

Letter to Shareholders

25 October 2022

Dear Shareholder,

Lykos Metals Limited (ASX: LYK) is pleased to advise that its Annual General Meeting of Shareholders will be held at Central Park Conference Centre, Acacia Room, 152-158 St Georges Terrace, Perth at 4pm (AWST) on 23 November 2022.

In accordance with the Corporations Amendment (Meetings and Documents) Act 2022 (Cth) the Company will not be sending hard copies of the Notice of Meeting to Shareholders except to those who have made a valid election to receive a hard copy via mail.

Shareholders are encouraged to complete and lodge their proxy form online via the link provided in the email sent to them by Automic Group on behalf of the Company, or otherwise in accordance with the instructions set out in the proxy form and the Notice of Meeting.

Your proxy voting instruction must be received by 4.00pm (AWST) on Monday, 21 November 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours faithfully,

Candice Van Der Plas Company Secretary











LYKOS METALS LIMITED ACN 650 011 644 NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00pm (WST)

DATE: 23 November 2022

PLACE: Central Park Conference Centre, Acacia Room, 152-158 St Georges

Terrace, Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 21 November 2022.



BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 - ELECTION OF DIRECTOR - STEPHEN ALLEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Stephen Allen, a Director who was appointed casually on 1 April 2022, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – JOHAN ZÜGER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Johan Züger, a Director who was appointed as an additional Director on 1 April 2022, retires, and being eligible, is elected as a Director."

5. RESOLUTION 4 - RE-ELECTION OF DIRECTOR - MILOS BOSNJAKOVIC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Milos Bosnjakovic, a Director, retires by rotation, and being eligible, is re-elected as a Director."

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6. RESOLUTION 5 – APPOINTMENT OF AUDITOR AT FIRST AGM

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Findex (Aust) Pty Ltd (trading as Crowe Australasia), having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

7. RESOLUTION 6 - ISSUE OF OPTIONS TO RELATED PARTY - STEPHEN ALLEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Stephen Allen (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY - JOHAN ZÜGER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 750,000 Options to Johan Züger (or their nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 19 October 2022

By order of the Board

Candice Van Der Plas Company Secretary



Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:		
	(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or		
	(b) a Closely Related Party of such a member.		
	However, a person (the voter) described above may cast a vote on t Resolution as a proxy if the vote is not cast on behalf of a pers described above and either:		
	(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or		
	(b) the voter is the Chair and the appointment of the Chair as proxy:		
	(i) does not specify the way the proxy is to vote on this Resolution; and		
	(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.		
Resolution 6 – Issue of Options to Related Party - Stephen Allen	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.		
Resolution 7 – Issue of Options to Related Party - Johan Züger	A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (iii) a member of the Key Management Personnel; or (iv) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.		

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:



Resolution 6 – Issue of
Options to Related Party
- Stephen Allen

Stephen Allen (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

Resolution 7 – Issue of Options to Related Party - Johan Züger

Johan Züger (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9480 2500.



EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.lykosmetals.com/.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the

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company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

As this is the Company's first annual general meeting, the remuneration report of the Company has not been considered before. Accordingly, a Spill Resolution will not be relevant for this Meeting.

3. RESOLUTION 2 - ELECTION OF DIRECTOR - STEPHEN ALLEN

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Stephen Allen, having been appointed by other Directors on 1 April 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

FCA (England and Wales), CA (Australia and NZ)

Mr Allen is managing director of leading global natural resources sector adviser and investor RFC Ambrian Group Limited and has approximately 30 years' experience in corporate finance and capital markets.

During this time, he has played key roles in the establishment and advancement of a substantial number of successful resource sector companies with projects globally. This has included numerous listings and financings of companies on both the Australian Securities Exchange and London Stock Exchange. He also has substantial experience in mergers and acquisitions advisory roles.

3.3 Independence

If re-elected the Board does not consider Mr Allen will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character,



criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Allen.

Mr Allen has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Chairman of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Chairman of the Company.

3.5 Board recommendation

The Board has reviewed Mr Allen's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Allen and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – JOHAN ZÜGER

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Johan Züger, having been appointed by other Directors on 1 April 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

MA (Economics)

Johan Züger has 30 years of professional experience in global banking, project finance and wealth management. He's the founding partner of Clarus Capital Group, an independent Swiss wealth manger, and is running his own investment advisory company.

4.3 Independence

Mr Züger has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Züger will be an independent Director.



4.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Züger.

Mr Züger has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

4.5 Board recommendation

The Board has reviewed Mr Züger's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Züger and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 - RE-ELECTION OF DIRECTOR - MILOS BOSNJAKOVIC

5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Milos Bosnjakovic, who has served as a Director since 6 May 2021, retires by rotation and seeks re-election.

5.2 Oualifications and other material directorships

Bachelor of Laws (LLB)

Mr Bosnjakovic is a dual national of Australia and Bosnia and Herzegovina and was the co-founder and former director of both ASX listed Balamara Resources Limited and dual ASX and LSE-listed Adriatic Metals plc. He is a qualified lawyer with extensive business experience in the Former Yugoslav Republics, Australia and New Zealand.

Mr Bosnjakovic has significant experience in the identification and commercialisation of minerals projects in the Balkans. He established Eastern Mining d.o.o. in 2013 which pegged and developed the Vares and Rupice deposits. Upon the incorporation of Adriatic Metals plc, he remained as director of Eastern Mining and from 2017 to July 2020 acted as both head of regulatory and board member for Adriatic. Mr Bosnjakovic played a critical role in securing government approvals and maintaining community relationships for the Vares and Rupice projects. Mr Bosnjakovic has a wide personal, business and legal network in the Former Yugoslav Republics.

5.3 Independence

If re-elected the Board does not consider Mr Bosnjakovic will be an independent Director.



5.4 Board recommendation

The Board has reviewed Mr Bosnjakovic's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Bosnjakovic and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – APPOINTMENT OF AUDITOR AT FIRST AGM

Section 327B(1) of the Corporations Act provides that a public company must appoint an auditor at its first annual general meeting and at any subsequent annual general meeting thereafter where there is a vacancy.

The Directors appointed Findex (Aust) Pty Ltd (trading as Crowe Australasia) (**Crowe**) as the Company's auditor following registration of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Crowe to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice as Annexure A.

Crowe has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this Resolution.

If this Resolution is passed, the appointment of Crowe as the Company's auditor will take effect at the close of this Meeting.

7. RESOLUTIONS 6 – 7 – ISSUE OF OPTIONS TO RELATED PARTIES

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) 750,000 Options exercisable at \$0.30 per Option on or before 1 April 2026 to Stephen Allen (or their nominee); and
- (b) 750,000 Options exercisable at \$0.30 per Option on or before 1 April 2026 to Johan Züger (or their nominee),

on the terms and conditions set out below.

The Options to be issued to each of Stephen Allen and Johan Züger will vest in three equal tranches as follows:

- (a) 250,000 Options (500,000 Options in aggregate) will vest on 1 April 2023 (**Tranche 1**);
- (b) 250,000 Options (500,000 Options in aggregate) will vest on 1 April 2024 (**Tranche 2**); and
- (c) 250,000 Options (500,000 Options in aggregate) will vest on 1 April 2025 (**Tranche 3**).



Resolution 6 seeks Shareholder approval for the issue of 750,000 Options to Stephen Allen (or their nominee).

Resolution 7 seeks Shareholder approval for the issue of 750,000 Options to Johan Züger (or their nominee).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Options to Stephen Allen and Johan Züger (or their nominees) constitutes giving a financial benefit and Stephen Allen and Johan Züger are related parties of the Company by virtue of being Directors.

The Directors (other than Stephen Allen and Johan Züger who have a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreements to issue the Options, reached as part of the remuneration packages for Stephen Allen and Johan Züger, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.



The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 and 7 seek the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Company will be able to proceed with the issue of the Options to Stephen Allen and Johan Züger within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 and 7 are not passed, the Company will not be able to proceed with the issue of the Options and an alternative form of remuneration may need to be negotiated with these Directors.

7.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 6 and 7:

- (a) the Options will be issued to:
 - (i) Stephen Allen (or their nominee) pursuant to Resolution 6; and
 - (ii) Johan Züger (or their nominee) pursuant to Resolution 7,

who fall within the category set out in Listing Rule 10.11.1 as Stephen Allen and Johan Züger are related parties of the Company by virtue of being Directors;

- (b) the maximum number of Options to be issued is 1,500,000 Options:
 - (i) 750,000 Options pursuant to Resolution 6; and
 - (ii) 750,000 Options pursuant to Resolution 7,
- (c) the terms and conditions of the Options are set out in Schedule 1;
- (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date:
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for Stephen Allen and Johan Züger to motivate and reward their performance as



Directors and to provide cost effective remuneration to Stephen Allen and Johan Züger, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Stephen Allen and Johan Züger;

- (g) the current total remuneration package for:
 - (i) Stephen Allen is \$75,000 per annum, comprising of a based non-executive directors fee of \$40,000 per annum plus a chairman's allowance of \$35,000 per annum. The Options have a value at the proposed date of issue of \$64,500 (based on the Black Scholes methodology) and a 40 month term. As such if the Options are issued, the total remuneration package of Stephen Allen will increase by \$19,350 per annum to \$94,350 per annum; and
 - (ii) Johan Zuger is \$40,000 per annum. The Options have a value at the proposed date of issue of \$64,500 (based on the Black Scholes methodology) and a 40 month term. As such if the Options are issued, the total remuneration package of Johan Zuger will increase by \$19,350 per annum to \$59,350 per annum;
- (h) a valuation of the Options for accounting purposes and the pricing methodology is set out in Schedule 2; and
- (i) the Options are not being issued under any agreements; and
- (j) voting exclusion statements are included in Resolution 6 and 7 of the Notice.



GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (k) a spouse or child of the member;
- (I) a child of the member's spouse;
- (m) a dependent of the member or the member's spouse;
- (n) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (o) a company the member controls; or
- (p) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Lykos Metals Limited (ACN 650 011 644).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.



Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.



SCHEDULE 1 - TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**)

(c) Vesting Date

The Options will vest at 5:00 pm (WST) on the following dates:

Options	Vesting Date
Tranche 1 Options	1 April 2023
Tranche 2 Options	1 April 2024
Tranche 3 Options	1 April 2025

(d) Expiry Date

The Options will expire on at 5:00 pm (WST) on that date which is the earlier of:

- (i) 1 April 2026; and
- (ii) in respect of the Options that have not already vested by the Vesting Date referred to in the above table, the date the Director ceases to be engaged as a Director of the Company.

(e) Exercise Period

The Options are exercisable at any time after the relevant Vesting Date and on or prior to the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

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



(g) Exercise Date

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

(h) Timing of issue of Shares on exercise

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

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

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

(i) Shares issued on exercise

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

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(I) Change in exercise price

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



(m) **Transferability**

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



SCHEDULE 2 - VALUATION OF OPTIONS

The Options to be issued to Stephen Allen and Johan Züger pursuant to Resolutions 6 and 7 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	
Valuation date	7 October 2022
Market price of Shares	16 cents
Exercise price	30 cents
Expiry date (length of time from issue)	1 April 2026
Risk free interest rate	2.5% per annum
Volatility (discount)	100%
Indicative value per Related Party Option	8.6 cents
Total Value of Options	\$129,000
- Stephen Allen (Resolution 6)	\$64,500
- Johan Züger (Resolution 7)	\$64,500

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

ANNEXURE A – NOMINATION OF AUDITOR LETTER

19 October 2022

The Directors Lykos Metals Limited Level 48, 152 – 158 St Georges Terrace PERTH WA 6000

I, Stephen Allen, being a member of Lykos Metals Limited (**Company**), nominate Findex (Aust) Pty Ltd (trading as Crowe Australasia) in accordance with section 328B(I) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 19 October 2022:

Stephen Allen



LYKOS METALS LIMITED | ACN 650 011 644

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (WST) on Monday, 21 November 2022,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held bu you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/log insah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic

GPO Box 5193

Sudney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible)

Contact Daytime Telephone

Date (DD/MM/YY)