

**LYKOS METALS LIMITED**  
**ACN 650 011 644**

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**OPTIONS PROSPECTUS**

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For the offer of up to 30,000,000 New Options to Eligible LYKO Optionholders, on the basis of one (1) New Option for everyone one (1) LYKO Option held on the Record Date (**Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

**The New Options offered by this Prospectus should be considered highly speculative.**

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## IMPORTANT NOTICE

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This Prospectus is dated 21 November 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options offered by this Prospectus should be considered as highly speculative.

Applications for New Options offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue

anticipated in these statements. These risk factors are set out in Sections 1.2 and 5.

### Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.10.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act)

of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for New Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects',

for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of its Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making

or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or

a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. Please refer to Section 6.2 for further details.

### Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of

New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website ([www.lykosmetals.com](http://www.lykosmetals.com)).

By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

#### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.lykosmetals.com](http://www.lykosmetals.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9480 2500 during office hours or by emailing the Company at [info@lykosmetals.com](mailto:info@lykosmetals.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **Company Website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

#### **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

#### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate

distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 9480 2500.

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## CORPORATE DIRECTORY

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### Directors

Miloš Bošnjaković  
*Executive Director*

Stephen Allen  
*Non-Executive Chairman*

Johan Züger  
*Non-Executive Director*

Petar Tomasevic  
*Non-Executive Director*

### Company Secretary

Candice Van Der Plas

### Registered Office

Level 48 Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9480 2500

Email: [info@lykosmetals.com](mailto:info@lykosmetals.com)

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

### Auditor\*

Crowe Perth  
Level 24 Allendale Square  
77 St Georges Terrace  
PERTH WA 6000

### Share Registry\*

Automatic Share Registry  
Level 5  
191 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 288 664

### Legal Advisers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Action	Date*
Record Date for Offer (5:00pm AWST)	15 October 2023
Lodgement of Prospectus with ASIC and ASX	21 November 2023
Opening Date	21 November 2023
Annual General Meeting of Shareholders	29 November 2023
Closing Date (5:00pm AWST)	11 December 2023
Issue of New Options under the Offer	12 December 2023
Expected date of Official Quotation of New Options under the Offer	14 December 2023

\* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the New Options are expected to be quoted on ASX may vary with any change in the Closing Date.

### 1.2 Key Risk Factors

Prospective investors should be aware that subscribing for New Options involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the New Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5. The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
<b>Additional requirements for capital</b>	Management's assessment of the Company's current and future cash position indicates that the Company does not have sufficient cash to meet its planned exploration expenditure and support its current level of corporate overheads and therefore will need to raise additional funds to continue as a going concern. The Directors are confident that a capital raising may be completed with sufficient funding raised to meet the Company's planned overhead and exploration expenditure. However, in the event that a capital raising is not successfully completed, or sufficient funds are not raised, a material uncertainty exists as to whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements.	Section 5.1
<b>Bosnian Operations</b>	The Company's projects are located in the Republic of Srpska, one of the two entities which make up Bosnia and Herzegovina. There is no assurance that the political and economic conditions in the Republic of Srpska and Bosnia and Herzegovina will not result in the respective Governments in those areas adopting policies which adversely affect foreign development and ownership of mineral resources. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and	Section 5.1

	<p>7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p> <p>The Company's ability to carry on its business in Bosnia and Herzegovina may also be adversely affected by political, sovereign and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, hostage taking, military repression, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, price controls, restrictions of production, challenges to the Company's title to properties, problems renewing licences and permits, illegal mining, opposition to mineral extraction and processing from environmental or other non-governmental organisations, regulations which favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction, increased financing costs, instability due to economic under-development, inadequate infrastructure and the expropriation and nationalisation of property interests.</p>	
<b>Tenure and access</b>	<p>Mining and exploration projects in Bosnia and Herzegovina are subject to periodic renewal. The renewal of the term of granted licences and concessions is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. The consequence of forfeiture, involuntary surrender, revocation or suspension of a granted licence or concession for reasons beyond the control of the Company could be significant. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p>	Section 5.1

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## **2. DETAILS OF THE OFFER**

### **2.1 Offer**

As announced by the Company on 15 September 2023, 30,000,000 quoted Options in the Company's LYKO class expired on 15 October 2023 (**LYKO Options**).

Subject to obtaining Shareholder approval at its upcoming annual general meeting on 29 November 2023 (**AGM**), the Company is proposing to issue up to 30,000,000 Options exercisable at \$0.30 on or before that date which is 18 months from the date of issue (**New Options**) to all Australian and New Zealand resident holders of the LYKO Options (**Eligible LYKO Optionholders**), on the basis of one (1) New Option for every one (1) LYKO Option held at 5:00pm (AWST) on 15 October 2023 (**Record Date**) being the expiry date of the LYKO Options. The offer of the New Options (**Offer**) is made under this Prospectus.

The maximum number of New Options to be issued under the Offer is 30,000,000 being the number of LYKO Options held by Eligible LYKO Optionholders on the Record Date. Only Eligible LYKO Optionholders may participate in the Offer.

All New Options under the Offer are being offered on the terms set out in Section 4.2 and any Shares issued upon the exercise of New Options will rank equally to the Shares currently on issue as at the date of this Prospectus. The Company intends to apply for Official Quotation for all New Options issued under the Offer as a secondary class of security on the Australian Securities Exchange (**ASX**).

The Offer includes the offer of up to 3,475,000 New Options to Director, Stephen Allen. Shareholder approval for the issue of the New Options to Mr Allen under ASX Listing Rule 10.11 is being sought at the AGM.

### **2.2 Underwriting**

The Offer is not underwritten.

### **2.3 Minimum subscription**

There is no minimum subscription for the Offer.

### **2.4 Oversubscriptions**

No oversubscriptions will be accepted by the Company.

### **2.5 Applications**

Applications for New Options can only be made by Eligible LYKO Optionholders at the direction of the Company and must be made no later than 5.00pm (AWST) on the Closing Date using the appropriate Application Form accompanying this Prospectus. The Company reserves the right to close the Offer early.

### **2.6 Implications of Completing an Application Form**

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

### **2.7 ASX Listing**

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the New

Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options under the Offer. The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

## **2.8 Issue of New Options**

All New Options offered by this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

## **2.9 Defects in Applications**

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Options than the number applied for.

## **2.10 Overseas shareholders**

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The Offer will not be extended and New Options will not be issued to Shareholders with a registered address outside of Australia and New Zealand.

### **(a) New Zealand**

The New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders who are Eligible LYKO Optionholders with registered addresses in New Zealand to whom the offer of New Options is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **(b) Nominees and custodians**

Nominees and custodians may not submit an Application Form on behalf of any Eligible LYKO Optionholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

## **2.11 Enquiries**

Any questions concerning the Offer should be directed to Candice Van Der Plas, Company Secretary, on +61 8 9480 2500.

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### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.1 Purpose of the Offer

The purpose of the offer of New Options under this Prospectus is to enable the holders of the expired LYKO Options to continue participating in the ongoing development of the Company. The Company confirms that all New Options offered under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act). The New Options are being offered for nil cash consideration and therefore no funds will be raised under the Offer. If all New Options issued under this Prospectus are exercised into Shares, the Company will, however, receive \$9,000,000.

#### 3.2 Effect of the Offer

The principal effect of the Offer, assuming all New Options are issued, will be to:

- (a) increase the number of Options on issue from 3,225,000 Options as at the date of this Prospectus to 33,225,000 Options; and
- (b) to remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

#### 3.3 Financial effect of the Offer

The New Options to be issued pursuant to the Offer will be issued for no consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the New Options are exercised, which will affect the Company's balance sheet. The Company is unable to specify with any certainty the extent of any change to the balance sheet, given that there is no certainty if or when any of the New Options will be exercised. The expenses of the Offer are estimated to be approximately \$42,498 and will be met utilising the Company's existing cash reserves. Accordingly, the financial effect of the Offer will also be to reduce the Company's existing cash reserves by \$42,498.

#### 3.4 Effect of the Offer on capital structure

The effect of the Offer on the capital structure of the Company, assuming all New Options are issued, is set out below.

Shares <sup>1</sup>	Number
Shares currently on issue	113,400,002
Shares offered pursuant to the Offer	Nil
<b>Total Shares on completion of the Offer</b>	<b>113,400,002</b>

Options	Number
Options currently on issue <sup>2</sup>	3,225,000
New Options offered pursuant to the Offer <sup>3</sup>	30,000,000
<b>Total Options on completion of the Offer</b>	<b>33,225,000</b>

**Notes:**

1. The rights attaching to the Shares are summarised in Section 4.1 of this Prospectus.
2. Comprising:
  - (a) 1,225,000 vested Options exercisable at \$0.20 each on or before 15 October 2025;
  - (b) 500,000 unvested Options exercisable at \$0.20 each on or before 15 October 2025;
  - (c) 500,000 unvested Options exercisable at \$0.30 each on or before 1 April 2026; and
  - (d) 1,000,000 unvested Options exercisable at \$0.30 each on or before 1 April 2026.
3. New Options to be issued under the Offer on the terms of which are set out at Section 4.2, each exercisable at \$0.30 on or before that date which is 18 months from the date of issue, on the basis of one (1) New Option for every one (1) LYKO Option held at 5:00pm (AWST) on the Record Date.

The capital structure on a fully diluted basis as at the date of this Prospectus is 116,625,002 Shares and on completion of the Offer (assuming all New Options offered under this Prospectus are issued and exercised into Shares) would be 146,625,002 Shares.

### 3.5 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Milos Bosnjakovic	40,474,000	35.69%
Stephen Allen*	12,075,002	10.65%
Robert Adamson*	8,250,002	7.27%
Quadratura Investments Pty Ltd	7,500,002	6.61%
RCF Opportunities Fund LP	7,000,000	6.17%

\* **Notes:** Stephen Charles Allen and Robert Adamson have advised they hold relevant interests in Quadratura Investments Pty Ltd and as such the holding of substantial shareholder Quadratura Investments Pty Ltd is included within each of their individual substantial shareholdings.

The Company confirms that no existing Shareholder will increase its shareholding to above 19.9% as a result of the Offer.

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## **4. RIGHTS ATTACHING TO SECURITIES**

### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares in the Company currently on issue. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms

of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **4.2 Terms of the New Options**

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

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

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date that is 18 months from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **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 New Option being exercised in cleared funds (**Exercise Date**).

(g) **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 New 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 New Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## 5. RISK FACTORS

### 5.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus. There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 5.2 Company specific

Risk Category	Risk
<b>Additional requirements for capital</b>	<p>Management's assessment of the Company's current and future cash position indicates that the Company does not have sufficient cash to meet its planned exploration expenditure and support its current level of corporate overheads and therefore will need to raise additional funds to continue as a going concern. The Directors have undertaken certain initiatives since 30 June 2023 to address the Company's future additional funding requirements, including:</p> <ul style="list-style-type: none"><li>(a) continued monitoring of its ongoing working capital requirements and planned exploration expenditure; and</li><li>(b) continued focus on maintaining an appropriate level of corporate overheads in line with available cash resources.</li></ul> <p>The Directors are confident that a capital raising may be completed with sufficient funding raised to meet the Company's planned overhead and exploration expenditure. However, in the event that a capital raising is not successfully completed, or sufficient funds are not raised, a material uncertainty exists as to whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements. The Company's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<b>Bosnian Operations</b>	<p>The Company's projects are located in the Republic of Srpska, one of the two entities which make up Bosnia and Herzegovina. Bosnia and Herzegovina is not a country with a recent rich mining history and projects in nearby Eastern European countries have encountered substantial resistance from local communities at the time of development. The occurrence of this risk could have a material and adverse effect on the viability of the Company's affected operations, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. There is also no assurance that future political and economic conditions in those locations will not result in those Governments adopting different policies regarding foreign development and ownership of mineral resources which could adversely affect the Company's operations. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August</p>

Risk Category	Risk
	<p>and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p> <p>The Company's ability to carry on its business in Bosnia and Herzegovina may be adversely affected by political, sovereign and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, hostage taking, military repression, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, price controls, restrictions of production, challenges to the Company's title to properties, problems renewing licences and permits, illegal mining, opposition to mineral extraction and processing from environmental or other non-governmental organisations, regulations which favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction, increased financing costs, instability due to economic under-development, inadequate infrastructure and the expropriation and nationalisation of property interests. In addition, the Government of the Republic of Srpska and the wider Government of Bosnia and Herzegovina, or their respective court systems, may not recognise, protect or enforce the Company's legal rights. The Governments may take action which is arbitrary or illegal under Bosnian or International Law. Any of these events could result in conditions that delay or prevent the Company from exploring, developing, or ultimately operating its projects. Failure by the Company to comply strictly with all relevant laws, regulations and local practices relating to its projects, could result in loss to the Company. There is a further risk that outcomes in courts in the Republic of Srpska and Bosnia and Herzegovina generally would be less predictable than in Australia, which could adversely affect the enforceability of contracts entered into by the Company. Any adverse changes in the political and legal environments in Bosnia and Herzegovina or of government policies and legislation which affect mining exploration activities, could adversely affect the viability and profitability of the Company.</p>
<b>Tenure and access</b>	<p>Mining and exploration projects in Bosnia and Herzegovina are subject to periodic renewal. The renewal of the term of granted licences and concessions is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the licences or concessions. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The consequence of forfeiture, involuntary surrender, revocation or suspension of a granted licence or concession for reasons beyond the control of the Company could be significant. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p>
<b>Exploration and operating</b>	<p>The mineral exploration licences comprising the Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these mineral exploration licences, or any mining concessions that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that the required permits, consents and access agreements will be granted or that it can be economically exploited. The future exploration activities of the</p>

Risk Category	Risk
	<p>Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the projects and obtaining all required mining concessions and other approvals for their contemplated activities at the projects. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the projects.</p>
<b>Bosnian Mining Exploration Licences and Concessions</b>	<p>The Company's projects comprise of exploration licences in the Republic of Srpska that allow, among other activities, the Company to conduct geological exploration and testing on the exploration licence area to obtain a better knowledge of the composition, development and structure of the ground and to find and determine the quantity and quality of mineral raw materials. The commercial exploitation of mineral raw materials from an exploration licence area, however, can be performed exclusively through a concession which is granted by means of a concession agreement with the Ministry of Energy and Mining of the Republic of Srpska. Concessions are only granted upon the application of an exploration license holder after completion of exploration work. Although a holder of an exploration license generally has priority over other parties in being granted a concession, there is no guarantee that the Company or its subsidiaries will be granted such a concession in respect of the projects. Any failure to comply with an exploration license or complete exploration on the licence area or failure to be granted a concession by the Company or any of its subsidiaries would have a material adverse effect on the Company. Further, in the event the Company is granted a concession in respect of its projects, it will need to obtain the consent of landowners before commencing mining operations. There is no guarantee that the Company will be able to obtain such consents. There is also no guarantee that the Company will be able to comply with all conditions of a concession which may lead to such concession being terminated which would have a material adverse effect on the Company. In the event the Company commences mining operations, it will also be required to pay fees under any concession agreement.</p>
<b>Overseas assets</b>	<p>All of the Company's projects are located outside of Australia in the Republic of Srpska in Bosnia and Herzegovina. As a result, it may be difficult to enforce judgments obtained in Australian courts against the projects. In addition, there is uncertainty as to whether the courts of Bosnia and Herzegovina or any other jurisdiction in which the Company may operate in the future would recognise or enforce judgments of Australian courts based on provisions of the laws of Australia. Furthermore, because all of the Company's assets will be located outside Australia, it may be difficult to access those assets to satisfy an award entered for the Company in Australia. Consequently, Shareholders may have more difficulty in protecting their interests as a result of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.</p>

Risk Category	Risk
<b>Climate risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>

### 5.3 Industry specific

Risk Category	Risk
<b>Exploration costs</b>	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
<b>Resource and reserves and exploration targets</b>	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. No assurances can be given that additional exploration work undertaken by the Company will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
<b>Grant of future authorisations to explore and mine</b>	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>

Risk Category	Risk
<b>Mine development</b>	Possible future development of mining operations at the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on one of the projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
<b>Environmental</b>	<p>The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities.</p> <p>Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>
<b>Regulatory Compliance</b>	The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from

Risk Category	Risk
	proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the projects.

## 5.4 General risks

Risk Category	Risk
<b>Economic</b>	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Company's projects may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance. Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Securities remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.
<b>Litigation</b>	The Company is exposed to potential legal and other claims or disputes in the course of its business, including contractual disputes, indemnity claims, occupational and personal claims, intellectual property infringement disputes and employee disputes. Any costs involved in defending or settling legal and other claims or disputes that may arise could be costly and may impact adversely on the Company's operations and financial position or cause damage to its reputation.
<b>Competition risk</b>	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
<b>Reliance on key personnel</b>	The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
<b>Taxation</b>	The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Options under this Prospectus from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options offered under this Prospectus.

## **5.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus. Therefore, the New Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities or the underlying Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to subscribe for New Options under this Prospectus.

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## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **6.2 Continuous Disclosure Obligations**

As set out in the Important Notices Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. This Prospectus is a "transaction specific prospectus" which, in general terms, is only required to contain information relating to the effect of the issue of securities on the Company and the rights attaching to the securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the

lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
7 November 2023	Sockovac Region Update
1 November 2023	Appendix 4G
27 October 2023	Notice of Annual General Meeting/Proxy Form
26 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
20 October 2023	Notification of Share Release from Escrow

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website at [www.lykosmetals.com](http://www.lykosmetals.com).

### 6.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.079	31 August 2023
Lowest	\$0.047	20 November 2023
Last	\$0.047	21 November 2023

Whilst it is intended that the New Options will be quoted, there is no current market or trading history for the New Options. It is not possible to predict what value the New Options or Shares will be following the Offer and the Directors do not make any representations as to such matters.

### 6.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### **Security Holdings**

Directors are not required under the Company's Constitution to hold any Securities to be eligible to act as a director. The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and following completion of the Offer are set out in the tables below:

#### **Date of this Prospectus**

Director	Shares	Options
Stephen Allen	12,075,002	750,000 <sup>1</sup>
Miloš Bošnjaković	40,474,000	750,000 <sup>2</sup>
Johan Züger	Nil	750,000 <sup>3</sup>
Petar Tomasevic	Nil	Nil

#### **Completion of the Offer**

Director	Shares	Options
Stephen Allen <sup>4</sup>	12,075,002	4,225,000 <sup>1,4</sup>
Miloš Bošnjaković	40,474,000	750,000 <sup>2</sup>
Johan Züger	Nil	750,000 <sup>3</sup>
Petar Tomasevic	Nil	Nil

#### **Notes:**

- 750,000 unlisted Options exercisable at \$0.30 on or before on or before 1 April 2026.
- 750,000 unlisted Options exercisable at \$0.20 on or before 15 October 2025.
- 750,000 unlisted Options exercisable at \$0.30 on or before 1 April 2026.
- Including the issue of 3,475,000 New Options to Mr Allen assuming Shareholder approval is obtained under ASX Listing Rule 10.11 at the upcoming AGM.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount set for the remuneration of non-executive Directors is an aggregate maximum amount of \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to the Directors as disclosed in the Company's 2023 Annual Report and proposed remuneration for the current financial year.

Director	FY ended 30 June 2024 (Proposed)	FY ended 30 June 2023	FY ended 30 June 2022
Stephen Allen	\$75,000	\$111,487 <sup>1</sup>	\$18,750
Miloš Bošnjaković	\$160,000	\$238,279 <sup>2</sup>	\$159,205 <sup>5</sup>
Johan Züger	\$40,000	\$76,487 <sup>3</sup>	\$10,000
Petar Tomasevic	\$34,100 <sup>4</sup>	N/A	N/A

**Notes:**

1. Comprising Directors' fees of \$75,000 and equity-based payments of \$36,487.
2. Comprising Directors' fees of \$177,607 and equity-based payments of \$60,672.
3. Comprising Directors' fees of \$40,000 and equity-based payments of \$36,487.
4. Appointed on 23 August 2023 comprising pro-rata annual Directors' fees of \$40,000.
5. Comprising Directors' fees of \$115,846 and equity-based payments of \$43,359.

## 6.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the Australian solicitors to the Company in respect of the Prospectus. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$35,911.50 (excluding GST and disbursements) for legal services provided to the Company.

## 6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 6.7 Estimated Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$42,498 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Amount
ASIC fees	\$3,206
ASX fees	\$22,792
Legal fees	\$15,000
Printing and distribution	\$1,500
<b>Total</b>	<b>\$42,498</b>

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**7. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

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## 8. GLOSSARY

**\$** means an Australian dollar.

**AGM** means the upcoming Annual General Meeting to be held on 29 November 2023.

**Applicant** means an investor that applies for New Options pursuant to the Offer.

**Application Form** means the application form attached to or accompanying this Prospectus.

**ASIC** means Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**AWST** means Australian Western Standard Time as observed in Perth, Western Australia.

**Board** means the board of Directors as constituted from time to time.

**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.

**Closing Date** means the date specified in the timetable in the Section 1 (unless extended or closed earlier).

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

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Eligible LYKO Optionholders** has the meaning given in Section 2.1 and includes all Australian and New Zealand based holders of the Company's expired LYKO Class of Options.

**New Option** means an Option issued on the terms set out in Section 4.2.

**Offer** means the offer of New Options pursuant to this Prospectus and as set out in Section 2.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Opening Date** means the opening date of the Offer as set out in the indicative timetable in Section 1.

**Option** means an option to acquire a Share, including where the context requires, a New Option.

**Optionholder** means a holder of an Option, including where the context requires, a New Option.

**Offer** means the offer of New Options to Eligible LYKO Optionholders under this Prospectus.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Option as the context requires.

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

**Shareholder** means the holder of a Share.