



**ARGONAUT**  
The Natural Choice in Resources

# EQUITY RESEARCH

Financial Advisers | Stockbroking & Research | Special Situations Financing

www.argonaut.com +61 8 9224 6888

## SPEC BUY

Current Price \$0.80

Valuation \$0.98

Price: **\$0.80**  
Valuation: **\$0.98**

Code: **LM8**  
Sector: **Materials**

\* All figures in AUD unless stated otherwise

Shares on Issue (M):	141
- fully diluted (M)	145
Market Cap (\$M):	113
- fully diluted (\$M)	116
Cash (30 Dec 21)	9.2
Debt (30 Dec 21)	0.0
Net cash (\$M):	9.2
Enterprise value (\$M):	104

52 wk High/Low (ps):	\$0.95	\$0.34
12m av. daily vol. (Mshs):		0.3

### Resources:

	Tonnage Kt	Grade % Ni	Cont. Ni Kt
Foster 85H	687	2.4	17
Foster South	339	4.7	16
Warren	211	3.0	6
Total	1238	3.2	39

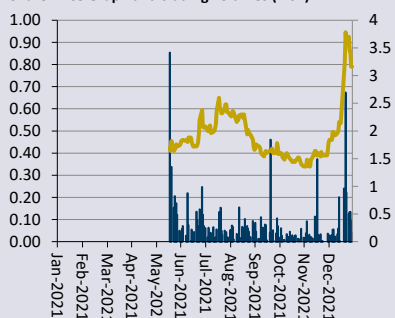
### Historic Estimates:

	Tonnage Kt	Grade % Ni	Cont. Ni Kt
Jan	865	2.0	16.9
Foster Main	766	2.1	16.0
Total	1631	2.0	32.9

### Board & Management:

Non-Exec. Chairman	Liam Twigger
Non-Exec. Director	Ian Junk
Non-Exec. Director	Ashley McDonald
Managing Director	Edmund Ainscough
Exploration Manager	Aaron Wehrle
Company Secretary	Jessamyn Lyons

### Share Price Graph and trading volumes (msh)



Please refer to important disclosures at the end of the report (from page 16)

Monday, 31 January 2022

## Lunnon Metals (LM8)

### Right place, right time

Analyst | George Ross

### Quick Read

Lunnon Metals (LM8) flagship asset is the Kambalda Nickel Project (KNP), located 20km south of BHP's Kambalda Nickel Concentrator. The KNP includes ex-WMC underground mines Foster and Jan. Recent exploration drilling results from the Baker prospect captured the market's attention with intervals including 7m at 9.2% Ni and 10m at 6.8% Ni. Potential exists for LM8 to define new Resources and pursue rapid development on the KNP's Mining Leases.

### Kambalda Nickel Project

**KNP off the bench:** The KNP hub missed exploration and potential development during the 2000s mining boom due to being locked up within the St Ives Gold Mine tenure. Lunnon is the first company to explore and assess the viability of redevelopment since sale by WMC.

**Residual Mineralisation:** JORC compliant Resources at the Warren, Foster South and Foster 85H areas. There is a high probability that Historical Estimates at Jan and Foster Main zones can be converted to JORC compliant Resources through a combination of resampling and new drilling.

**Baker Discovery:** Lunnon's recent exploration success at the Baker discovery has confirmed exploration potential within the project area. High-grade intervals over mineable widths may indicate the presence of an economic deposit. Elsewhere, exploration potential exists along strike and down plunge of historical deposits.

Figure 1: Drill core from the Baker discovery.



Source: LM8

### Recommendation

We initiate our coverage of LM8 with a SPEC BUY recommendation and a valuation of \$0.98 per share.

## Company & Key Personnel

Lunnon Metals (LM8) was listed on the ASX on the 15<sup>th</sup> of June 2021. The Company holds nickel and gold rights over the Kambalda Nickel Project (KNP), located within the heart of the famous Kalgoorlie greenstone belt.

**LM8 has a tight share register, 62% of shares are held by the top five shareholders**

LM8 shares are tightly held, with over 62% of listed shares held by the top five shareholders. Ex KNP owners Gold Fields Ltd is Lunnon's largest shareholder, holding ~32% of listed capital. Other large holders include high net worth individuals represented by the entities Long Fort LLC (13%), Aurora Prospects Pty Ltd (7%) and Mainglow Pty Ltd (7%).

The Lunnon Metals executive team is led by Mr Ed Ainscough, a renowned geologist with deep Western Australian experience. Mr Ainscough previously held executive and senior positions at companies including Gold Fields, WMC and PCF Capital.

The Board is chaired by Mr Liam Twigger who also holds the title of Chairman for Solgold Plc and is Deputy Chairperson and Executive Director of Argonaut. Liam founded PCF Capital in 1999 and held the position of Managing Director prior to PCF's merger with Argonaut during mid-2021.

The balance of the Board and executive team comprises WMC alumni Mr Ian Junk (Non-Exec Director) and Aaron Wehrle (Exploration & Geology Manager), along with Gold Fields Board nominee Mr Ashley McDonald (Non-Exec Director).

## Kambalda Nickel Project

**The KNP was locked up for the last boom, but not this time around**

The KNP comprises 19 contiguous mining tenements, extending 23km<sup>2</sup> and strategically located approximately 20km south-east of BHP's Kambalda Nickel Concentrator. The Kambalda region is synonymous with high-grade Ni-Cu-(PGE) mineralisation. Kambalda-type nickel mineralisation typically occur at the base of komatiite peridotite flows and are usually clustered and characteristically ribbon-like. Deposits are generally small scale (0.5-5.0Mt) and high-grade (2-4% Ni). Post-mineralisation structural deformation frequently contorts mineralised lodes into new geometries and orientations.

Historical and current operations within the broader district include Durkin, Otter Juan, Coronet, Long, Cassini and others. Since commencement of mining in the mid-1960's operations within the immediate Kambalda district have produced over 1.4 Mt of Nickel Metal from 44Mt of ore averaging 3.2% Ni.

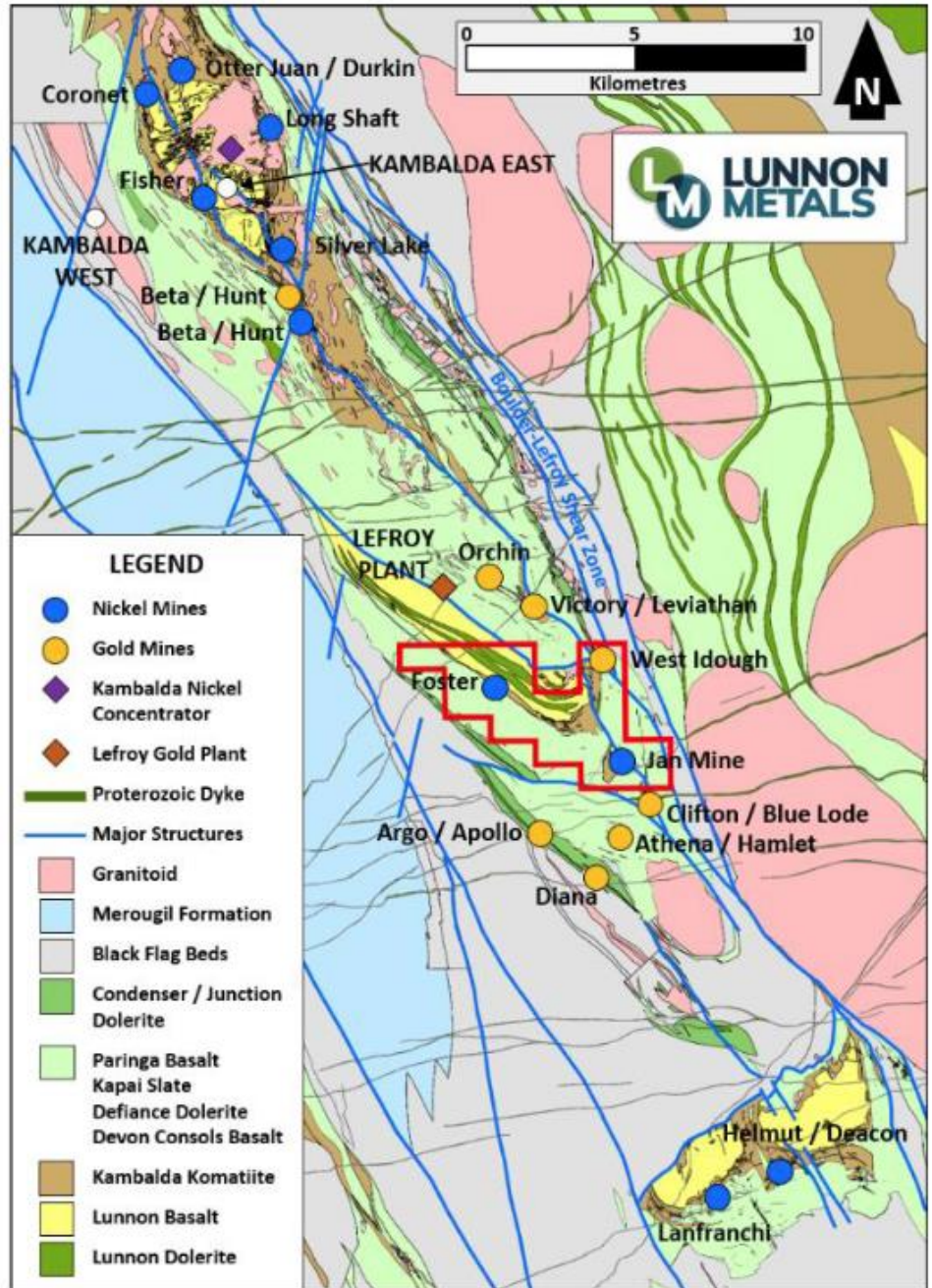
Between 2001 and 2003 WMC divested nickel operations including the integrated Kambalda-Widgiemooltha nickel asset complex. These operations were reborn in the hands of companies like Mincor Resource (ASX:MCR), IGO (ASX:IGO) and Panoramic (ASX:PAN). Production figures for these assets following WMC's ownership confirms significant tonnages of unmined ore was left for the next operator (Figure 3). It is reasonable to assume that the KNP will yield further production.

Unlike the forementioned examples, the KNP was bundled into the 2001 sale of the St Ives gold mine to Gold Fields Ltd. As a consequence, the KNP nickel deposits were not re-evaluated during the 2000s mining boom. This changed in 2014 when Lunnon Metals

(then unlisted) entered into a farm-in and joint venture arrangement with Gold Fields Limited. Prior to listing on the ASX, Lunnon spent \$6.0M in direct exploration costs, mostly on a resampling and assay program of WMC’s historical core library. In November of 2020 Lunnon entered into an agreement to acquire its remaining interest in the KNP from Gold Fields subsidiary St Ives Gold Mining Company Pty Ltd

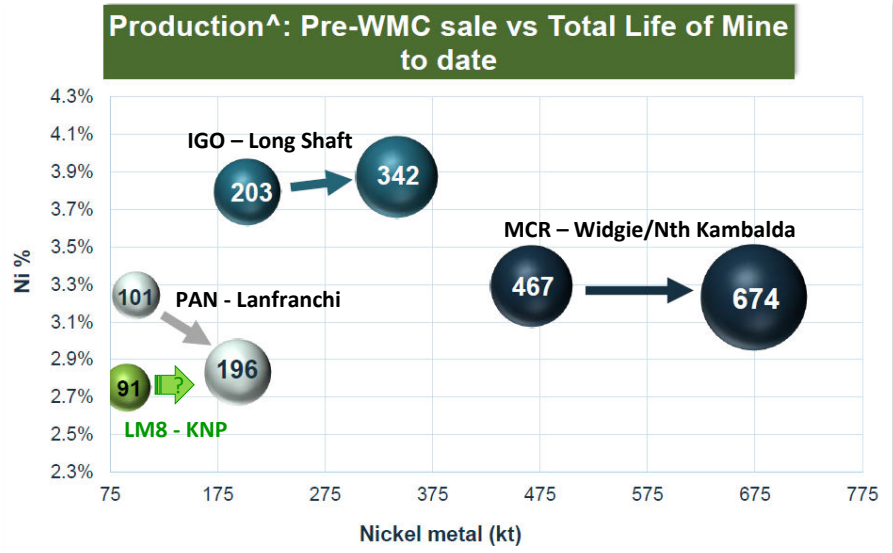
Figure 2: Lunnon Metals’ tenement position in relation to regional geology and mines.

Not a bad neighbourhood for nickel sulphide



Source: LMB

Figure 3: Nickel metal produced prior to, and after sale of asset by WMC.



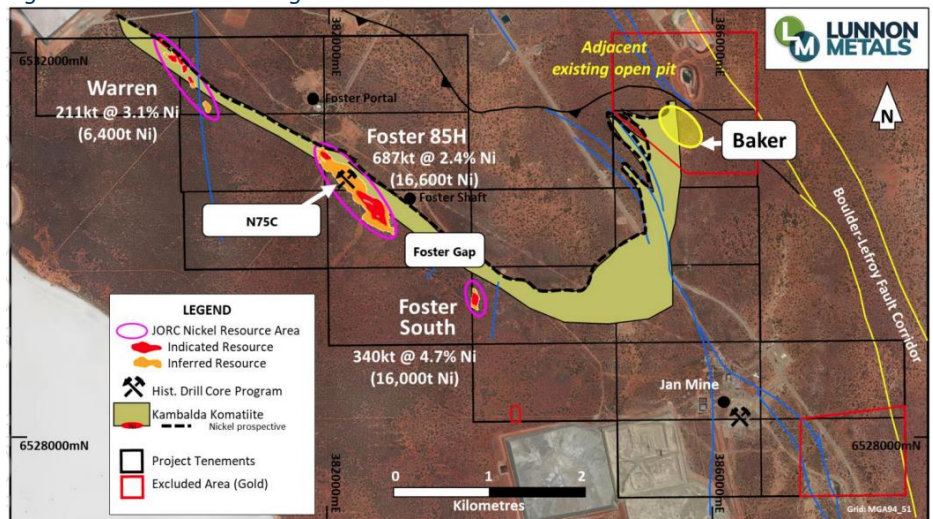
Ex-WMC assets have a habit of growing well beyond their initial mine life

Source: Source: LM8 & modified by Argonaut

### Resources and Opportunities

Nickel was historically produced at both the Foster and Jan mines. The Foster nickel mine was operated by WMC in the decade prior to 1994 and produced over 90,000t of nickel metal. At peak production, Foster was contributing 30% of feed to WMC’s Kambalda Concentrator.

Figure 4: Resource and target areas.



A handful of JORC Resources, but it’s likely there will be more to come

Source: LM8

The Foster mine complex incorporates a portal with attached declines to both Warren and main Foster, deposit. The Jan Mine was accessed separately via a vertical shaft. Ore was transported to WMC’s Kambalda Concentrator by road for processing.

Deposits with JORC 2012 defined Mineral Resources include the Warren, Foster 85H and Foster South areas. Mineralised zones roughly align parallel to strike of the Kambalda Komatiite.

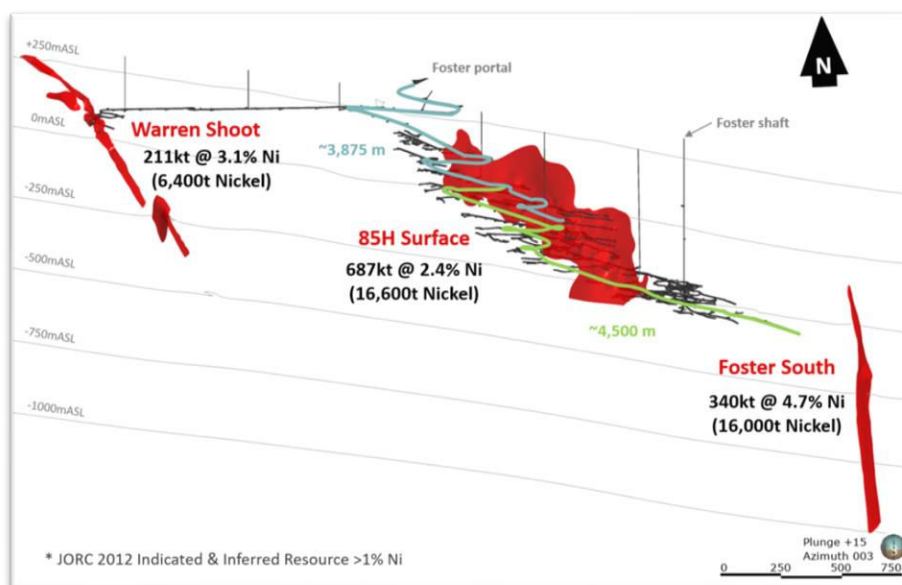
Table 1: KNP JORC 2012 compliant Resources, Historical Estimates & Argonaut Exploration Targets.

	DEPOSIT	CUT-OFF		INDICATED		INFERRED			TOTAL		
		Grade Ni%	Tonnes kt	Grade Ni%	Cont. Ni kt	Tonnes kt	Grade Ni%	Cont. Ni kt	Tonnes kt	Grade Ni%	Cont. Ni kt
JORC 2012 Resources	Foster 85H	1.0%	387	3.3	12.8	300	1.3	3.8	687	2.4	16.6
	Foster South	1.0%	223	4.7	10.5	116	4.8	5.5	339	4.7	16.0
	Warren	1.0%	136	2.7	3.7	75	3.7	2.7	211	3.0	6.4
	<b>Sub Total</b>	<b>1.0%</b>	<b>746</b>	<b>3.6</b>	<b>27.0</b>	<b>492</b>	<b>2.4</b>	<b>12</b>	<b>1,238</b>	<b>3.2</b>	<b>39.0</b>
Historical Estimates	Jan								865	2.0	16.9
	Foster Main								766	2.1	16.0
	<b>Sub Total</b>								<b>1,631</b>	<b>2.0</b>	<b>32.9</b>
Exploration Target Estimates (Argonaut)	Baker								550	2.8	15.4
	Other Areas								300	2.0	6.0
	<b>Sub Total</b>								<b>850</b>	<b>2.5</b>	<b>21.4</b>
	<b>Grand Total</b>		<b>746</b>	<b>2.0</b>	<b>27</b>	<b>492</b>	<b>2.0</b>	<b>12</b>	<b>3,719</b>	<b>2.5</b>	<b>93.3</b>

Source: Data from LM8 and Argonaut estimates

Figure 5: Foster Mine complex with historical workings and LM8 JORC 2012 compliant Indicated and Inferred Resources.

The Foster Mine complex host extensive historical workings



Source: LM8

### Foster 85H Resource

The Foster 85H Resource (16.6kt at 2.4% Ni) is located parallel to the main Foster lode and occurs within a major hanging-wall surface, associated with a second ultramafic flow. The area was partially developed by WMC, however, remains largely unmined. Potential also exists to extend mineralisation both down plunge and up dip.

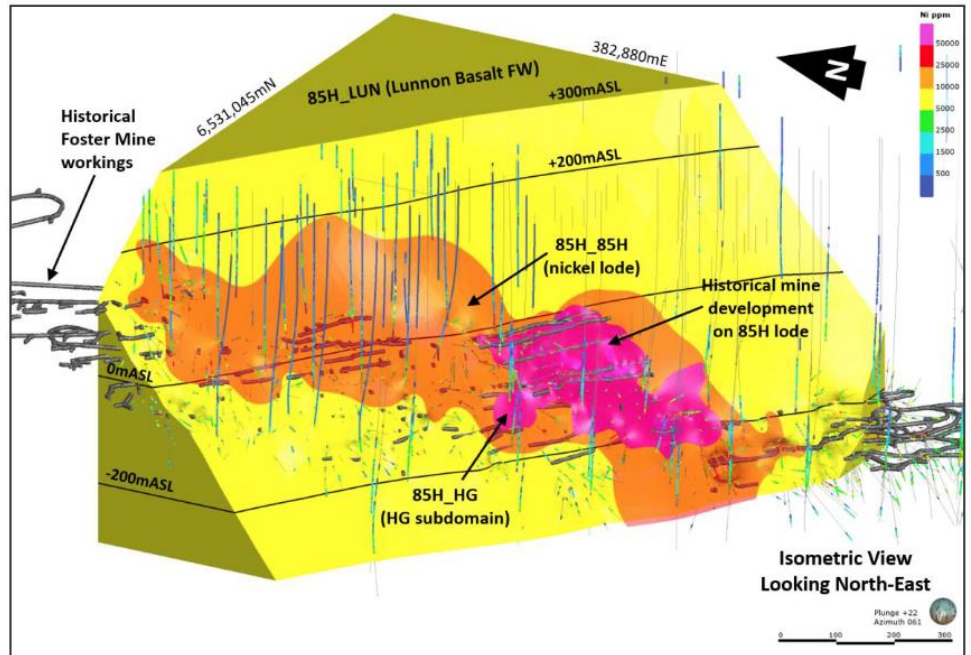
### Warren Resource

WMC completed limited development and stoping at Warren before water ingress prompted abandonment of mining and sealing of the dedicated decline access.

The Warren and Foster 85H areas were partially developed

Recent drilling at Warren aimed to fill gaps in the JORC 2012 compliant Resource of 6.4kt grading 3.1% Ni. WRN21DD\_003 encountered 8.7m grading 3.5% Ni from 353m down hole. Assays remain outstanding for hole WRN21DD\_001 that intersected vein, stringer and brecciated nickel sulphides within the Warren footwall basalt. A deeper daughter hole is currently being completed beneath parent hole WRN21DD\_001

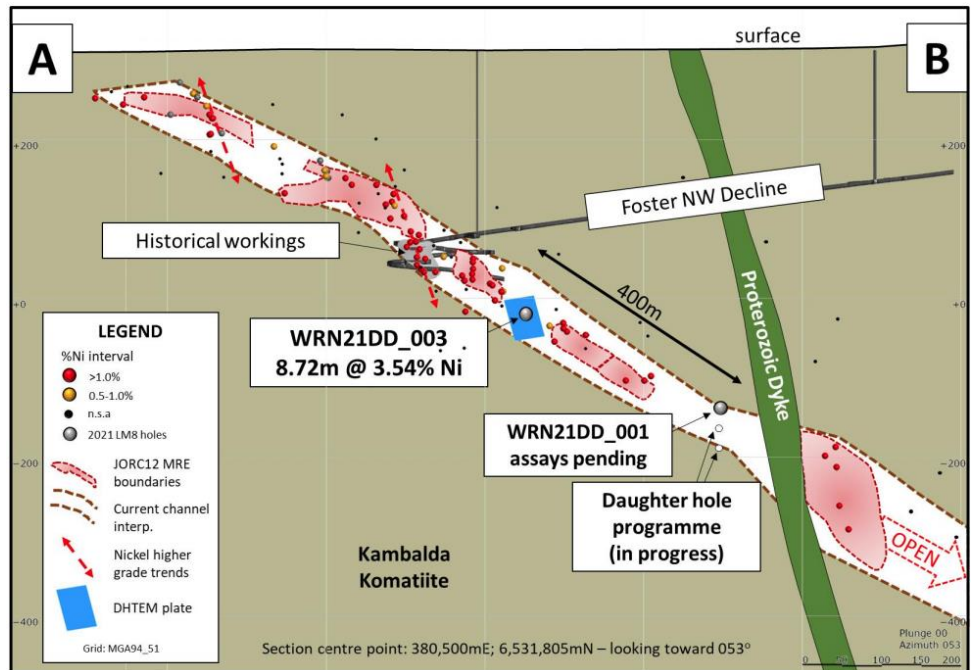
Figure 6: Isometric view of the 85H Resource model mineralised surfaces.



Source: LM8/Optiro

Figure 7: Warren shoot Resource with new drilling results.

Gaps between defined Resource domains at the Warren shoot seem likely to yield further tonnes



Source: LM8

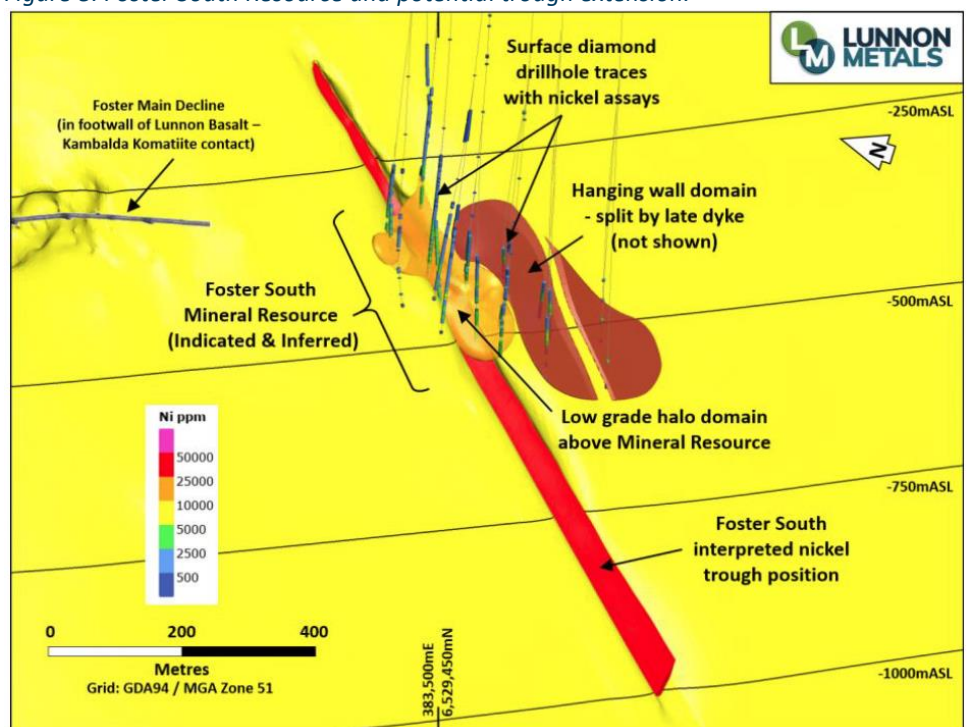
### Foster South Resource

The Foster South Resource is interpreted to be either an independent trough, or alternatively a fault offset and rotated extension of the main Foster system. The area hosts a 16kt of contained nickel metal grading 4.7% Ni. Mineralisation represents ponding at the contact between the Kambalda Komatiite and Lunnon Basalt. True thickness varies from 2-10m, with an average of 8m. The mineralised shoot is interpreted to extend beyond the deepest extent of drilling, providing exploration upside. The existing Foster Main decline will need to be extended approximately 300m south-east to reach the Foster South lode.

**The Foster South lode hosts the highest-grade Resource**

**Foster South was never mined and remains open, both up and down dip**

Figure 8: Foster South Resource and potential trough extension.



Source: LM8

### Historical Estimates

Historical estimates (Table 1) exist for remnant mineralisation at both the Foster Main and Jan mines. These estimates are not compliant with the JORC 2012 Standard, consequently, they cannot be included in LM8's current resource inventory.

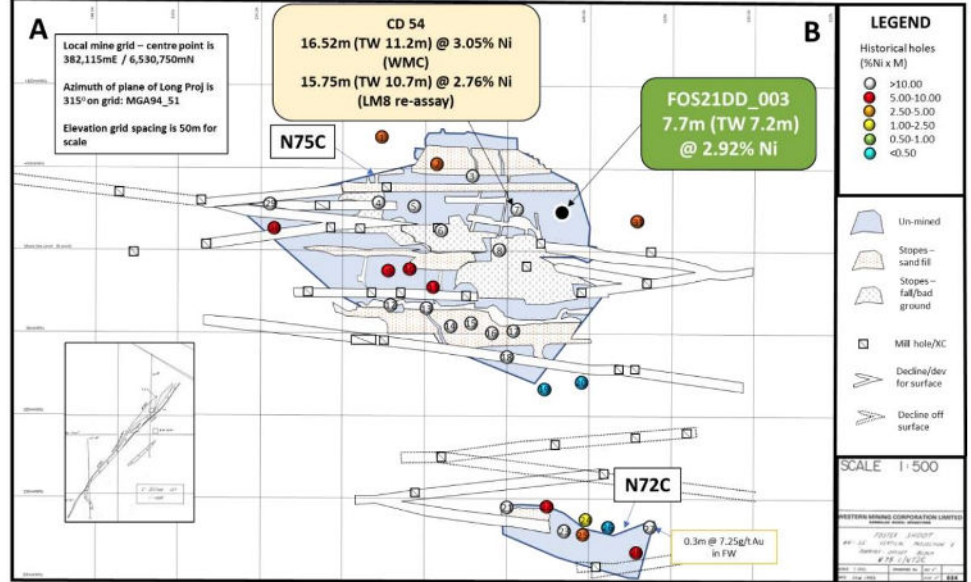
**Non-compliant JORC 2012 historical estimates contain 33kt of nickel metal**

The Foster Main mine area has a residual ore estimate of 16kt of contained nickel metal grading 2.1% Ni. This material is distributed within the hanging wall and immediate proximity of the historical underground workings. These areas include domains such as N75C and N72C, both of which were partially developed, although remain largely unmined. A diamond hole (FOS21DD\_003) recently drilled and validated historical operational reports by intersecting 7.7m at 2.9% Ni in an area recorded as unmined (Figure 9).

A remnant historical estimate of 16.9kt grading 2% Ni exists for the Jan Mine area. Mineralisation was mined out to the extent of drilling (~560m below surface), however, is

expected to continue with depth (Figure 10). In 2022, a historical core assaying program will initially be used to evaluate the potential of this 'Jan Deeps'.

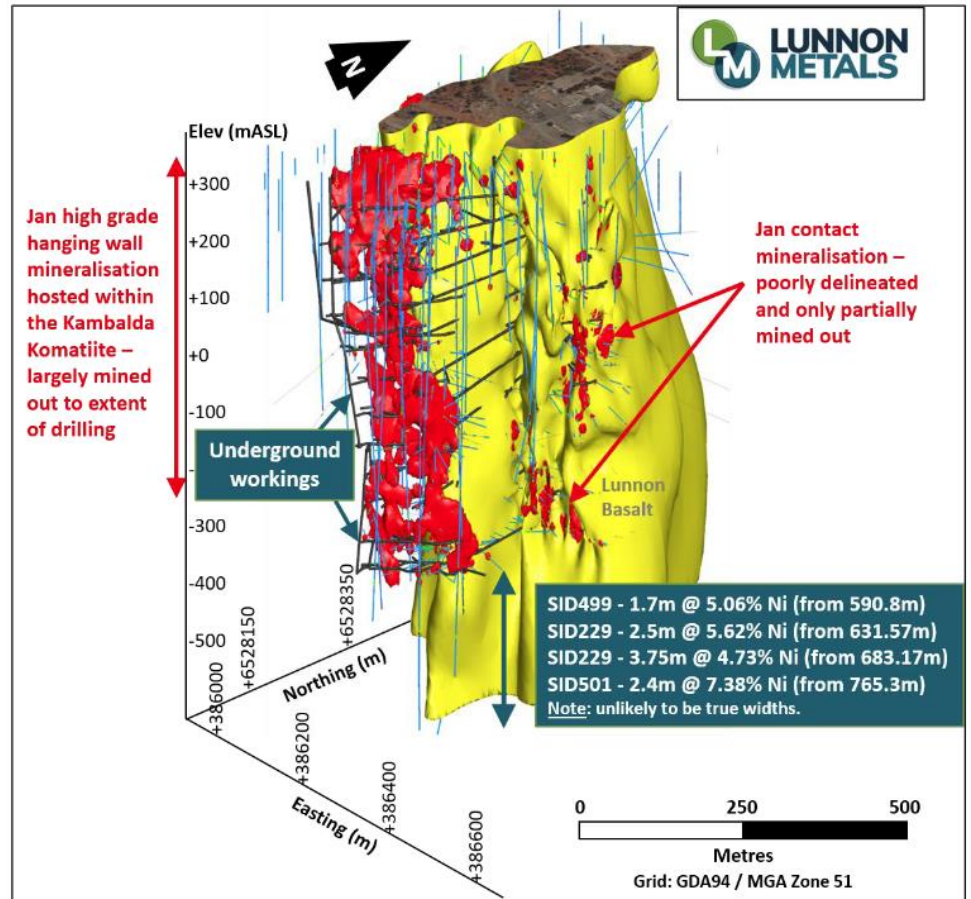
Figure 9: Long section through the N75C and N72C domains of the Foster Main mine area.



The N75C area was only partially mined... although ground conditions could be an issue

Source: LMB

Figure 10: Isometric view towards north-west of the Jan Mine area.



The down plunge extent of the Jan hanging-wall mineralisation remains relatively untested

Source: LMB



### Baker & Other Exploration Targets

Since IPO, Lunnon has completed over 19,000m of drilling at Resource, Historical Estimates and Exploration Targets. The highlight of exploration drilling to date, is the Baker prospect, formerly referred to as East Cooee - Hanging Wall. Baker is defined by a variably south-east dipping tongue of mineralisation that extends approximately 250m across and with an unknown down plunge extent. Near surface, the mineralised zone is ~2-8m thick with a shallow dip, it then narrows and steepens down plunge. The higher-grade zone of the prospect is located approximately 400m from a historical gold mine located to the north-east. LM8 may be able to cut a decline from the base of the pit directly towards mineralisation, potentially reducing access development costs.

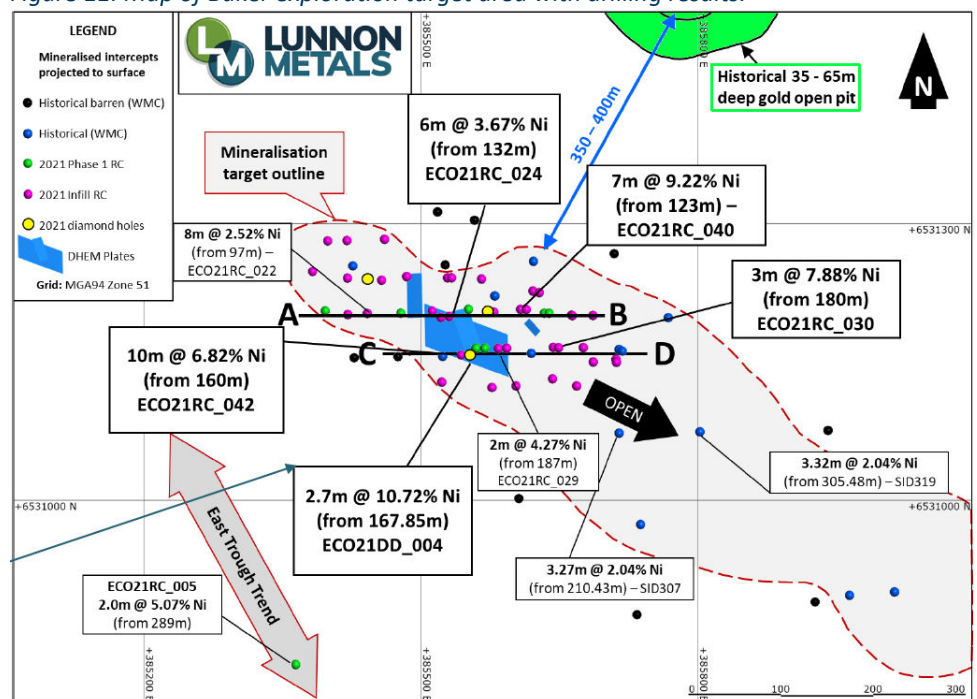
**Baker and other exploration targets are yielding high grade nickel results**

Recent high-grade intercepts reported from the flat Baker include 7m at 9.2% Ni, 10m at 6.8% Ni, 3m at 7.8% Ni and 2.7m at 10.7% Ni. These intercepts were encountered between results of lesser grade, potentially indicating localisation of high-grade material into cigar or lozenge shaped geometries across the mineralised shoot.

Argonaut has derived a preliminary exploration target range for Baker based on drilling to date. This is defined as ~15-20kt of contained nickel metal grading 2.8% Ni. Further drilling information is required to derive a more reliable estimate. LM8 plans to drill out Baker at a spacing of at least 40m x 40m during the 2022 calendar year.

Other exploration targets within the broader work area include the East & West Trough Trends, Somerset, Kenilworth and the Foster Gap. Ongoing drilling programmes are expected to provide assay results periodically during 2022.

Figure 11: Map of Baker exploration target area with drilling results.

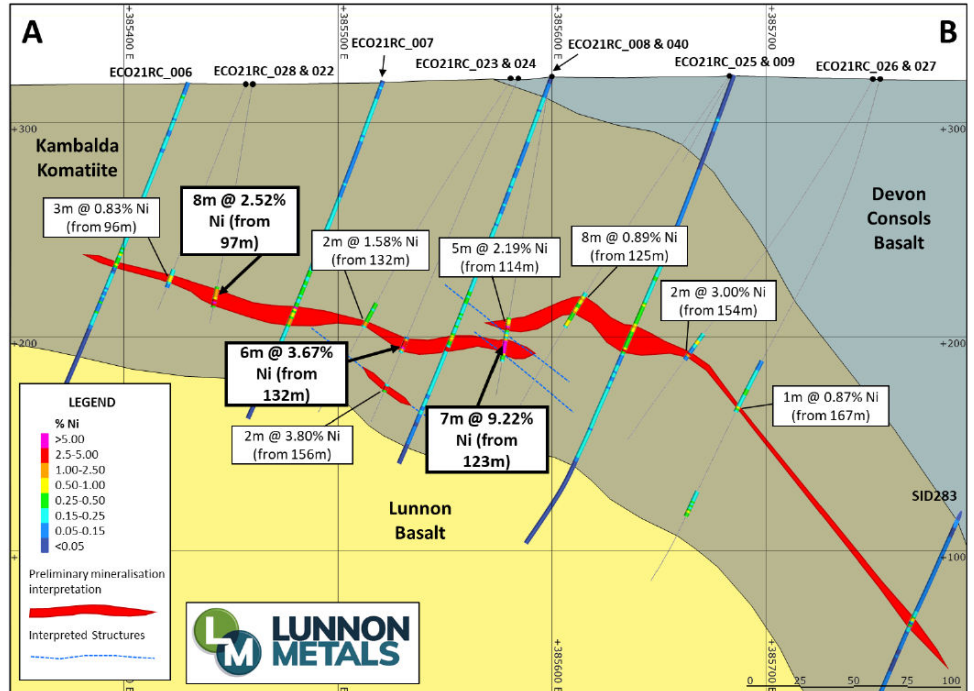


**We estimate the Baker deposit might include over 15kt of contained nickel metal**

Source: LM8 & modified by Argonaut

Figure 12: Section through the Baker deposit with drilling results and interpreted mineralisation.

LM8's holes have intersected high grade over several metres of plunge



Source: LM8

## Peer Comparison

LM8's JORC 2012 compliant Resource base is 39kt of nickel metal grading 3.2% Ni, which is relatively small compared with other Australian listed nickel sulphide peers.

Figure 13 displays full deposit inventory (contained nickel equivalent metal) versus NiEq % grade for ASX listed sulphide focused companies. Companies are labelled by and coloured by \$EV/t contained metal. It is observable that companies with better grade inventories tend to be priced at a higher \$EV/t.

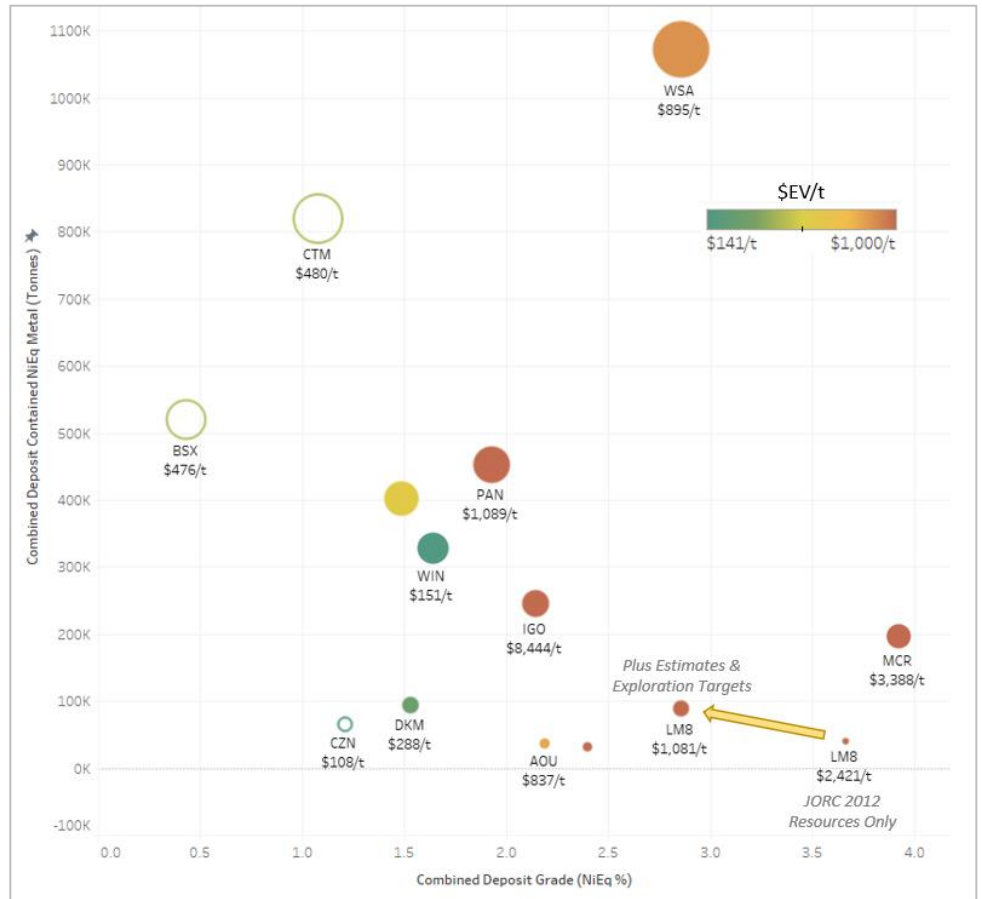
LM8 looks expensive when compared on a EV / Resource contained metal metric...

Based on current JORC Resources LM8 is currently trading A\$2,421/t of contained nickel metal. This is relatively expensive versus peers. Calculating the same \$EV/t comparison factor including Historical Estimates and our Exploration Targets for Baker and other areas generates a more reasonable A\$1,081/t value (Figure 14).

Figure 13: Deposit inventory comparison (NiEq tonnes) for ASX listed nickel sulphide focused companies versus NiEq grade. LM8 current JORC 2012 Resources and Resources plus Historical Estimate and Exploration Target scenarios shown. Scaled by contained metal. Hollow circle indicates non-Australian core assets.

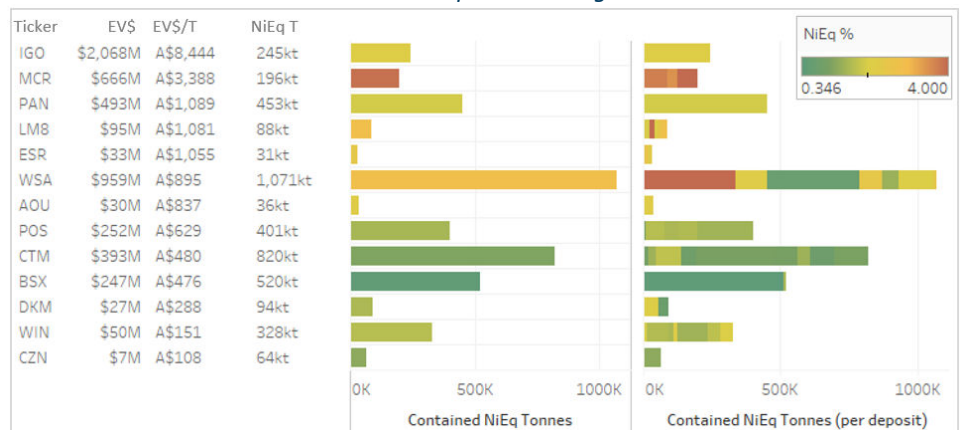
... but becomes more palatable when contained metal tonnes for historical estimates and exploration targets are included

ASX listed companies with high grade nickel sulphide resources located in Australia demand a premium on a EV/Contained Nickel Metal basis



Source: Argonaut with Company, Factset and SP Global data

Figure 14: Statistics for Nickel sulphide focused ASX listed companies sorted by EV\$/T. Left pane chart displays combined nickel contained tonnes and grade. Right pane displays data as individual deposits. IGO EV calculated with allowance for IGO's lithium assets. LM8 tonnes include historical estimates and exploration targets.



Source: Argonaut with data from SP Global

## Valuation

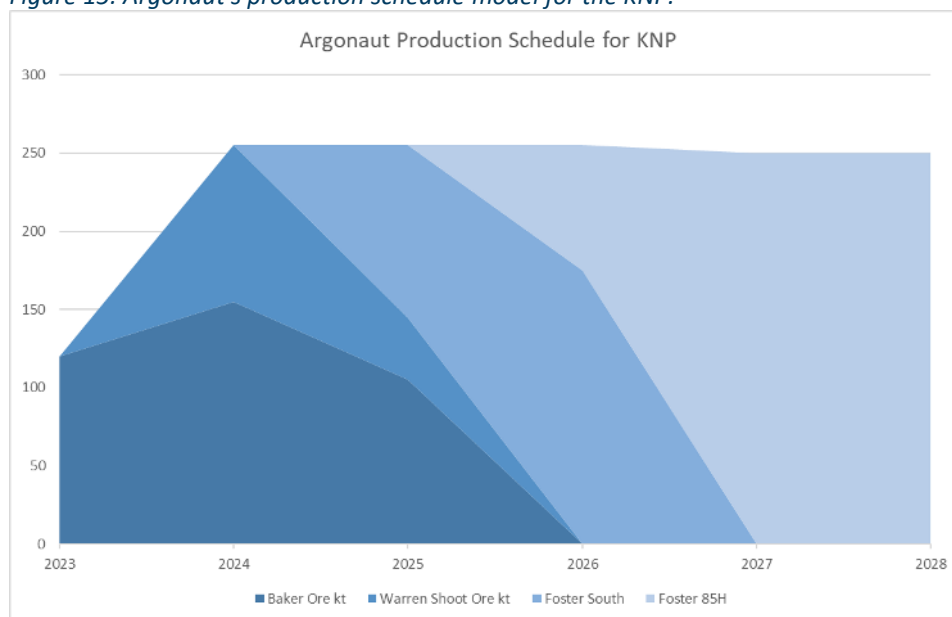
We have generated a high-level discounted cash flow model for development of the KNP from existing and potential Resources for an initial 6-year producing mine life. Our project model values the KNP at A\$148M, equivalent to A\$1.05 per share of listed capital.

Our model assumes that LM8 will be able to fast track development due to the presence of existing Mining Licenses. The project model envisages that mined ore will be transported to the BHP sulphide concentrator in Kambalda for processing. We predict that the Baker discovery will be converted into a mineable Resource and scheduled early in mine life. Dewatering and extension of the decline to Foster South will be required at the Foster complex. Warren ore will compliment Baker early in mine life. Higher grade ore from Foster South and lower grade ore from Foster 85H will progressively replace Baker and Warren. We anticipate a good chance of the Foster South Resource being expanded, however, have not included this capacity in the development schedule.

**Our basic NPV model currently values the KNP at A\$148M**

**Our production schedule includes the new Baker discovery and the three JORC compliant Resources**

Figure 15: Argonaut's production schedule model for the KNP.



Source: Argonaut

Figure 16: Utilised Resources in Argonaut's production model for the KNP.

Deposit	Total Resource / Estimate	Pct Resrc. Utilised	Diluted Ni Grade %
Baker	550	73%	2.7
Warren Shoot	211	70%	2.9
Foster South	339	88%	4.5
Foster 85H	687	89%	2.3

Source: Argonaut

Our model assumes dilution of resources and utilises costs presented in recent Scoping Studies for comparable projects owned by MCR and DKM. We assign a US\$20,000/t nickel price for years 2023-2025 and US\$17,500 thereafter. A flat USD:AUD exchange rate is applied over life of mine 1:0.725.

**Our model cost values are based on comparable projects studies**

We use a variable AISC cost per nickel metal in concentrate. These values are informed by recent feasibility studies for comparable regional operations. Our AISC per tonne of milled ore is approximately A\$270/t.

Our model includes \$8M for studies and drilling during 2022 and a further \$2M for years 2023 and 2024. Preproduction capital costs are estimated at \$34M including dewatering, historical working reconditioning and additional decline development for Baker and Foster South.

**We apply a 15% risk discount to our project NPV model to account for technical risks**

We adopt a 70% nickel payability for refinement of concentrate. Payability terms for BHP and other processors are protected by contractual obligations.

Our company level valuation applies a 15% discount to the project valuation to account for various risks including:

- Baker Exploration Target Resource/Reserve conversion
- Condition of historical workings
- Dewatering success & cost
- Geotechnical risk
- Absence of detailed development plans

We also account for current \$9M cash on hand and build in \$22M in equity dilution from future raisings and option conversion. We anticipate debt will be partially used for funding of the KNP development.

**Our Company level net asset valuation incorporates \$22M in future equity dilution**

We have included an exploration loading to account for prospectivity within the KNP and potential extension to mine life. Our current model does not include any input from the Jan Mine or Foster Main areas. These areas host historical estimates containing over 32kt of nickel metal.

*Figure 17: Company level valuation based on basic project model. Accounts for current assets and future dilution.*

Company Valuation Summary	A\$M	A\$/sh
Post-Tax Kambalda Nickel Project NPV(6%)	148	1.05
Study Maturity / Technical Risk (15%)	-22	-0.16
Exploration Value	49	0.35
Corporate Overheads	-24	-0.17
Cash	9	0.07
Current Debt	0	0.00
Future Option/Equity Dilution	-22	-0.15
<b>Total</b>	<b>139</b>	<b>0.98</b>

Source: Argonaut

## Summary

Unlike other ex-WMC nickel mines, the KNP missed development during the last mining boom due to being locked up within Gold Field's St Ives gold mine tenure. LM8's recent discovery at Baker suggests the KNP remains prospective for identification of deposits that were missed by the former owners. We believe the KNP may provide an opportunity to develop a low upfront capital cost mine similar to that being pursued by neighbours MCR.

## Key Risks

---

### Permitting & timing

Our modelling assumes the presence of existing Mining Licenses will enable LM8 to fast-track development. Delays to permitting would adversely affect our valuation.

### Mineable inventory

Argonaut's mineable inventory is based on proportions of published Resources, historical estimates and Argonaut exploration targets.

### Metallurgical performance

Metallurgical performance is based on comparable deposits within the region.

### Marketable product quality

We assume that nickel sulphide concentrate quality will be of marketable standard and without high quantities of deleterious elements.

### Commodity pricing

Our valuation assumes nickel prices will be sustained over the coming decade. We use a US\$20,000 nickel price for operational years 1-3 and US\$17,500 for years 4-6.

### Costs

Cost assumptions are based on incomplete information or informal estimates. Operating and capital costs assumptions rely on our knowledge of industry rates.

### Exploration success

We have assumed that the Baker discovery will be converted into a mineable Reserve. Failure to do so would fundamentally change the outcome of our valuation.

### Interest rates/discount rates

Argonaut takes cash flow risk into account when choosing discount rates for different projects. Our valuation is sensitive to the discount rate used.

## Board & Management

---

### Mr Liam Twigger – Non-Executive Chairperson

Liam is the Deputy Chairperson and Executive Director of Argonaut which recently merged with PCF Capital Group, which Liam founded in 1999. 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.

### Mr Ian Junk – Non-Executive Director

Ian 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. 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.

**Mr Ashley McDonald – Non-Executive Director**

Ashley 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.

**Mr Edmund Ainscough – Managing Director**

Ed 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, overseeing a \$25 million per annum drill budget and the addition of over 2.0 million ounces to reserves during his tenure.

**Mr Aaron Wehrle – Exploration & Geology Manager**

Aaron 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.

**Jessamyn Lyons – Company Secretary**

Jessamyn is a Chartered Secretary, a Fellow 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), Stealth Global Holdings Ltd (ASX:SGI), Ragnar Metals Limited (ASX:RAG) and EchoIQ Limited (ASX:EIQ).

**RESEARCH:**

**Ian Christie** | Head of Research  
+61 8 9224 6872 ichtie@argonaut.com

**John Macdonald** | Director, Metals & Mining Research  
+61 8 9224 6835 jmacdonald@argonaut.com

**George Ross** | Analyst, Metals & Mining Research  
+61 8 9224 6840 georger@argonaut.com

**Royce Haese** | Analyst, Metals & Mining Research  
+61 8 9224 6869 rhaese@argonaut.com

**INSTITUTIONAL SALES:**

**Chris Wippl** | Executive Director, Head of Institutional Sales  
+61 8 9224 6875 cwippl@argonaut.com

**Damian Rooney** | Director Institutional Research Sales  
+61 8 9224 6862 drooney@argonaut.com

**Josh Welch** | Institutional Research Sales  
+61 8 9224 6868 jwelch@argonaut.com

**George Ogilvie** | Institutional Research Sales  
+61 8 9224 6871 gogilvie@argonaut.com

**John Santul** | Consultant, Sales & Research  
+61 8 9224 6859 jsantul@argonaut.com

**CORPORATE AND PRIVATE CLIENT SALES:**

**Glen Colgan** | Managing Director, Desk Manager  
+61 8 9224 6874 gcolgan@argonaut.com

**Kevin Johnson** | Executive Director, Corporate Stockbroking  
+61 8 9224 6880 kjohnson@argonaut.com

**James McGlew** | Executive Director, Corporate Stockbroking  
+61 8 9224 6866 jmcglew@argonaut.com

**Ben Willoughby** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6876 bwilloughby@argonaut.com

**David Keogh** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6852, dkeogh@argonaut.com

**Geoff Barnesby-Johnson** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6854 bj@argonaut.com

**Philip Grant** | Senior Dealer, Corporate Stockbroking  
+61 8 9224 6834, pgrant@argonaut.com

**Rob Healy** | Dealer, Private Clients  
+61 8 9224 6873, rhealy@argonaut.com

**James Massey** | Dealer, Private Clients  
+61 8 9224 6849 jmassey@argonaut.com

**Cameron Prunster** | Dealer, Private Clients  
+61 8 9224 6853 cprunster@argonaut.com

**Harry Massey** | Dealer, Private Clients  
+61 8 9224 6829, hmassey@argonaut.com

**Jake Solomon** | Dealer, Private Clients  
+61 8 9224 6855, jsolomon@argonaut.com

**Matej Mandic** | Dealer, Private Clients  
+61 8 9224 6887, mmandic@argonaut.com

**Important Disclosure**

The Chair of Lunnon Metals Limited (LM8), Mr Liam Twigger also holds the following roles with the Argonaut Group: Deputy Chair of Argonaut Limited and Executive Director, Corporate Finance. Mr Twigger was not involved in the creation of this research material in any way. The views expressed in this document accurately reflect the analyst's personal views about the subject security and listed corporation.

**Information Disclosure**

Each research analyst of this material certifies that the views expressed in this research material accurately reflect the analyst's personal views about the subject securities and listed corporations. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this material to any of the analyst(s).

**For U.S. persons only**

This research report is a product of Argonaut Securities Pty Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Argonaut Securities Pty Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Argonaut Securities Pty Limited has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**General Disclosure and Disclaimer**

This research has been prepared by Argonaut Securities Pty Limited (ABN 72 108 330 650) ("ASPL") for the use of the clients of ASPL and other related bodies corporate (the "Argonaut Group") and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this report in any way. ASPL is a holder of an Australian Financial Services License No. 274099 and is a Market Participant of the Australian Stock Exchange Limited.

Nothing in this report should be construed as personal financial product advice for the purposes of Section 766B of the Corporations Act 2001 (Cth). This report does not consider any of your objectives, financial situation or needs. The report may contain general financial product advice and you should therefore consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.

This research is based on information obtained from sources believed to be reliable and ASPL has made every effort to ensure the information in this report is accurate, but we do not make any representation or warranty that it is accurate, reliable, complete or up to date. The Argonaut Group accepts no obligation to correct or update the information or the opinions in it. Opinions expressed are subject to change without notice and accurately reflect the analyst(s)' personal views at the time of writing. No member of the Argonaut Group or its respective employees, agents or consultants accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research.

Nothing in this research shall be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from engaging in any transaction. The Argonaut Group and/or its associates, including ASPL, officers or employees may have interests in the financial products or a relationship with the issuer of the financial products referred to in this report by acting in various roles including as investment banker, underwriter or dealer, holder of principal positions, broker, director or adviser. Further, they may buy or sell those securities as principal or agent, and as such may effect transactions which are not consistent with the recommendations (if any) in this research. The Argonaut Group and/or its associates, including ASPL, may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case.

There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment.

The analyst(s) principally responsible for the preparation of this research may receive compensation based on ASPL's overall revenues.

**Copyright**

© 2022. All rights reserved. No part of this document may be reproduced or distributed in any manner without the written permission of Argonaut Securities Pty Limited. Argonaut Securities Pty Limited specifically prohibits the re-



distribution of this document, via the internet or otherwise, and accepts no liability whatsoever for the actions of third parties in this respect.