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17 March 2023

Projects Update

Highlights:

- **Preparations for drilling at Bow River in Q2 well underway**
- **Drilling at Bow River to test compelling high density gravity anomaly below depth of EM investigation**
- **Gnewing Bore heritage surveys anticipated for Q2, with drilling to follow mid-year**
- **Approvals proceeding for access to drill at the Stansmore Nb-REE Project**

Lycaon Resources Ltd (ASX: LYN) (**Lycaon** or the **Company**) is pleased to provide an update on its planned activities in the coming field season.

Mr Thomas Langley, Technical Director commented "The Company is actively working across our portfolio, with a current focus on planning and approvals for the Bow River nickel-copper sulphide prospect, Stansmore Nb-REE's and the Gnewing Bore polymetallic prospect. I'm looking forward to drilling the main target at Bow River next quarter, which has the potential to host another Savannah nickel copper mine."

Bow River

The Company is currently working through access and approvals with a view to be drilling shortly after the end of the wet season in May.

Two deep drill holes are planned to intersect the highest density gravity anomaly at the Bow River intrusion, which has the greatest likelihood of hosting nickel-copper sulphide mineralisation analogous to Panoramic Resources Savannah mine 60km to the south, Figure 1. Whilst the recently completed EM survey did not highlight any shallow conductors, it is important to note that the Savannah North discovery which was ~4 times bigger than the original Savannah mine, also did not show up on EM surveys, due to being located greater than 250m depth and beyond the detection limit of the EM survey, Figure 2.

In light of the Savannah North discovery, the Company sees significant potential to delineate nickel-copper sulphide mineralisation at Bow River, which is supported by the high-grade nickel-copper mineralisation discovered to date and the identification of a high density target which may represent a fertile Peridotite host rock as seen at Savannah North.

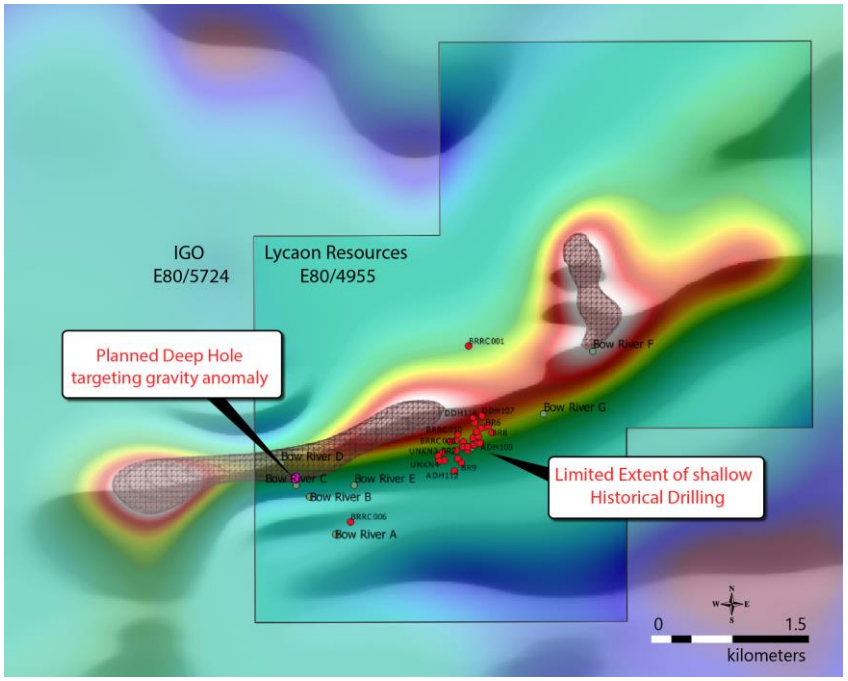

Figure 1. Location of historical drilling at Bow River nickel copper sulphide project, in relation to the large underlying Gravity anomaly inferred to be the Bow River Intrusive.

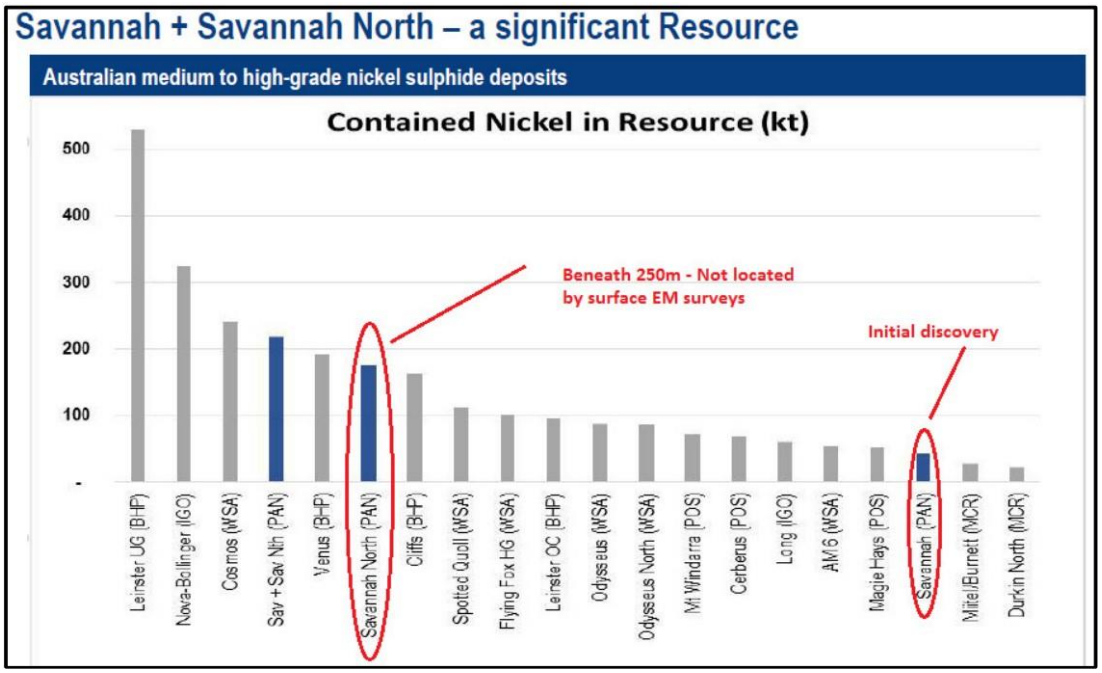

Figure 2. Graph highlighting significant addition of contained nickel resource due to the discovery of Savannah North, a much larger deposit than Savannah.

Gnewing Bore

The Company is currently working through the approvals processes required to enable the drilling of this prospect, likely to occur in mid-2023.

A RC drilling program has been designed to test the 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides, Figure 3. The Gnewing Bore Project represents a hydrothermal/epithermal gold-silver target, containing some low-level copper anomalism which appears primarily shear controlled. Historic work highlights high-tenor gold grades plus supporting silver and copper grades in the rock chip samples, with a lack of decent exploration work to sufficiently test the target's potential.

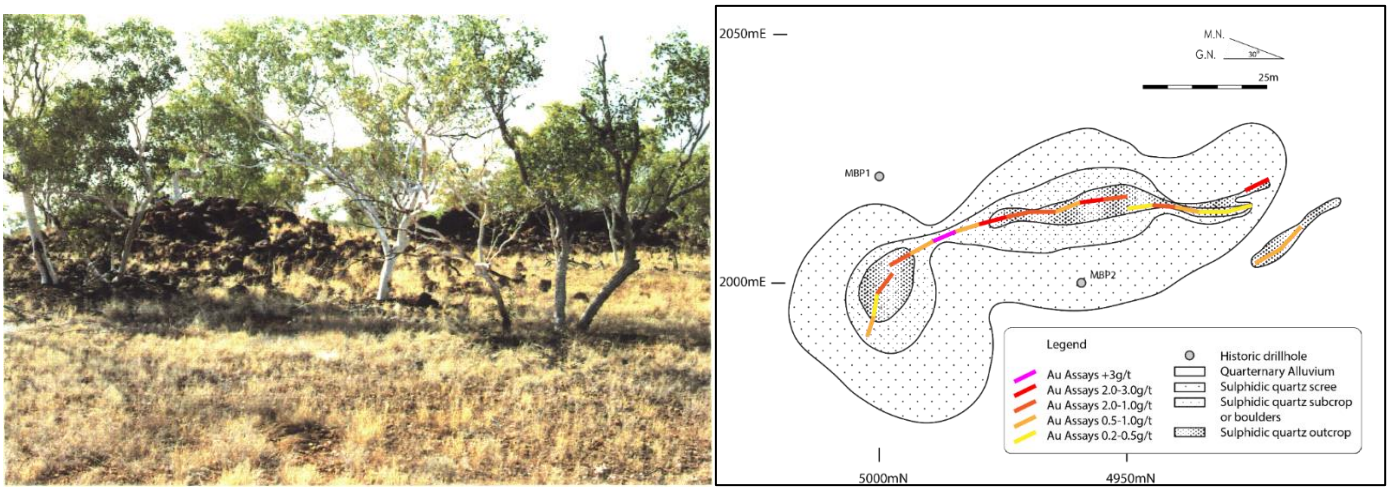

Figure 3. Left: View of the main quartz sulphide outcrops, looking northeast. Right: Gold results from semi-continuous rock chip sampling completed by Anglo Australian (from WAMEX Report A036766).

Stansmore – West Arunta

The Stansmore carbonatite target consists of a regionally prominent 700m long magnetic feature analogous to WA1's discoveries and Encounter's Worsley prospect, Figures 4,5,6. Recent discoveries by WA1 Resources and Encounter Resources have demonstrated the potential for the West Arunta region to host significant REE and IOCG type mineralisation systems. Alkaline systems are key drivers in the formation of IOCG and carbonatite-hosted REE deposits, with the region seeing a renewed exploration focus on these deposit types.

Carbonatite deposits are an important source of REE and niobium production. This includes the world's largest REE mine, Bayan Oho in Inner Mongolia, Lynas Rare Earths' Mt Weld deposit and the world's three major operating niobium mines. Niobium is one of a suite of commodities identified by the Australian Government as critical minerals, i.e., minerals (or elements) considered vital for the well-being of the world's economies, yet whose supply may be at risk of disruption.

The Company is currently working through the approvals processes required to enable the drilling of this prospect.

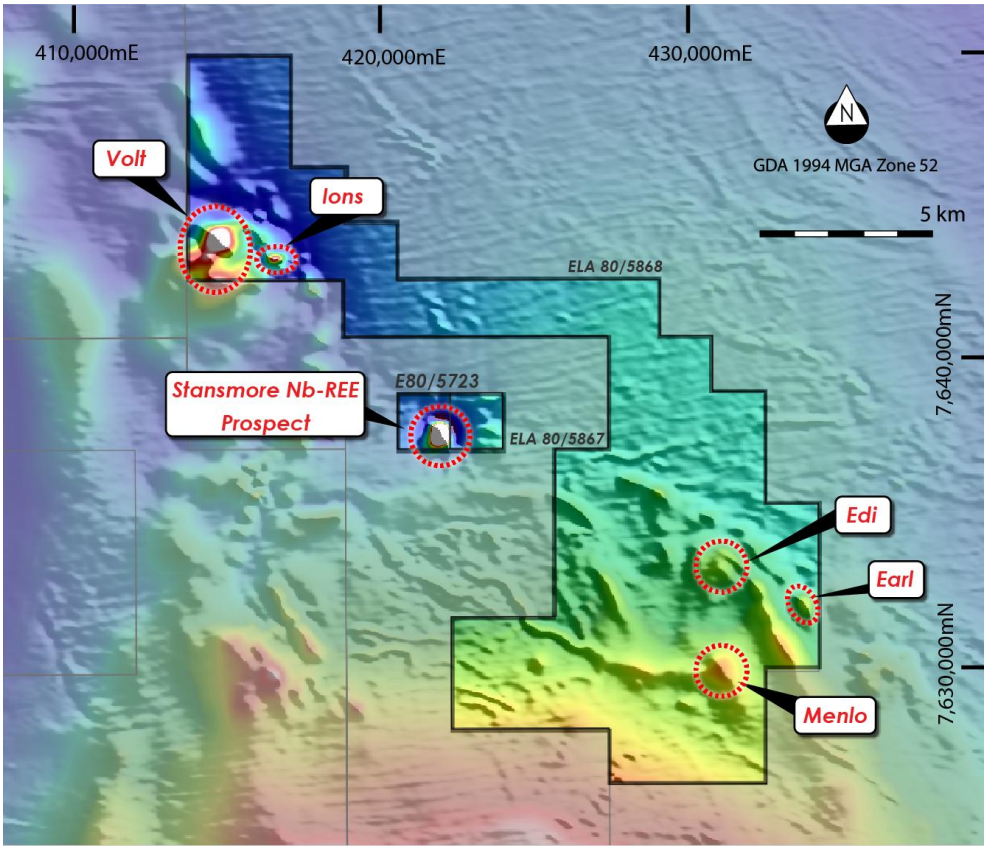

Figure 4. Reduced to Pole Magnetics (TMI grid) highlighting the prominent magnetic anomaly at Stansmore Prospect and other magnetic targets.

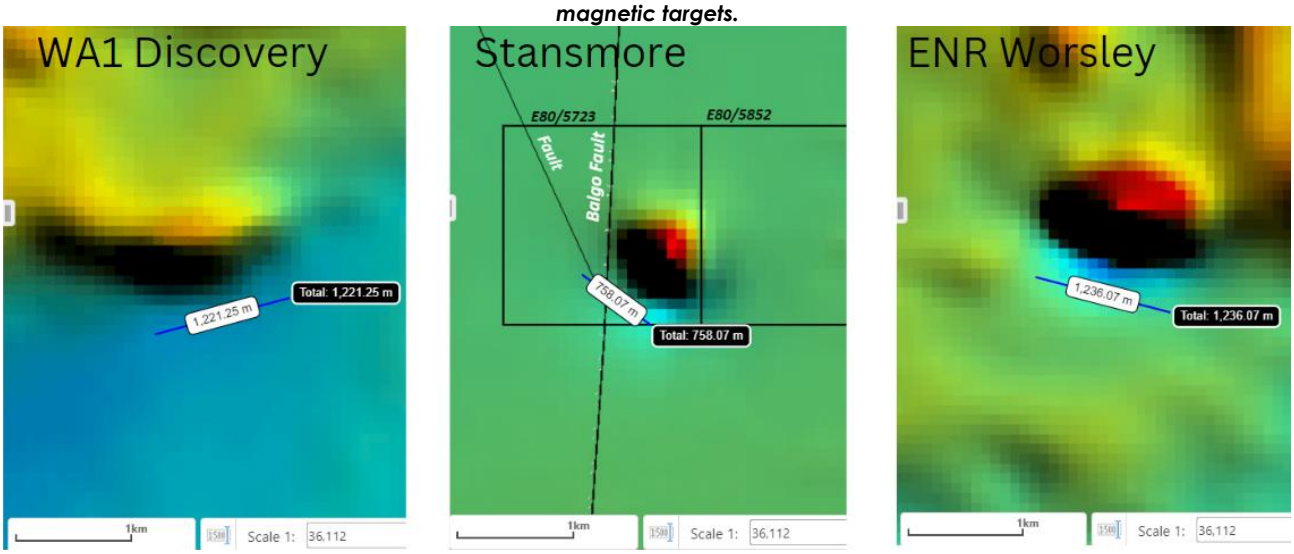

Figure 5. Magnetics TMI overlay, showing Stansmore prominent magnetic anomaly extending for ~700m, displaying similarities to WA1 and Encounter Resources REE/IOCG prospects, which both extend for ~1,200m respectively. Source DMIRS Geoview.

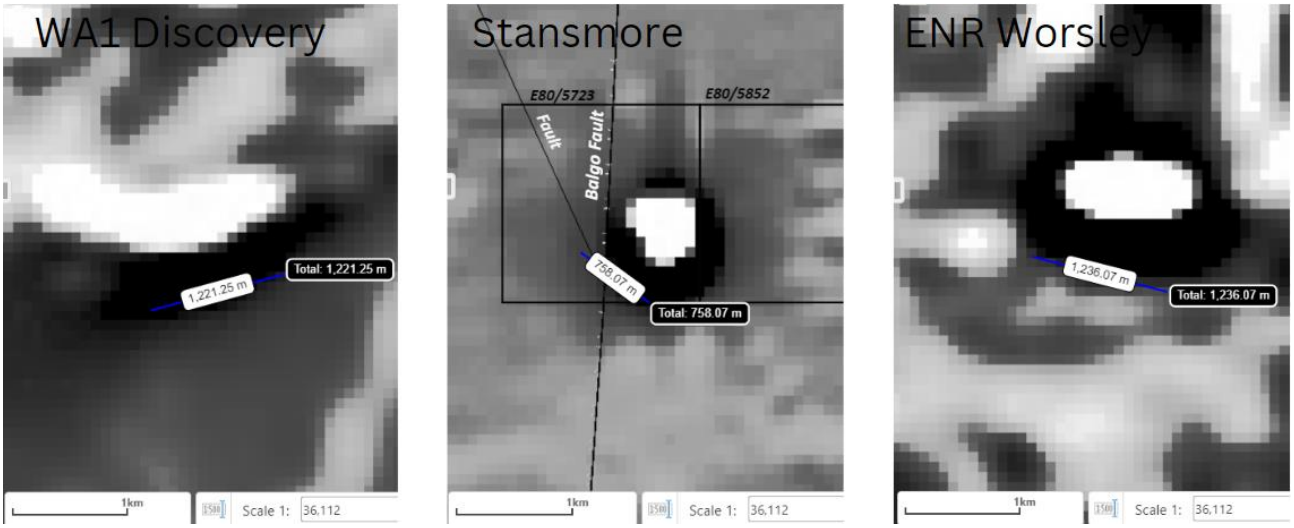

Figure 6. Magnetics First Vertical Derivative overlay, showing Stansmore prominent magnetic anomaly extending for ~700m, displaying similarities to WA1 and Encounter Resources REE/IOCG prospects, which both extend for ~1,200m respectively. Source DMIRS Geoview.

Rocky Dam

Gyro drilling completed an auger geochemical sampling program December 2022, on an east-west 50m grid and north-south 200m grid spacing, for a total of 587 samples. The auger program designed was designed to define anomalies that may be related to primary gold mineralisation at depth across tenements E28/3000.

The soil results at E28/3000 show limited potential for gold or base metals, Figure 7,8. Review of auger geochemical sampling across other tenements within the Rocky Dam project already completed at E27/612, E27/611 and E28/2988 also did not record any significant anomalies to warrant further exploration. Overall geochemical results have been disappointing with no significant targets identified to warrant follow up drilling.

Given the results to date, the Company does not consider it in the best interests of shareholders to expend further funds on this prospect at the current time.

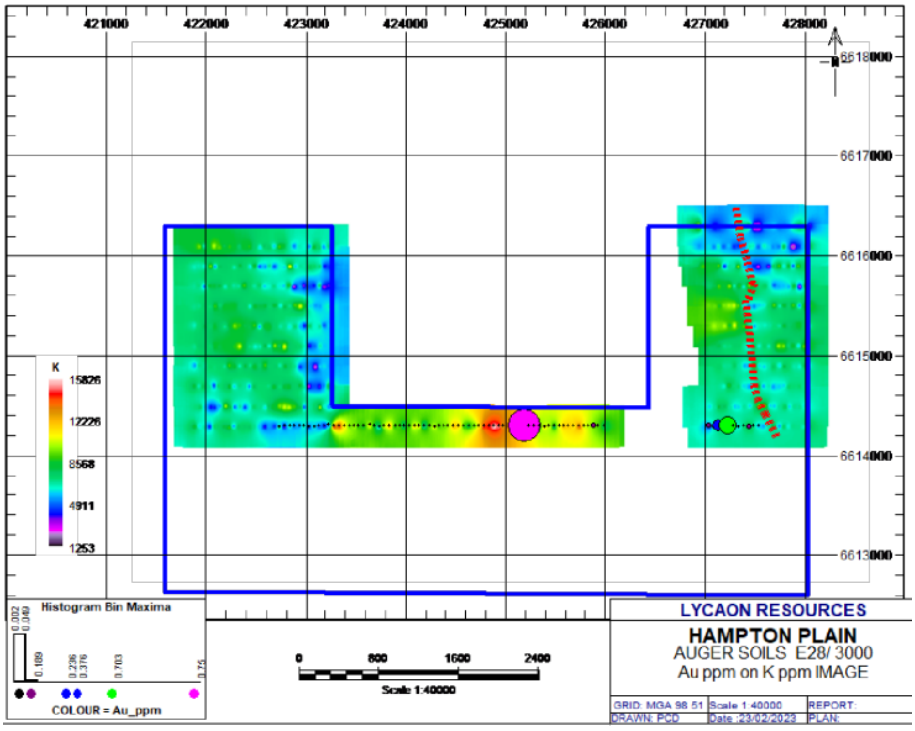

Figure 7. E28/3000 auger soils – Au ppm on K ppm image.

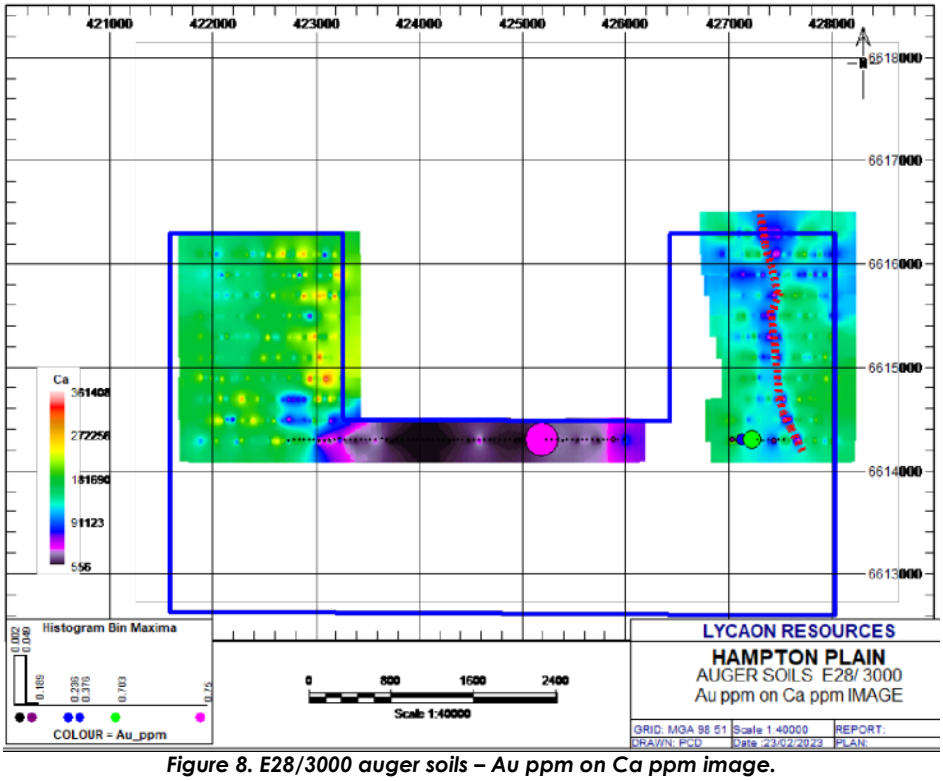

Figure 8. E28/3000 auger soils – Au ppm on Ca ppm image.

Julimar

The road-side auger sampling program completed in Q4, 2021 was designed as a first pass geochemical survey to cover public roads within the project area comprising two granted exploration licences E70/5415 and E70/5416, Figure 9.

An airborne electromagnetic and magnetic survey was conducted by NRG in February 2022 using the Xcite™ system over E70/5415 and E70/5416. The survey and data quality was monitored by Southern Geoscience Consultants (SGC). The low level anomalies identified by SGC have since been downgraded as they relate to surficial drainage and cultural features.

Recent desktop review of this fieldwork has downgraded the potential for the Julimar project to host Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions. The auger sampling program and helicopter EM survey results have not highlighted any priority targets for follow up exploration work.

Given the results to date, the Company does not consider it in the best interests of shareholders to expend further funds on this prospect at the current time.

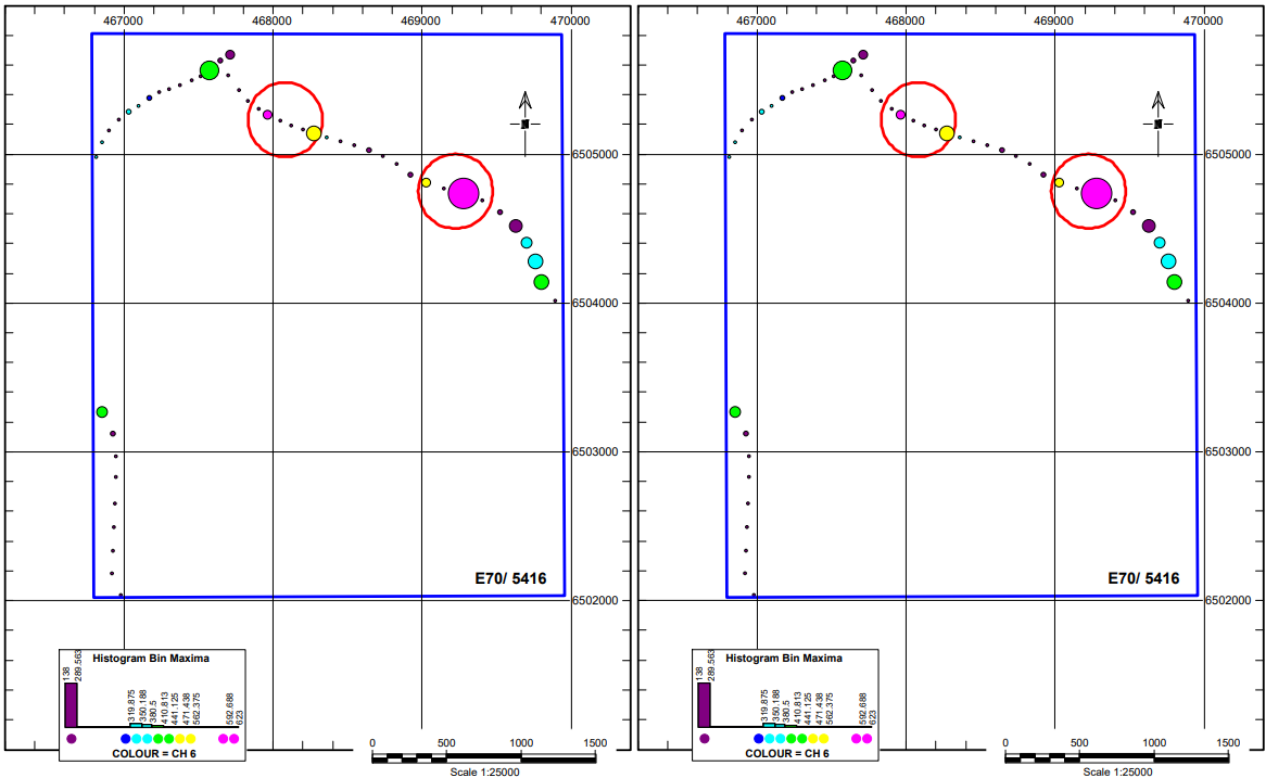

Figure 9. Julimar Project Targets from Auger Samples – Ni ppm (left image) and Cr ppm (right image)

As part of its ongoing business development model, Lycaon continues to assess project opportunities across a broad range of commodities and geographies with a view to identifying attractive, suitably priced assets that will add shareholder value.

For further information please refer to previous ASX announcements:

- *12 December 2022 Geophysical Review Upgrades West Arunta Niobium-REE Targets*
- *21 November 2022 Stansmore Carbonatite Nb-REE Project – Presentation*
- *20 July 2022 Rocky Dam Auger Sampling Results*
- *6 May 2022 Julimar HEM Review Complete*
- *25 January 2022 Julimar Auger Geochemical Results*
- *10 November 2022 EM Surveys Completed at Bow River and Gnewing Bore*
- *22 November 2021 Significant Outcropping Gossan with High Grade Gold*

This announcement has been authorised for release by the Directors of the Company.

Thomas Langley - *Technical Director*

For additional information please visit our website at www.lycaonresources.com

Competent Person's Statement

The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Russell Mortimer, Consultant Geophysicist at Southern Geoscience Consultants. Russell Mortimer is a Member of the Australasian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Russell Mortimer consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Thomas Langley is a full-time employee of Lycaon Resources Limited, and is a shareholder, however Mr. Thomas Langley believes this shareholding does not create a conflict of interest, and Mr. Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the forma and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of*	• Auger soil samples were located and surveyed by GPS instrument system. The sample holes were back filled and were left for rehabilitation. Auger soil samples were drilled with auger rig and 1 kg sample taken at a depth up to 1 metre in the C horizon sample taken. • Auger soil samples were ground dumped and geological data collected and recorded in digital app/ proforma. • The 1 kg samples were bagged, and air dried in the field then delivered for pXRF testing. The blanks, duplicates and calibration samples were inserted at 1 per 25 in the field at time of sampling were used to check the samples, assay lab and pXRF. • The samples were collected and shipped the Perth, then prepared as pressed pellets and tested by a NITON XL5 instrument No. #500781. • The pressed pulp samples were tested in a controlled environment, directly onto sample in the Mining Mode using the fundamental parameters method, were filters set to 15 secs for Main, Low and High with 45 secs for the Light Metals. • Best practice for pXRF was developed by the US EPA in 1998, they recommended resampling at a rate of better than 1 in 10 to be submitted to the lab for and base metal

Criteria	JORC Code explanation	Commentary
	detailed information.	testing (US EPA 1998). At this stage, the pXRF data has only been QC/QA checked against CRM's standards and XRF standards. • At this stage, no re-assays have been submitted to the lab for full base metal QC/QA.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Power auger drilling with vehicle mounted auger is an open hole technique.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery is not assessed for power auger drilling as it is a geochemical method. • Recoveries are inherently good as holes need to be clear to be drilled deeper.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• None of the results are used in Mineral Resource Estimates. • Sample colour and carbonate reaction intensity was qualitatively logged. • Only the sampled interval ~0.5m is logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being*	• Auger soil samples were drilled with auger rig and 1 kg sample taken at a depth up to 1 metre in the C horizon sample taken.

Criteria	JORC Code explanation	Commentary
	sampled.	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The blanks, duplicates and calibration samples were inserted at 1 per 25 in the field at time of sampling were used to check the samples, assay lab and pXRF. • Based on the quality control results the analytical results are judged to be suitable for a geochemical drilling program.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant results for auger drilling, or other geochemical programmes do not require twinning or independent verification.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Auger soil samples were located and surveyed by a hand held GPS with a location error of +/- 5m. • GDA94 MGA Z51.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data from Auger sampling, or other soil sampling will not be used in Mineral Resource Estimates.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this*	• The auger samples were completed on an east-west 50m grid and north-south 200m grid spacing. • The regional greenstone trend is north – northwest, the E-W line orientation allows assessment of all local structural and geological trends.

Criteria	JORC Code explanation	Commentary
	should be assessed and reported if material.	
Sample security	*The measures taken to ensure sample security.*	• Chain of Custody is managed by the Company's contractor Gyro Drilling.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No detailed audits or reviews have yet been conducted due to the level of work completed at the Project to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	*The Rocky Dam Project comprises ten (10) granted Exploration Licences covering approximately 162.8km²* *Lycaon has entered into a binding sale agreement with Dreadnought to acquire a 100% interest in the tenements, from Dreadnought's subsidiary Dreadnought (Yilgarn) Pty Ltd (Dreadnought)* *Settlement occurred on successful listing on the ASX in November 2021.* *The tenements are owned 100% by Lycaon Resources Limited* *A Royalty Deed exists for 1% payable to Dreadnought in respect of all saleable minerals, concentrates, metals produced.* *The Project is overlain by the Maduwongga (WC2017/001 and WAD186/2017) Native Title Claim and the Kakarra Part A (WC2020/005, WAD297/2020) Native Title Claim.* *Dreadnought as instructed by Lycaon board of directors executed a Heritage Agreement with Kakarra Part A in November 2021.* *The Heritage Agreement allows Lycaon access to the project area provided relevant protocols are observed to preserve Aboriginal heritage.* *Future ground disturbing work will need a Section 18 and heritage surveys to be completed* *The tenements are in good standing and no known impediments exist.*
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	*The area comprising the Rocky Dam Project has been explored for a variety of commodities over a protracted period. Previous exploration activities within the project area commenced in the late 1890s with prospectors moving away from the finds of Kalgoorlie and Kanowna. More modern efforts commenced in the late 1960s with base metal exploration followed by gold exploration in the early 1980s. Initial work focused on the Yindarlgooda massive sulphide horizon and a number of gold targets in proximity to the Queen Lapage deposit.* *Subsequently a number of parties including Swiss Aluminium Mining Australia, Jones Prospecting Syndicate, Esso Exploration, Carpentaria*

Criteria	JORC Code explanation	Commentary
		Exploration, Western Mining, BP Minerals, Croesus Mining, CRA Exploration, Rubicon Resources, St Barbara and Integra Mining completed exploration for a diverse variety of commodities spanning gold, base metals and sulphur. *Exploration most relevant to the gold potential of the Rocky Dam Project was completed by Dreadnought Resources.*
Geology	*Deposit type, geological setting and style of mineralisation.*	*The Rocky Dam Project is located largely within the southern part of the Kurnalpi Terrane, in the Eastern Goldfields Superterrane on the eastern part of the Archean Yilgarn Craton.* *The Kurnalpi Terrane includes c. 2.72-2.70 Ga mafic volcanic rocks, calc-alkaline complexes, feldspathic sedimentary rocks, and mafic intrusive rocks, and c.2.69-2.68 Ga bimodal rhyolite-basalt and felsic calc-alkaline complexes that extend along a linear belt at the western edge of the terrane.* *The geology of the general project area is dominated by the regional Bulong Anticline (also referred to as the Yindarlgooda Dome), comprising a north-northwest trending domal structure. Felsic to intermediate volcanic and volcaniclastic units are overlain by shales and siltstones equivalent to those of the Black Flag Beds which are in turn juxtaposed against the Penny Dam Conglomerate and units of the Mt Belches Formation to the east of the Randall Fault.* *Gold mineralisation is generally contemporaneous with peak regional metamorphism and alteration assemblages are governed locally by increasing CO2 content of the auriferous hydrothermal fluids toward the centre of a given mineralised structure (Swager, 1990).*
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drilling undertaken.
Data aggregation	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting*	No drilling undertaken.

Criteria	JORC Code explanation	Commentary
methods	*of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	No drilling undertaken.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	*Appropriate maps and sections are provided in the text*
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The accompanying document is a balanced report with a suitable cautionary note.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	*Historical exploration activity over the Rocky Dam project area has included airborne magnetics, gravity surveys, surface geochemical sampling, aircore and RC drilling also completed within the project area. Data is being systematically compiled and reviewed to aid in current exploration programmes.*
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	*Auger sampling, geophysical surveys, heritage surveys, geological mapping and review prior to drilling.*