

ANNUAL REPORT 2022

FOR THE YEAR ENDED 30 JUNE 2022

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**LUNNON
METALS**

ABN 82 600 008 848 | **ASX:LM8**

CORPORATE DIRECTORY

Board of Directors

Mr. Liam Twigger	Non-Executive Chair
Mr. Edmund Ainscough	Managing Director
Mr. Ian Junk	Non-Executive Director
Mr. Ashley McDonald	Non-Executive Director
Ms. Deborah Lord	Non-Executive Director

Company Secretary

Jessamyn Lyons

Registered Office

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Postal:	PO Box 646 West Perth, WA 6872
Telephone:	+61 8 6245 2050

Principal Place of Business

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Postal:	PO Box 470 West Perth, WA 6872
Telephone:	+61 8 6424 8848
Email:	info@lunnonmetals.com.au
Website:	https://lunnonmetals.com.au/

Share Registry

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

Auditors

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

Securities Exchange

Australian Securities Exchange
Website: www.asx.com.au
ASX Code: LM8

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NICKEL, IN THE HEART OF KAMBALDA





CHAIRMAN'S LETTER

Dear Fellow Shareholder,

We are pleased to present the 2022 Annual Report for Lunnon Metals Limited (“Lunnon” or “the Company”), our second as a publicly listed company on the Australian Securities Exchange since we commenced trading on 16 June 2021.

The last 12 months have been a period of immense growth and success with the first high grade nickel sulphide drilling results reported at Baker in January 2022 followed by a timely \$30M capital raising which has placed Lunnon in a solid financial position as it assesses its strategic options for the year ahead. We welcome our new shareholders and thank them for their support and encouragement.

Lunnon announced an initial, first-time Mineral Resource at Baker in June 2022 and recent infill drilling has confirmed a likely improvement in contained tonnes and grade, demonstrating the Company’s well-articulated business plan, being that there is plenty of scope for new high-grade discoveries on its tenure.

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The agreement to acquire the Fisher and Silver Lake projects has seen a doubling in the Company's regional footprint, and we remain confident that if the extensions of the McLeay and Moran nickel shoots continue into our tenure, or new nickel channels exist, that our exploration team will locate them.

We were pleased to report a 65% increase in our Mineral Resource inventory over the last year and note our very low discovery cost of \$0.22/lb Ni (as at end of May 2022 expensed figures).

The next 12 months look set to be equally as productive as the Company continues with its technical studies on the high grade Baker discovery leading to a potential development decision in the near future.

The location of Lunnon's tenure in the heart of Kambalda provides a unique point of leverage, being in close proximity to significant infrastructure and processing alternatives via the BHP concentrator and smelter facilities (should they be needed) which offers a low capital hurdle for a development decision compared with the usual requirement for the construction of a stand-alone processing plant.

Liam Twigger
Non-Executive Chairman
Lunnon Metals Limited

We expect a very exciting 2023 and believe the Company is very well positioned to deliver on its goals for the year.

I would like to thank our major shareholder, Gold Fields / St Ives for the continued support and assistance, and our Managing Director, Ed Ainscough, who together with his excellent executive, administration and exploration team have continued to shoot the lights out on the Kambalda Nickel Project.

I would also like to thank my fellow directors who have been outstanding during the year and also welcome our new Director, Deborah Lord, who has proven invaluable over the recent months especially with respect to the completion of the acquisition of Silver Lake and Fisher.

Lastly, I would like to acknowledge and extend my thanks and gratitude to the communities in which we operate, especially in Kambalda and Kalgoorlie and look forward to another exciting year ahead as we seek to discover lots more...

.....**nickel, in the heart of Kambalda.**

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BOARD OF DIRECTORS



Liam Twigger
Non-Executive
Chairman



Edmund Ainscough
Managing Director



Ian Junk
Non-Executive Director



Ashley McDonald
Non-Executive Director



Deborah Lord
Non-Executive Director

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OPERATIONS REVIEW

KAMBALDA NICKEL PROJECT

During the year, Lunnon Metals Limited (“Lunnon” or “the Company”) commenced its aggressive exploration programme at its 100% owned Kambalda Nickel Project (“KNP”) following its Initial Public Offering (“IPO”) just prior to end of the previous financial year.

In the Foster and Jan areas, high ranking targets at Warren, East Cooe Hanging Wall, East Trough, Foster and Kenilworth were all tested and advanced. The Company made its first discovery with the intersection of thick, high grade nickel sulphide mineralisation at the Baker Shoot, within the East Cooe target area.

Location

KNP, shown in its regional location in Figure 1 (right of page), inclusive of the acquisition of rights as detailed in the announcement dated 12 April 2022, is approximately 47km² in size comprising two parcels of 19 (at Foster and Jan) and 20 (at Silver Lake and Fisher) contiguous granted mining leases situated within the Kambalda Nickel District which extends for more than 70 kilometres south from the township of Kambalda. This world-renowned nickel district has produced in excess of 1.4 million tonnes of nickel metal since its discovery in 1966 by WMC Resources Ltd (“WMC”).

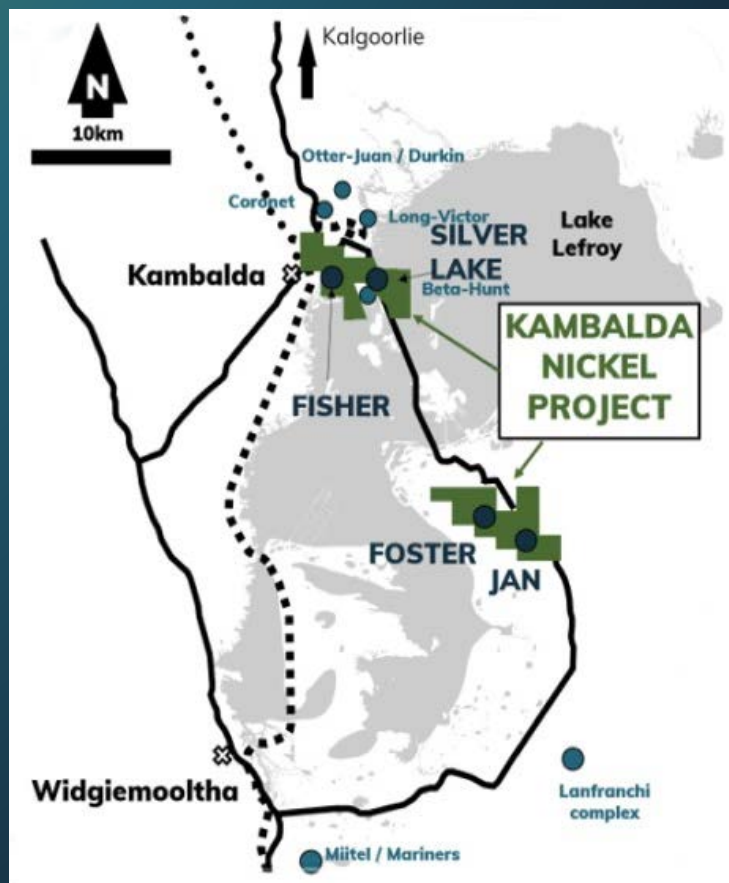


Figure 1:
Regional Location of the Kambalda Nickel Project

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Environment, Sustainability and Governance (“ESG”)

No significant safety, health or environmental incidents occurred during the year. Aligned with its Local Content Policy, the Company continued to work with local Kalgoorlie drilling company Blue Spec Drilling Pty Ltd (“Blue Spec”), using reverse circulation (“RC”) and diamond drilling approaches at KNP. Blue Spec operated safely and efficiently throughout the year and is a valued partner for the Company, providing all necessary supervision, labour, materials, transport, plant and equipment required to execute the Company’s drilling programme.

Also in line with its Local Content Policy, the Company continued to play a supportive role in the local Kambalda community, regularly liaising with the Coolgardie Shire to update its CEO on its progress, successes and plans for the future. The Company supports the local community actively through its current policy of direct rental of houses in West Kambalda to house its staff together with purchasing locally all necessary provisions for their residence whilst at site and resident in the town.

The Company continues to engage with representatives of the Ngadju Native Title Aboriginal Corporation (“NNTAC”), the prescribed body corporate for the Ngadju Native Title

holders rights and interests on the land the subject of the KNP. Meetings were held with the elders of the Ngadju on a number of occasions with the goal being to agree the terms by which the parties can work together in a mutually beneficial economic relationship at the KNP.

The Company recruited a senior executive, Ms. Helen Anderson, to a newly created dedicated position, Manager – ESG, to play the lead role in managing all aspects of its programme in these discipline areas with a particular focus on managing the potential transition of the Company and its activities from those of a pure explorer to a potential develop/producer in future years.

The impact of Covid-19 was managed throughout the year and although a number of employees contracted the virus there was no material impact on the work programme, at site or in the West Perth head office. The Company continues to comply with the Western Australian government’s Covid-19 related directives and mandates as they apply to its activities.



Discovery Programme

Drilling Programme Physicals

A total of just under 37,000m of drilling had been completed at the KNP by 30 June 2022 since the Company's IPO. Approximately 15,500m of this total was completed in the most recent June quarter including

10,559m of RC (56 holes) and just under 5,000m of diamond drilling (12 holes).

The total drilled to date represents 32% more metres than originally planned in the Company's June 2021 Prospectus.

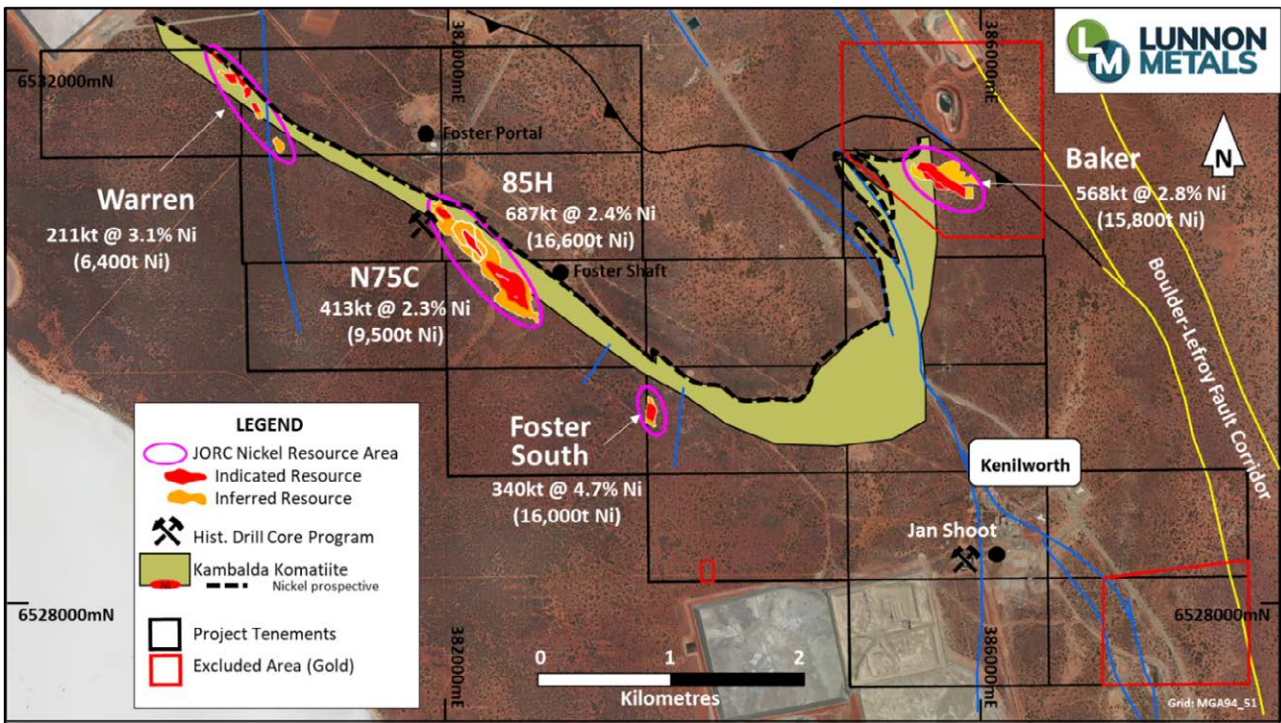


Figure 2: Plan of the Foster – Jan leases of the Kambalda Nickel Project showing location of main prospects and the current Mineral Resource areas represented in plan projection

Baker Shoot

The Baker nickel shoot was discovered by Lunnon during the year. Baker is believed to be the first nickel discovery reported into Mineral Resource in the immediate Kambalda nickel camp since Moran (Independence Group) in 2008. The area in which it is hosted, termed East Cooee, had been drilled historically by WMC but, despite a broadly spaced grid of diamond drilling, WMC did not progress the identified nickel mineralisation at the base of the second flow unit of the hanging wall Kambalda Komatiite. Accordingly, there has been no historical production from the area.

An Exploration Target range for East Cooee area that covered the Baker Shoot was estimated by the Company

in 2020 in accordance with the guidelines of the JORC Code and contained in its Prospectus at the IPO of Lunnon. This work identified multiple mineralised surfaces in basalt-ultramafic contact trough locations, contact flanking locations, footwall positions and extensive hanging wall surfaces.

The June 2022 quarter saw completion of the geological interpretation of results from the 2021 Baker drilling programme, a process which then culminated in the creation of geological sub-domains provided to Cube Consulting ("Cube"). Cube subsequently completed a Mineral Resource Estimate ("MRE") for the Baker Shoot which was reported to the market on 14 June 2022.

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The first-time Indicated and Inferred Baker Mineral Resource comprised:

- 295,000 tonnes @ 2.75% Ni for 8,100 nickel tonnes in Indicated Resource; and
- 273,000 tonnes @ 2.82% Ni for 7,700 nickel tonnes in Inferred Resource.

RC and diamond drilling recommenced post year end with the goal of stepping the drill coverage into an approximate 20m x 20m spacing. Initial results from this current campaign have been reported to the ASX and include 23m @ 6.78% Ni (ECO22RC_048) and 19m @ 6.01% Ni (ECO22RC_067).

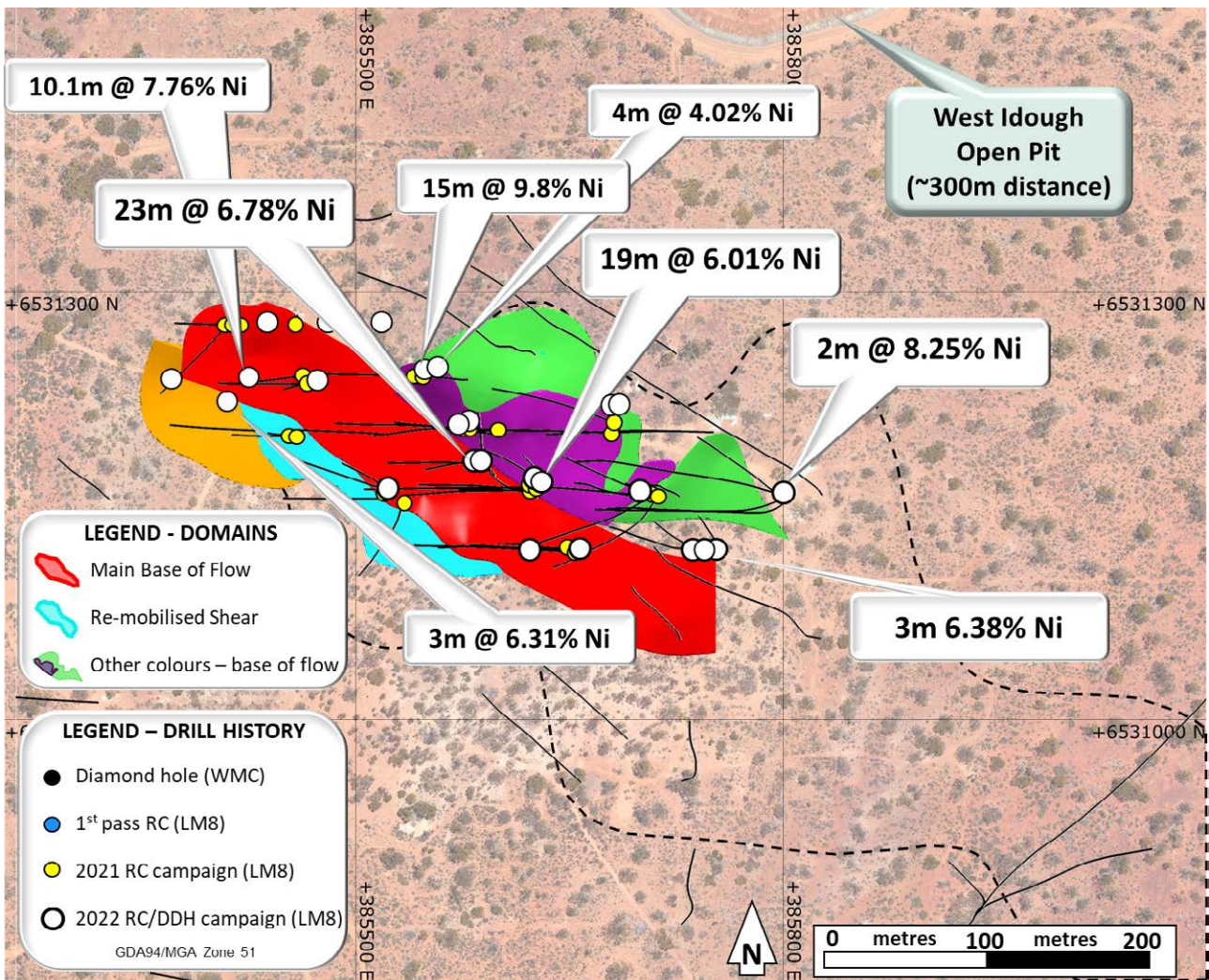


Figure 3: Plan of the Baker nickel shoot showing collar location, drill hole traces and interpreted geology sub-domains



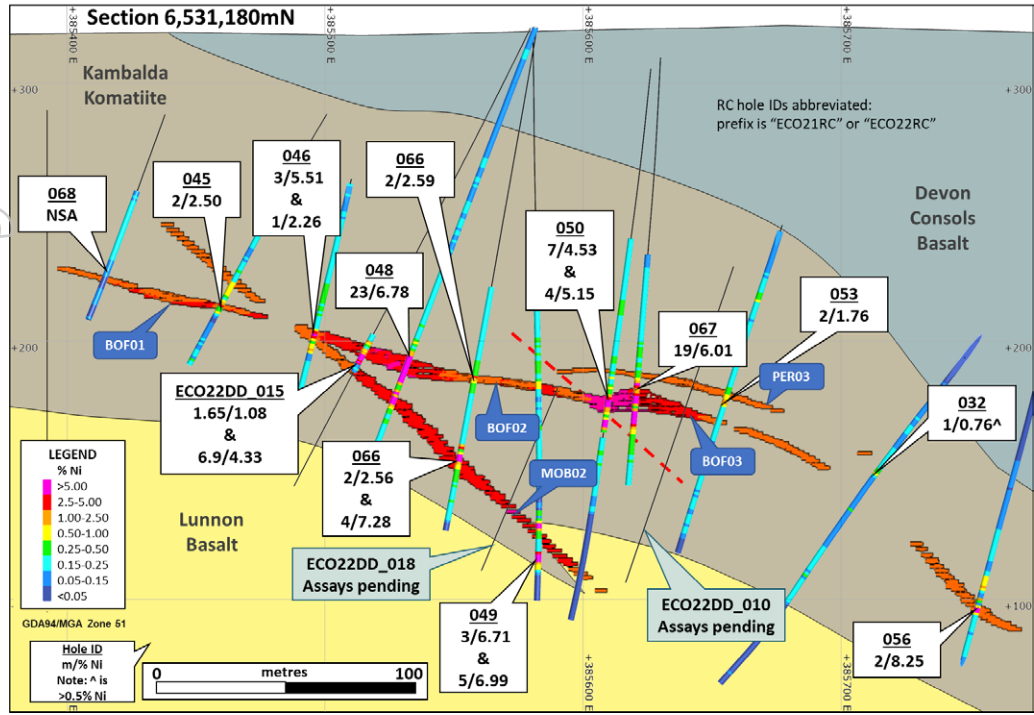


Figure 4: Geological cross section 6,531,180mN at Baker showing drill results draped over June 2022 MRE

Following the end of the reporting period, results of the initial metallurgical test work at Baker were released to the ASX (1 September 2022). A composite sample comprised 170kg of diamond drill core recovered at the end of 2021 from the only three diamond holes available at the time the test work was initiated. This was prior to completing the geological interpretation and reporting of the first-time Baker MRE in June 2022. As a consequence, over 40% of the core samples collected originated from outside the MRE interpreted model, with this additional material predominantly being sourced from the weakly mineralised hanging wall komatiite to make up the sample weight required.

The calculated head grade for this sample was

- 2.81% Ni, 0.27% Cu, 0.057% Co, 16.4% Fe, 20.6% MgO, 7.29% S, 18 ppm As

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

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

A grind size of P80 53 µm was chosen in consultation with Nickel West technical personnel to simulate the process flow at their Kambalda Concentrator.

Although the test work was initiated early in the discovery programme at Baker and included material that subsequently did not form part of the first-time MRE, the programme delivered extremely promising results based on the metallurgical processing flowsheet at BHP Nickel West's (Nickel West) Kambalda Concentrator. The test work showed high nickel recoveries whilst producing a very clean concentrate that is low in contaminants and high in saleable nickel, copper and cobalt.

In light of the significant widths and very high grades that have been recorded at Baker since the first three diamond holes were drilled in 2021 and then the first-time Baker MRE was reported in June 2022, metallurgical sample collection has continued from the current diamond core drilling programme. Intervals identified for metallurgical test work are shrink wrapped and then stored in a freezer compartment at site until ready for shipment to the laboratory.

The MRE update planned for December 2022 quarter will see domaining of the Baker nickel mineralisation into its near surface, weathered and fresh components together with refined separate models for the different mineralisation styles observed, most notably base of flow and remobilised shear hosted nickel sulphide zones. This work will form the basis of the geo-metallurgical model from which additional domain specific test work will be undertaken on the samples collected.

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Warren

Drilling continued almost throughout the period at Warren. The discovery programme at Warren is designed to demonstrate that this separate channel has the potential to host substantially more Mineral Resource than the current figure of 6,400t of nickel metal. The Foster channel, 1.5km to the immediate south-east, has an endowment of over 103,000t of nickel at 2.92% Ni (>61,000t mined previously up to 1994 and 42,100t in the Company's current JORC 2012 Mineral Resource estimate).

Initial RC testing of near surface targets was superseded by a deeper diamond drilling programme targeting two key opportunities emanating from identification of significant gaps in the original WMC diamond drill coverage.

The first of these gaps saw a total of nine holes drilled around a high conductance, Down Hole Transient Electro-Magnetic ("DHTEM") plate identified after the drilling of

parent hole WRN21DD_003 (8.72m @ 3.54% Ni reported 4 January 2022) and the first wedge (W1) (9.05m @ 2.82% Ni reported 4 April 2022). Nickel mineralisation has been shown to be thickest along the long axis of this newly discovered shoot which rakes across dip/plunge. As reported to the ASX on 5 July 2022, the programme is now complete.

The second opportunity focussed on an area down plunge and to the south seeking to infill up plunge and in the vicinity of WRN21DD_001W7 (4.8m @ 3.09% Ni ASX report dated 4 April 2022) on the outer flank which is not closed off up plunge towards the existing Mineral Resource boundary.

An update to the Warren MRE will be undertaken in the December quarter when all drilling is complete and all assays received.

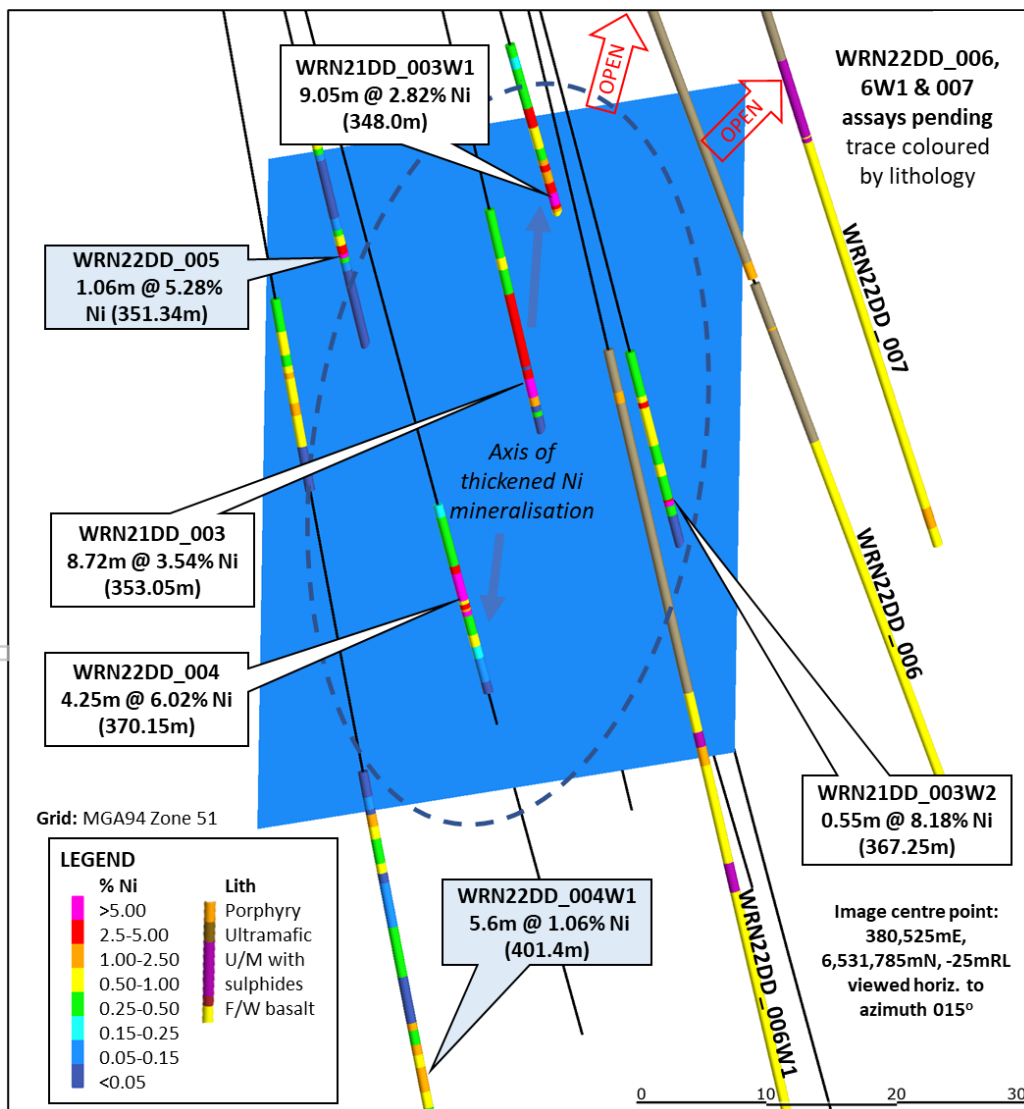


Figure 5: Isometric perspective view of DHTEM conductive plate centred on WRN21DD_003 drilled during 2021/22

Foster Mine

Drilling during the year in the Foster nickel mine area recorded a number of important intersections, reflecting potential for both nickel and gold mineralisation in the immediate vicinity of the current mine decline and development workings.

Diamond hole FOS21DD_001, reported 1.0m @ 0.65% Ni (from 551.0m) towards the base of the Kambalda Komatiite whilst CD 3300, drilled to test for the presence of a broad low grade gold structure intersected in FOS21DD_001, also returned nickel results at the basal contact, 1.97m @ 1.20% Ni (from 516.15m; > 0.5% Ni cut-off).

Significantly, these drill intercepts are some 100m up-dip from the closest nickel mineralisation at the southern end of the Foster workings and confirm the Company's interpretation that the up-dip flank, i.e. above and to the south of the previous mine workings, is still open and may play host to potentially economic nickel mineralisation.

The aforementioned FOS21DD_001 also intersected gold, recording 7.84 metres (7.0 m True Width) @ 1.50 g/t Au (from 166m) on a structure termed the Hustler's structure. Other gold assay results of significance during this programme included:

CD3300

- 8.58m @ 1.05 g/t Au (112.1m – structure interpreted to be sub-parallel to Hustlers)
- 0.64m @ 2.88 g/t Au (125.8m)
- 0.91m @ 2.01 g/t Au (386.84m)
- No significant assay on Hustlers structure

FOS21DD_002

- 7.54m @ 0.93 g/t Au (149.8m – Hustlers Structure identified in FOS21DD_001)
- 0.3m @ 19.48 g/t Au (162.4m)
- 0.87m @ 2.45 g/t Au (168.65m)

FOS21DD_001 (in addition to the Hustlers intercept)

- 1.0m @ 1.89 g/t Au (656m)
- 1.0m @ 1.49 g/t Au (676m)

The close association between nickel and gold at the Kambalda/St Ives camp is well documented and provides alternate commodity revenue potential in any future nickel production scenario at Foster. Total historical production of nickel and gold across the entire Kambalda/St Ives district is estimated to be approaching 1.6 Mt of nickel metal and close to 15 Moz of gold.

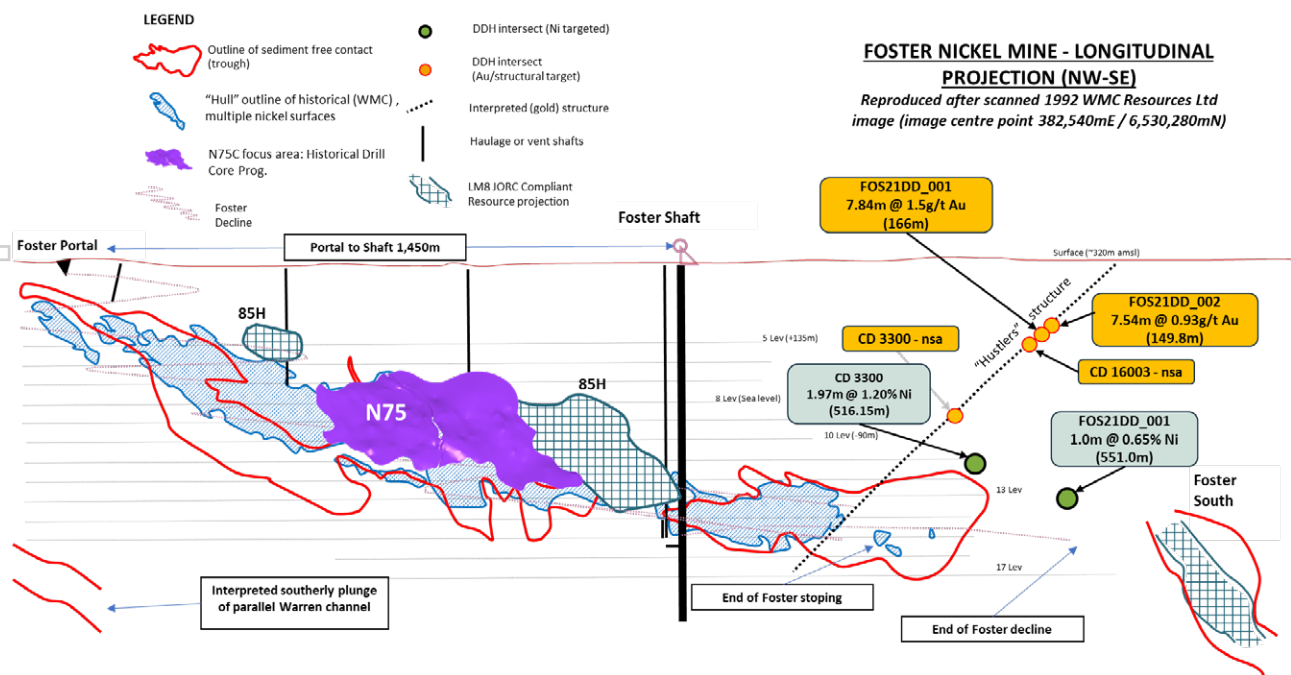


Figure 6: Schematic Longitudinal Projection of Foster Mine (looking north-east) illustrating the intersection points of reported Foster "Gap" diamond drill holes, related to both gold and the prospective nickel contact

Kenilworth EIS Grant Hole

Diamond drilling of the Kenilworth target, part of the Western Australian government's Exploration Incentive Scheme ("EIS") programme was completed during the year. The hole, JAN22DD_004, reached a final depth of 1,521m. This was deeper than the planned depth of 1,450m. The objective of this co-funded drill hole was to test the 800m long geophysical magnetic anomaly located within and parallel to the Jan Thrust Complex (Figure 7). The Company is completing detailed logging and sampling for its submission and assessment of the programme as required under its contract with the Department of Mines, Industry Regulation and Safety.

The Company acknowledges the contribution of the Western Australian government's EIS Grant towards the funding of this hole. Full assay results are pending and should be reported in the coming quarter.

Other targets

A range of other, generally shallow or near surface targets were drilled during the year in the Cooee Gap, East Trough, Somerset, Jan (near surface) and Lunnon Basalt Footwall. Significant nickel intersections were reported at East Trough including 2m @ 5.07% Ni, however, in the majority of the remaining cases the target was considered adequately tested.

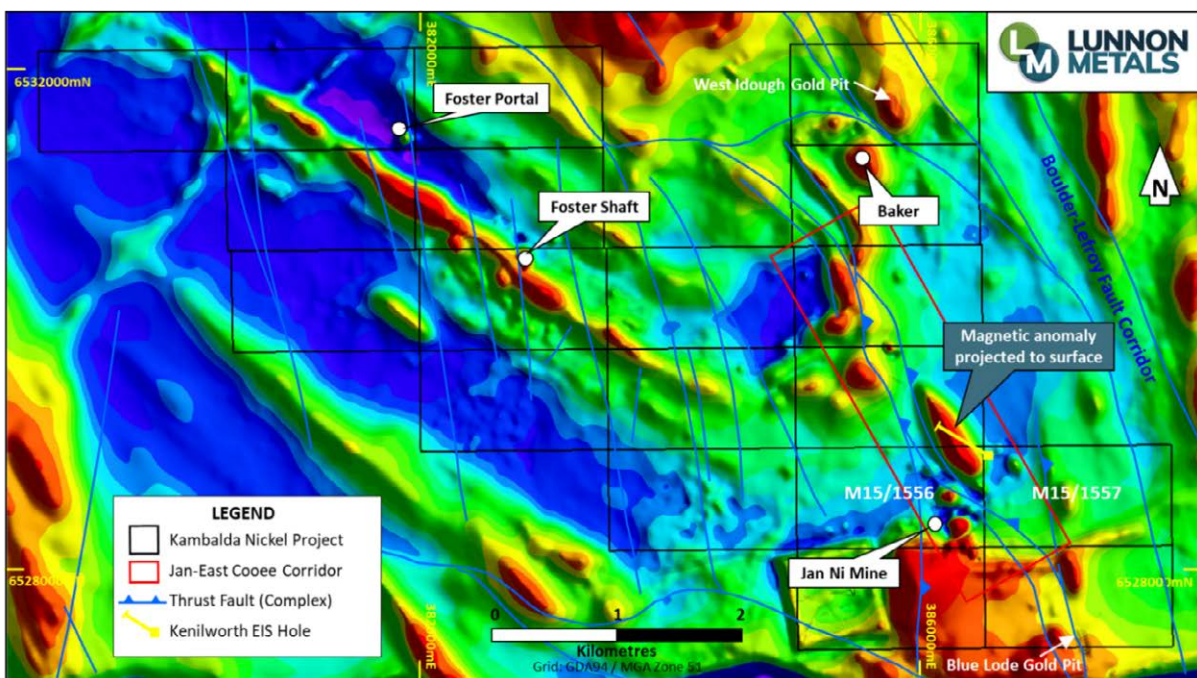
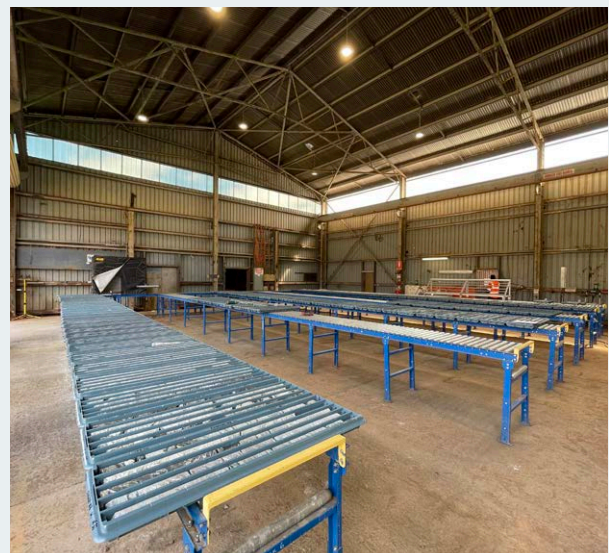


Figure 7: Plan view of the Kambalda Nickel Project illustrating location of the Kenilworth diamond hole (yellow line atop labelled magnetic anomaly) on magnetic imagery

Site logistics

During the course of the year, the Company recruited an experienced group of geoscientists and support field crew working on opposite panels on an industry standard fly-in, fly-out roster. There is now a permanent team of nine Lunnon staff on roster supported by two local staff resident in Kambalda.

At the Foster Nickel Mine, office facilities and site infrastructure were progressively improved throughout the period with the addition of a diesel storage facility, diamond core cutting plant and equipment, an extensive, under cover core logging facility and the requisite internet communication hardware to facilitate the collection, collation and analysis of all field exploration data seamlessly with the West Perth head office.



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MINERAL RESOURCES

Year on year the Company increased its JORC 2012 Mineral Resource by 65% to a total across the KNP of:

- **2.2 million tonnes @ 2.9% nickel for 64,300 contained nickel tonnes.**

Growth was achieved in two areas. Firstly, as a result of its Historical Core Programme (“HCP”) at the Foster Nickel Mine where review and analysis of potential historical nickel mineralisation on the N75C was conducted. The N75C surface was one of the many nickel surfaces mined during the operational life of the Foster mine which in total recorded over 61,000 tonnes of nickel metal produced from some 2.37 million tonnes of ore.

This surface was chosen as the first target for the HCP due to its proximity to the existing 85H Mineral Resource and as it was recorded as having thicker than average zones of heavily disseminated nickel mineralisation. Confirmatory drilling by Lunnon Metals during the year recorded 7.7m @ 2.92% Ni (see ASX announcement dated 6 Jan 2022 for details).

The first-time Indicated and Inferred Mineral Resource for N75C reported during the 2021/22 year was:

- 270,700 tonnes @ 2.55% Ni for 6,900 nickel tonnes in Indicated Resource; and
- 142,000 tonnes @ 1.86% Ni for 2,600 nickel tonnes in Inferred Resource.

The Mineral Resource grade estimation was completed by Cube in consultation with, and based upon, geological models compiled by Lunnon staff (see Figure 8 below).

For the purposes of compliance with ASX Listing Rule 5.14.1, the Company highlights that the HCP directly addresses the requirement to progress the evaluation of the historical estimates within the three year time frame from the date those estimates were originally reported, that being in its Prospectus lodged on 22 April 2021. The HCP is an ongoing and active part of the Company’s discovery programme and upon the completion of the review of the historical estimates at Foster nickel mine, the program will continue at the Jan nickel mine. Shareholders are referred to the Independent Technical Assessment Report prepared by Optiro Pty Ltd and contained in Schedule 3 of its Prospectus for further details on the historical estimates at Foster and Jan.

The Company highlights that:

- The estimates in its Prospectus are historical estimates and are not reported in accordance with the JORC Code;
- Other than reported above in relation to the N75C Mineral Resource, as at the date of this Annual report, a competent person has not done sufficient work to classify the remainder of the historical estimates as mineral resources or ore reserves in accordance with the JORC Code; and
- It is uncertain that following evaluation and/or further exploration work that the historical estimates will subsequently be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

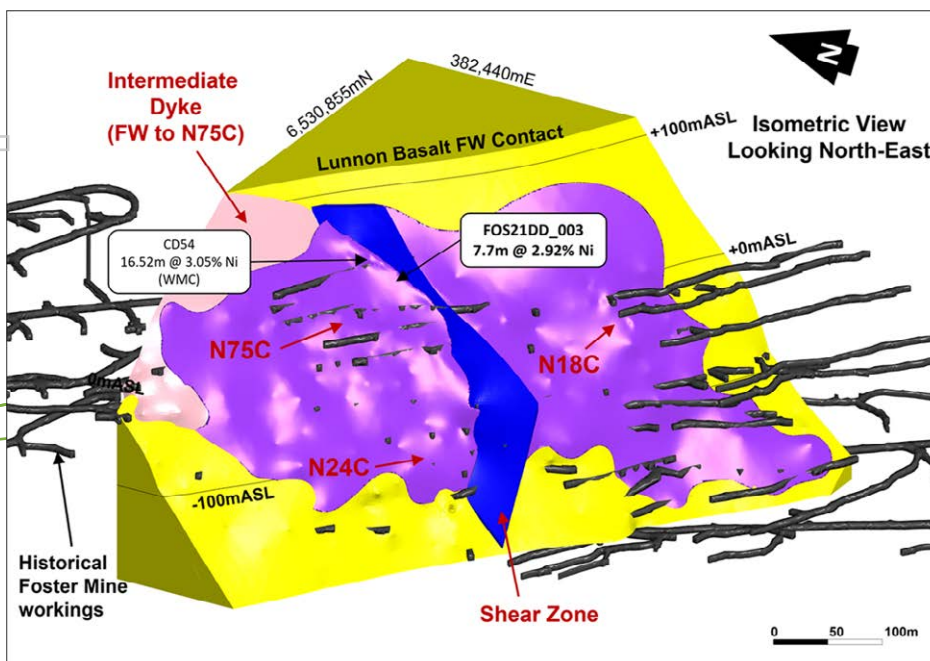


Figure 8: Isometric view of the N75C, 18C and 24C nickel surfaces at the Foster Mine, illustrating key lithology, structure and relative position to the existing workings (Grid: GDA 95/MGA Zone 51)

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Secondly, as mentioned previously in this report, the discovery of the Baker Shoot added:

- 295,000 tonnes @ 2.75% Ni for 8,100 nickel tonnes in Indicated Resource; and
- 273,000 tonnes @ 2.82% Ni for 7,700 nickel tonnes in Inferred Resource.

Table 1 below details the breakdown of the KNP's JORC 2012 Mineral Resources and compares the current total to the total reportable at the end of the previous financial year (June 2021) in Table 2.

Cut-off (Ni %)	Indicated			Inferred			Total			
	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes	
Foster Nickel Mine										
85H	1.0	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
South	1.0	223,000	4.7	10,500	116,000	4.8	5,500	340,000	4.7	16,000
Warren	1.0	136,000	2.7	3,700	75,000	3.7	2,700	211,000	3.1	6,400
N75C	1.0	270,700	2.6	6,900	142,000	1.9	2,600	412,700	2.3	9,500
Sub-total		1,016,700	3.3	33,900	633,000	2.3	14,600	1,650,700	2.9	48,500
Baker Area										
Baker	1.0	295,000	2.8	8,100	273,000	2.8	7,700	568,000	2.8	15,800
Sub-total		295,000	2.8	8,100	273,000	2.8	7,700	568,000	2.8	15,800
KNP Total		1,311,700	3.2	42,000	906,000	2.5	22,300	2,218,700	2.9	64,300

Table 1: 30 June 2022 Mineral Resource Estimate

Cut-off (Ni %)	Indicated			Inferred			Total			
	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes	Tonnes	Ni (%)	Ni Tonnes	
Foster Nickel Mine										
85H	1.0	387,000	3.3	12,800	300,000	1.3	3,800	687,000	2.4	16,600
South	1.0	223,000	4.7	10,500	116,000	4.8	5,500	340,000	4.7	16,000
Warren	1.0	136,000	2.7	3,700	75,000	3.7	2,700	211,000	3.1	6,400
Sub-total		746,000	3.6	27,000	491,000	2.4	12,000	1,238,000	3.2	39,000
KNP Total		746,000	3.6	27,000	491,000	2.4	12,000	1,238,000	3.2	39,000

Table 2: 30 June 2021 Mineral Resource Estimate

Competent Persons' Statements & Compliance

The Company confirms that it has the appropriate governance arrangements in place that dictate the internal controls related to the estimation process that ultimately derives the Mineral Resource reported herein. A detailed summary of these internal controls is contained in all relevant ASX announcements relating to the reporting of Exploration Results which include the necessary summary (in Table 1, Sections 1, 2 and 3 as relevant) that relate to amongst others, the sample collection, sample security, sampling and assay protocols and then the processes involved in the receipt, review, QAQC and analysis of

the subsequent assay and lithological results. These statements also include confirmation that the samples and assay results collected are appropriate for use in Mineral Resource estimations.

The information in this report that relates to nickel and gold geology, nickel Mineral Resources and Exploration Results, is based on, and fairly represents, information and supporting documentation prepared by Mr. Aaron Wehrle, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

The information in this report that relates to the mining, metallurgical and environmental modifying factors or assumptions as they may apply to the Mineral Resource Estimation are based on, and fairly represent, information and supporting documentation prepared by Mr. Aaron Wehrle and Mr. Edmund Ainscough. Mr. Ainscough is also a Member of the AusIMM.

Mr. Wehrle and Mr. Ainscough are both full time employees of Lunnon Metals Ltd, shareholders and holders of employee options; both have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration, the activity that they are undertaking and the relevant factors in the particular location of the Baker Shoot and KNP generally, to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The information in this report that relates to the reporting of nickel metallurgy at Baker, is based on, and fairly represents, information and supporting documentation prepared by Mr. Barry Cloutt, who is a Member of the AusIMM. Mr. Cloutt is an external and independent consultant to Lunnon Metals Ltd, and has sufficient experience that is relevant to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. Wehrle, Mr. Ainscough and Mr. Cloutt each consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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CORPORATE

Equity Raising

In April 2022 the Company mandated Euroz Hartleys Limited and Argonaut Securities Pty Ltd to act as joint lead managers to raise \$30 million via a placement of fully paid ordinary shares under its existing capacity under Listing Rules 7.1 and 7.1A. The price of the raising was \$0.93 per Share, a 10.6% discount to the spot price at the close on 11 April 2022 and an 8.0% discount to the 5-day volume weighted average price.

The 32,258,064 new shares settled on Friday, 22 April 2022 and commenced trading on the ASX on a normal basis from Tuesday, 26 April 2022. Further details to the capital raising are contained in the announcement to the ASX dated 14 April 2022.

Business Development

Also in April 2022, the Company announced that it had agreed to acquire the exclusive rights to nickel on the whole, or portions, of 19 mining leases (and related access rights on an additional tenement) over the historical Fisher and Silver Lake nickel mines by entry into a Mineral Rights Agreement (“MRA”) with St Ives Gold Mining Co. Pty Ltd (“SIGMC”) a wholly owned subsidiary of international gold miner Gold Fields Ltd, the Company’s current major shareholder.

Silver Lake and Fisher are the last two historical WMC nickel mines in Kambalda (see Figure 9) to be acquired by a nickel focused company. The rationale for the acquisition is that the mines and their surrounding areas missed the last cycle of exploration during the nickel price highs of the late 2000s, are under-explored and represent a significant opportunity for the Company to cement its place as a key Kambalda nickel company.

The MRA was subject to a number of conditions precedent that, post the end of the reporting period, have been met or waived. The Company has issued the necessary Notice of Meeting in advance of holding a General Meeting to allow shareholders to vote on the acquisition. If approved, as consideration for the acquisition, the Company will issue \$20 million of fully paid ordinary shares to SIGMC, at a price per share of \$0.93 (which is the same price at which the \$30 million equity raising was completed in April 2022).

Further details and background to the transaction are in the announcement to the ASX dated 12 April 2022.

Executive team changes

On 9 September 2022, the company announced the appointment of Mr. Hayden Bartrop as Chief Financial Officer. Mr. Bartrop will commence in the role on 3 January 2023, after serving his notice period with his current employer.

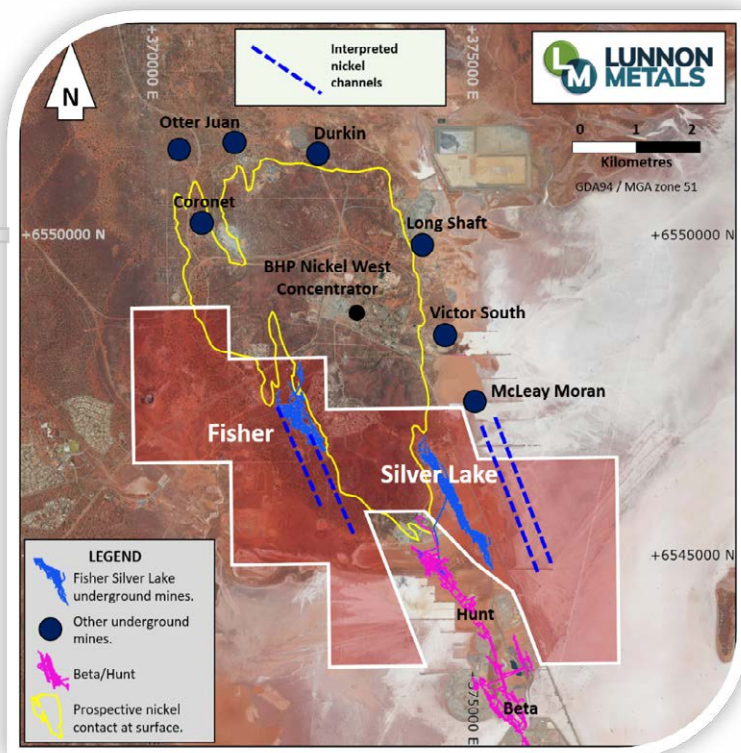


Figure 9: Plan view of the newly acquired MRA area surrounding the historical Silver Lake and Fisher nickel mines, Kambalda, WA

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors present their Report on Lunnon Metals Limited ("Lunnon" or "the Company") for the financial year ended 30 June 2022 and the auditor's report thereon.

Directors

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

Liam Twigger	Non-Executive Chair
Edmund Ainscough	Managing Director
Ian Junk	Non-Executive Director
Ashley McDonald	Non-Executive Director
Deborah Lord	Non-Executive Director (appointed on 21 March 2022)

Company Secretary

Ms. Jessamyn Lyons was appointed as Company Secretary on 11 November 2020.

Principal Activities

The Company is a mineral resource exploration and development company. It was established to undertake a farm-in and joint venture agreement with Gold Fields Ltd subsidiary, SIGMC, as recorded in the Option and Joint Venture Agreement in relation to the Kambalda Nickel Project ("KNP"), then termed Foster and Jan Nickel/Gold Project, executed with that company on 9 October 2014. Operations in the reporting period continued to focus on the Company's exploration activities at the KNP and included commencement of an aggressive RC and diamond drilling programme together with other on ground exploration and geoscience activities in conjunction with the administrative support of the Company's West Perth Office.

Review of Operations

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

The operating loss of the Company for the financial year after providing for income tax amounted to \$6,647,497 (2021: \$2,531,887).

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Corporate and Significant Changes in Affairs

On 27 October 2021, the Company announced the issue of 216,965 unlisted options with a nil exercise price expiring on 25 October 2026.

On 17 December 2021, the Company announced that 169,406 fully paid ordinary shares were to be released from escrow on 24 December 2021.

On 21 December 2021, the Company announced the issue of 92,750 unlisted options with a nil exercise price expiring on 16 November 2026.

On 2 February 2022, the Company announced 1,227,158 fully paid ordinary shares were to be released from escrow on 9 February 2022.

On 18 February 2022, the Company announced 20,472,071 fully paid ordinary shares were to be released from escrow on 25 February 2022.

On 4 March 2022, the Company announced 848,501 fully paid ordinary shares were to be released from escrow on 9 February 2022.

On 7 March 2022, the Company announced the cancellation of 31,250 unlisted options at nil exercise price expiring on 16 November 2026, due to a lapse of conditional right to securities because conditions had not been, or have become incapable of being, satisfied.

On 21 March 2022, the Company announced that Deborah Lord had been appointed as Non-Executive Director.

On 29 March 2022, the Company announced the issue of 93,924 unlisted options at a \$0.00 exercise price with an expiry date of 28 March 2027.

On 12 April 2022, the Company announced that it had entered into an agreement to acquire the mineral rights for nickel at two further historical nickel mines and the associated prospective exploration ground at Kambalda – the Silver Lake and Fisher nickel mines. These rights were acquired from the current major shareholder SIGMC, the wholly owned subsidiary of Gold Fields Ltd. SIGMC will receive \$20 million in Lunnon Metals shares as consideration for the rights. The proposed issue of 21,505,376 consideration shares is subject to shareholders approval at an Extraordinary General Meeting to be held on 27 September 2022.

On 14 April 2022, the company announced that a binding commitment had been received for a \$30 million capital raising. The Company mandated Euroz Hartleys Limited and Argonaut Securities Pty Ltd to act as joint lead managers to raise \$30 million via a placement of fully paid ordinary shares under its existing capacity. The proposed issue of 32,258,064 ordinary shares was announced on 26 April 2022.

On 26 August 2022, the company lodged a notice of an Extraordinary General Meeting, to be held on 27 September 2022. As part of the meeting, the issue of 950,000 options to Directors, being Ms. Lord and Mr. Junk will be considered for approval.

Events Subsequent to Reporting Date

Subsequent to reporting date, the conditions precedent to the acquisition of the nickel rights mentioned above were satisfied or waived. As a result, the Company issued a Notice of Meeting regarding the convening of an Extraordinary General Meeting of shareholders on 27 September 2022 to vote on the acquisition.

Events Subsequent to Reporting Date (continued)

No other matters or circumstances have arisen since 30 June 2022 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The Company will continue its mineral exploration and development activity at and around its principal exploration projects, being the current KNP focussing on the Baker Shoot, Warren channel and Foster nickel mine with the addition of the new mineral rights at the Silver Lake and Fisher nickel mines, should shareholders approve the acquisition at the Extraordinary General Meeting to be held on 27 September 2022.

Safety and Environment Regulation

The Company is aware of its safety and environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. Permitting activities with the various relevant departments of the Western Australian government are ongoing in regard to the Company's plans relating to a potential future development of the Baker Shoot and re-entry and rehabilitation following dewatering of the Foster nickel mine workings.

Proceedings on behalf of the Company

No persons have applied for leave pursuant to s.237 of the *Corporation Act 2001* to bring, or intervene in, proceedings on behalf of the Company.

Share Options

Share options outstanding at the date of this report:

Type	Tranche	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Unlisted (i)	1	1,291,667	23-Mar-21	22-Mar-26	\$0.05	\$0.1404
	2	1,291,667	23-Mar-21	22-Mar-26	\$0.05	\$0.1324
	3	1,291,667	23-Mar-21	22-Mar-26	\$0.05	\$0.1305
Unlisted(ii)	1	72,322	12-Oct-21	25-Oct-26	Nil	\$0.4000
	2	72,322	12-Oct-21	25-Oct-26	Nil	\$0.2450
	3	72,321	12-Oct-21	25-Oct-26	Nil	\$0.1563
Unlisted (ii)	1	20,500	16-Nov-21	16-Nov-26	Nil	\$0.3650
	2	20,500	16-Nov-21	16-Nov-26	Nil	\$0.3179
	3	20,500	16-Nov-21	16-Nov-26	Nil	\$0.3650
Unlisted (ii)	1-3	93,924	28-Mar-22	28-Mar-27	Nil	\$0.8700
Unlisted (iii)	1-3	950,000	18-Mar-22	15-Sep-25	\$1.18	\$0.4574
Unlisted (iv)		1,426,738	22-Apr-21	9-Jun-23	\$0.45	\$0.1052

Share Options (continued)

- (i) Options issued to Directors and senior employees under an Incentive Option Plan which are subject to vesting conditions and a three-year disposal restriction (subject to limited exceptions). Refer to Note 15 for further details.
- (ii) Options issued to employees under an Incentive Option Plan which are subject to vesting conditions. Refer to Note 15 for further details.
- (iii) Options issued to Directors under an Incentive Option Plan which are subject to vesting conditions. The issue of these options to Directors, being Ms. Lord and Mr. Junk, is subject to shareholder approval at an Extraordinary General Meeting scheduled to be held on 27 September 2022. Refer to Note 15 for further details.
- (iv) Options issued to the Lead Manager to the Company's IPO. Refer to Note 15 for further details.

The holders of such options do not have the right, by virtue of the option, to participate in any share or other interest issue of any other body corporate or registered scheme.

Shares issued on the exercise of Options

No shares were issued on the exercise of options during or since the end of the financial year.

Shares Options that expired/lapsed

The following share options lapsed during or since the end of the financial year

Type	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Unlisted (i)	31,250	16-Nov-21	04-Jan-22	Nil	\$0.3650

- (i) The options lapsed on 4 Jan 2022 on the resignation of the employee.

Information on Directors and Company Secretary (including the Director's interests at the date of this report)

Liam Twigger	Non-Executive Chair (appointed on 25 February 2021)
Qualifications and Experience <i>B.Econ, CPA, GDipBus</i>	Liam is the Deputy Chair and Executive Director of Argonaut (as well as being a shareholder of that company), which recently merged with PCF Capital Group, which Liam founded in 1999. Liam is also Chair of SolGold Plc, a London and TSX listed resources company focussed on the discovery, definition and development of copper and gold deposits in Ecuador. Liam was formerly a director of the Perth Mint, a position he held for 6 years. Liam holds a Graduate Diploma in Business, a Bachelor of Economics and is a Certified Practising Accountant. The Board considers Liam is currently an independent Director.
Interest in securities	600,000 Fully Paid Ordinary Shares 475,000 Unlisted Options (exercisable at \$0.05 expiring 22 March 2026)
Directorships held in other listed entities	Non-Executive Director of SolGold plc (TSX and LSE: SOLG) from 17 June 2019 and Chair from 5 August 2020.

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Edmund Ainscough

Managing Director (appointed on 22 January 2015)

Qualifications and Experience
B.Sc (Hons) (Geology), FGeolSoc, MAusIMM

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. Prior to founding Lunnon Metals Ltd's forebear, ACH Nickel, he was at PCF Capital Group where he advised resource sector companies on corporate, merger and acquisition, and valuation assignments.

Interest in securities

1,629,742 Fully Paid Ordinary Shares
 1,700,000 Unlisted Options (exercisable at \$0.05 expiring 22 March 2026)

Directorships held in other listed entities

Non-Executive Director of Medallion Metals Ltd (ASX: MM8) from 10 November 2015

Ian Junk

Non-Executive Director (appointed on 18 August 2014)

Qualifications and Experience
B.Eng (Hons) (Mining), MAusIMM

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. 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. Ian 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 Ian is not currently an independent Director.

Interest in securities

9,678,565 Fully Paid Ordinary Shares
 475,000 Unlisted Options (exercisable at \$1.18 expiring 15 September 2025) (Options are subject to shareholder approval at the Extraordinary General Meeting scheduled on 27 September 2022)

Directorships held in other listed entities

Nil

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Ashley McDonald

Non-Executive Director (appointed on 24 February 2021)

Qualifications and Experience
B.Comm, LLB

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. An experienced and skilled M+A practitioner with strong financial and analytical skills, Ashley 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. Ashley is an admitted legal practitioner holding a Bachelor of Laws (Hons) and Bachelor of Commerce (Accounting) from Murdoch University. The Board considers Ashley is not currently an independent director.

Interest in securities

61,036 Fully Paid Ordinary Shares

Directorships held in other listed entities

Nil

Deborah Lord

Non-Executive Director (appointed on 21 March 2022)

Qualifications and Experience
BSc (Hons), Geology

Deborah has a Bachelor of Science (Geology) (Hons) from the University of Melbourne and more than 30 years' experience in the resources sector in Australia, North and South America. She has worked in greenfields to near-mine exploration and resource development projects across a range of commodities within leadership, management, governance and research advisory positions. She has worked globally for major companies including BHP, Placer Dome and WMC Resources and within international consultancy firm SRK. As Chair of the VALMIN Committee and formerly BHP Head of Resource Governance, Deborah brings a strong technical risk management focus as well as having broad experience in project review, valuation and technical assessment of mineral assets. Deborah is currently a Non-Executive Director of E79 Gold Mines Limited; a director of VRM, the UWA Centre for Exploration Targeting (CET); and College Member of the Minerals Research Institute of WA (MRIWA). The Board considers Deborah is currently an independent Director.

Interest in securities

475,000 Unlisted Options (exercisable at \$1.18 expiring 15 September 2025) (Options are subject to shareholder approval at the Extraordinary General Meeting scheduled on 27 September 2022)

Directorships held in other listed entities

Non-Executive director of E79 Gold Mines Limited from 30 September 2021

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Jessamyn Lyons

Company Secretary (appointed on 11 November 2020)

Qualifications and Experience

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. Jess is also Principal of Everest Corporate and Company Secretary of Dreadnought Resources Limited (ASX:DRE), EchoIQ Limited (ASX:EIQ), , Ragnar Metals Limited (ASX:RAG) and Joint Company Secretary of Doriemus PLC (ASX:DOR). Jess 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.

Meetings of Directors and Committees

During the financial year 8 meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	Number Eligible to Attend	Number Attended
Mr. L Twigger	7	7
Mr. E Ainscough	8	8
Mr. I Junk	8	8
Mr. A McDonald	8	8
Ms. D Lord	3	3

Indemnification of Directors and Auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- except as may be prohibited by the *Corporations Act 2001* a Director or Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Director or officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Since the beginning of the financial year the Company has paid insurance premiums of \$42,676 GST inclusive (2021: \$56,836) in respect of Directors and officers liability and corporate reimbursement, for Directors and officers in the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year as disclosed in Note 5 is compatible with the general standard of independence for auditors. The Directors are satisfied that non-audit services did not compromise the external auditor's independence for the following reasons: all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and the nature of the services provided do not compromise the general principles relating to auditor independence under all relevant independence rules.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, Armada Audit and Assurance Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence declaration is set out on page 35 and forms part of this Directors' Report for the year ended 30 June 2022.

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REMUNERATION REPORT - AUDITED

The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

Key Management Personnel (“KMP”)

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP comprise the Directors of the Company and key executive personnel:

Liam Twigger	Non-Executive Chair (appointed on 25 February 2021)
Edmund Ainscough	Managing Director (appointed on 22 January 2015)
Ian Junk	Non-Executive Director (appointed on 18 August 2014)
Ashley McDonald	Non-Executive Director (appointed on 24 February 2021)
Deborah Lord	Non-Executive Director (appointed on 21 March 2022)
Aaron Wehrle	Exploration and Geology Manager (appointed on 17 December 2014)

Remuneration Policy

The remuneration policy of Lunnon Metals Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The Board of Lunnon Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders. The Board’s policy for determining the nature and amount of remuneration for Board members is as follows:

Managing Director and Other Key Management Personnel

The remuneration policy and the relevant terms and conditions has been developed by the Board of Directors. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Company is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Managing Director’s Executive Services Agreement

The Company has entered into an executive services agreement with Mr. Edmund Ainscough under which he will be the Managing Director of the Company with no fixed term. During the financial year ended 30 June 2022, he was entitled to a salary of \$302,500 per annum (inclusive of superannuation). Following an external independent review of remuneration (referenced below), he will be entitled to a salary of \$400,000 per annum (inclusive of superannuation) going forward. He will also be entitled to an incentive package, which will be subject to shareholder approval. 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.

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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. During the financial year ended 30 June 2022, he was entitled to a salary of \$254,000 per annum plus superannuation. Following an external independent review of remuneration (referenced below), he will be entitled to a salary of \$275,000 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.

During the financial year, the Company engaged BDO Reward Pty Ltd, independent remuneration experts, to undertake a remuneration review and assist in structuring a total remuneration framework in order to ensure the Company is able to attract, retain and motivate the right calibre of executive for the business.

The Board's remuneration policies are outlined below:

Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. If entitled, all executives also receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits.

Short-term Incentives (STI)

Under the Company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. No short-term incentives were paid in the current financial year. The Board is responsible for assessing whether Key Performance Indicators ("KPIs") are met. The Board considers market rates of salaries for levels across the Company, which have been based on industry data provided by a range of industry sources.

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the Company, and it is therefore the Company's objective to provide incentives for participants to partake in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years.

Subsequent to the independent review by BDO Reward Pty Ltd commenced during the reporting period, all fixed, long-term and short-term incentives are planned to be revised for shareholders' consideration and approval in the current financial year.

Non-Executive Directors

The Board's policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. In determining competitive remuneration rates, the Board review local and international trends among comparative companies and the industry generally. Typically, the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group.

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

- Fees: Director fees are payable by the Company on the following basis:
 - \$75,000 per annum to Mr. Twigger;
 - \$45,000 per annum to Mr. Junk;
 - \$45,000 per annum to Ms. Lord;
 - Mr. McDonald will not be accepting any fees; and

- 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, McDonald and Ms. Lord are not re-elected as Directors by shareholders.

A Non-Executive Directors' fee pool limit is \$300,000 per annum.

Incentive Option Plan

Key Management Personnel are entitled to participate in the Company's Incentive Option Plan, which is designed to give each option holder an interest in preserving and maximising shareholder value. Such grants are determined by an informal assessment of an individual's performance, level of responsibilities and the importance of his/her position and contribution to the Company. The vesting of the options is determined at the Board's discretion.

Incentive options issued during the year are detailed in Note 15.

The Board notes that a new Employee Awards Plan is in the process of being drafted and will be tabled for shareholder approval at the Company's Annual General Meeting ("AGM") to be held in November 2022.

Relationship between Remuneration of Key Management Personnel and Earnings

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

As discussed above, the Company is currently undertaking exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

Statutory Performance Indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Company's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to key management personnel. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020	2019	2018
Net loss for the year	\$6,647,497	\$2,531,887	\$1,448,577	\$1,110,600	\$700,094
Loss per share (cents)	4.52	5.59	8.55	6.56	4.13
Share price at listing	n/a	\$0.30	n/a	n/a	n/a
Share price at year end	\$0.79	\$0.4550	n/a	n/a	n/a

Net loss amounts have been calculated in accordance with Australian Accounting Standards.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the Key Management Personnel of the Company:

2022

Key Management Personnel	Short-Term Benefits			Post-Employment Long Term Benefits		Equity-Settled Share-Based Payments		Total	Options as % of Total Remuneration
	Salary, Fees & Leave	Profit Share & Bonuses	Other	Superannuation	Other	Shares (Options exercised)	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
Mr. L Twigger	75,000	-	-	7,500	-	-	43,811	126,311	34.69
Mr. E Ainscough	275,000	-	-	27,500	-	-	156,802	459,302	34.14
Mr. I Junk	13,185	-	-	1,319	-	-	37,835	52,339	72.29
Mr. A McDonald	-	-	-	-	-	-	-	-	-
Ms. D Lord	12,581	-	-	1,258	-	-	37,835	51,674	73.22
Mr. A Wehrle	254,000	-	-	25,400	-	-	156,802	436,202	35.95
Total	629,766	-	-	62,977	-	-	433,085	1,125,828	38.47

Refer pages 24-27 for dates of appointment and resignation.

Key Management Personnel Equity Holdings

2021

Key Management Personnel	Short-Term Benefits			Post-Employment Benefits	Long Term Benefits	Equity-Settled Share-Based Payments		Total	Options as % of Total Remuneration
	Salary, Fees & Leave	Profit Share & Bonuses	Other	Super-annuation	Other	Shares (Options exercised)	Options	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	%
Mr. L Twigger	25,000	-	-	2,375	-	-	3,462	30,837	11.23
Mr. E Ainscough	275,000	-	-	26,125	-	147,311	12,389	460,825	2.69
Mr. I Junk	-	-	-	-	-	-	-	-	-
Mr. A McDonald	-	-	-	-	-	-	-	-	-
Mr. A Wehrle	204,167	-	-	19,396	-	49,912	12,389	285,864	4.33
Total	504,167	-	-	47,896	-	197,223	28,240	777,526	3.63

Fully Paid Ordinary Shares of the Company Held by Each Key Management Person

2022

Key Management Personnel	Balance at start of year (or appointment) No.	Shares purchased on the market No.	Balance at end of year (or resignation) No.
Mr. L Twigger	600,000	-	600,000
Mr. E Ainscough	1,629,742	-	1,629,742
Mr. I Junk	9,678,565	-	9,678,565
Mr. A McDonald	-	61,036	61,036
Ms. D Lord	-	-	-
Mr. A Wehrle	515,773	-	515,773
	12,424,080	61,036	12,485,116

Refer pages 24-27 for dates of appointments and resignation.

Options in the Company Held by Each Key Management Personnel

2022

Key Management Personnel	Balance at start of year (or appointment) No.	Granted during the year No.	Vested and exercised No.	Forfeited No. (or resignation)	Balance at end of year No.
Mr. L Twigger	475,000	-	-	-	475,000
Mr. E Ainscough	1,700,000	-	-	-	1,700,000
Mr. I Junk	-	475,000	-	-	475,000
Mr. A McDonald	-	-	-	-	-
Ms. D Lord	-	475,000	-	-	475,000
Mr. A Wehrle	1,700,000	-	-	-	1,700,000
	3,875,000	950,000	-	-	4,825,000

Refer pages 24-27 for dates of appointments and resignation.

Terms and conditions of share-based payment arrangements - Options

The terms and conditions for each grant of options affecting remuneration in the current or a future reporting period are as follows:

Number	Grant date and Vesting date	Expiry date	Exercise price	Value per option at grant date	Total value at grant date	% vested	% exercised
1,291,667	23 Mar 2021 ¹	22 Mar 2026	\$0.05	\$0.1404	\$181,283	0%	0%
1,291,667	23 Mar 2021 ²	22 Mar 2026	\$0.05	\$0.1324	\$171,017	100%	0%
1,291,666	23 Mar 2021 ³	22 Mar 2026	\$0.05	\$0.1305	\$168,562	100%	0%
316,667	18 Mar 2022 ⁴	15 Sept 2025	\$1.18	\$0.4574	\$144,858	0%	0%
316,667	18 Mar 2022 ⁵	15 Sept 2025	\$1.18	\$0.4574	\$144,858	0%	0%
316,666	18 Mar 2022 ⁶	15 Sept 2025	\$1.18	\$0.4574	\$144,858	0%	0%
1,291,667	23 Mar 2021 ¹	22 Mar 2026	\$0.05	\$0.1404	\$181,283	0%	0%

¹ The options will vest upon the Company declaring JORC Code compliant Mineral Resources (Indicated and Inferred) of not less than 80,000 tonnes of nickel metal above a 1.0% Ni cut-off at the Company's Kambalda Nickel Project.

² The options vested on 23 July 2021 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.

³ The options vested on 28 January 2022 upon the Company achieving a 20-trading day VWAP of Company shares traded on the Australian Securities Exchange of \$0.60 per share.

⁴ The options will vest after 12 months of continued employment after date of acquisition, subject to shareholder approval.

⁵ The options will vest after 24 months of continued employment after date of acquisition, subject to shareholder approval.

⁶ The options will vest after 36 months of continued employment after date of acquisition, subject to shareholder approval.

Refer to Note 15 for more details on the share-based payment arrangements.

Other Equity-Related KMP Transactions

Apart from the details disclosed above, no Director or other KMP has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts or balances involving Directors' interests existing at year end.

Loans to Key Management Personnel and/or Their Related Parties

There are no loans made to Directors of Company and/or their related parties as at 30 June 2022 (2021: nil).

Other Transactions with Key Management Personnel and/or Their Related Parties

The Company leases an office in West Perth from an entity controlled by Director, Ian Junk. Total rental and outgoing payments made by the Company in relation to the lease totalled \$59,670 (excluding GST) for the financial year.

There have been no other transactions involving key management personnel and/or their related parties other than those described above.

Voting and Comments Made at the Company's AGM

The Company received more than 99.93% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).



Edmund Ainscough
Managing Director

Dated on this day in Perth: 23 September 2022



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strength in numbers

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
LUNNON METALS LTD**

I declare that, to the best of my knowledge and belief, in relation to the audit of Lunnon Metals Limited for the financial year ended 30 June 2022 there have been:

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

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD



**Nigel Dias
Director
Perth, 23 September 2022**

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FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
OTHER INCOME			
Government grant	2	160,000	37,500
Other income	2	14,639	1,297
		<u>174,639</u>	<u>38,797</u>
EXPENSES			
Drilling expenses		(1,577,233)	(841)
Employee costs	3	(1,876,568)	(984,085)
Exploration site support		(919,115)	(206,645)
Consultants, design and testing		(494,905)	(208,899)
Share-based payment expense	15	(489,654)	(323,646)
Samples and assays		(301,136)	(90,807)
Legal costs		(233,050)	(246,212)
Computer, software and database		(143,854)	(51,527)
Audit, company secretarial and accounting		(188,301)	(131,778)
Insurance		(81,429)	(27,611)
Depreciation and amortisation	9,10	(102,202)	(17,922)
Exploration staff expenses		(100,934)	(1,415)
ASX, ASIC and share registry fees		(93,275)	(156,671)
Rental Expenses		(39,583)	(39,027)
Finance costs		(6,289)	(24,827)
Other expenses		(174,608)	(58,771)
TOTAL EXPENSES		<u>(6,822,136)</u>	<u>(2,570,684)</u>
Loss before income tax expense		(6,647,497)	(2,531,887)
Income tax expense	4	-	-
NET LOSS AFTER INCOME TAX EXPENSE		<u>(6,647,497)</u>	<u>(2,531,887)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(6,647,497)</u>	<u>(2,531,887)</u>
Basic and diluted loss per share (cents per share)	16	<u>(4.52)</u>	<u>(5.59)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	6	32,873,486	13,962,873
Trade and other receivables	7	460,257	88,877
Prepayments		60,835	55,819
Other current assets		50,000	-
		<u>33,444,578</u>	<u>14,107,569</u>
NON-CURRENT ASSETS			
Exploration and evaluation asset	8	18,374,219	13,731,344
Property, plant and equipment	9	395,076	139,569
Right-of-use of asset	10	20,713	51,784
		<u>18,790,008</u>	<u>13,922,697</u>
		<u>52,234,586</u>	<u>28,030,266</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables	11	2,326,756	503,265
Lease liability	12	22,121	30,388
Provision for employee benefits	13	228,875	132,514
		<u>2,577,752</u>	<u>666,167</u>
NON-CURRENT LIABILITIES			
Lease liability	12	-	22,121
Provision for employee benefits	13	11,499	1,300
		<u>11,499</u>	<u>23,421</u>
		<u>2,589,251</u>	<u>689,588</u>
TOTAL LIABILITIES			
		<u>49,645,335</u>	<u>27,340,678</u>
NET ASSETS			
EQUITY			
Issued capital	14	63,821,811	35,359,311
Options reserve	15	963,446	473,792
Accumulated losses		(15,139,922)	(8,492,425)
		<u>49,645,335</u>	<u>27,340,678</u>
TOTAL EQUITY			

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	CONTRIBUTED EQUITY	OPTIONS RESERVE	ACCUMULATED LOSSES	TOTAL
		\$	\$	\$	\$
Balance at 30 June 2020		3,000,000	-	(5,960,538)	(2,960,538)
Loss for the year		-	-	(2,531,887)	(2,531,887)
Total comprehensive loss for the year		-	-	(2,531,887)	(2,531,887)
Transactions with owners in their capacity as owners:					
Issue of shares (net of transaction costs)	14	27,484,309	-	-	27,484,309
Conversion of loans		4,857,501	-	-	4,857,501
Exercise of options		17,501	-	-	17,501
Issue of options	15	-	473,792	-	473,792
Balance at 30 June 2021		35,359,311	473,792	(8,492,425)	27,340,678
Loss for the year		-	-	(6,647,497)	(6,647,497)
Total comprehensive loss for the year		-	-	(6,647,497)	(6,647,497)
Transactions with owners in their capacity as owners:					
Issue of shares (net of transaction costs)	14	28,462,500	-	-	28,462,500
Issue of options	15	-	489,654	-	489,654
Balance at 30 June 2022		63,821,811	963,446	(15,139,922)	49,645,335

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government grant received		160,000	50,000
Payments to suppliers and employees		(3,702,796)	(2,062,922)
Payments for exploration and evaluation expensed		(3,472,262)	-
Net GST		1,144,058	-
Interest received		13,979	1,297
Interest paid		(3,612)	(1,701)
Net cash used in operating activities	17(i)	<u>(5,860,633)</u>	<u>(2,013,326)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation capitalised		(3,048,866)	-
Purchase of plant and equipment		(293,975)	(147,134)
Stamp duty on exploration assets		(318,025)	-
Net cash used in investing activities		<u>(3,660,866)</u>	<u>(147,134)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	14	30,000,000	15,000,000
Capital raising costs	14	(1,537,500)	(778,864)
Exercise of options		-	17,501
Proceeds from convertible notes		-	1,100,000
Lease payments	12	(30,388)	(9,632)
Net cash provided by financing activities		<u>28,432,112</u>	<u>15,329,005</u>
Net increase in cash held		18,910,613	13,168,545
Cash at beginning of year		<u>13,962,873</u>	<u>794,328</u>
CASH AT END OF REPORTING YEAR	6	<u>32,873,486</u>	<u>13,962,873</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information

The financial report covers Lunnon Metals Limited (the "Company") and consists of the financial statements, notes to the financial statements and the Directors' declaration. Lunnon Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Company was listed on the Australian Securities Exchange on 16 June 2021.

Registered Office

Level 3
35 Outram Street
West Perth, WA 6005
PO Box 646
West Perth, WA 6872

Principal Place of Business

Suite 5
11 Ventnor Avenue
West Perth, WA 6005
PO Box 470
West Perth, WA 6872

The Company is principally engaged in exploration for nickel at Kambalda, Western Australia.

b) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue by the Directors on 23 September 2022.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied. The presentation currency of the Company is Australian dollars (AUD) which is the Company's functional currency.

Significant Accounting Judgments and Key Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

(i) Share-based payments

The fair value of share-based payments as discussed in Note 15. The fair values of options are determined using Option Pricing Models that take into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Judgement has been exercised on the probability and timing of achieving milestones related to the options.

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(ii) Exploration and Evaluation Assets

The Company's accounting policy for exploration and evaluation expenditure is set out at Note 1(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement profit or loss and other comprehensive income.

(iii) Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

(iv) Coronavirus (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to staffing and geographic regions in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

c) Operating Segments

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

Management has determined that the Company has one reporting segment being mineral exploration in the Eastern Goldfields of Western Australia.

d) Financial Instruments

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

(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.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

(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.

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled, or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(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.

e) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset

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or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless

f) Impairment of Non-Financial Assets

The asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

g) Employee Benefits

(i) Short-Term 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.

(ii) Long-Term Employee Benefits

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.

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

(iii) 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 by an appropriate Options 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 Lunnon Metals Limited (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.

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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.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

h) 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.

i) 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.

j) 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.

k) Revenue

(i) Interest Income

Interest income 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.

(ii) Government Grants

Government assistance revenue is recognised when it is received or when the right to receive payment is established.

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l) 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.

m) 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.

n) 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.

o) Property, Plant and Equipment

Prior to the Company's admission to the Australian Securities Exchange ("ASX"), all 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.

Upon admission to ASX, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a straight-line basis over the estimated useful life for Plant and equipment of 5 years.

p) 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

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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.

q) Exploration and Evaluation Expenditure

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 expenditure

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.

Exploration and evaluation expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a JORC Code 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.

r) Earnings per Share

(i) 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.

(ii) 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.

s) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

t) Lease liabilities

The Company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Company will recognise a right-of-use asset (Note 1(s)) and a lease liability at the lease commencement date.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to

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reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

u) Adoption of new and revised standards

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period, being the following:

- COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendments to AASB 2021-3); and
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IAS 16).

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

v) New standards, interpretation and amendments issued by not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Amendments issued but not yet effective for the Company, are as follows:

Effective for the Company for the reporting period ended 30 June 2023

- Annual Improvements 2018-2020 and Other Amendments (Amendments to AASB 2020-3);

Effective for the Company for the reporting period ended 30 June 2024

- Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2);
- Classification of Liabilities as Current or Non-current (Amendments to AASB 2020-1); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 2021-5).

The Company is currently assessing the impact of these new accounting standards and amendments, the impact of which is not yet known.

NOTE 2: OTHER INCOME

	2022	2021
	\$	\$
Cash flow boost government incentive	-	37,500
Government grant for exploration expenditure	160,000	-
Interest income	13,979	1,297
Other income	660	-
	<u>174,639</u>	<u>38,797</u>

NOTE 3: EMPLOYEE COSTS

	2022	2021
	\$	\$
Salaries and wages	1,600,916	743,167
Superannuation	142,109	72,067
Termination payment	-	14,963
Provisions for annual leave and long service leave	109,096	133,814
Other benefits	24,447	20,074
	<u>1,876,568</u>	<u>984,085</u>

NOTE 4: INCOME TAX EXPENSE

	2022	2021
	\$	\$
Current tax expense	-	-
Deferred tax expense	-	-
	<u>-</u>	<u>-</u>
Loss before income tax expense	(6,647,497)	(2,531,887)
Tax at statutory tax rate of 25% (2021: 26%)	(1,661,874)	(658,291)
Effect of non-deductible expenses	123,865	84,879
Effect of non-assessable income	-	(9,750)
Effect of changes in unrecognised temporary differences	2,984,915	30,755
Effect of unused tax losses not recognised as deferred tax asset	(1,446,906)	552,407
Income tax expense	<u>-</u>	<u>-</u>
Unrecognised deferred tax assets:		
Tax losses carried forward	19,909,220	8,099,959
Other temporary differences	4,211,855	129,289
	<u>24,121,075</u>	<u>8,229,248</u>
At the rate of 25% (2021: 26%)	6,030,269	2,139,604

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NOTE 5: AUDITOR'S REMUNERATION

	2022	2021
	\$	\$
Audit services – Armada	28,100	15,500
Non-audit services – Armada	-	12,000
	<u>28,100</u>	<u>27,500</u>

NOTE 6: CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank	99,507	162,873
Cash at bank - Investment	32,773,979	13,800,000
	<u>32,873,486</u>	<u>13,962,873</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
GST Receivable	260,749	84,344
Other receivables	199,508	4,533
	<u>460,257</u>	<u>88,877</u>

NOTE 8: EXPLORATION AND EVALUATION ASSET

	2022	2021
	\$	\$
Opening balance	13,731,344	-
Exploration asset additions	4,642,875	13,731,344
Closing balance	<u>18,374,219</u>	<u>13,731,344</u>

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NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	\$	\$
Plant and equipment at cost	473,772	147,134
Less accumulated depreciation	(78,696)	(7,565)
	<u>395,076</u>	<u>139,569</u>

Reconciliation:

Opening balance	139,569	-
Additions	326,638	147,134
Depreciation	(71,131)	(7,565)
Closing balance	<u>395,076</u>	<u>139,569</u>

NOTE 10: RIGHT-OF-USE ASSET

	2022	2021
	\$	\$
Right-of-use asset at cost	51,784	62,141
Less accumulated amortisation	(31,071)	(10,357)
	<u>20,713</u>	<u>51,784</u>

Reconciliation:

Opening balance	51,784	-
Additions	-	62,141
Amortisation	(31,071)	(10,357)
Closing balance	<u>20,713</u>	<u>51,784</u>

NOTE 11: TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Stamp duty payable	-	318,025
Trade payables	1,162,537	54,445
Accruals	1,076,162	31,671
Principal insurance funding	-	77,986
Employee costs payable	81,052	21,138
Other payables	7,005	-
	<u>2,326,756</u>	<u>503,265</u>

NOTE 12: LEASE LIABILITY

	2022	2021
	\$	\$
Opening balance	52,509	-
Additions	-	62,141
Interest expense	3,612	1,701
Payments	(34,000)	(11,333)
Closing balance	<u>22,121</u>	<u>52,509</u>
Current	22,121	30,388
Non-Current	-	22,121
	<u>22,121</u>	<u>52,509</u>

The Company's West Perth office is leased under a lease agreement assigned to the Company on 2 September 2020 until 9 March 2023 with a two-year renewal option and rental of \$26,200 plus GST per year payable plus outgoings. Given the Company's growth profile, management does not expect to use the two-year renewal option and will instead look towards moving to larger rental premises.

The lease liability is measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 2 September 2020. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 10%.

NOTE 13: PROVISION FOR EMPLOYEE BENEFITS

	2022	2021
	\$	\$
Provision for annual leave	140,347	61,400
Provision for long service leave - current	88,528	71,114
Current employee benefits	<u>228,875</u>	<u>132,514</u>
Provision for long service leave – non-current	11,499	1,300
Non-current employee benefits	<u>11,499</u>	<u>1,300</u>
	<u>240,374</u>	<u>133,814</u>

NOTE 14: ISSUED CAPITAL
(a) Share Capital

	30 June 2022		30 June 2021	
	No.	\$	No.	\$
Fully paid ordinary shares	173,505,129	63,821,811	141,247,065	35,359,311

(b) Movement in Issued Capital

	Date	No.	\$
Balance as at 30 June 2020		16,940,627	3,000,000
Conversion of loans	6 Oct 2020	3,591,834	636,075
Issued to Aurora Prospects Pty Ltd	6 Oct 2020	3,591,834	636,074
Issued to Bolong (Australia) Investment Management Pty Ltd	6 Oct 2020	10,427,913	1,846,670
Issued to Fan Rong Consulting Pty Ltd	6 Oct 2020	3,475,970	615,556
Issued to Aurora Prospects Pty Ltd	13 Jan 2021	3,378,879	561,563
Issued to Mainglow Pty Ltd	13 Jan 2021	3,378,879	561,563
Conversion of loans		27,845,309	4,857,501
Exercise of options	9 Feb 2021	1,750,067	17,501
Shares issued under St Ives Offer	3 Jun 2021	44,711,062	13,413,319
Placement	8 Jun 2021	50,000,000	15,000,000
Capital raising costs ¹		-	(929,010)
Balance as at 30 June 2021		141,247,065	35,359,311
Placement ²	26 April 2022	32,258,064	30,000,000
Capital raising costs		-	(1,537,500)
Balance as at 30 June 2022		173,505,129	63,821,811

¹ \$778,864 was paid in cash and the balance of \$150,146 has been paid by way of options.

² The Company issued 32,258,064 fully paid ordinary shares to professional and institutional investors under the Company's available capacity pursuant to ASX Listing Rules 7.1 and 7.1A as announced to the market on 14 April 2022.

(c) Fully Paid Ordinary Shares

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

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

NOTE 15: OPTIONS RESERVE

	30 June 2022		30 June 2021	
	No.	\$	No.	\$
Beginning balance	5,301,738	473,792	-	-
Options issued	-	-	1,426,738	150,146
Options granted on 6 Oct 20	-	-	1,383,420	236,955
Options granted on 13 Jan 21	-	-	366,646	58,451
Options granted on 23 Mar 21	-	357,405	3,875,000	28,240
Options granted on 12 Oct 21 ¹	216,965	33,129	-	-
Options granted on 16 Nov 21 ²	61,500	10,532	-	-
Options granted on 18 Mar 22 ³	950,000	75,760	-	-
Options granted on 28 Mar 22 ⁴	93,924	12,828	-	-
Options exercised on 9 Feb 21	-	-	(1,750,066)	-
Closing balance	6,624,127	963,446	5,301,738	473,792

	2022	2021
	\$	\$
Share-based payments recognised:		
In the Statement of Profit of Loss and Other Comprehensive Income	489,654	323,646
As capital raising costs in Issued Capital	-	150,146
	489,654	473,792

The Options Reserve is used to recognise the fair value of options issued to Directors, employees, contractors and brokers.

SHARE-BASED PAYMENTS

¹ On 12 October 2021, the Company granted 216,965 options to employees under the Incentive Option Plan ("the Plan"). The options have a nil exercise price and are subject to the following vesting conditions:

- 1/3rd of the Options will vest upon the Company declaring JORC Code compliant Mineral Resources (Indicated and Inferred) of not less than 80,000 tonnes of nickel metal reported above a lower cut-off grade of 1% Ni at the Company's Kambalda Nickel Project. The options continue to be expensed over the vesting period;
- 1/3rd of the Options will vest upon the Company achieving a 20-trading day VWAP of Company shares traded on the Australian Securities Exchange of \$0.6525 per share, being a 50% increase in the share price from the date of board approval, 20 July 2021 (\$0.44 per share). This portion of the Options vested on 28 January 2022; and
- 1/3rd of the Options will vest upon the Company achieving a 20-trading day VWAP of \$0.87 per share, being a 100% increase in the share price from the date of board approval (20 July 2021). This portion of the Options vested on 16 March 2022.

The total fair value of the options was estimated at \$57,952 as at the grant date using the Binomial and Trinomial Barrier Option models for the tranches, taking into account the terms and conditions below and the risk-free rate of 1.04% and volatility of 70.15%:

Number granted	Grant date	Exercise price	Expiry date	Fair value at grant date	Total fair value	% vested
72,322	12 Oct 2021	\$0.00	25 Oct 2026	\$0.4000	\$28,929	Nil
72,322	12 Oct 2021	\$0.00	25 Oct 2026	\$0.2450	\$17,719	100%
72,321	12 Oct 2021	\$0.00	25 Oct 2026	\$0.1563	\$11,304	100%

²On 16 November 2021, the Company granted 61,500 options to employees under the Plan. The options have a nil exercise price and are subject to the following vesting conditions:

- 1/3rd of the Options will vest upon the Company declaring JORC Code compliant Mineral Resources (Indicated and Inferred) of not less than 80,000 tonnes of nickel metal reported above a lower cut-off grade of 1% Ni at the Company's Kambalda Nickel Project. The options continue to be expensed over the vesting period;
- 1/3rd of the Options will vest upon the Company achieving a 20-trading day VWAP of Company shares traded on the Australian Securities Exchange of \$0.73 per share, being 100% of the share price on grant date (closing price of shares traded on the ASX on 16 November 2021 was \$0.37). This portion of the Options vested on 28 January 2022; and
- 1/3rd of the Options will vest on 18 months service after grant date (16 November 2021) being 16 May 2023. The options continue to be expensed over the vesting period;

The total fair value of the options was estimated at \$35,483 as at the grant date using the Binomial and Trinomial Barrier Option models, taking into account the terms and conditions below and the risk-free rate of 1.44% and volatility of 68.72%.

Number granted	Grant date	Exercise price	Expiry date	Fair value at grant date	Total fair value	% vested
20,500	16 Nov 2021	\$0.00	15 Nov 2026	\$0.365	\$7,483	Nil
20,500	16 Nov 2021	\$0.00	15 Nov 2026	\$0.3179	\$6,517	100%
20,500	16 Nov 2021	\$0.00	15 Nov 2026	\$0.3650	\$21,483	Nil

³On 18 March 2022, the Company granted 950,000 options to employees under the Plan. The options are subject to the following vesting conditions:

- 1/3rd of the Options will vest after 12 months continued employment from the date of acquisition, being 18 March 2023;
- 1/3rd of the Options will vest after 24 months continued employment from the date of acquisition, being 18 March 2024;
- 1/3rd of the Options will vest after 36 months continued employment from the date of acquisition, being 18 March 2025;

The total fair value of the options was estimated at \$434,573 as at the grant date using the Binomial Option model taking into account the terms and conditions below and the risk-free rate of 1.89% and volatility of 79.56%:

Number granted	Grant date	Exercise price	Expiry date	Fair value at grant date	Total fair value	% vested
950,000	18 Mar 2022	\$1.18	15 Sept 2025	\$0.4574	\$434,573	Nil

⁴On 28 March 2022, the Company granted 93,924 options to employees under the Plan. The options are subject to the following vesting conditions:

- 1/3rd of the Options will vest after 12 months continued employment from the date of acquisition, being 28 March 2023;
- 1/3rd of the Options will vest after 24 months continued employment from the date of acquisition, being 28 March 2024;
- 1/3rd of the Options will vest after 36 months continued employment from the date of acquisition, being 28 March 2025;
- The vesting conditions will be automatically waived if an entity that does not control the Company at the time the Options are granted acquires voting power (as defined in the Corporations Act) in the Company of more than 50.0%.

The total fair value of the options was estimated at \$81,714 as at the grant date using the Binomial Option model taking into account the terms and conditions below and the risk-free rate of 2.37% and volatility of 80.78%:

Number granted	Grant date	Exercise price	Expiry date	Fair value at grant date	Total fair value	% vested
93,924	28 March 2022	\$0.00	15 Sept 2025	\$0.87	\$81,714	Nil

NOTE 16: LOSS PER SHARE

	2022	2021
	\$	\$
Loss attributable to shareholders	(6,647,497)	(2,531,887)
	Number	Number
Weighted average number of shares	147,080,030	45,268,454
	Cents per share	Cents per share
Basic and diluted loss per share	(4.52)	(5.59)

NOTE 17: CASH FLOW INFORMATION

(i) Reconciliation of Cash Flow from Operations with Loss after income tax expense

	2022	2021
	\$	\$
Loss after income tax	(6,647,497)	(2,531,887)
Add: Share-based payments	489,654	323,646
Add: Depreciation and amortisation	102,202	17,922
Add: Finance costs	-	23,126
Add: Expense accruals	106,560	-
Changes in assets and liabilities		
Increase in trade and other receivables	(364,822)	(120,966)
Increase in trade and other payables	453,270	141,019
Increase in provisions	-	133,814
Cash flows used in operating activities	<u>(5,860,633)</u>	<u>(2,013,326)</u>

NOTE 18: KEY MANAGEMENT PERSONNEL (“KMP”) COMPENSATION

The names and positions of KMP for the Company are as follows:

Liam Twigger	Non-Executive Chair (appointed on 25 February 2021)
Edmund Ainscough	Managing Director (appointed on 22 January 2015)
Ian Junk	Non-Executive Director (appointed on 18 August 2014)
Ashley McDonald	Non-Executive Director (appointed on 24 February 2021)
Deborah Lord	Non-Executive Director (appointed on 21 March 2022)
Aaron Wehrle	Exploration and Geology Manager (appointed 17 December 2014)

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by the *Corporations Regulations* 2M.3.03 is provided in the Remuneration Report.

	2022	2021
	\$	\$
Key Management Personnel Compensation		
Short-term employee benefits	629,766	504,167
Post-employment benefits	62,977	47,896
Share-based payments	433,085	225,463
	<u>1,125,828</u>	<u>777,526</u>

NOTE 19: RELATED PARTY TRANSACTIONS

During the financial year, the Company granted the following options to key management personnel under the Company's incentive option plan (Plan).

	Number of Options	Total value at grant date	Expense to 30 June 22
Deborah Lord	475,000	\$217,287	\$37,385
Ian Junk	475,000	\$217,287	\$37,385

The terms and conditions of the share options are disclosed in Note 15.

The Company leases an office in West Perth from an entity controlled by Director, Ian Junk. Total rental and outgoing payments made by the Company in relation to the lease for the financial year was \$59,670 (excluding GST).

Loans to/from Related Parties

There are no loans made to/from Directors of the Company and/or their related parties as at 30 June 2022 (2021: nil).

Other Matters

In April 2022 the Company mandated Euroz Hartleys Limited and Argonaut Securities Pty Ltd to act as joint lead managers ("JLMs") to raise \$30 million via a placement. The JLMs were paid fees for the placement via a cash payment and the issue of Company options. Liam Twigger is Deputy Chairperson and Executive Director of Argonaut Securities Pty Ltd, as well as being a shareholder of that company.

NOTE 20: FINANCIAL INSTRUMENTS

Financial Risk Management Objectives

The Company's risk management framework is supported by the Board and management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

The Company has exposure to the following risks from their use of financial assets:

- Market risk
- Liquidity risk
- Credit risk

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The overall financial risk management strategy focuses on the unpredictability of the equity markets and seeks to minimise the potential adverse effects due to movements in financial liabilities or assets. The Company holds the following financial instruments as at 30 June:

	2022	2021
	\$	\$
Financial Assets		
Cash and cash equivalents	32,873,486	13,962,873
Trade and other receivables	460,257	88,877
Other assets	50,000	-
	33,383,743	14,051,750
Financial Liabilities		
Trade and other payables	2,326,756	503,265
Lease liability	22,121	52,509
	2,348,877	555,774

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Company's market risk management policies from previous years.

Interest Rate Risk

The Company's exposure to interest rates primarily relates to the Company's cash and cash equivalents. The Company manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates. No disclosures on the sensitivity check as any reasonable movement of the interest rate would not have any significant impact to the financial statement.

		2022	2021
	Interest rate	\$	\$
<i>Variable Rate Instruments</i>			
Cash at bank	-	99,507	162,873
<i>Fixed Rate Instruments`</i>			
Cash at bank	0.14%	32,773,979	13,800,000
		32,873,486	13,962,873

Other Market Price Risk

The Company operates within Australia and all transactions during the financial year are denominated in Australian dollars. The Company is not exposed to foreign currency risk at the end of the reporting period.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Liquidity Risk

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the administration of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.

The following tables detail the Company's contractual maturity for its financial liabilities:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	2-5 Years	>5 Years
30 June 2022					
Trade and other payables	2,326,756	2,326,756	2,326,756	-	-
Lease liability	22,121	22,121	22,121	-	-
Total	2,348,877	2,348,877	2,348,877	-	-

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	2-5 Years	>5 Years
30 June 2021					
Trade and other payables	503,265	503,265	503,265	-	-
Borrowings	52,509	52,509	30,388	22,121	-
Total	555,774	555,774	533,653	22,121	-

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NOTE 21: COMMITMENTS - TENEMENTS

	2022	2021
	\$	\$
<i>Committed but not recognised as liabilities:</i>		
Within one year	340,390	324,774
Between one to two years	340,390	324,774
After two years but not more than five years	1,021,169	974,320
	<u>1,701,949</u>	<u>1,623,868</u>

NOTE 22: CONTINGENCIES AND COMMITMENTS

There were no material contingent liabilities, contingent assets and other commitments at reporting date.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date, the conditions precedent to the acquisition of the nickel rights mentioned above were satisfied or waived. As a result, the Company issued a Notice of Meeting regarding the convening of an Extraordinary General Meeting of shareholders on 27 September 2022 to vote on the acquisition.

No other matters or circumstances have arisen since 30 June 2022 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors:



Edmund Ainscough
Managing Director

Dated this day in Perth: 23 September 2022



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**Independent Auditor's Report
 To the Members of Lunnon Metals Limited
 Report on the Audit of the Financial report**

Opinion

We have audited the financial report of Lunnon Metals Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Lunnon Metals Limited is in accordance with the *Corporation Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ARMADA AUDITING

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separated opinion on these matters.

Exploration and Evaluation Assets (Note 8)

At 30 June 2022, the Company's carrying value of exploration and evaluation assets was \$18,374,219.

The exploration and evaluation assets are required to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed their recoverable amount. Any impairment losses are then measured in accordance with AASB 136 *Impairment of Assets*.

This area is a key audit matter as significant judgement is required in determining whether:

Facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Our procedures, amongst others, included:

- Confirming whether the rights to tenure for the areas of interest were current at the reporting date as well as confirming that the rights to tenure are expected to be renewed for tenements that will expire in the near future;
- Obtaining evidence of the Company's intention to carry out exploration and evaluation activities in the relevant areas of interest. This included checking future budgeted exploration expenditure, reading board minutes and checking related exploration work programmes;
- Assessing whether the Company has the ability to fund its planned exploration and evaluation activities;
- Evaluating Company documents such as announcements made by the Company to the ASX, geologist reports and board minutes to check whether exploration and evaluation activities in the relevant area of interest were unsuccessful.; and
- Assessing the appropriateness of the accounting treatment and disclosure in terms of AASB 6.

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Share Based Payments (Note 15)

At 30 June 2022, the Company had recorded \$489,654 of share based payments. The fair value of options are determined using option pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Judgement has been exercised on the probability and timing of achieving milestones related to the options.

This area is a key audit matter as the valuation of share based payments is subject to significant management estimates and judgements.

Our procedures, amongst others, included:

- Verifying the key terms and conditions of the equity settled share based payments including number of equity instruments granted, exercise price and vesting conditions to the relevant agreements and award letters;
- Assessing the fair value of the share based payments by testing the key inputs used in option pricing model. This included checking the share price on grant date, exercise price, option life, volatility and risk free rate to supporting documentation and market information;
- Testing the accuracy of the share based payments amortisation over the relevant vesting periods;
- Assessing the Company's accounting treatment in accordance with AASB 2 *Share Based Payments*; and
- Assessing the related financial statement disclosures relating to share based payments.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 34 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Lunnon Metals Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD



Nigel Dias

Director

Dated 23 September 2022, Perth

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. This information is current as at 13 September 2022.

1. Registered office and principal administrative office

The address of the registered office in Australia is C/- Everest Corporate, Level 3, 35 Outram Street West Perth, WA 6005.

The principal administrative office is Suite 5, 11 Ventnor Avenue, West Perth, WA 6005.

2. Registered of securities are held at the following address:

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

3. Restricted securities

The Company has 63,629,002 fully paid ordinary shares under escrow for 24 months from date of quotation (16/06/2021). The company has 3,601,738 unlisted options under escrow for 24 months from date of quotation (16/06/2021).

4. On-market buy back

At the date of this report, the Company is not involved in an on-market buy back.

5. Shareholding

a. Distribution of shareholders

Category (size of holding)	Number of Shareholders
1 – 1,000	116
1,001 – 5,000	280
5,001 – 10,000	179
10,001 – 100,000	535
100,001 – and over	129
	1,239

b. Less than marketable parcels of shares

As at market close on 13 September 2022, an unmarketable parcel of shares in the Company is any shareholding of \$500 or less, based on the closing price of \$0.96 per share. This represents 4,564 ordinary shares in the Company, held by 28 shareholders.

c. Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

Options over ordinary shares do not carry voting rights.

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d. 20 Largest shareholders – ordinary shares

Rank	Shareholder	Holding	% Held
1	St Ives Gold Mining Company Pty Limited	44,711,062	25.77%
2	Bolong (Australia) Investment Management Pty Ltd	18,289,426	10.54%
3	Aurora Prospects Pty Ltd <The Aurora Family A/C>	9,678,565	5.58%
3	Mainglow Pty Ltd <Hedley Family No 1 A/C>	9,678,565	5.58%
5	UBS Nominees Pty Ltd	8,336,280	4.80%
6	Citicorp Nominees Pty Limited	6,971,229	4.02%
7	Fan Rong Mineral Consulting Pty Ltd < Fan Rong Family A/C>	6,096,475	3.51%
8	Merrill Lynch (Australia) Nominees Pty Limited	4,453,611	2.57%
9	HSBC Custody Nominees (Australia) Limited	2,246,386	1.29%
10	Cranport Pty Ltd <No 5 - A/C>	2,127,439	1.23%
11	National Nominees Limited	2,101,480	1.21%
12	Budworth Capital Pty Ltd <Rolling Hills Capital A/C>	1,930,000	1.11%
13	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	1,816,475	1.05%
14	BT Portfolio Services Limited <Warrell Holdings S/F A/C>	1,808,615	1.04%
15	WSF Investments Pty Ltd <Williams Superannuation A/C>	1,800,000	1.04%
16	Nub Holdings Pty Ltd <Nub Operating A/C>	1,629,742	0.94%
17	Troca Enterprises Pty Ltd <Coulson Super Fund A/C>	1,220,550	0.70%
18	Swancave Pty Ltd <The BMC Family A/C>	1,025,000	0.59%
19	BNP Paribas Noms Pty Ltd <DRP>	932,907	0.54%
20	JJ Metal Resources Pty Ltd <JJ Metal Resources Fam A/C>	930,791	0.54%
Total Top 20 Shareholders		127,784,598	73.65%

e. Substantial holders of fully paid ordinary shares

	Number of fully paid ordinary shares held
St Ives Gold Mining Company Pty Ltd	44,711,062
Bolong (Australia) Investment Management Pty Ltd	18,289,426
Tribeca Investment Partners Pty Ltd	10,483,871
Aurora Prospects Pty Ltd <The Aurora Family A/C>	9,678,565
Mainglow Pty Ltd <Hedley Family No 1 A/C>	9,678,565
	92,841,489

6. Company Secretary

The name of the Company Secretary is Jessamyn Lyons.

7. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange ('LM8').

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8. Unquoted securities

Terms	Number of options	Number of holders
Unquoted options Expiry 22/03/26 Exercise Price \$0.05	1,700,000	1
Unquoted options Expiry 22/03/26 escrowed 24 months Exercise Price \$0.05	2,175,000	2
Unquoted options Expiry 09/06/23 escrowed 24 months Exercise Price \$0.45	1,426,738	1
Unquoted options Expiry 25/10/26 Exercise Price \$0.00	216,965	2
Unquoted options Expiry 16/11/26 Exercise Price \$0.00	61,500	1
Unquoted options Expiry 28/03/27 Exercise Price \$0.00	93,924	3
	5,674,127	10

9. Unquoted securities holdings greater than 20%

	Number of unlisted options held
Mr. Edmund Ainscough (Managing Director)	1,700,000
Aaron Charles Wehrle (Exploration and Geology Manager)	1,700,000
Zero Nominees Pty Ltd (Lead Manager)	1,426,738
	4,826,738

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TENEMENTS SCHEDULE

Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
M15/1546	Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1548	Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1549	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1550	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1551	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1553	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1556	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1557	Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1559	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1568	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest

Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
M15/1570	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1571	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1572	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1573	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1575	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1576	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1577	Western Australia	Granted, all mineral rights excepting select rights to gold held by St Ives Gold Mining Co. Pty Ltd	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1590	Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest
M15/1592	Western Australia	Granted, all mineral rights excepting rights to gold in the "Excluded Areas"	100% legal & beneficial interest pending lodgement of transfers and stamping	100% legal & beneficial interest

*St Ives Gold Mining Pty Ltd's rights in the "Excluded Areas" and its select rights to gold in the remaining tenements are described in detail in the Company's Solicitor Report attached to the Prospectus submitted to the ASX dated 22 April 2021 and announced on 11 June 2021

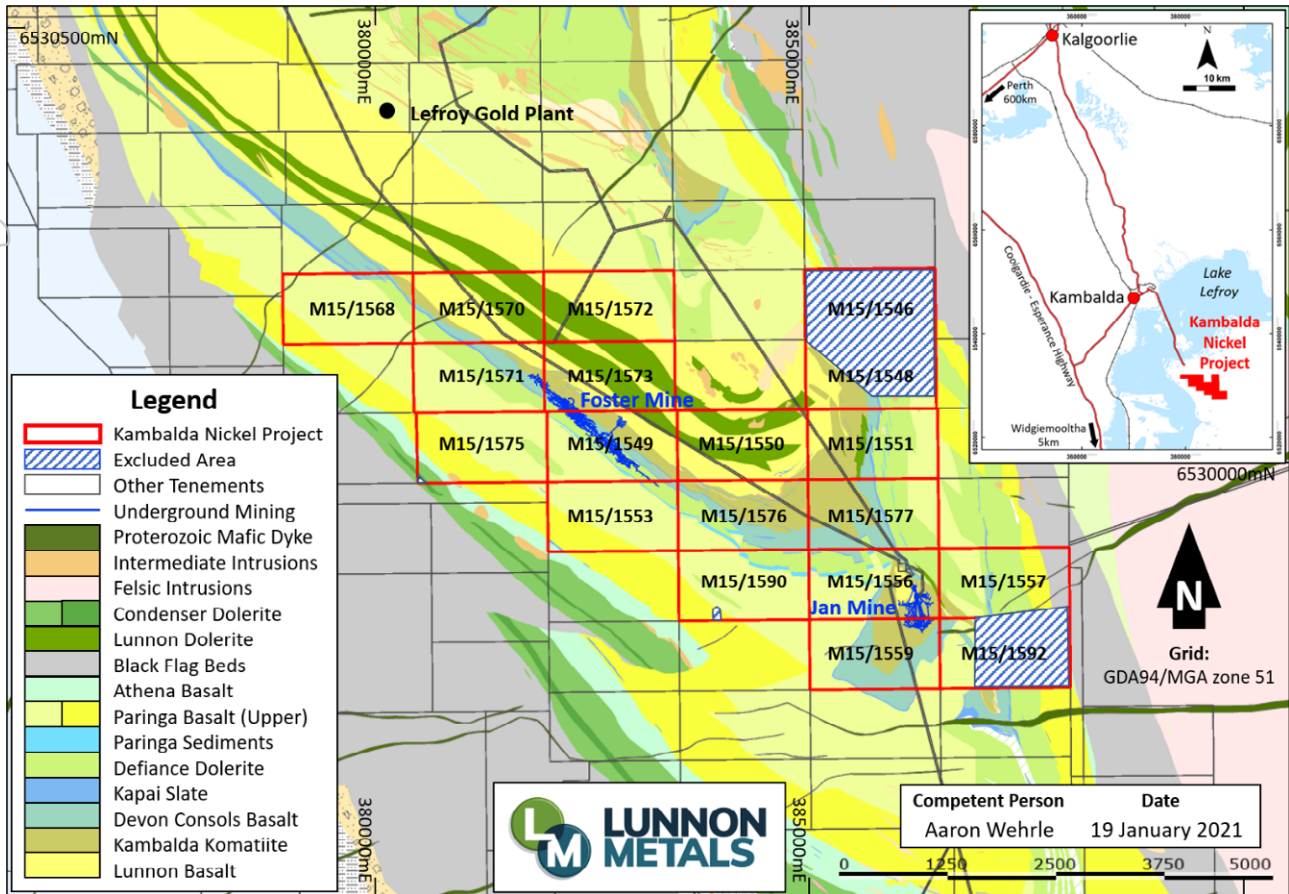


Figure 10: Tenement Map as released in the Solicitor’s Report appended to the Company’s Prospectus dated 22 April 2021 and announced to the ASX on 11 June 2021 – illustrating tenement IDs with historical mines and surface interpretative geology shown

Mineral Rights Agreement - Fisher/Silver Lake (All tenements are in location in the immediate vicinity directly south from Kambalda see Figure 11 below table).

Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
ML15/0142	Kambalda district, Western Australia	Rights of access subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1497	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1498	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

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Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
M15/1499	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1505	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1506	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1507	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1511	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1512	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1513	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1515	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
M15/1516	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1523	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1524	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1525	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1526	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1528	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1529	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle
M15/1530	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

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Tenement	Location	Nature of Interest*	Interest at beginning of the year	Interest at end of year
M15/1531	Kambalda district, Western Australia	Mineral rights to nickel subject to deal announced 12 April 2022 (yet to settle) – tenement held 100% by St Ives Gold Mining Co. Pty Ltd	nil	nil - deal yet to settle

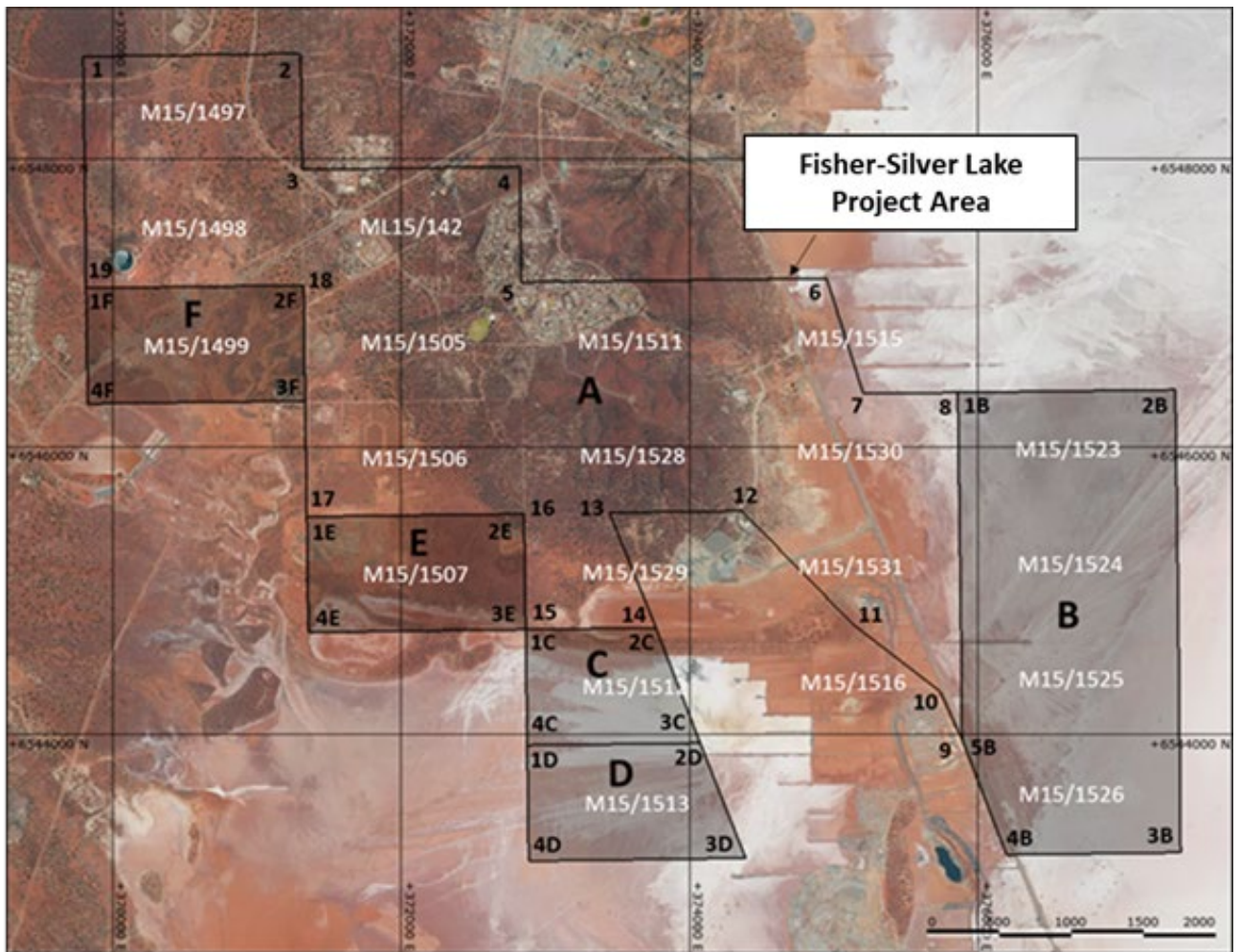


Figure 11: Tenement Map announced to the ASX on 12 April 2022 – illustrating tenement numbers for Fisher-Silver Lake Project Area (deal yet to settle)

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