

Quarterly Activities Report – September 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 September 2023.

Summary of developments during the Quarter:

- Continued progress made on the full restoration of rights to resume exploration activities at Sockovac
- Planning progressing for the resumption of field work on the Dobojo tenement (the western part of Sockovac) during the current quarter
- Petar Tomasevic was appointed as a Non-Executive Director and Candice Van Der Plas retired from the board

Projects

During the quarter the Company has prioritised its efforts towards securing the restoration of its right to explore on the wider Sockovac area to complement the return of its right over the 50 km² tenement area secured in June over the Dobojo area (see announcement dated 14 June 2023).

Lykos' previously completed surface sampling outlined significant nickel and cobalt in soil anomalies over a portion of the Dobojo area (see announcement dated 4 February 2022). The previous soil sampling was carried out on a 200x200m grid and the Company now plans to resume exploration activities including infill soil sampling, stream sediment sampling and rock sampling during the next few weeks. This exploration program will aim to establish the orientation of the source of the anomalies and to design the optimal parameters for an upcoming drilling program over the area.

Corporate

Board changes

During the quarter Petar Tomasevic joined the board as a Non-Executive Director and Candice Van Der Plas retired from the board such that she became Company Secretary only.

Cash position

Net expenditure during the quarter was approximately \$385,000 leaving the Company with a cash balance of approximately \$1.5 million as of 30 September 2023.

Expenditure since IPO

Use of Funds	Use of Funds Statement \$'000	Actual to 30 September 2023 \$'000
Exploration on the Sockovac Project	2,538	738
Exploration on the Sinjakovo Project	3,732	3,614
Exploration on the Cajnice Project	2,263	1,640
Expenses of the Offer	1,095	1,108
Administration costs and unallocated working capital	2,060	3,370
Working capital including foreign exchange losses	525	484
Total	12,213	10,954

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 \$76,306 and payments to RFC Ambrian Limited¹ 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 (including Jezero) – approximately 80.8 km²
- Sockovac – approximately 50 km² at Doboj plus approximately 17 km² at Petrovo
- Cajnice - approximately 49.5 km²

The Petrovo licence area remains the subject of an as yet unresolved action by the Ministry of Energy and Mining for the Republic of Srpska, Bosnia-Herzegovina, which seeks to revoke Lykos' rights to licence area.

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

Capital structure

At both 30 September 2023, the Company's capital structure was:

	Number
Fully paid ordinary shares	113,400,002
Options with an exercise price of \$0.30 per option, expired on 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.

For further information, please contact:

Milos Bosnjakovic

CEO

Lykos Metals Limited

Ph: +387 65 699 022

E: m.bosnjakovic@lykosmetals.com

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.

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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(153)	(153)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(177)	(177)
	(e) administration and corporate costs	(73)	(73)
1.3	Dividends received	-	-
1.4	Interest received	18	18
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)	-	-
1.9	Net cash from / (used in) operating activities	(385)	(385)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,895	1,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(385)	(385)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	8	8
4.6	Cash and cash equivalents at end of period	1,518	1,518

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,518	1,895
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,518	1,895

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
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	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		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)	(385)
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)	(385)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,518
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,518
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.9
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: 26 October 2023

Authorised by: The Board of Directors of Lykos Metals Limited