

Exploration Project Tenure Update

Battery, base, and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to present an update on its ongoing negotiations with the Government of the Republic of Srpska regarding its exploration project tenure.

During May, the Municipality Assembly of Doboj granted a new exploration approval encompassing an area of 50km² in the Doboj Municipality, at the Sockovac Project. Following this positive example, the Municipal Assembly of Mrkonjic Grad subsequently re-approved the Company's exploration rights over an area of 37.95km² in the Sinjakovo region.

As outlined in Lykos' ASX Announcement of 6 July, the meeting of the Municipal Assembly of Jezero voted on the proposal to approve Lykos proceeding with its exploration program at Sinjakovo. The Municipal Assembly comprises of 13 members, 8 of whom attended the meeting with 5 having voted in favour of the Lykos approval and 3 voting against it.

Concurrently, the Company has been engaged in high level negotiations with the Ministry of Energy and Mining of the Republic of Srpska. The Ministry has superior authority than Municipal assemblies and has formally advised its approval to extend Lykos' license for detailed geological, geochemical, and geophysical explorations over an area of 80.77km² straddling the Municipalities of Mrkonjic Grad, Jezero, and Sipovo, through to 30 December 2024, with the 80.77km² area being the entirety of the existing project area as depicted below.

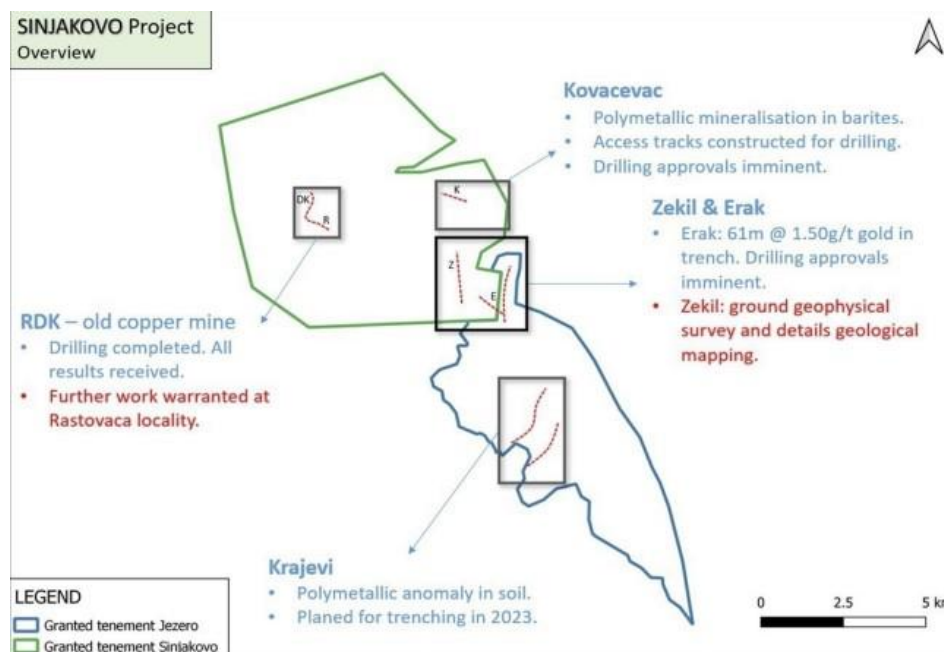


Figure 1. Lykos' Sinjakovo exploration license position (green outline) over an area of 49.95 km², and Jezero exploration license position (blue outline) over an area of 30.82 km²

Lykos believes that the decision of the Ministry sends a clear message regarding the strategy of the Government of Republic of Srpska to encourage and foster a supportive environment for foreign investments in the territory and that this will encourage the local Municipal assemblies to promptly re-affirm Lykos' exploration rights across the Republic of Srpska.

Furthermore, Lykos understands that the Government of the Republic of Srpska is actively considering amendments to the legislation concerning geological exploration, enacted in June 2022, which are expected to further contribute to creating a more accommodating environment for attracting foreign investments in the Republic of Srpska.

Lykos Metals' CEO, Milos Bosnjakovic, said:

"After nearly two years of intensive negotiations, the Government of Republic of Srpska has taken a decisive stance to protect foreign investments in geological exploration. This represents a momentous step forward not only for our Company but also for the economy of the Republic of Srpska, and the local municipalities where we have been actively engaged since listing and intend to conduct future exploration activities.

"Lykos remains committed to maintaining transparent communication with our stakeholders throughout this process and is confident that we will soon see positive outcomes in re-affirming our exploration rights."

The Company will update its shareholders as more information becomes available.

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 the underexplored Tethyan metallogenic belt in Bosnia and Herzegovina that are highly prospective for battery and precious metals.

Lykos' Sinjakovo project is prospective for copper, cobalt, gold and silver; the Cajnice Project is prospective for copper, gold, silver and zinc; and the Sockovac project is prospective for nickel, cobalt, copper, gold and silver.

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.