

Quarterly Activities Report – September 2024

Battery, base and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to provide its activities report for the quarter ended 30 September 2024.

Highlights:

- **New Law on Geological Exploration became official on 24 July 2024**
- **Lykos applies for exploration tenement “Petrovo” in Sockovac Project area**
- **High-grade antimony (1.8%), copper (4.0%) and silver (969g/t) in rock samples from Sinjakovo Project (post-quarter release)**
- **Cash balance of \$1.54M as at 30 September 2024**

Law on Geological Exploration

On 4 July 2024, the National Assembly of Republic of Srpska voted for the amendments to the Law on Geological Exploration (“Law”).¹ The amended Law was published in the official gazette on 16 July 2024 and came into force on 24 July 2024. In line with the new Law, the grant of Exploration Licenses no longer requires prior approval from the Municipalities.

The latest Law changes further foster the investor-friendly environment and sends a strong message that the Republic of Srpska supports geological exploration and direct foreign investment. These changes will also benefit Municipalities in providing employment opportunities.

“Petrovo” tenement application

The amended Law has enabled the Company to apply for the “Petrovo” license². The application area (44km²) is located in the Sockovac Project area, immediately east of the granted tenement Doboј (49km²). Subject to the grant, the “Petrovo” tenement will encompass the previously discontinued tenement “Sockovac” (17km²).

With the already granted Doboј tenement, and subject to the anticipated grant of the “Petrovo” tenement, the Lykos’ original land holding position in the Sockovac Project will be restored and increased to a total area of 93km².

¹ See ASX announcement “Lykos Welcomes Changes to Law on Geological Exploration” dated 8 July 2024

² See ASX announcement “High-grade Sb & Cu rock-chip samples from Sinjakovo Project” dated 9 October 2024

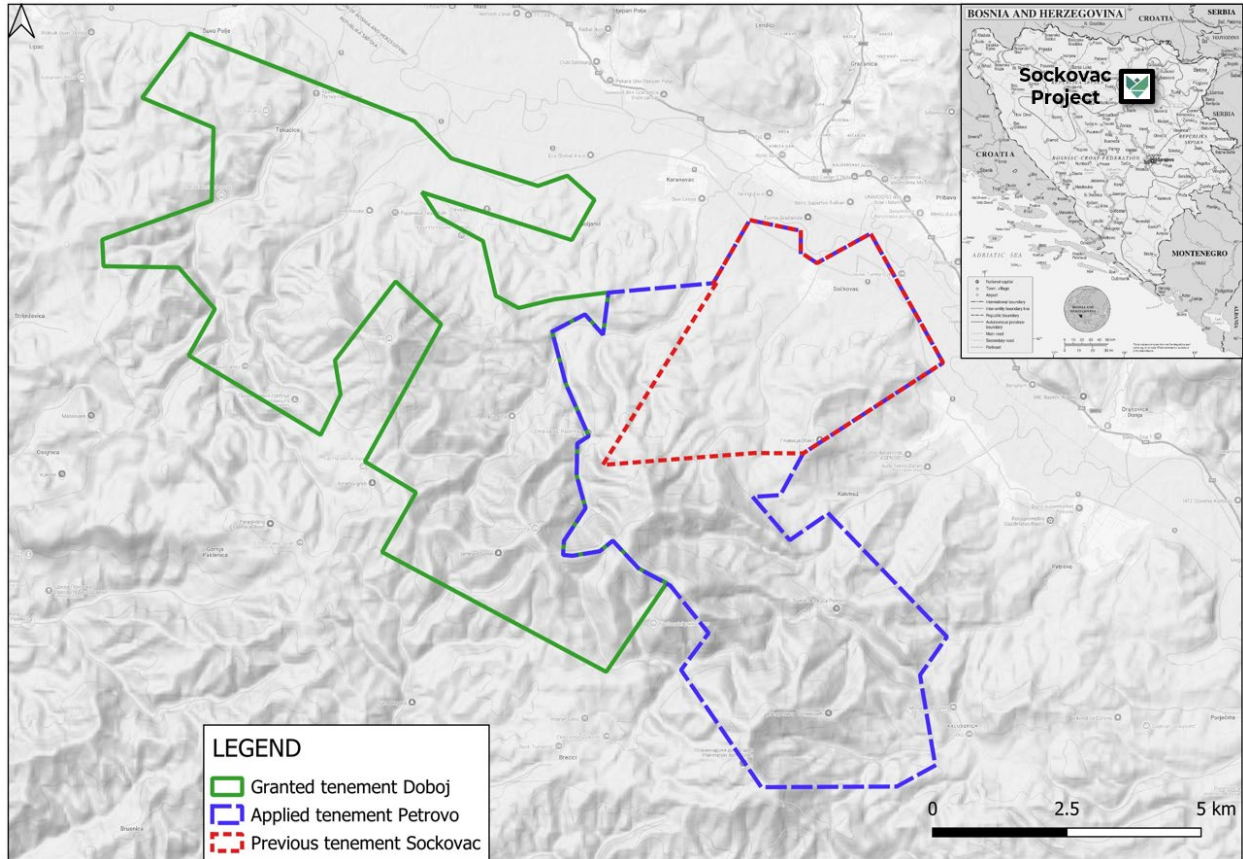


Figure 1: Sockovac Project, tenement status

The Sockovac region is highly prospective for delineating a wide range of precious and base metals. In 2021, the Company identified strong gold and silver mineralisation at surface, with rock chip results up to 5.45g/t gold and 1,330g/t silver³. In 2022, the Company outlined a significant 15km² nickel-cobalt soil anomaly over the Project area that remains open in a westerly direction⁴.

Historical exploration (1969-1970) identified a gently dipping, shallow (6-84m depth) and high-grade nickel sulphide mineralisation. A mineral zone returned excellent drilling results (such as: 5.1m @ 6.63% nickel from 57.9m depth and 14.6m @ 2.78% nickel from 39.55m depth), and significant zinc-lead mineralisation in drilling (such as: 9.35 @ 8.25% zinc+lead from 41.8m depth and 15m @ 5.97% zinc+lead from 34m depth)⁵. Cobalt was not analysed at the time of the historical drilling.

³ See ASX announcement "Exceptional assays confirm Sockovac high grade potential" dated 21 December 2021

⁴ See ASX announcement "Exploration Update" dated 13 April 2022

⁵ See ASX announcement "Prospectus" dated 19 October 2021

31 October 2024

High-grade rock results from Sinjakovo Project (post-quarter release)

In September 2024, the field team carried out a follow-up on previous encouraging surface sampling results reconnaissance at the Kovacevac Prospect and Erak Prospect.

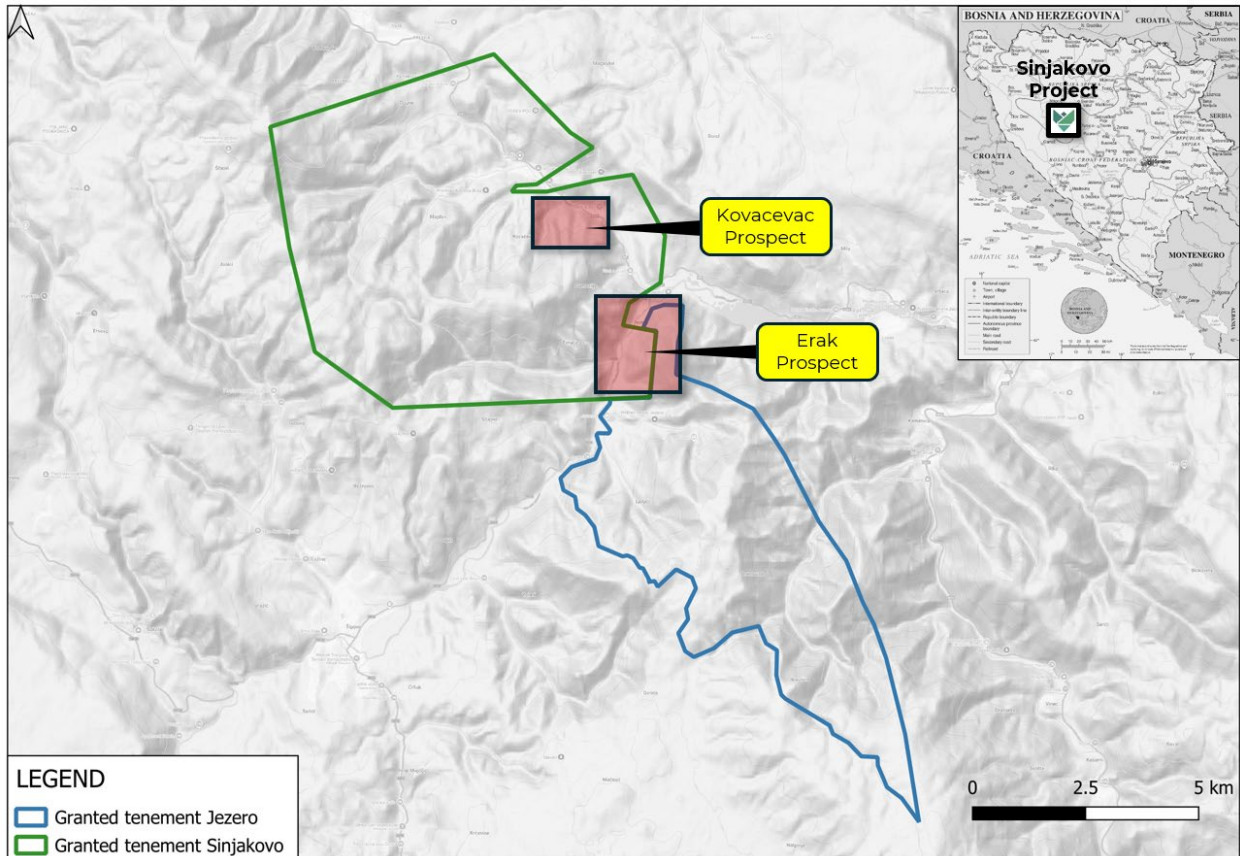


Figure 2: Sinjakovo Project, showing prospects of interest

At both locations, polymetallic sulphide mineralisation was identified. Ten samples were submitted for mineralogical assessment in thin sections, which identified the primary sulphide minerals (tetrahedrite, chalcopyrite, galena, sphalerite and pyrite), secondarily enriched Cu-sulphide covellite, the secondary Cu & Pb oxides and carbonates (cuprite, malachite, azurite, cerussite and anglesite). Twenty-three rock-chip samples were submitted to ALS laboratory in Bor (Serbia) which returned significant results of up to 1.8% antimony, 4.0% copper, 969 g/t silver, 1.8 g/t gold, 7.1% lead and 1.6% zinc⁶.

⁶ See ASX announcement "High-grade Sb & Cu rock-chip samples from Sinjakovo Project" dated 9 October 2024 and "Amended Announcement" dated 16 October 2024



Figure 3: One of recent samples from Sinjakovo, returning high-grade mineralisation

Table 1: Recent rock-chip sampling results (refer to original ASX announcement for additional information)⁶

SampleID	East	North	Au_g/t	Ag_g/t	Cu_%	Pb_%	Sb_%	Zn_%	Calc_CuEq_%	Calc_AuEq_g/t
SIRC465	6433924	4910444	0.08	16	0.14	0.00	0.08	0.02	0.53	0.62
SIRC466	6433933	4910440	0.33	43	0.67	0.01	0.33	0.07	2.02	2.36
SIRC467	6433908	4910459	1.30	165	1.58	0.00	0.52	0.08	4.97	5.80
SIRC468	6433864	4910446	0.34	52	0.67	0.00	0.41	0.09	2.3	2.68
SIRC469	6434023	4910481	0.15	8	0.07	0.00	0.07	0.01	0.39	0.45
SIRC471	6433969	4910452	0.29	35	0.28	0.00	0.13	0.04	1.07	1.24
SIRC472	6432925	4913620	0.01	74	0.00	3.53	0.01	0.03	1.42	1.66
SIRC473	6432930	4913625	0.01	67	0.00	3.49	0.00	0.04	1.35	1.57
SIRC474	6432935	4913630	0.01	136	0.00	7.12	0.01	0.02	2.73	3.18
SIRC475	6431997	4913831	0.01	445	1.31	0.23	0.47	0.07	6.53	7.62
SIRC476	6432010	4913813	0.01	174	0.50	0.03	0.13	0.04	2.41	2.81
SIRC477	6432011	4913805	0.01	346	0.99	0.02	0.29	0.06	4.83	5.63
SIRC478	6432000	4913805	0.01	969	4.01	0.04	1.79	0.23	17.06	19.89
SIRC479	6432005	4913810	0.02	519	2.07	0.02	0.48	0.11	7.94	9.26
SIRC481	6434060	4911143	0.20	15	0.13	0.00	0.09	0.02	0.59	0.68
SIRC482	6434082	4911129	1.76	50	1.27	0.01	0.54	0.08	3.93	4.58
SIRC483	6429400	4913258	0.01	5	0.02	0.00	0.01	0.00	0.09	0.10
SIRC484	6429413	4913346	0.01	1	0.00	0.00	0.00	0.00	0.01	0.01
SIRC485	6429447	4913332	0.01	1	0.01	0.00	0.00	0.01	0.02	0.03
SIRC486	6429379	4913263	0.01	1	0.01	0.00	0.00	0.01	0.02	0.02
SIRC487	6432895	4913625	0.15	122	0.23	0.04	0.09	0.06	1.67	1.94
SIRC488	6432900	4913630	0.74	450	1.16	0.03	0.10	0.05	5.92	6.90
SIRC489	6432898	4913628	0.01	8	0.06	0.08	0.02	1.60	0.65	0.76

Corporate

Change of share registry

On 29 July 2024, the Company's register was transferred from Automic Registry Services to Computershare Investor Services Pty Ltd⁷. Shareholders can easily and efficiently manage their holdings via Computershare's secure and highly accessible online investor portal.

Cash position and related party transactions

Net cash outflow during the quarter was approximately \$0.46 million leaving the Company with a cash balance of approximately \$1.54 million as of 30 September 2024.

Related party transactions during the quarter were limited to payments to the directors for salaries, directors' fees and car allowance for a total amount of \$125,172 (included in item 6.1 of the attached Appendix 5B).

Capital structure

At the date of this release, the Company's capital structure is:

	Number
Fully paid ordinary shares	188,355,559
Listed options (ASX: LYKOA) with an exercise price of \$0.30 per option and an expiry date of 11 June 2025	50,000,000
Unlisted options with an exercise price of \$0.20 per options and an expiry date of 15 October 2025	1,725,000
Unlisted option options with an exercise price of \$0.30 per option and an expiry date of 1 April 2026	750,000

⁷ See ASX announcement "Change of Share Registry" dated 19 July 2024

31 October 2024

Exploration licences

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

- Sinjakovo (including Jezero) – approximately 80.8 km²
- Sockovac – approximately 49 km² at Doboj (plus approximately 44 km² application at Petrovo)
- Cajnice - approximately 49.5 km²

As at the date of this report, the Petrovo licence area remains the subject of an unresolved action by the Ministry of Energy and Mining for the Republic of Srpska, Bosnia-Herzegovina, which seeks to revoke the Company's rights to the licence area. However, the subsequent adoption of the new amendments to the Law on Geological Exploration, that have been voted by the National Assembly of Republic Srpska, and came into power on the 16 July 2024, whereby the grant of Exploration Licenses no longer requires prior approval from the Municipalities, significantly simplifies the approval process. As disclosed in the Company's ASX announcement of 8 July 2024, the Company has lodged the application for the larger area, which includes the previous Sockovac tenement.

There have been no changes in the interests in exploration licenses during the quarter. In accordance with Listing Rule 5.3.2, Lykos confirms that its activities were restricted to exploration only and that it did not conduct any mining development or production activities during the quarter.

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Lykos confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement referred to in this report.

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

For further information, please contact:

Milos Bosnjakovic

Managing Director & CEO

Lykos Metals Limited

Ph: +387 61 174 844

E: m.bosnjakovic@lykosmetals.com

Petar Tomašević

Executive Director

Lykos Metals Limited

Ph: +61 414 830 540

E: p.tomasevic@lykosmetals.com

31 October 2024

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 a Non-executive Director 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).

Appendix 5B

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

Name of entity

Lykos Metals Limited

ABN

65 650 011 644

Quarter ended ("current quarter")

30 September 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	(79)	(79)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(187)	(187)
	(e) administration and corporate costs	(250)	(250)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (VAT/GST refund)	43	43
1.9	Net cash from / (used in) operating activities	(456)	(456)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	1
	(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	(2)	(2)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,995	1,995
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(456)	(456)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
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	(1)	(1)
4.6	Cash and cash equivalents at end of period	1,536	1,536

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	1,536	1,995
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,536	1,995

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	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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)	(456)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(456)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,536
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,536
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.37
	<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	

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: 31 October 2024

Authorised by: The Board of Lykos Metals 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.