

Quarterly Activities Report

30 September 2024

HIGHLIGHTS

- Heritage clearance survey completed and approval received over high-priority Stansmore Nb-REE/IOCG target, paving the way for our first ever drill campaign in the West Arunta
- Further geophysical modelling of the Stansmore anomaly provided highly encouraging results, showing a pipelike body approximately 500m in diameter, Figure 1
- Volt and Ions prospects show two discrete magnetic anomalies that are on the edge of a broad high, potentially representing part of an intrusive carbonatite, Figure 2
- EIS exploration incentive providing up to \$180,000 funding towards drilling costs
- Stansmore is a significant magnetic high potentially representing a Nb-REE carbonatite, Iron Oxide Copper-Gold (IOCG) or Intrusion Related Gold (IRG) target

Lycaon Resources Limited (ASX: LYN) ("the **Company**" or "**Lycaon**") is pleased to report on the September 2024 quarterly activities.

Projects Summary

Stansmore – West Arunta Project (Nb-REE/IOCG ± Intrusion Related Gold Copper)

The Company completed a heritage survey in July 2024 and received the necessary approvals for drilling to commence in early November 2024.

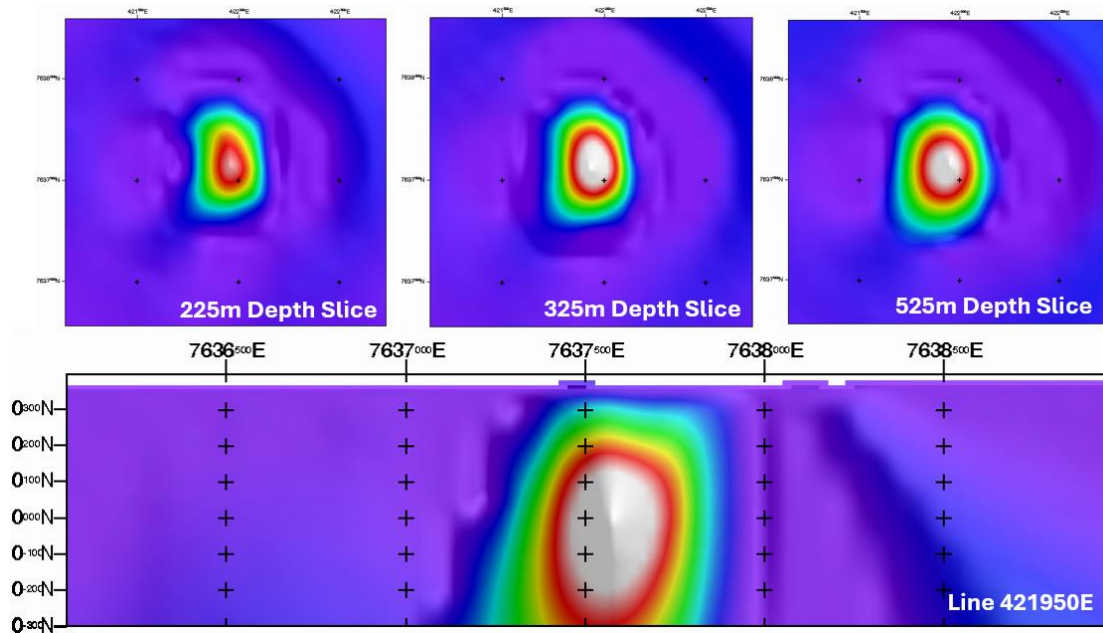


Figure 1. Stansmore Prospect – Magnetic Inversion

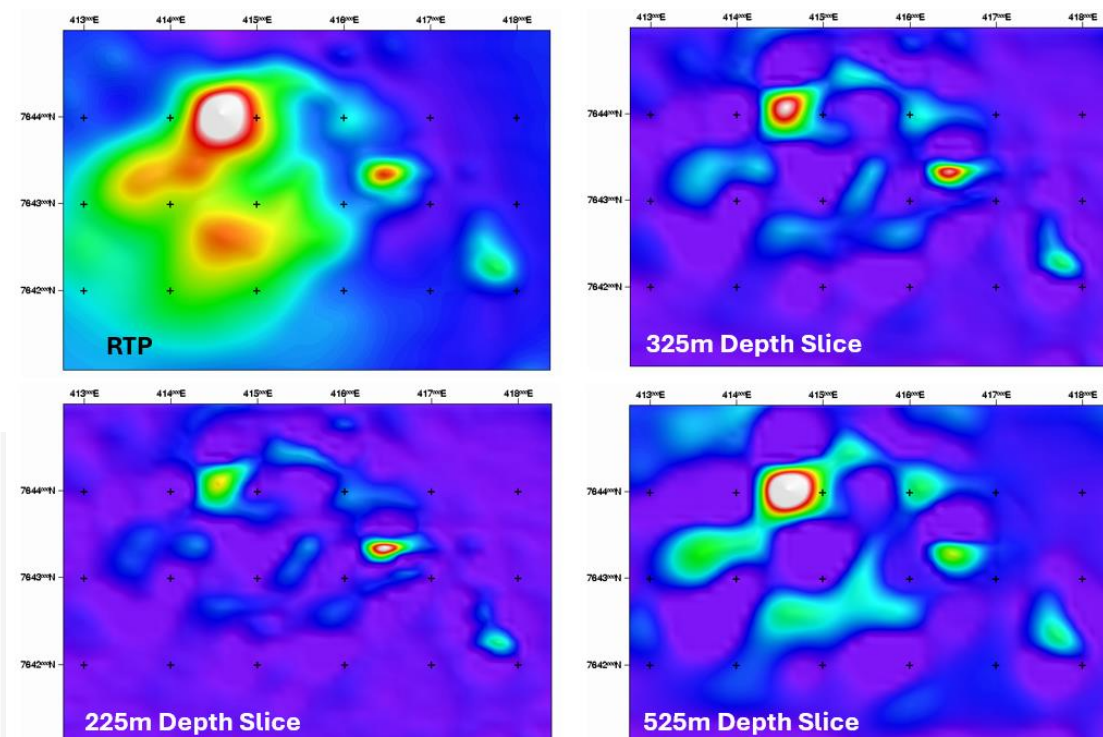


Figure 2. Volt/Ions Area – Magnetic Inversion

The 100% owned West Arunta Stansmore Niobium-REE Project granted tenure extends over 173km² and is approximately 90km north of WA1 Resources' Luni and P2 discoveries, Figure 3. The project consists of three high priority magnetic anomaly drill targets (Stansmore, Volt and Ions) and three secondary drill targets (Edi, Earl and Menlo) that may be prospective for Niobium-REE Carbonatite, or Iron-Oxide Copper Gold (IOCG), Figure 4.

The Stansmore Project drilling will target a regionally prominent 500m diameter magnetic feature (Stansmore) and a larger ~3km wide magnetic anomaly (Volt and Ions)¹. Recent discoveries by WA1 Resources and Encounter Resources have demonstrated the potential for the West Arunta region to host significant Nb-REE mineral systems.

Recent geophysical modelling was completed by renowned geophysical expert Terry Hoschke. Mr Hoschke's work followed the initial review completed by Southern Geoscience Consultants (SGC) to further strengthen our understanding of drill targeting. The geophysical review included re-processing magnetic data and a 3D inversion of the magnetic data to assist with targeting of drillholes ahead of a maiden drill program. 3D inversion efforts utilised the best available public domain magnetic data (circa 2010) consisting of 200m line spacing survey data (north-south lines) with a nominal terrain clearance of ~50m.

The 3D inversion results defined the Stansmore magnetic anomaly as a pipelike body of approximately 500m diameter, starting from ~120m depth, and dipping to the south. Drilling will target 320m into the main area of the magnetic anomaly.

Understanding of the structural setting and its intersection with any structural corridors such as the Balgo Fault will be essential to understanding the orientation and geometry of a potential large mineral system as part of a broader magnetic intrusive complex demonstrated in 3D modelled magnetics.

The Stansmore Project has had limited historic work completed within the project area with the broader area having limited exploration focussed on gold, copper and diamonds. BHP Minerals Limited completed 6 shallow RAB drillholes over the Stansmore magnetic anomaly in 1983 (WAMEX Report A12302) exploring for diamonds. Drilling at the main Stansmore magnetic anomaly (ST2) consisted of 5 drillholes with a maximum depth of 12m. Lithologies intersected by the drilling included ultrabasic rock, 'possibly pyroxenite', and sericitic altered claystone. Overall, the results did not display kimberlitic affinities to potentially host diamonds and the tenement was surrendered in the following year. Encouragingly the RAB drilling has highlighted the shallow depth of cover and saprolite interface. The drilling did not adequately test the magnetic anomaly which starts at ~150m depth.

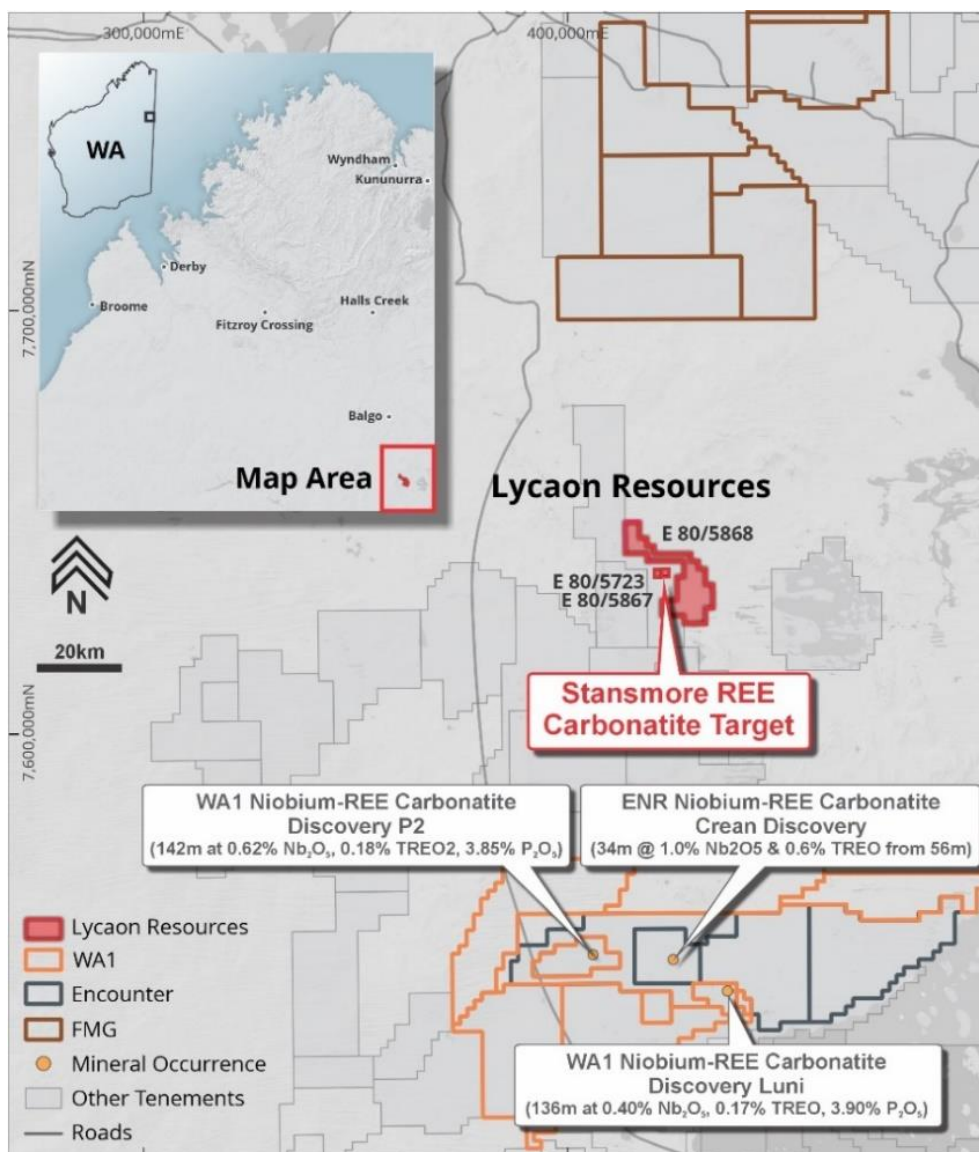


Figure 3. Stansmore Nb-REE Carbonatite ± IOCG Project Location Map

The WA1 discoveries at Luni and P2 have been large first order geophysical anomalies which had never been drilled.

The niobium mineralisation discovered to date at WA1 Resources' Luni Project are unique to Niobium deposits globally due to the high tenor of niobium with results >2% niobium. The identification of Niobium and Rare Earth mineralisation associated with carbonatite intrusions by WA1 Resources and Encounter Resources nearby in their first ever drill programs signifies the extremely prospective and underexplored nature of the West Arunta.

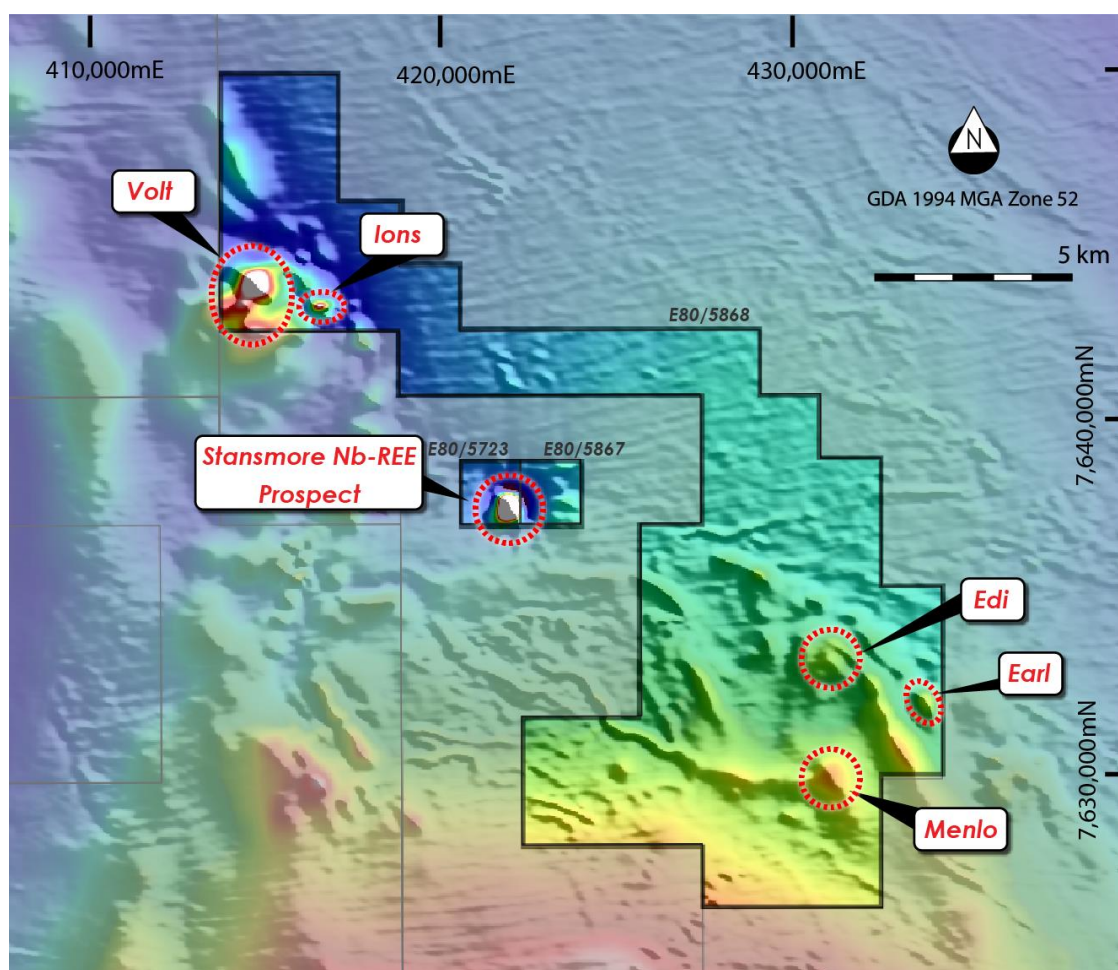


Figure 4. Reduced to Pole Magnetics (TMI grid) highlighting the prominent magnetic anomaly at Stansmore Prospect and other magnetic targets.

Myrnas Hill (Cu/Au/Lithium)

During the quarter, the Company executed a land access agreement (LAA) for exploration licence application E45/6809 (Myrnas Hill) in the Pilbara region of Western Australia, Figure 5.

The LAA was entered into with the Coongan Aboriginal Corporation and Strelley Pastoral Pty Ltd and covers an area within the Coongan Pastoral Lease that E45/6809 is located. It is anticipated E45/6809 should proceed to granted status in Q1 2025.

The tenement is located adjacent to the Marble Bar and DOM's Hill projects held by Kali Metals Limited (KM1) and Sociedad Química y Minera de Chile (SQM), which are subject to an earn-in arrangement under which SQM has the right to earn up to 70% by funding A\$12M over four years.

The tenement covers the historic copper-gold prospect, Myrnas Hill, which has returned up to 42.8% Cu, 7.05% Cu and 6.49g/t Au in rock chip samples².

The prospectivity for lithium mineralisation will be a priority of exploration work programs, planned to commence following tenement grant.

A detailed geological review will be undertaken to evaluate exploration work programs to be scheduled upon tenement grant.

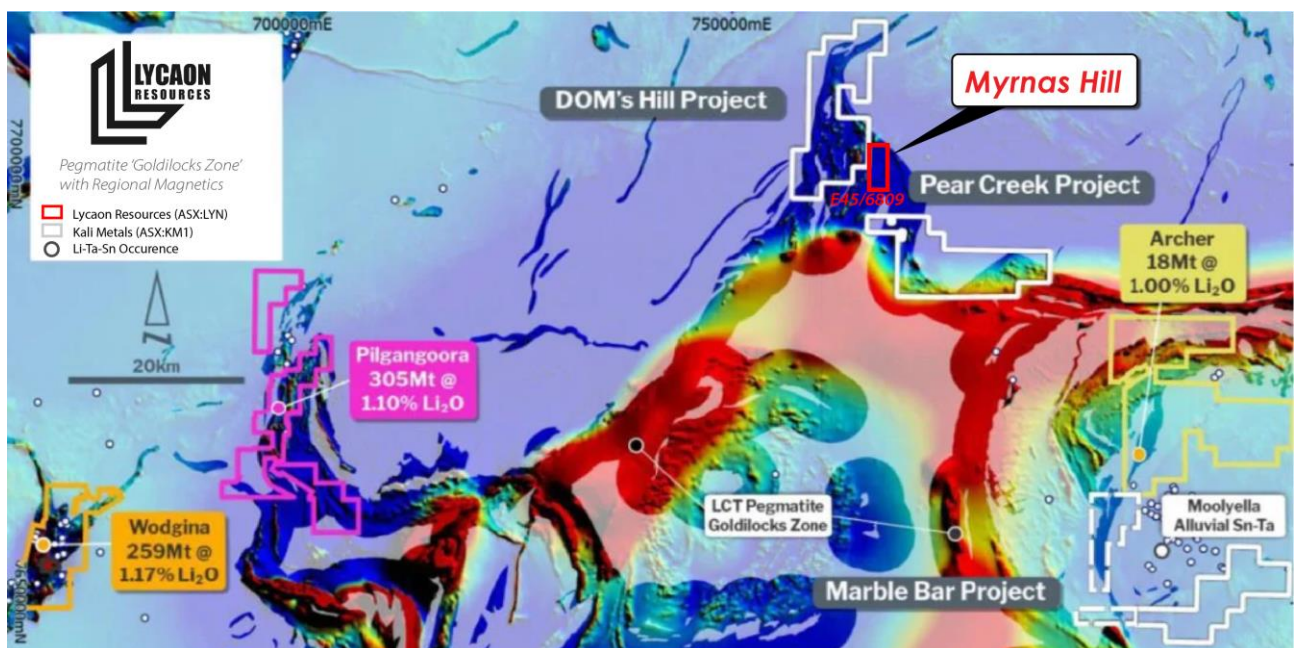


Figure 5. Myrnas Hill prospect on tenement E45/6809 awarded to Lycaon Resources in a ballot

Bow River Prospect (Ni/Cu/Co±PGE)

During the quarter, the Company reviewed the next phase of exploration work programs to be completed. Due to the subdued nickel market and current focus to undertake exploration at the West Arunta Project, four (4) sub-blocks over the Salt Lick Creek intrusion were voluntarily surrendered during the quarter.

A diamond drilling program was completed at the Bow River Project in the East Kimberley region of Western Australia during Q3 of 2023. The drill program consisted of two diamond drillholes to a depth of 800m and 786m each.

Downhole electromagnetic (DHEM) surveys were completed on both diamond drillholes to a depth of 690m (BRDD001) and 760m (BRDD002) during Q4 of 2023. The DHEM survey results identified weak off-hole anomalies within close proximity of the drillholes.

Corporate

On 19 July 2024, Ms Anthea Acomb was appointed as Joint Company Secretary.

Assessment of Additional Project Opportunities

As part of its ongoing business development model, Lycaon continues to assess project opportunities across a broad range of commodities and geographies with a view to identifying attractive, suitably priced assets that will add shareholder value.

ASX Additional Information

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$253,000. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

As per ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter was \$88,000. The Company advises that this relates to directors' fees and accounting and company secretarial related services.

- ENDS-

For enquiries:

Thomas Langley – Technical Director

Lycaon Resources Limited

T: +61 8 6188 8181

E: admin@lycaonresources.com

Tenement Register

Project	Tenement	Holder(s) ¹	Location	Interest at 1/7/2024	Acquired/Disposed	Interest at 30/9/2024
Gnewing Bore ²	E80/5508	Matmetals WA Pty Ltd	WA	100%	(100%)	-
Bow River ³	E80/4955	East Kimberley Resources Pty Ltd	WA	100%	-	100%
Stansmore	E80/5723	West Arunta Resources Pty Ltd	WA	100%	-	100%
Stansmore	E80/5867	West Arunta Resources Pty Ltd	WA	100%	-	100%
Stansmore	E80/5868	West Arunta Resources Pty Ltd	WA	100%	-	100%
Myrnas Hill ⁴	E45/6809	Lycaon Resources Limited	WA	-	-	-

1. *Matmetals WA Pty Ltd, East Kimberley Resources Pty Ltd and West Arunta Resources Pty Ltd are 100% owned subsidiaries of Lycaon Resources Limited. There are no Farm-in or Farm-out Arrangements held by Lycaon Resources Limited.*
2. *E80/5508 was surrendered on 3 July 2024 due to land access issues.*
3. *Due to the subdued nickel market and current focus to undertake exploration at the West Arunta Project, four (4) sub-blocks over the Salt Lick Creek intrusion were voluntarily surrendered during the quarter.*
4. *Lycaon Resources Limited applied for the tenement licence application E45/6809 and was successfully drawn first in a ballot. The tenement is anticipated to be granted in Q1 2025.*

For additional information please visit our website at www.lycaonresources.com

¹ASX: LYN, West Arunta Refined Geophysical Modelling, 5 September 2024

² Myrnas Hill, Minedex Site Code S0023297, Geoview, Department of Energy, Mines, Industry Regulation and Safety

Cautionary Statement

This announcement and information, opinions or conclusions expressed in the course of this announcement contains forecasts and forward-looking information. Such forecasts, projections and information are not a guarantee of future performance, and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. There are a number of risks, both specific to Lycaon, and of a general nature which may affect the future operating and financial performance of Lycaon, and the value of an investment in Lycaon including and not limited to title risk, renewal risk, economic conditions, stock market fluctuations, commodity demand and price movements, timing of access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve estimations, native title risks, cultural heritage risks, foreign currency fluctuations, and mining development, construction and commissioning risk.

Competent Person's Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Thomas Langley is a full-time employee of Lycaon Resources Limited, and is a shareholder, however Mr Thomas Langley believes this shareholding does not create a conflict of interest, and Mr Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify 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 Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Appendix 5B

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

Name of entity

Lycaon Resources Limited

ABN

80 647 829 749

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(6)	(6)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(27)	(27)
	(e) administration and corporate costs	(174)	(174)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	51	51
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(156)	(156)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(247)	(247)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(247)	(247)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,655	4,655
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(156)	(156)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(247)	(247)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,252	4,252

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,052	605
5.2	Call deposits	3,200	4,050
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,252	4,655

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	33
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(156)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(247)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(403)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,252
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,252
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.55
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

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

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 22 October 2024

Authorised by: By the Board of Directors of Lycaon Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.