# ASX Release

26 April 2024

# Lykos Completes Geophysical IP Survey Trial at Erak Gold Prospect

**Highlights:**

- **Identified chargeability zones interpreted to be indicative of sulphidic mineralisation.**
- **IP anomalies coincide with mineralisation intersected in trench (61m @ 1.5g/t gold). Additional priority targets identified at shallow depths.**
- **Further expansion of IP geophysical survey is warranted, to rapidly delineate the exploration target that correlates with known gold mineralisation.**

Battery, base and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to provide an update on exploration activities at the Company's 100%-owned Sinjakovo project (comprising tenements Sinjakovo and Jezero) in Bosnia-Herzegovina.

## Ground Geophysics at Erak Gold Prospect

Lykos has completed a ground geophysical IP survey line at the Erak Gold Prospect. The aim was to trial the effectiveness of the IP method over the prospect geology and to provide rationale for completing additional geophysical survey lines. Previously, a 1km (1,018m) long trench had been dug and continuously sampled at the Erak Gold Prospect. The trench results have highlighted several significant mineralised intervals, with the best being 61m @ 1.5g/t gold (for additional details and description of style of mineralisation see ASX Announcement from 25/01/2023 - click here).

The geophysical survey comprised Induced Polarisation and Electrical Resistivity methods, using the LUND Imaging System. One trial line has been completed, along the 450m profile, roughly coinciding with the trajectory of the eastern part of the 1km long trench. The reading points were at 5m distance, to improve the near-surface resolution of the geophysical features (see Table 1 in the appendix for further survey technical details). The survey method used, with the choice of electrode configuration, providing relatively reliable geophysical information to a maximum 80m depth.

The IP survey has identified positive geophysical features at the Erak Gold Prospect. The chargeability anomalies coincide with mineralisation mapped in the trench. The survey has also highlighted broad and strong chargeability anomalies at depth. Aside from chargeability, the resistivity has likewise proved to be useful in improving the understanding of the (implied) geology and rock alteration features at depth.

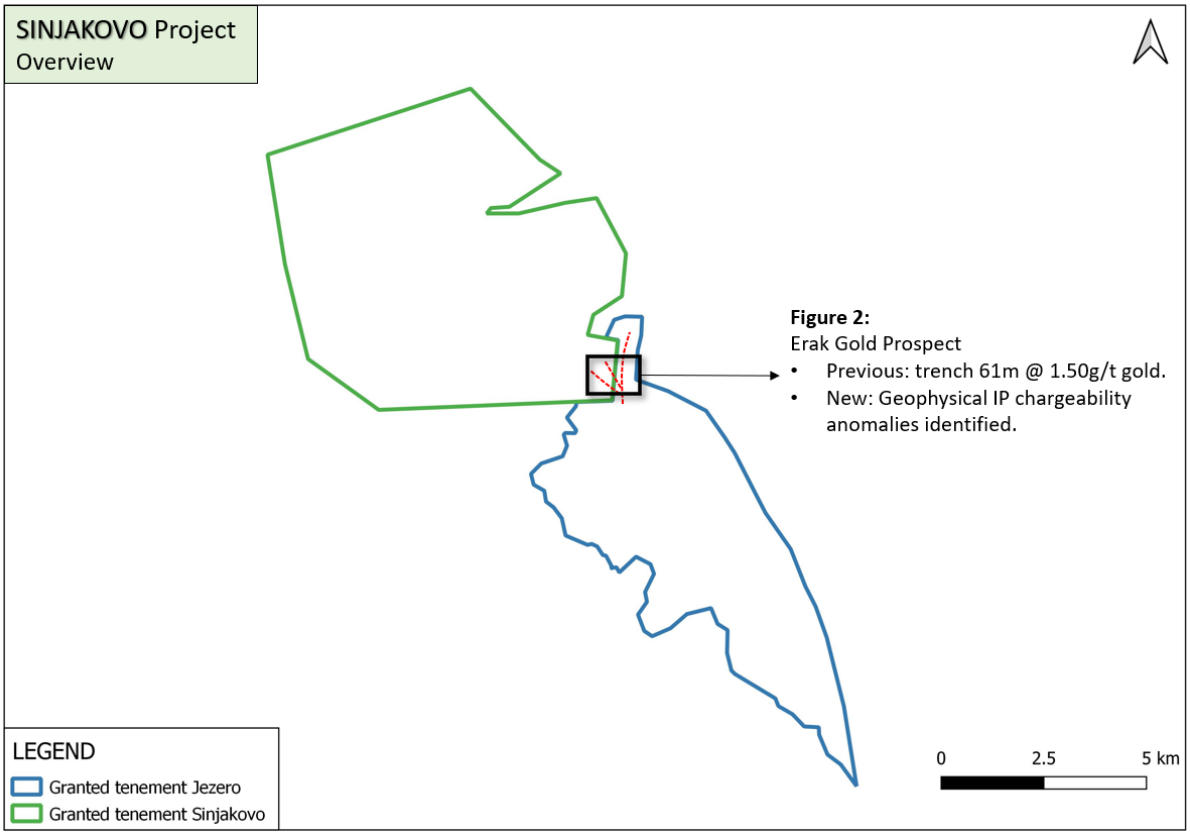


Figure 1: Sinjakovo Project, map: work completed

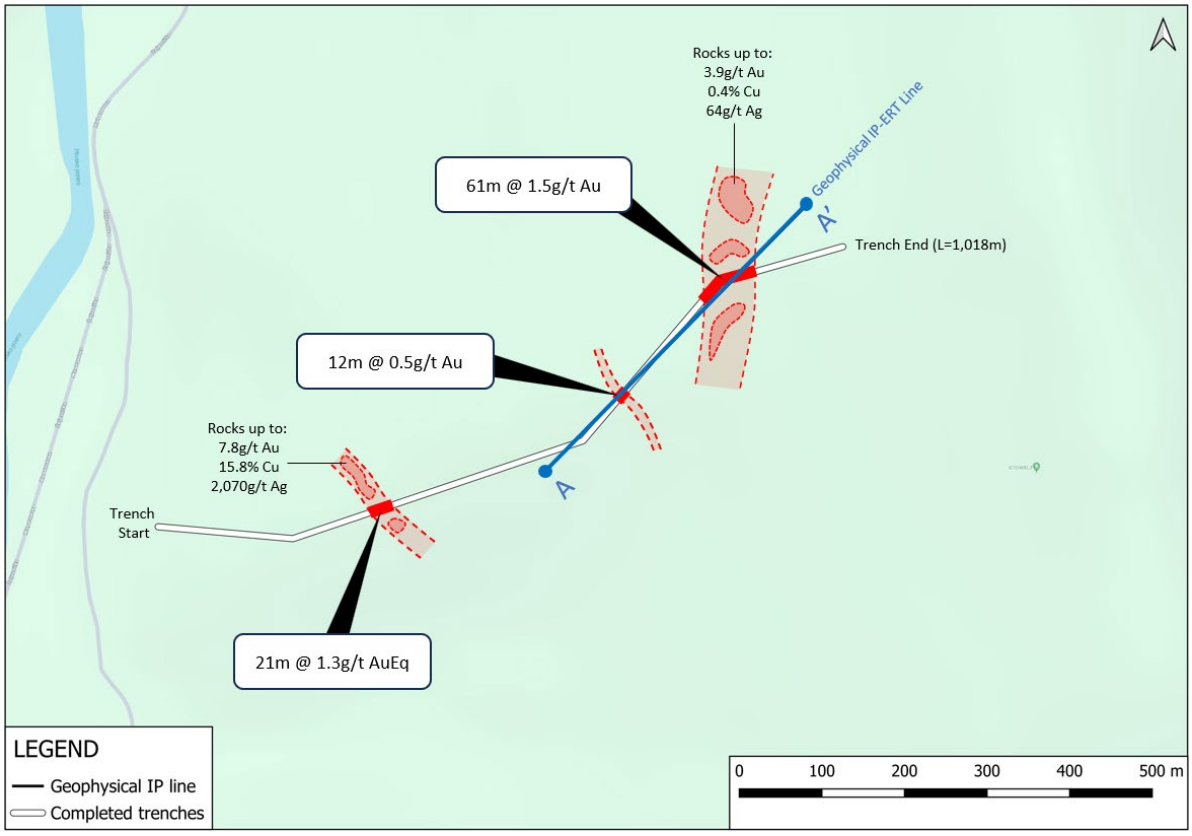


Figure 2: Erak Gold Prospect, map: work completed

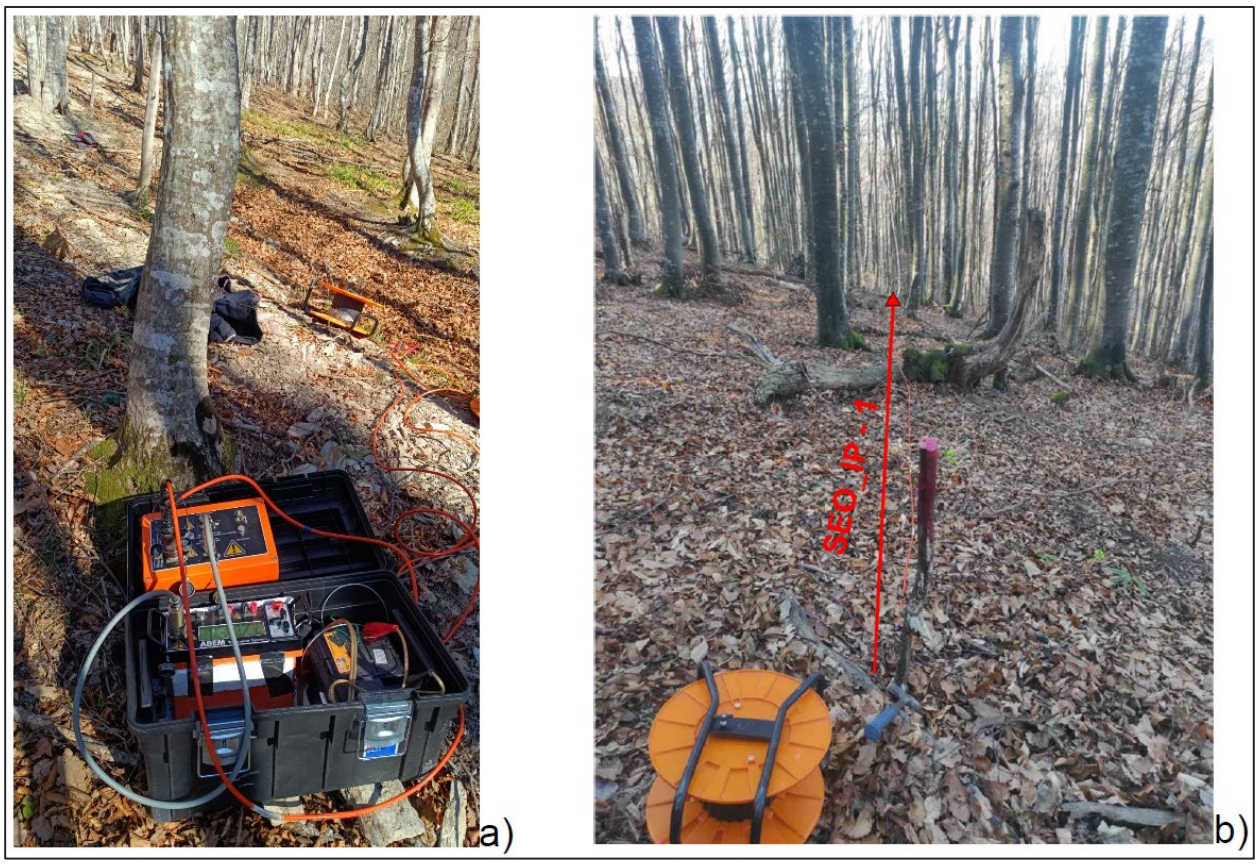


Figure 3: Field photos showing a) ABEM Terrameter System and LUND Imaging electrode selector; and b) survey line start location (labelled A' on Figure 2)

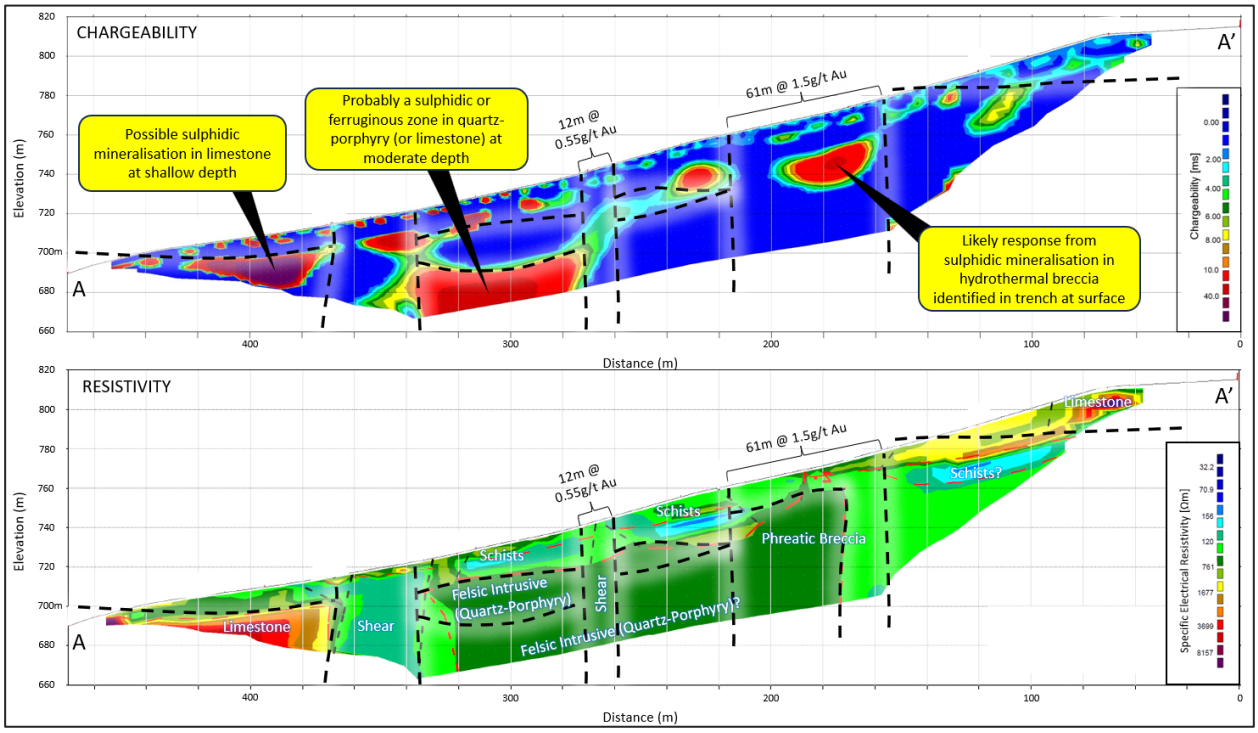


Figure 4: Erak Gold Prospect, section looking north-west: interpretation of geophysical IP chargeability and resistivity results

Geophysical survey results have identified a chargeability anomaly under the 61m @ 1.5g/t gold analysed in trench, likely indicating a sulphidic-gold mineralisation. The geophysical features have also indicated new potential targets immediately to south-west, with chargeability features possibly correlating with sulphidic mineralisation in limestones and/or felsic intrusives at shallow depths. See the interpretation of the survey results in Figure 4.

The confirmed effectiveness of the technique warrants further extension of the survey along the identified trends to support the assessment of the targets size potential and design of the initial drilling program. The follow up, likely in form of additional IP survey lines and drilling, is yet to be designed by the geology team. The upcoming extension of the survey is expected to cover the western part of Erak Gold Prospect, where a swarm of polymetallic veins was observed in outcrop and returned significant trench results of 21m @ 1.3g/t gold equivalent.

The IP results confirm the importance of the Erak Gold Prospect as a significant exploration target. The geophysical anomalies are planned to be tested with diamond drilling in 2024, subject to completion of community consultations.

**Lykos Metals CEO Milos Bosnjakovic said:**

*"It is thrilling to receive such optimistic results from our initial IP geophysical survey. We are confident that the identified conductive zones represent the depth continuation of the significant gold and gold-silver-copper mineralisation found in the trench. We are now encouraged to complete additional IP survey lines at Erak, to establish the size of exploration targets. Also, the usefulness of the IP geophysical survey should be trialled on all our sulphide-rich targets; be it gold, copper or nickel sulphides. The use of IP geophysics will help prioritising the drilling targets better, and we look forward to confirm these geophysical anomalies with drilling as soon as possible."*

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

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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.

## Competent Persons Statement

*The information in this announcement that relates to Exploration Results is based on information compiled and conclusions derived by Mr Mladen Stevanovic, a Competent Person who is a Fellow member of the AusIMM (membership number 333579). Mr Stevanovic is not an employee of the Company. Mr Stevanovic has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stevanovic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

## Forward Looking Statements

*This announcement contains forward-looking statements which involve several risks and/or uncertainties. These forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks and/or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and/or strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and/or estimates should change and/or to reflect other.*
*Note: polymetallic mineralisation is encountered at localities throughout the project area. For easier reporting and comparison of assay results, figures in this report sometimes include the "gold equivalent" results. This is a simpler reporting measure that combines the results from gold, silver, copper, lead, antimony and zinc (normalised by their market prices and the expected metallurgical recoveries). More details on gold equivalent calculation is given in Appendix – JORC Table 1, Section 2.*

## JORC TABLE 1

**Section 1 Sampling Techniques and Data**

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.* | • Electrical Resistivity Tomography (ERT) and Induced Polarisation (IP) geophysics was completed over the eastern extension of the trench at Erak Gold Prospect by CTU-IPKIN d.o.o., Bijeljina, Bosnia-Herzegovina ("Contractor"). One 450m line has been completed, with 5m spaced measure points along the line, using Schlumberger -SEO / Graddient - IP electrode configuration. The system used is LUND Imaging System. Geophysical survey equipment included an ABEM Terrameter System SAS 1000/4000 and ES-64C Electrode Selector. The method and system used provide relatively reliable measurements to maximum 80m depth. Processing of the data was completed by Contractor.<br>• The Contractor conducts thorough testing and calibration of their receiver and transmitter.<br>• N/A<br>• N/A |
| ***Drilling techniques*** | • *Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • N/A |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • N/A<br>• N/A<br>• N/A |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • N/A<br>• N/A<br>• N/A |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • N/A<br>• N/A<br>• N/A<br>• N/A<br>• N/A<br>• N/A |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.* | • N/A<br>• Geophysical tools have not been used to determine chemical composition at a semi-quantitative level of accuracy.<br>• N/A |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • N/A<br>• N/A<br>• N/A<br>• N/A |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Survey line points were marked with DGPS.<br>• Coordinate system used Gauss-Kruger Zone 6. (equivalent to MGI Balkans Z6).<br>• To achieve acceptable topographic control, survey trajectory points were marked at every 50m length with DGPS ahead of survey. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • 5m spacing of measurement stations.<br>• N/A<br>• N/A |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Survey line was positioned relatively adequately (at a very high angle) to strike of geological features being investigated.<br>• N/A |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • N/A |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | N/A |

**Section 2 Reporting of Exploration Results**

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • Sinjakovo Project tenements (comprising Sinjakovo and Jezero exploration licenses) are 100% owned by the Company. There are no known national parks or historical sites to exist on these exploration licences.<br>• Sinjakovo Project exploration licences are granted. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Previously summarised in Lykos Prospectus. No material change by other parties in this data since then. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • Previously summarised in Lykos Prospectus. No material change in interpretations since then. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • N/A<br>• N/A (no drilling information being reported) |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • N/A (no new average grades being reported)<br>• N/A |
| ***Metal Equivalent reporting*** | • *Clause 50 of the JORC Code provides a clear guide on the minimum information that should accompany any public report that includes reference to metal equivalents for polymetallic deposits.*<br>• *Clause 50 requires a clear statement that it is the company's opinion that all the elements in the metal equivalents calculation have a reasonable potential to be recovered and sold.* | **Gold Equivalent** (or "AuEq").<br>• Due to polymetallic nature of mineralisation, gold equivalent (AuEq) is calculated as a sum of grades of gold (Au), silver (Ag), copper (Cu), lead (Pb), antimony (Sb) and zinc (Zn) – using oz-g/t-% unit conversion and normalised by respective commodity market prices and expected metallurgical recoveries as per publicly reported for the analogue deposit.<br>• Deposit analogue is Rupice deposit (operated by Adriatic Metals P.l.c.) as being the most recently met-tested polymetallic deposit in the same country as Company's projects (Bosnia and Herzegovina). The recovery data from analogue deposit will be replaced by actual recovery data once met-test is carried out by the Company.<br>Au 64%<br>Ag 89%<br>Cu 94%<br>Pb 93%<br>Sb 94%<br>Zn 91%<br>• The commodity prices used were sourced from www.kitco.com (Au and Ag), www.lme.com (Cu, Pb and Zn) and www.argusmedia.com (Sb) on 21/04/2024:<br>Au 2,391 US$/oz<br>Ag 28.6 US$/oz<br>Cu 9,876 US$/t<br>Pb 2,218 US$/t<br>Sb 14,,400 US$/t<br>Zn 2,852 US$/t |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').* | • N/A (no new assay results reported)<br>• N/A<br>• N/A |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • N/A |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • N/A (no new assay results reported) |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Geophysical survey results have been reported herein. |
| ***Further work*** | • *The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further activities are likely to include a combination of geophysical survey lines orthogonal to trends of mineralisation and initial diamond drilling. However, no detail plans for further work have been finalised.<br>• N/A |