

ASX Announcement

9 December 2021



Exploration update

Battery and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to provide an update on soil sampling programs at its 100%-owned Sockovac and Sinjakovo projects in Bosnia-Herzegovina.

At the Sockovac Nickel-Cobalt Project, Lykos has substantially advanced a first-pass 200x200m soil sampling program across its extended licence area while a maiden soil sampling campaign at the Sinjakovo Copper-Gold Project has identified two new exploration targets.

Initial results from the 789-sample program at **Sockovac** delivered highly encouraging signs of nickel and cobalt mineralisation in areas adjacent to the original soil sampling area. The data collected will allow Lykos to develop a much deeper understanding of the potential nickel and cobalt mineralisation in the area and assist with the planning of drilling programs. Aside from a few kilometre-scale anomaly zones, a significantly sized area for follow-up work is opening towards the south (see Figures 1 & 2).

Lykos expects to receive the remaining soil sample results over coming weeks.

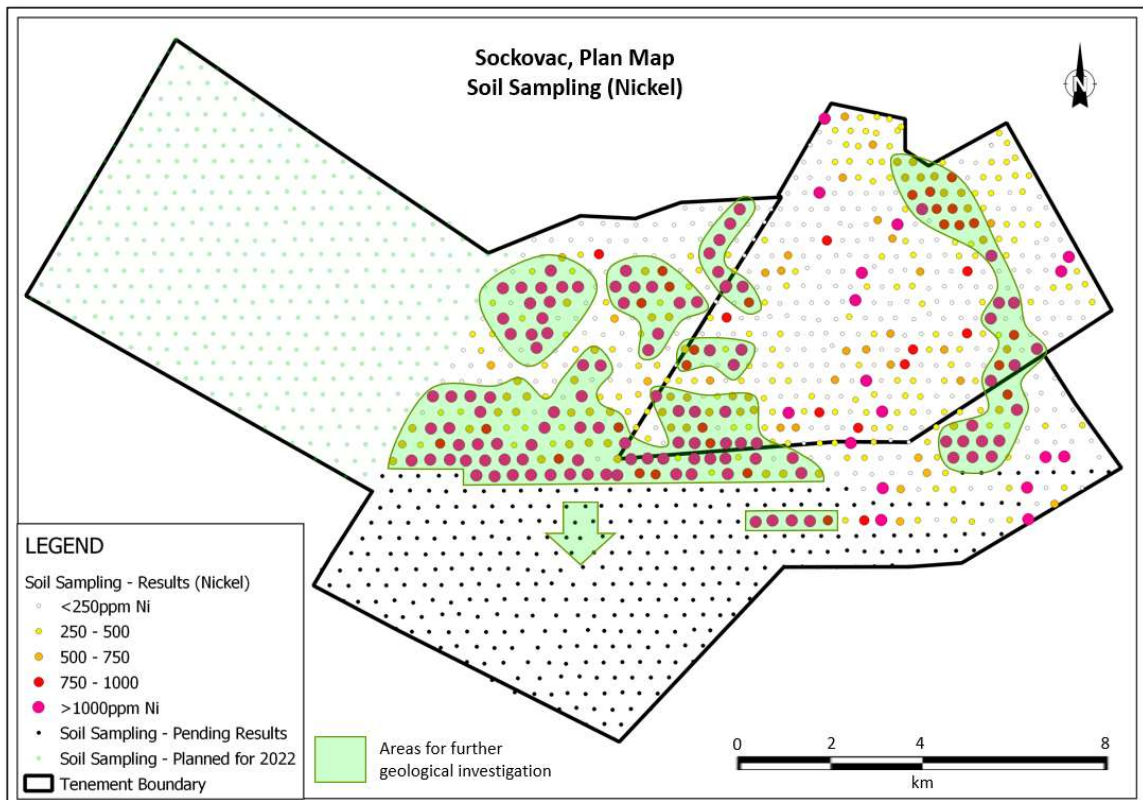


Figure 1: Sockovac plan map showing soil sampling results (nickel) and new sampling locations

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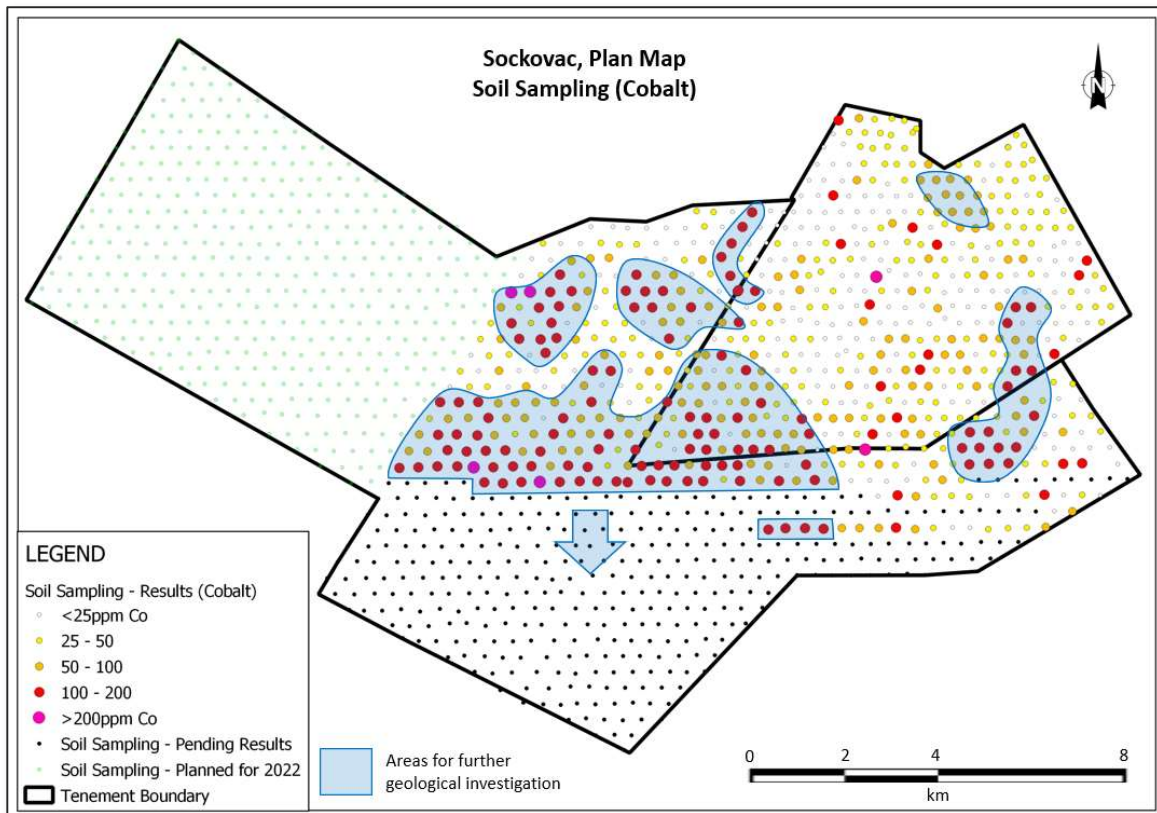


Figure 2: Sockovac plan map showing soil sampling results (cobalt) and new sampling locations

Having considered the implications of the new soil anomalies and their weighting towards the west of the location of historic drilling, Lykos has determined it prudent to reschedule the proposed drilling at Sockovac until early 2022, by when it will have fully interpreted the soil sample data across the enlarged licence area.

At **Sinjakovo**, as previously reported, the first-ever soil sampling campaign has identified two new targets (aside from the historic copper mine Sinjakovo) – an elongated, 1.8km-long copper anomaly in the central part of the tenement and 2x1km gold anomaly in the south-eastern part of the tenement. These two areas have been in-filled from 200x200m to a 100x100m sampling grid (see Figures 3 & 4). In-fill soil sampling will improve the data resolution over the anomalous areas and pinpoint the best localities for follow-up exploration work.

Following a sudden cold weather front bringing heavy snow falls across Bosnia-Herzegovina in late November, further field work at Sinjakovo will now be postponed until the northern hemisphere spring season. Further work will likely comprise in-fill soil sampling, geological mapping, rock-chip sampling, trenching and the twin-drilling at the historic Sinjakovo mine as well as airborne EM and MAG surveys and ground IP surveys.

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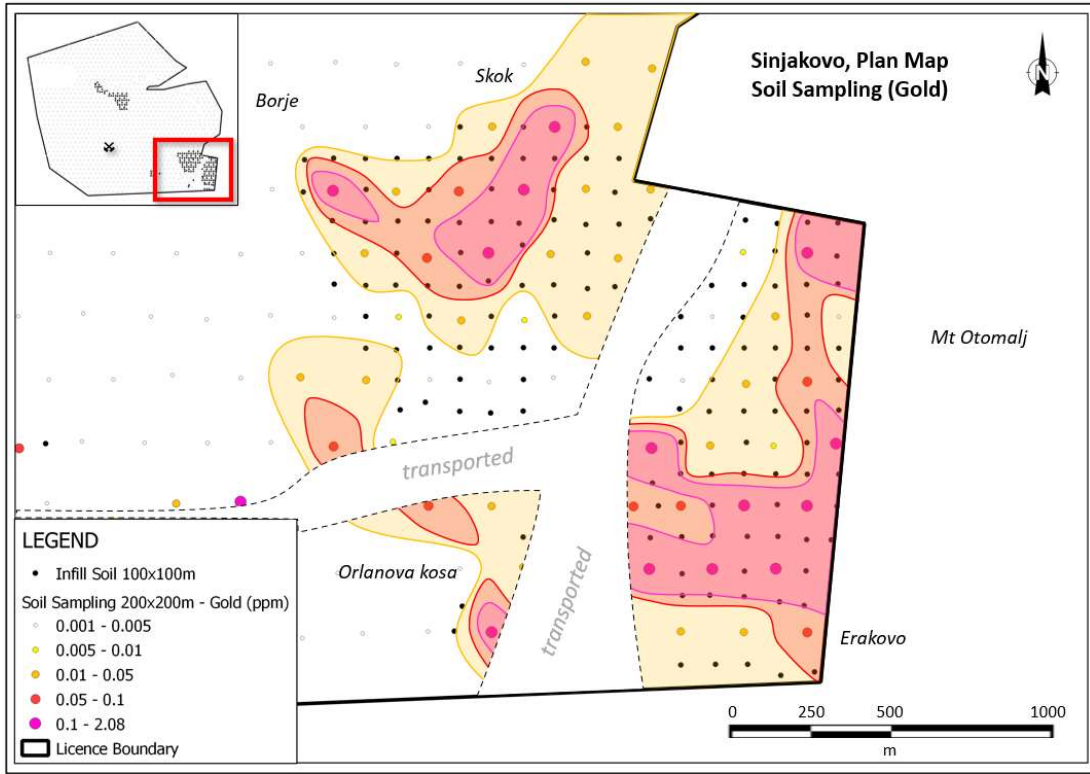


Figure 3: Sinjakovo, plan map showing soil sampling results (gold) and in-fill sampling locations

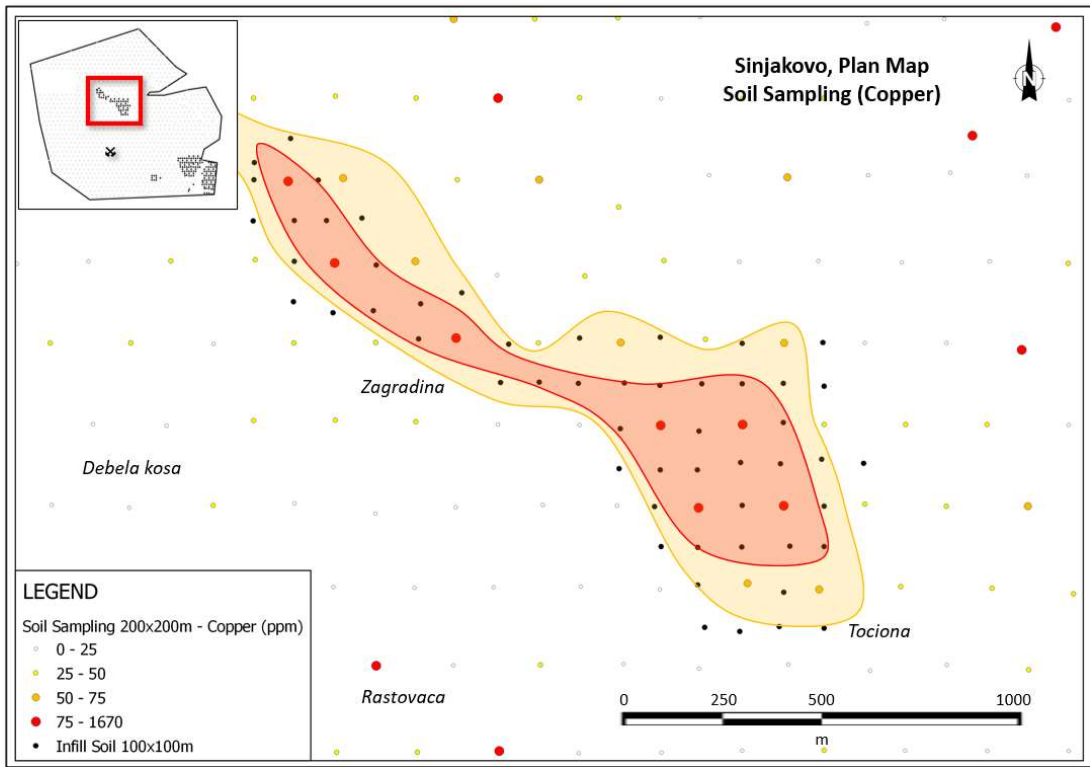


Figure 4: Sinjakovo, plan map showing soil sampling results (copper) and in-fill sampling locations

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Figure 5: Lykos' field team at Sinjakovo, from left to right, Nenad Protic (senior geologist), Milan Vjestica (field technician), Vladimir Jovicic (graduate geologist) and Adin Memedoski (geologist)

In 2021, Lykos' field teams collected a total of 2,855 soil samples – 1,700 surface samples at Sinjakovo and 1,155 samples at Sockovac.

In the first half of 2022, the focus will be on the first airborne geophysical surveys across all three of Lykos' projects, twin drilling at Sockovac and the commencement of field work at Cajnice.

Lykos Metals Managing Director, Mladen Stevanovic, said:

“Results from the soil sampling program at the newly acquired licence at Sockovac show significant potential for nickel and cobalt mineralisation and, as such, have given cause for Lykos to reassess drilling priorities in the project area as a whole in order to maximise the value of the drilling expenditure to the overall geological program.

“At Sinjakovo, the primary exploration target remains the historic copper mine and the strike-extent of lithology hosting copper mineralisation. However, the first-ever soil sampling results have revealed previously unidentified sizeable copper and gold anomalies that warrant further investigation.

“Lykos' 2021 geochemical survey program has been a tremendous success. It has identified previously unknown significant-size gold, copper, nickel and cobalt anomalies in terrains that have never been tested using modern exploration techniques.

“We are busy preparing for our airborne geophysical program in 2022, which will provide direction for our exploration activities across all three projects and ensure we enter the New Year with some positive momentum.”

Level 48, 152-158 St Georges
Terrace Perth WA 6000

ABN 65 650 011 644

+61 8 9480 2500

info@lykosmetals.com.au

lykosmetals.com

Lykos-metals-limited

@LykosMetals

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

MLADEN STEVANOVIC

Managing Director

For further information, please contact:

Mladen Stevanovic

Managing Director

Lykos Metals Limited

Ph: +61 8 9480 2500

E: m.stevanovic@lykosmetals.com

Gerard McArtney

Senior Consultant

Cannings Purple

Ph: +61 487 934 880

E: gmcartney@canningspurple.com.au

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.

The Company listed on the ASX on 21 October 2021 following a heavily oversubscribed Initial Public Offering (IPO) that raised the maximum \$12 million.

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

Lykos is committed to delivering significant and sustainable shareholder value through advancing its three battery metals projects. The Company's projects are 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 member of the AusIMM (membership number 333579). Mr Stevanovic is a full-time 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.

 Level 48, 152-158 St Georges Terrace Perth WA 6000

 65 650 011 644

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 info@lykosmetals.com.au

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 Lykos-metals-limited

 @LykosMetals