: none"> Confidence in the nickel (Ni) estimate Reasonable prospects for eventual economic extraction. Assessment of confidence in the estimate of nickel included guidelines as outlined in JORC (2012): <ul style="list-style-type: none"> drill data quality and quantity geological interpretation (particularly aspects that impact on Ni mineralisation) geological domaining (for mineralised lodes specific to the estimation of Ni) the spatial continuity of Ni mineralisation geostatistical measures of Ni estimate quality. In summary, the more quantitative criteria relating to these guidelines include data density and the kriging search pass used, as follows: <p><i>Foster South</i></p> <ul style="list-style-type: none"> Indicated Mineral Resource is the area bounded by the drilling and uses search pass 1. Inferred Mineral Resource is the area immediately outside the drilling, and uses search pass 2 (i.e., up to 120m beyond drilling up and down dip). Exploration Target is the area outside the classified resource and uses search pass 3. <p><i>Warren Shoot</i></p> <ul style="list-style-type: none"> Indicated Mineral Resource is the area bounded by the drilling and uses search pass 1. Inferred Mineral Resource is the area immediately within and just outside the drilling, and uses search pass 2 (i.e., up to 50 m beyond drilling up and down dip). Exploration Target is the area outside the classified resource and uses search pass 3. <p><i>85H</i></p> <ul style="list-style-type: none"> Mineralised blocks within about 20 m of the historical mining and face sampling have been classified as Indicated. This level of data would generally be sufficient for a classification of Measured, but Cube concurs with Lunnon Metals' (2017) assessment that the lack of drillhole and QAQC data in this high-grade zone will result in a classification downgrade. The remaining resource outside the Indicated area is classified as Inferred, which has a general drillhole spacing of about 30 m by 30 m. Areas that have been mined or are within the sterilisation zones are not classified. Data quality and quantity is generally considered adequate with no areas known to be defectively sampled or assayed. Cube have not analysed any QAQC data and reports, and responsibility for the data quality rests with Lunnon Metals.

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		<ul style="list-style-type: none"> Geological domaining and mineralised lode interpretation is considered appropriate. The geometry and location of the mineralised lodes and ultramafic/basalt contact is considered to be well drilled and understood with respect to Foster South and Warren Shoot. For 85H the geometry and location of the mineralised surfaces and position above the ultramafic/basalt contact is considered to be well drilled and understood from the available data, including the underground face sampling and mapping. Cube cannot comment fully on 'Reasonable prospects for eventual economic extraction', but make the following observations: <ul style="list-style-type: none"> the Mineral Resource is very close to the existing Foster mine, so mine infrastructure is in place the Project is located on a granted Mining Leases, with no native title applicable grades and geometry are amenable to small-scale underground mining, like many 'Kambalda-style' nickel deposits Ore would likely be sent to the nearby Kambalda Nickel Concentrator (BHP Nickel West). At the time of completing each of the MREs the nickel price was suggestive of an attractive economic proposition as follows: <ul style="list-style-type: none"> Foster South - May 2020 nickel price ~USD \$12,260 per tonne (~AUD \$18,860/tonne). Warren Shoot - October 2020 nickel price ~USD \$14,500 per tonne (~AUD \$20,400/tonne). 85H - January 2021 nickel price ~USD \$18,350 per tonne (~AUD \$23,600/tonne). Therefore, in Cube's opinion there is no apparent reason the Foster South nickel deposit could not be mined economically. The classification results reflect the Lunnon Metals CPs' view of the deposits.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	<ul style="list-style-type: none"> Internal audits have been completed by Lunnon Metals which verified the technical inputs, methodology, parameters and results of the MREs to the satisfaction of both senior geological resource-based CPs. As part of this report, Optiro reviewed the Mineral Resources and confirmed the tonnage and nickel grades reported from the block models. The quality of input data, QAQC, interpretation and sample spacing is 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 are appropriate and provide a realistic estimation and classification of the global Mineral Resources.
Discussion of relative accuracy/ confidence	<i>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.</i>	<ul style="list-style-type: none"> 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 including underground ore development drive mapping in the case of the Warren Shoot and 85H lode which supports the continuity of geology and grade distribution of the deposit. The MRE nickel grades are comparable with the historical WMC mined head grade at Foster mine once expected mining dilution is taken into account. Likewise, the style of mineralisation and tonnages associated with the MREs are comparable with previous mineralisation styles and tonnages mined at Foster by WMC. The MRE is deemed sufficient both as a global estimate of the various mineralised surfaces but also as a local estimate for the purposes of economic evaluation and subsequent mine design when/if appropriate.

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	<p><i>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.</i></p> <p><i>Documentation should include assumptions made and the procedures used.</i></p> <p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	

APPLICATION FORM

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Edmund Ainscough – Managing Director
Ian Junk – Non-Executive Director
Ashley McDonald – Non-Executive Director

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