

Sockovac Region Update

Base and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to advise it is making strong progress with the confirmation of its rights to operate the exploration licenses in the highly-prospective Sockovac region in Bosnia-Herzegovina.

The Company's license position at Sockovac upon listing in October 2021 was 17km², which was subsequently extended by an additional 50km² in November 2021 as depicted below (refer to the Company's ASX announcement dated 9 November 2021). As advised on 14 June 2022 the Company received a notice from the Ministry of Energy and Mining for Republic of Srpska which advised of the revocation of the resolution of the Ministry which had granted permission to conduct geological exploration at the license areas.

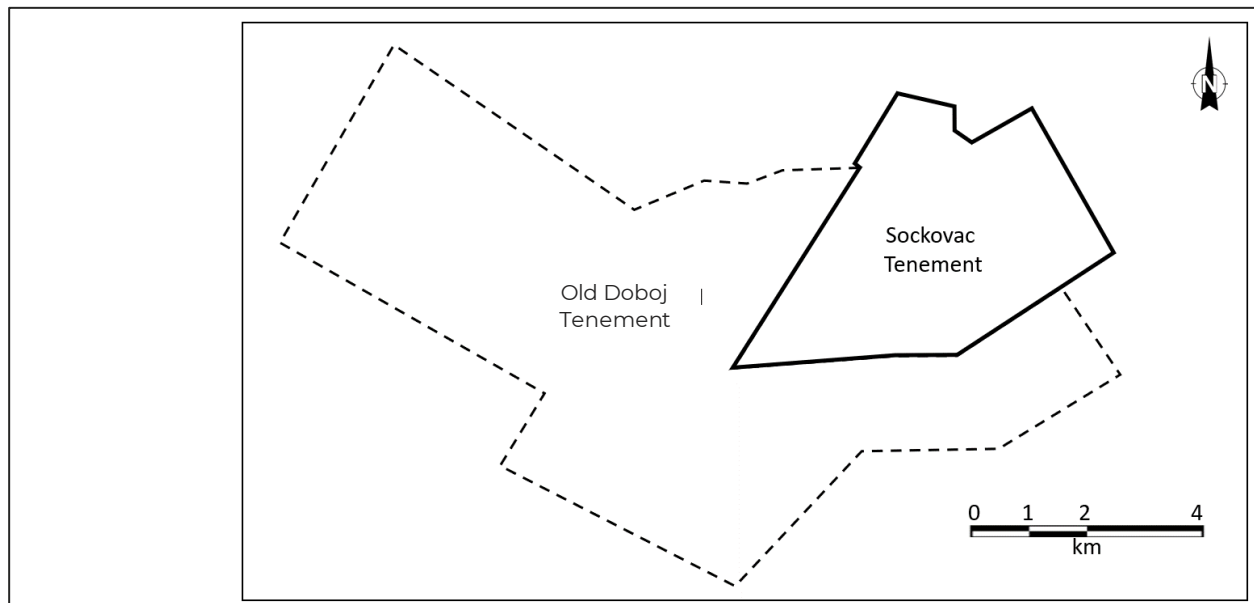


Figure 1. Lykos' exploration license position in the Sockovac region as at June 2022

Lykos' original license position at Sockovac straddles two separate Municipalities, the Doboj Municipality and the Petrovo Municipality. The original 17km² Sockovac license area sits within the Petrovo Municipality while the bulk of the original 50km² Doboj license area sits within the Doboj Municipality.

Since the revocation of the exploration permissions in June 2022, the Company has been engaging constructively with the Government of Republic of Srpska and both the

Municipality of Doboj and the Municipality of Petrovo in order to regain exploration rights in the Sockovac region. The discussions have been taking place pursuant to the new Law on Geological Research of Republic of Srpska which entered into force on 14th of July 2022 (as per the Official Gazette of the Republic of Srpska No. 64/2022).

The Company's wholly-owned subsidiary, Lykos Balkan Metals d.o.o. Bijeljina, has now been granted a new exploration approval by the city council of Doboj over an area of 50km² in the Doboj Municipality. The newly-granted approval area covers a similar extent as the previous license area, as depicted below.

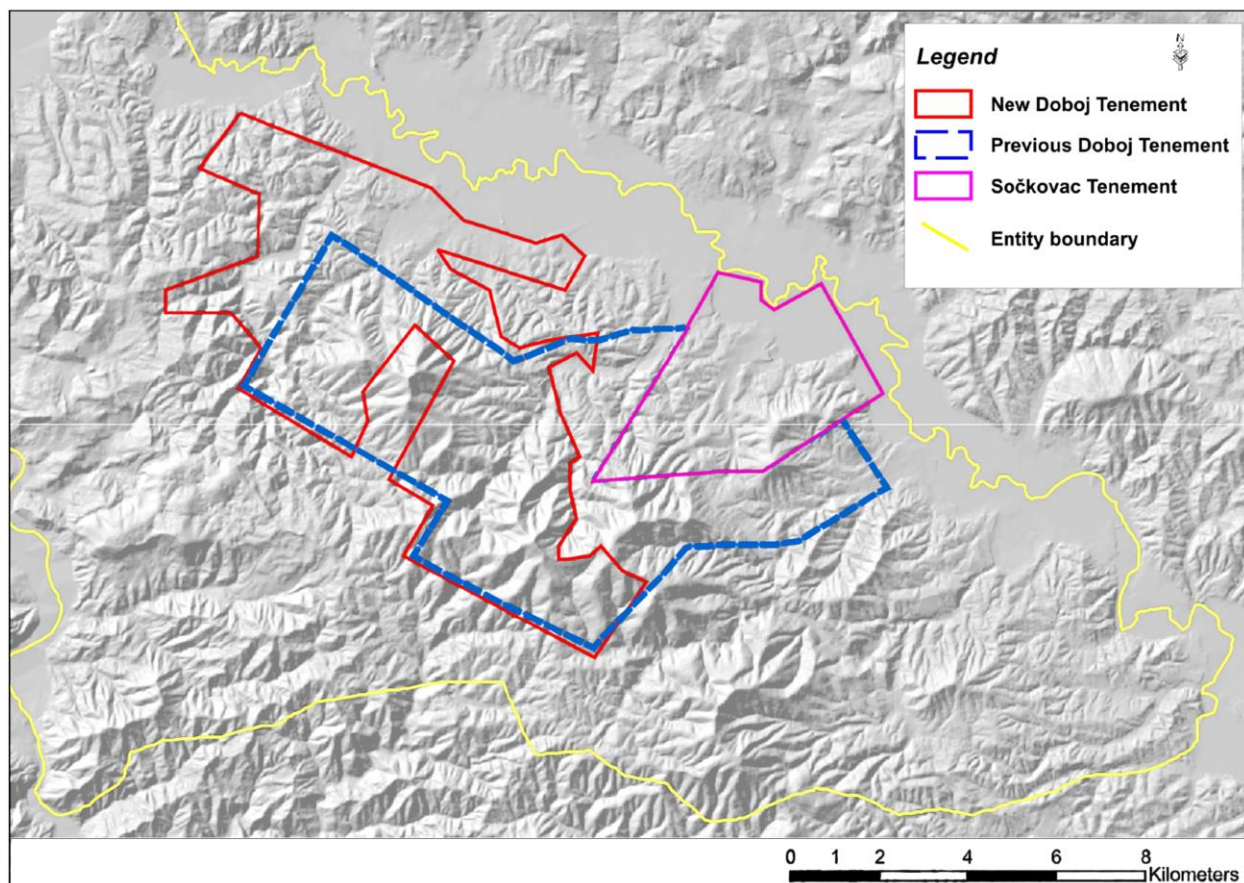


Figure 2. Newly-granted approval area (red outline) in the Doboj Municipality overlain on Lykos' June 2022 ground position at Sockovac (blue dashed outline and pink outline). The yellow outline represents the internal demarcation between Republic of Srpska and Federation of Bosnia and Herzegovina.

As the original 17km² Socovac license sits within the Petrovo Municipality, the Company is currently advancing discussions with the Government of Republic of Srpska and the Municipality of Petrovo with regards to receiving an exploration approval in that area and expects a resolution in the coming weeks.

Importantly, the new approval area at Doboj covers significant nickel and cobalt soil anomalies which were highlighted by the geochemical sampling carried out by Lykos in 2021-2022, as shown below. Historic occurrences of copper and chromite have also been recorded in the area covered by the new approval (refer to the company's ASX announcements dated 9 November 2021 and 13 April 2022).

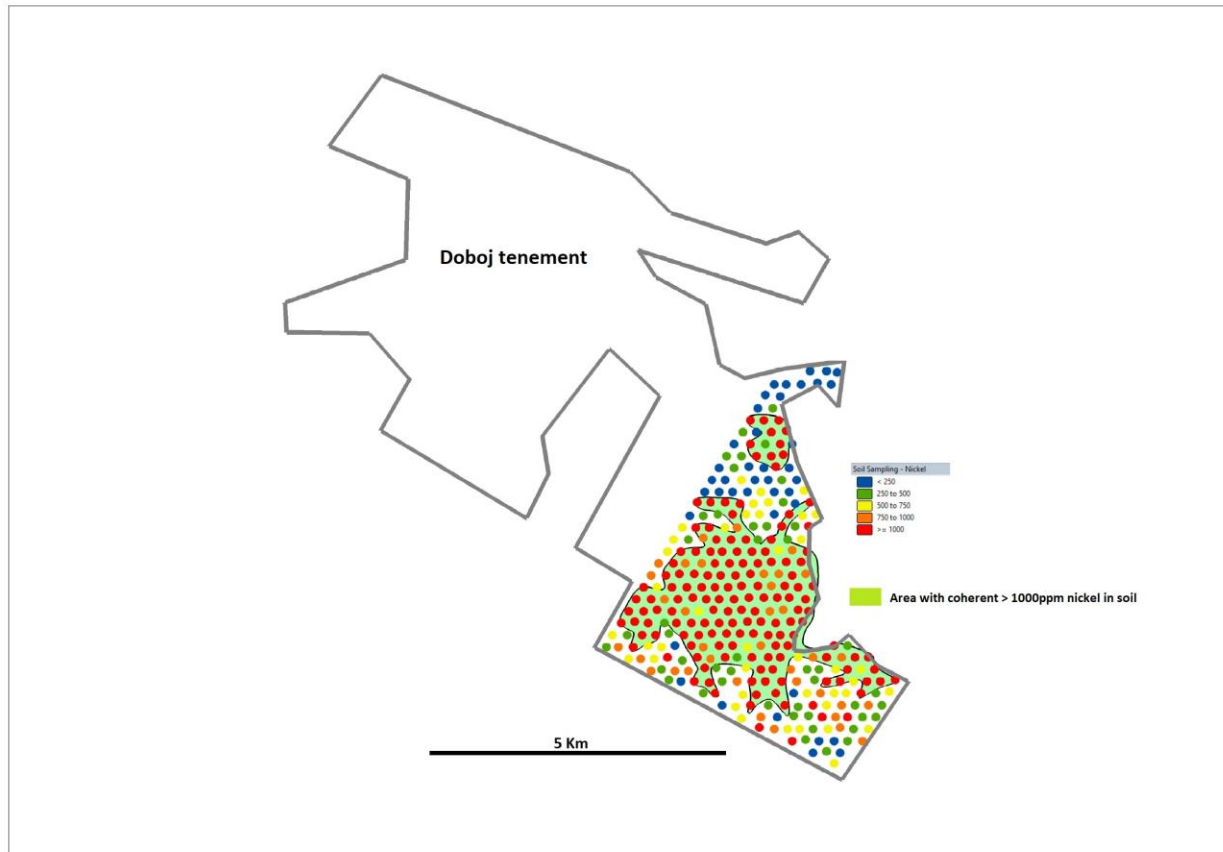


Figure 3. Nickel and cobalt soil anomalies within the newly-granted Doboј approval area at Sockovac

The new approval area in the Municipality of Doboј was granted under the new Law on Geological Research which was passed by the Government of Republic of Srpska in June 2022, and was approved by the Assembly of the City of Doboј, in which Municipality the approval area sits. The approval allows Lykos to carry out detailed geological, geochemical and geophysical exploration of lead, zinc, copper and associated metals in the 50km² area for an initial period of three years. The approval is final and legally binding.

Lykos Metals CEO Milos Bosnjakovic said:

“Since June 2022 we have been working constructively and in good faith with the Government of Republic of Srpska, Municipal authorities, local community groups and other stakeholders on the ground at Sockovac, with a view to reinstating the Company’s rights to conduct exploration in the area.

“The granting of the new approval area announced today represents a strong first step in the process of renewing Lykos’ exploration rights in the Sockovac region. We look forward to continuing our engagement with the Government of Republic of Srpska and the Municipality of Petrovo as we move towards a resolution on the original Sockovac project area.

“At all times Lykos has and will continue to conduct its activities in consultation with local communities and with a strict focus on environmental, social and governance best practice.”

Lykos Metals Chairman Stephen Allen said:

"I extend my thanks to Milos and all the team on the ground in Bosnia-Herzegovina for their tireless work over the last year to get to this important milestone.

"We look forward to updating shareholders soon with further developments regarding Sockovac and ultimately getting back on the ground to continue exploration activities in this highly-prospective region"

This announcement has been authorised for release by the Board of Lykos Metals Limited.

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Lykos Metals Limited (ASX: LYK) is a Perth-based exploration company with projects in the underexplored Tethyan metallogenic belt in Bosnia and Herzegovina that are highly prospective for battery and precious metals.

Lykos' Sinjakovo project is prospective for copper, cobalt, gold and silver; the Cajnice Project is prospective for copper, gold, silver and zinc; and the Sockovac project is prospective for nickel, cobalt, copper, gold and silver.

Lykos is committed to delivering significant and sustainable shareholder value through advancing its three base and precious metals projects. The Company's projects are located near existing core infrastructure and transport routes to Europe's battery manufacturing supply chain.

For more information about our Company, please visit www.lykosmetals.com.

Forward Looking Statements

This announcement contains forward-looking statements which involve several risks and/or uncertainties. These forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks and/or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and/or strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and/or estimates should change and/or to reflect other.