

## Quarterly Activities Report – June 2023

Battery, base and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to provide its activities report for the quarter ended 30 June 2023.

### Key developments during the Quarter:

#### Sockovac

- **New exploration approval granted by the Municipal Assembly of Doboj over an area of 50km<sup>2</sup>**
- **Continued constructive engagement with the government of the Republic of Srpska and the Municipality of Petrovo towards reinstatement of the original exploration position at Sockovac**

#### Sinjakovo

- **New exploration approval granted by the Municipal Assembly of Mrkonjic Grad over an area of 37.95km<sup>2</sup>**
- **Negotiations continue regarding permit for extension of the Sinjakovo project**
- **Ground geophysical (resistivity) survey and detailed geological mapping completed at Zekil**
- **Further trenching and drill planning conducted at Zekil while the company awaits drilling approval**

#### Leadership

- **Candice Van Der Plas appointed as a Non-Executive Director in addition to her role as Company Secretary**
- **In-country technical team strengthened with the appointment of highly experienced consultant geologist Mr Rajko Kondzulovic**

## Projects

During the quarter the Company continued to make solid progress with the community, local and entity government approvals required for the re-affirmation of the Company's exploration approvals at Sockovac and Sinjakovo.

## Sockovac

The Company's license position at Sockovac upon listing in October 2021 was 17km<sup>2</sup>, which was subsequently extended by an additional 50km<sup>2</sup> in November 2021 as depicted in Figure 1 below. As announced 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.

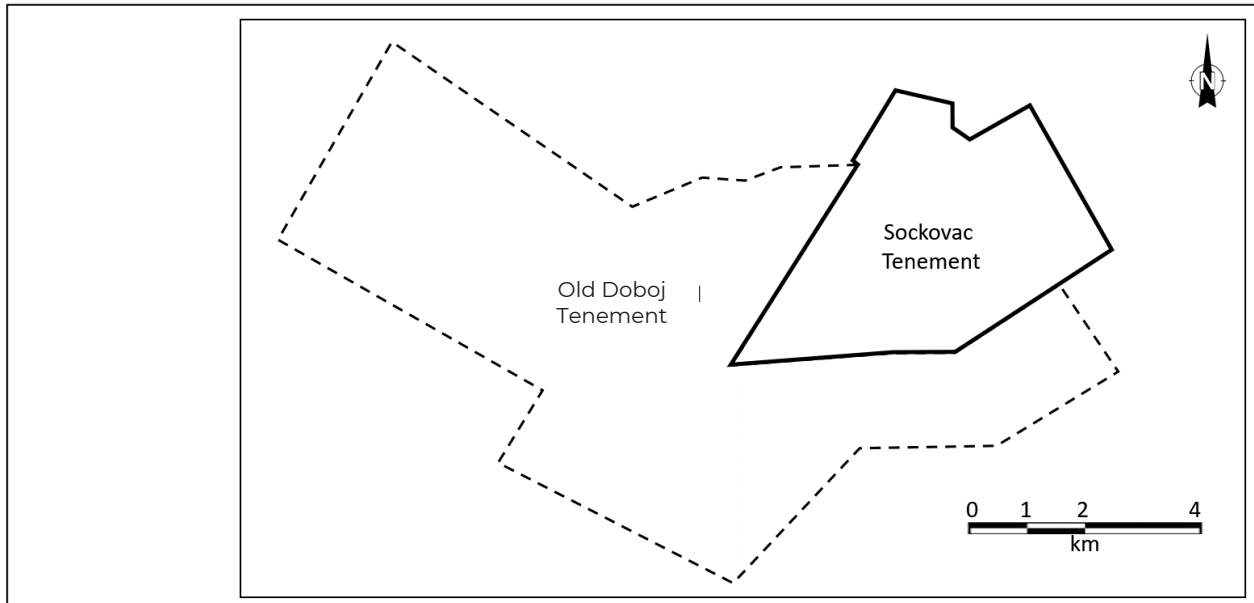


Figure 1. Lykos' exploration license position in the Sockovac region as at June 2022

Lykos' original license position at Sockovac straddles two separate Municipalities, the Doboj Municipality and the Petrovo Municipality. The original 17km<sup>2</sup> Sockovac license area sits within the Petrovo Municipality while the bulk of the original 50km<sup>2</sup> Doboj license area sits within the Doboj Municipality.

As announced on the 14 June 2023, the Municipality of Doboj granted approval for Lykos to conduct exploration activities over an area of 50km<sup>2</sup> in the Sockovac region, as outlined in red in Figure 2 below.

The Company continues its constructive engagement with the Municipality of Petrovo in anticipation of a favourable outcome in respect of the exploration approval over the original Sockovac license area, as outlined in purple in Figure 2 below.

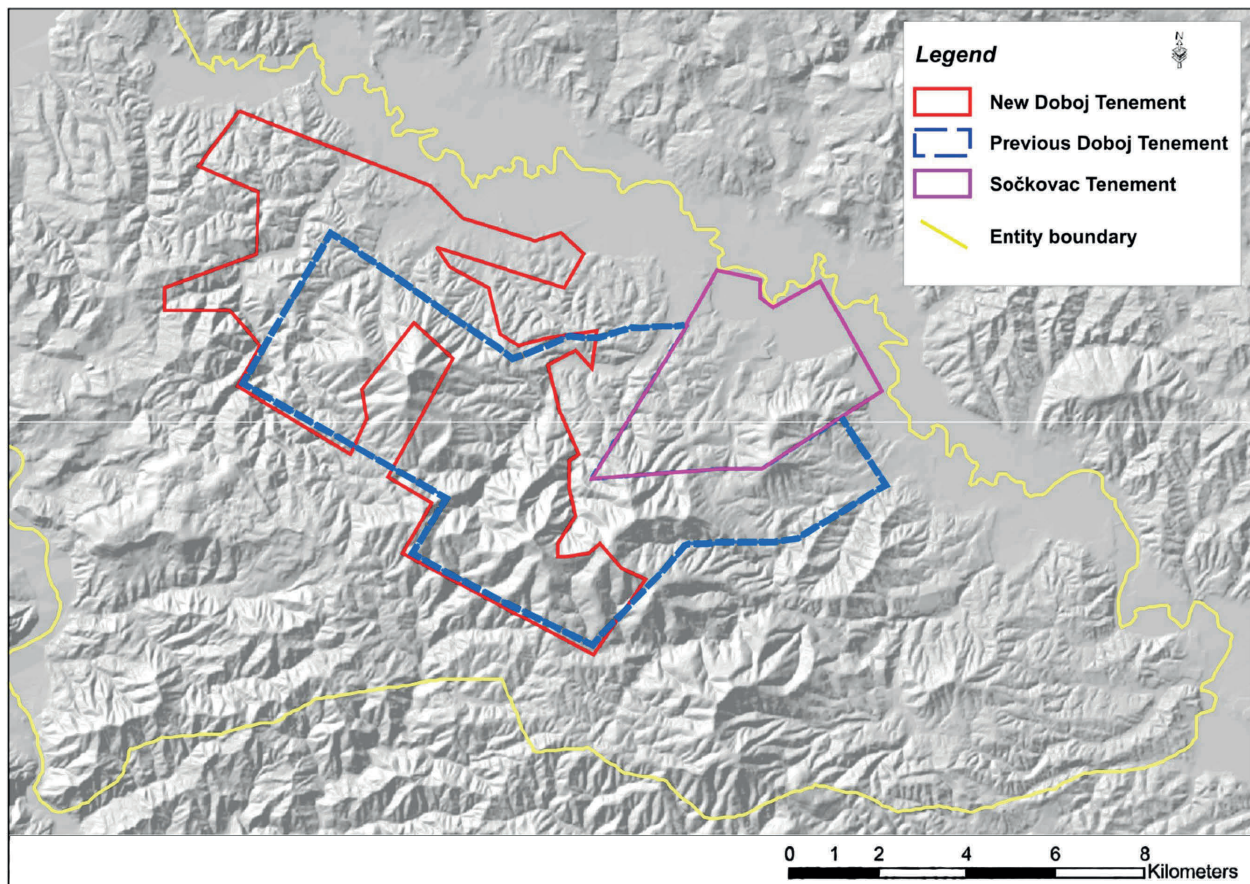


Figure 2. Newly-granted approval area (red outline) in the Doboj Municipality overlain on Lykos' June 2022 ground position at Sockovac (blue dashed outline and pink outline). The yellow outline represents the internal demarcation between Republic of Srpska and Federation of Bosnia and Herzegovina.

## Sinjakovo

Lykos' original Sinjakovo license position upon listing in October 2021 was 50km<sup>2</sup> and straddled three separate Municipalities, the Mrkonjić Grad Municipality, the Jezero Municipality and the Sipovo Municipality, as depicted in the red outline in Figure 3 below.

As announced on the 22 June 2023, the Municipality of Mrkonjić Grad granted approval for Lykos to conduct exploration activities over an area of 39.75km<sup>2</sup> in the Sinjakovo region as outlined in blue in Figure 3 below. The reduction in area was a result of Lykos changing boundary in the southwest corner of the approval area, which ensures that the license area now only straddles two Municipalities, namely Mrkonjić Grad and Jezero, while retaining the optionality to apply for new exploration areas in the Municipality of Sipovo in future.

In the last week of June 2023 a meeting was held by the Municipality of Jezero with the aim of granting a final approval to the Company for exploration of the 39.75km<sup>2</sup> area. The meeting did not have the requisite voting members despite a majority of members voting in favour of granting Lykos approval to proceed with exploration activities. As of the date of this report, Lykos is in negotiations with government institutions and Ministry of Energy and Mining which holds authority above the local community to secure the final approval for exploration activities at Sinjakovo.

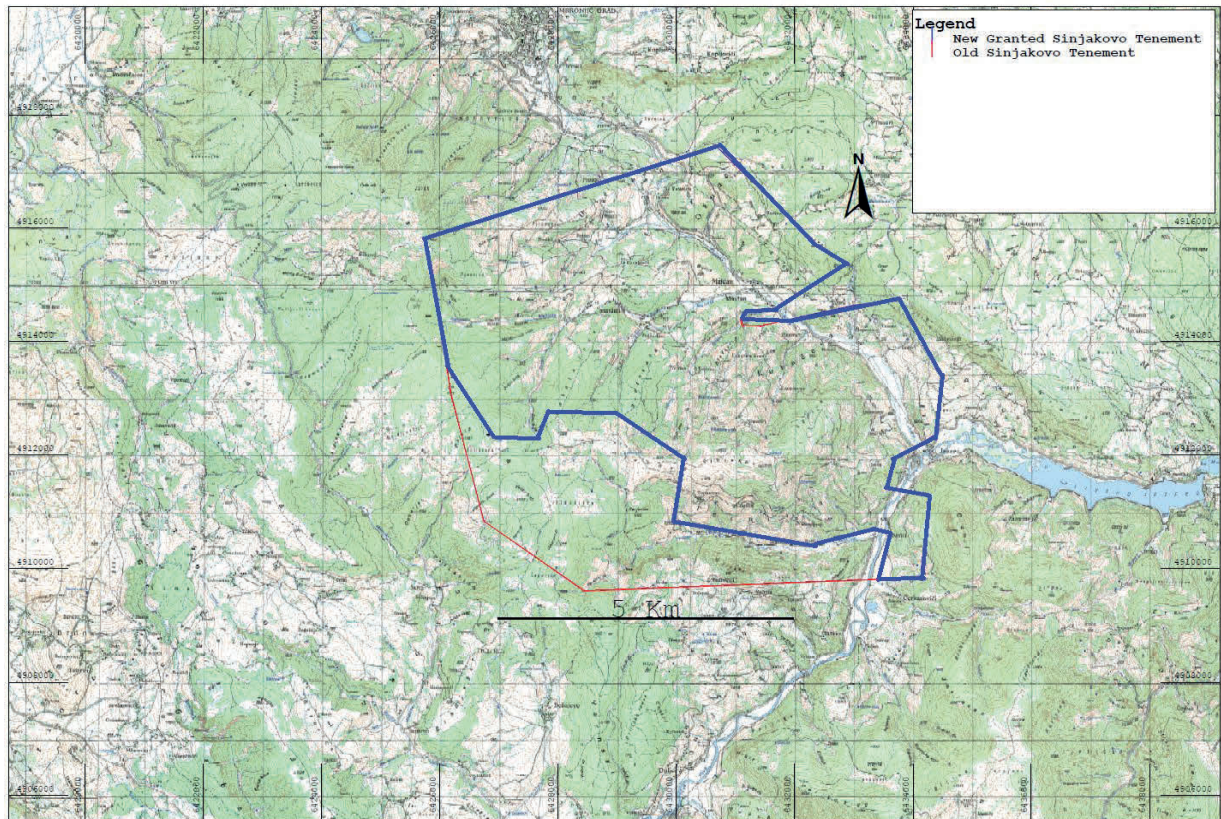


Figure 3. Lykos' updated Sinjakovo exploration license position (blue outline) overlain on Lykos' October 2021 ground position (red outline)

Ground exploration activities at Sinjakovo during the quarter continued with the completion of a ground geophysical survey over the promising ground gold discoveries at Zekil. The survey supported the quality of gold prospective targets at Zekil and together with ground mapping and trenching data is being used to inform drill targeting for the proposed upcoming drilling campaign. The Company has secured a drill rig and drilling contractors and is ready to drill test the area shortly after the drilling permit is received.

## Corporate

### Additional board member appointed

The Board of Directors of Lykos was strengthened during the quarter with the addition of Candice Van Der Plas as a Non-Executive Director in addition to her ongoing role as Company Secretary.

### Cash position

Lykos had a cash balance of \$1.9 million as of 30 June 2023 and no debt.

## Expenditure since IPO

Use of Funds	Use of Statement \$'000	Funds Actual to 30 June 2023 \$'000
Exploration on the Sockovac Project	2,538	684
Exploration on the Sinjakovo Project	3,732	3,544
Exploration on the Cajnice Project	2,263	1,611
Expenses of the Offer	1,095	1,108
Administration costs and unallocated working capital	2,060	3,146
Working capital including foreign exchange losses	525	492
<b>Total</b>	<b>12,213</b>	<b>10,585</b>

In accordance with Listing Rule 5.3.2, Lykos confirms that its activities were restricted to exploration only and that it did not conduct any mining development or production activities during the quarter.

## Related party transactions

Related party transactions during the quarter were limited to payments to the directors of salaries and directors' fees for a total amount of \$71,675 and payments to RFC Ambrian Limited<sup>1</sup> totalling \$45,000, pursuant to the corporate service agreement recorded at section 9.4 in the Company's prospectus dated 16 September 2021, for the provision of accounting services, company secretarial services and other administrative support.

## Exploration licences

At the end of the quarter Lykos held 100% interests in exploration licences in three project areas located in Bosnia and Herzegovina, namely:

### Sinjakovo

- 39.75km<sup>2</sup> (Sinjakovo)
- 31km<sup>2</sup> (Jezero)

### Sockovac

- 50km<sup>2</sup> (Doboj)

### Cajnice

- 50km<sup>2</sup> (Cajnice)

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<sup>1</sup> The Company's chairman, Stephen Allen, has a relevant interest of over 20% in RFC Ambrian Limited.

## Capital structure

At both 30 June 2023 and the date of this release, the Company's capital structure was:

	Number
Fully paid ordinary shares	113,400,002
Options with an exercise price of \$0.30 per option and an expiry date of 15 October 2023	32,000,000
Options with an exercise price of \$0.20 per options and an expiry date of 15 October 2025	975,000
Director options with an exercise price of \$0.20 per options and an expiry date of 15 October 2025	250,000
Unvested Director options with an exercise price of \$0.20 per options and an expiry date of 15 October 2025	500,000
Unvested Director options with an exercise price of \$0.30 per options and an expiry date of 1 April 2026	1,500,000

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

### Stephen Allen

Chairman

### For further information, please contact:

#### Stephen Allen

Chairman

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### About Lykos Metals Limited

Lykos Metals Limited (ASX: LYK) is a Perth-based exploration company with projects in Bosnia and Herzegovina. Lykos' projects are highly prospective for battery and precious metals, which are all located in Europe's most prospective mining region, the Tethyan metallogenic belt.

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](http://www.lykosmetals.com).

## Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lykos Metals Limited

ABN

65 650 011 644

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(212)	(3,396)
(b) development	-	-
(c) production	-	-
(d) staff costs	(174)	(930)
(e) administration and corporate costs	(239)	(810)
1.3 Dividends received	-	-
1.4 Interest received	13	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	107	107
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(505)</b>	<b>(4,978)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(84)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(84)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,365	7,064
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(505)	(4,978)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(84)



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	35	(107)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,895</b>	<b>1,895</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,895	2,365
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,895</b>	<b>2,365</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	117
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		N/A
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(505)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(505)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,895
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,895
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.75
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023

Authorised by: The Board of Directors of Lykos Metals Limited