



LYKOS Metals Limited

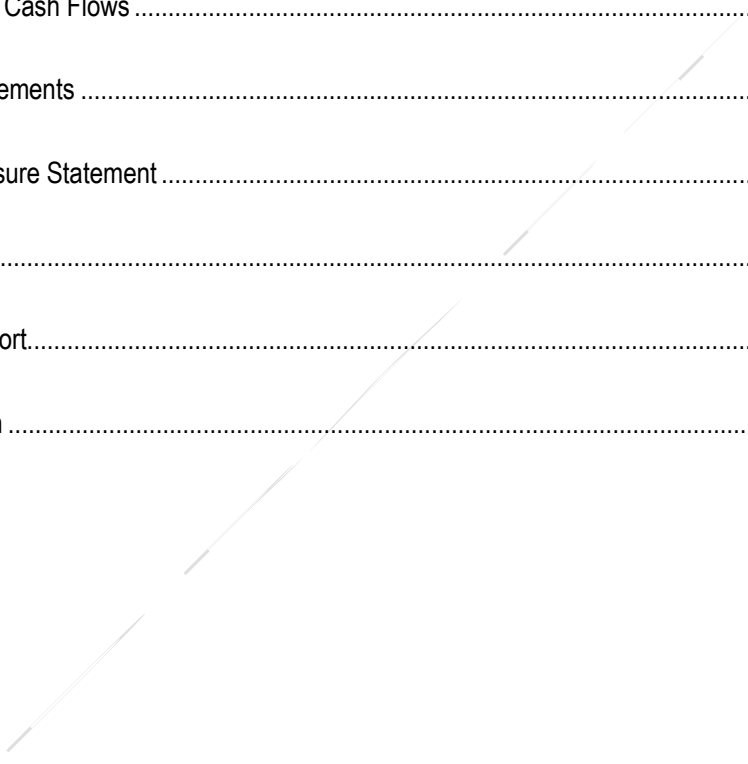
LYKOS METALS LIMITED ANNUAL REPORT 2024

Lykos Metals Limited

ABN 65 650 011 644

Table of Contents

Corporate Directory	1
Directors' Report	2
Corporate Governance Statement	18
Auditor's Independence Declaration	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Consolidated Statement of Financial Position	21
Consolidated Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24
Consolidated Entity Disclosure Statement	41
Directors' Declaration	42
Independent Auditor's Report	43
ASX Additional Information	47



Lykos Metals Limited

ABN 65 650 011 644

Corporate Directory

Directors

Ms Anna Sloboda (Non-executive Chair)
Mr Milos Bosnjakovic (Managing Director & CEO)
Mr Petar Tomasevic (Executive Director)
Mr Mladen Stevanovic (Non-executive Director)

Company Secretary

Mr Craig McNab

Registered and Principal Office

Level 8
216 St Georges Terrace
Perth Western Australia 6000

Telephone: +61 (8) 9481 0389
Facsimile: +61 (8) 9463 6103

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco Western Australia 6008

Bankers

National Australia Bank Limited
Ground Floor, 100 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St George Terrace
Perth Western Australia 6000

Telephone: 1300 850 505

Legal Advisor

Steinepreis Paganin
6 Milligan Street
Perth Western Australia 6000

Stock Exchange Listing

Australian Securities Exchange ('ASX')
ASX code: LYK

ACN

650 011 644

Website

www.lykosmetals.com

Directors' Report

The directors present the financial statements for the financial year ended 30 June 2024 for the Consolidated Entity ("Group") consisting of Lykos Metals Limited (the "Company") and the entities it controlled at the end of, or during the year ended 30 June 2024.

Directors

The following persons were directors of the Company throughout the year and up to the date of this report, unless otherwise stated:

- Anna Sloboda (Non-executive Chair) appointed 30 November 2023
- Milos Bosnjakovic (Managing Director & CEO)
- Petar Tomasevic (Executive Director) transitioned to Executive Director effective 2 April 2024
- Mladen Stevanovic (Non-executive Director) appointed 1 May 2024
- Johan Züger (Non-executive Director) resigned 1 May 2024
- Stephen Allen (Non-executive Chairman) resigned 30 November 2023
- Candice Van Der Plas (Non-executive Director) resigned 23 August 2023

Principal Activity

The principal activity of the Group is to explore for base and precious metals on tenement interests it holds in Bosnia and Herzegovina.

Dividends

No dividends were paid during the financial year ended 30 June 2024 (30 June 2023: nil).

Operating Results

The operating result of the Company for the financial year was a loss of \$2,485,827 (2023: loss of \$5,084,681).

Review of Operations

Lykos is the 100% owner of three base and precious metals projects in Bosnia-Herzegovina:

- Sinjakovo
- Sockovac
- Cajnice

All tenements host mineralisation identified historically, and Lykos' exploration strategy is to achieve a meaningful discovery through the application of modern mining and exploration techniques to historic mining areas.

On 4 July 2024, the National Assembly of Republic of Srpska voted for the amendments to the Law on Geological Exploration ("Law"). In lines with the new Law, the grant of Exploration Licenses no longer requires prior approval from the Municipalities. The new Law changes are significant for fostering an 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.

Directors' Report

Sinjakovo Project

Sinjakovo Project is prospective for gold, silver, antimony, copper, zinc and lead. It comprises two granted tenements: "Sinjakovo" and "Jezero", for a total 80km² area.

The historical activities consist of small-scale mining (mostly during in late-1800s and early-1900s) targeted copper, iron and barite occurrences. The reported copper grades were high (3-25%) and barite was deemed to be low-quality due to common presence of antimony-zinc-lead-copper sulphides. There were no significant field activities over Sinjakovo Project since 1910.

In 2021 and 2022, Lykos has systematically collected surface samples (stream, soil, rock-chip sampling) over the Project area. In 2022, an airborne EM and MAG survey was flown. This work has delineated a significant potential for discovery of economic resources over a few areas of interest. Encouraging surface geochemistry and airborne geophysics have led to discovery of gold and polymetallic (silver-copper-antimony-lead-zinc-gold) mineralisation at localities Erak and Zekil, as well as confirmation of presence of high-grade polymetallic mineralisation (silver-zinc-lead with sporadic encouraging antimony and copper) in barites whose spatial distribution still remains to be finalised before commencing with a vigorous follow-up exploration. Trenching at Erak and Zekil prospects in late-2022 and in 2023 has returned numerous significant results, with best result being 61m @ 1.5g/t gold.

During the reporting period, the work consisted of ground geophysical survey over the prospects Erak and Zekil. The survey has identified strong chargeability anomalies at depth, potentially associated to sulphidic mineralisation in limestone. This survey has informed drilling designs, and preparation is in progress to commence with the first-ever drilling at gold prospects.

With regards to the short- and medium-term exploration plans, the work going forward may consist of: drilling gold and polymetallic targets, ground geophysics and surface sampling at barite occurrences, and follow up at several early-stage targets that were generated during the previous geochemical and geophysical surveys.

Directors' Report

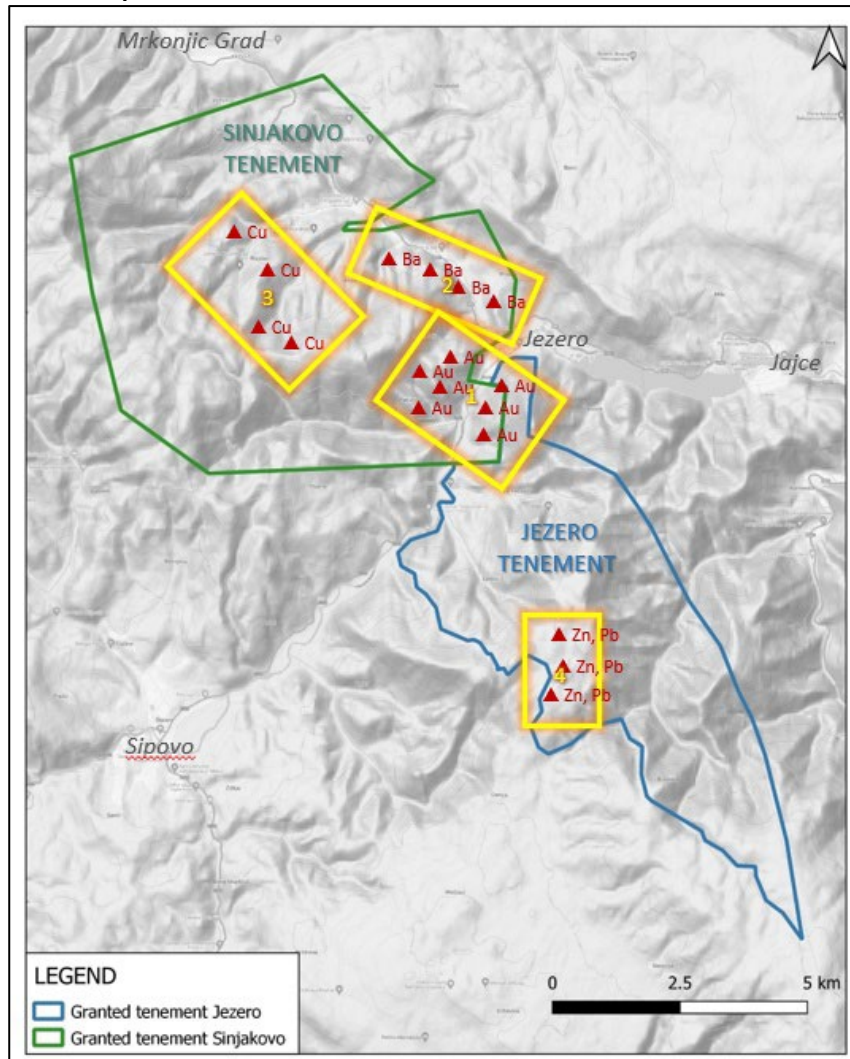


Figure 1 – Overview of the Sinjakovo Project area; marked in yellow are the current exploration priority areas: 1 – gold prospects, 2 – barites with polymetallic mineralisation, 3 – copper prospects, 4 – base-metals in soil sampling results

Sockovac Project

Sockovac Project is prospective for nickel, cobalt, gold, silver, copper, zinc and lead. It comprises a granted tenement “Doboj” and a pending application for “Petrovo” tenement, for a total 93km² area (including 44km² area under application).

The exploration activities in 1968-1970 were carried out over a relatively small area (2x1km), looking initially for clay resource for the nearby brick manufacturing industry. The ground geophysical (Self Potential) survey was completed and diamond drilling has commenced in 50x50m spacing; after three initial drillholes, sulphidic mineralisation was noted and the remaining 17 short drillholes (106m average depth) were drilled with purpose of delineating base metal mineralisation. There were no noteworthy base-metals exploration activities over Sockovac Project since 1970.

Lykos has completed initial systematic surface sampling over the Project area in 2021 and 2022, which has identified a large (14km²) nickel-cobalt anomaly in the central area, which remains open to east and west. This work has also identified a strong gold and silver mineralisation (up to 5.5g/t gold and 1,300/t silver in outcrop). In mid-2022, the Government has revoked both Sockovac exploration tenements until more community consultation has been completed; the first tenement has been re-awarded in late-2023 and the second tenement is expected to be awarded in late-Q3 or early-Q4 2024.

Directors' Report

During the reporting period, Lykos has been largely active in community engagement and administration associated to tenement applications. Upon completing all required community consultations and receiving all required permits, as well as the official support and approval from Doboj Municipality to conduct the planned exploration activities, on 7 November, the relevant Ministry has (re)awarded the exploration rights over the Doboj tenement (50km² western portion of the original Sockovac Project area belonging to Municipality of Doboj).

The exploration plan for Sockovac Project going forward may consist of: the second tenement grant, drilling at nickel target, follow-up on gold-silver occurrences and target generation, expansion of soil sampling to east and west.

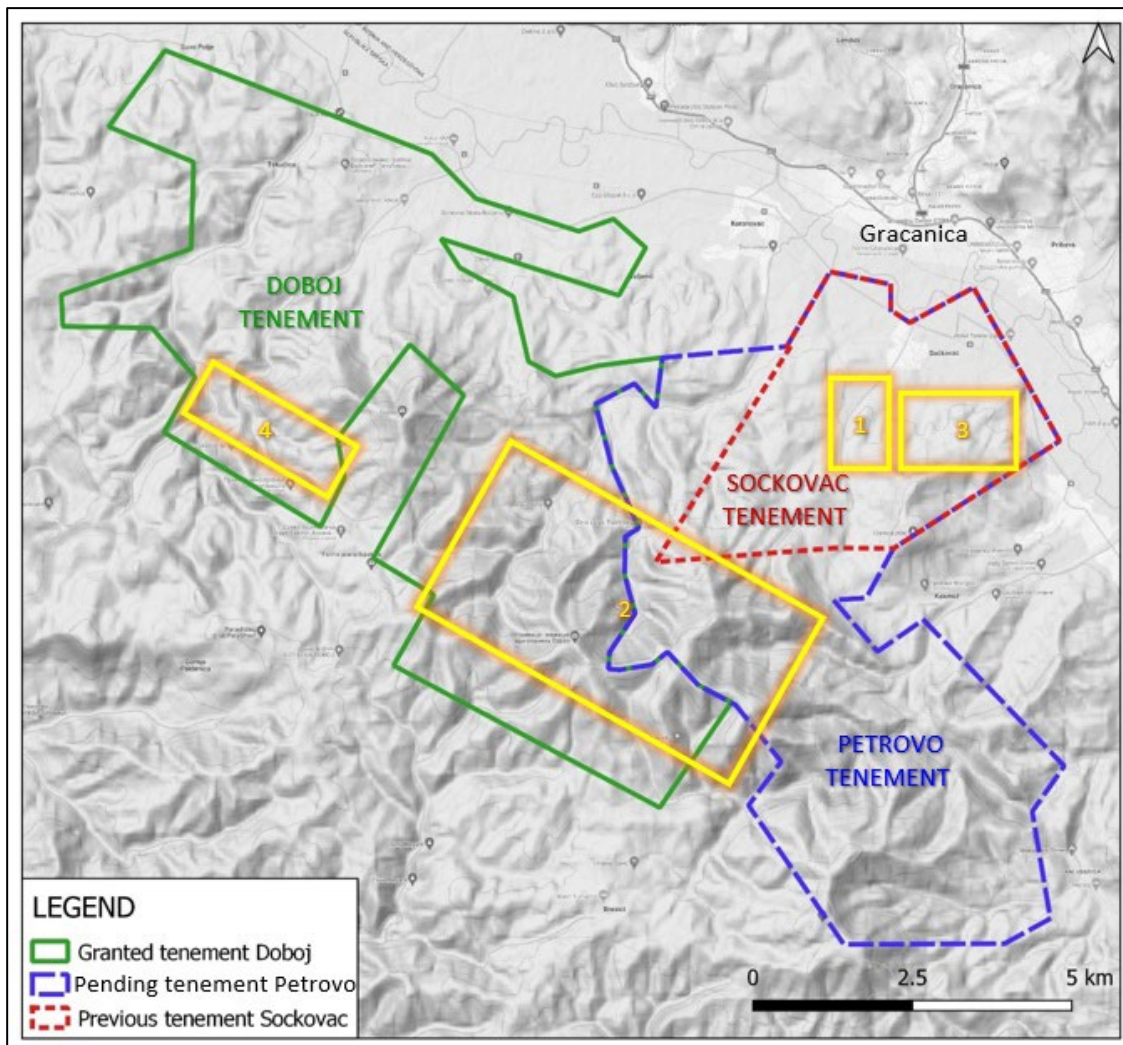


Figure 2 – Overview of the Sockovac Project area; marked in yellow are the current exploration priority areas: 1 – nickel in historical drilling, 2 – nickel in recent soil, 3 - gold and silver in outcrop, 4 – copper occurrence from historical geology maps

Directors' Report

Cajnice Project

Cajnice Project is prospective for copper, gold, silver, zinc and lead. It comprises a granted tenement "Cajnice" covering 50km² area.

The Project area hosts numerous historical smaller precious and base metals workings, and it was a subject of intermittent exploration between 1950s and 1970s.

Lykos conducted extensive surface sampling in 2022 and 2023. Limited drilling has identified porphyry system associated to gently dipping intermediate and felsic volcanic dykes, and further work is warranted in testing the extensions of the high-sulphidation system. Surface sampling has identified several outcrops with high-grade gold (up to 2g/t), silver (up to 220g/t) and lead (up to 3%) mineralisation, and these results justify further investigation in form of mapping, trenching and drilling.

During the reporting period, Cajnice project received a license extension until 8 December 2026. The extension was granted as more than 75% of the planned exploration works were carried out in accordance with the law.

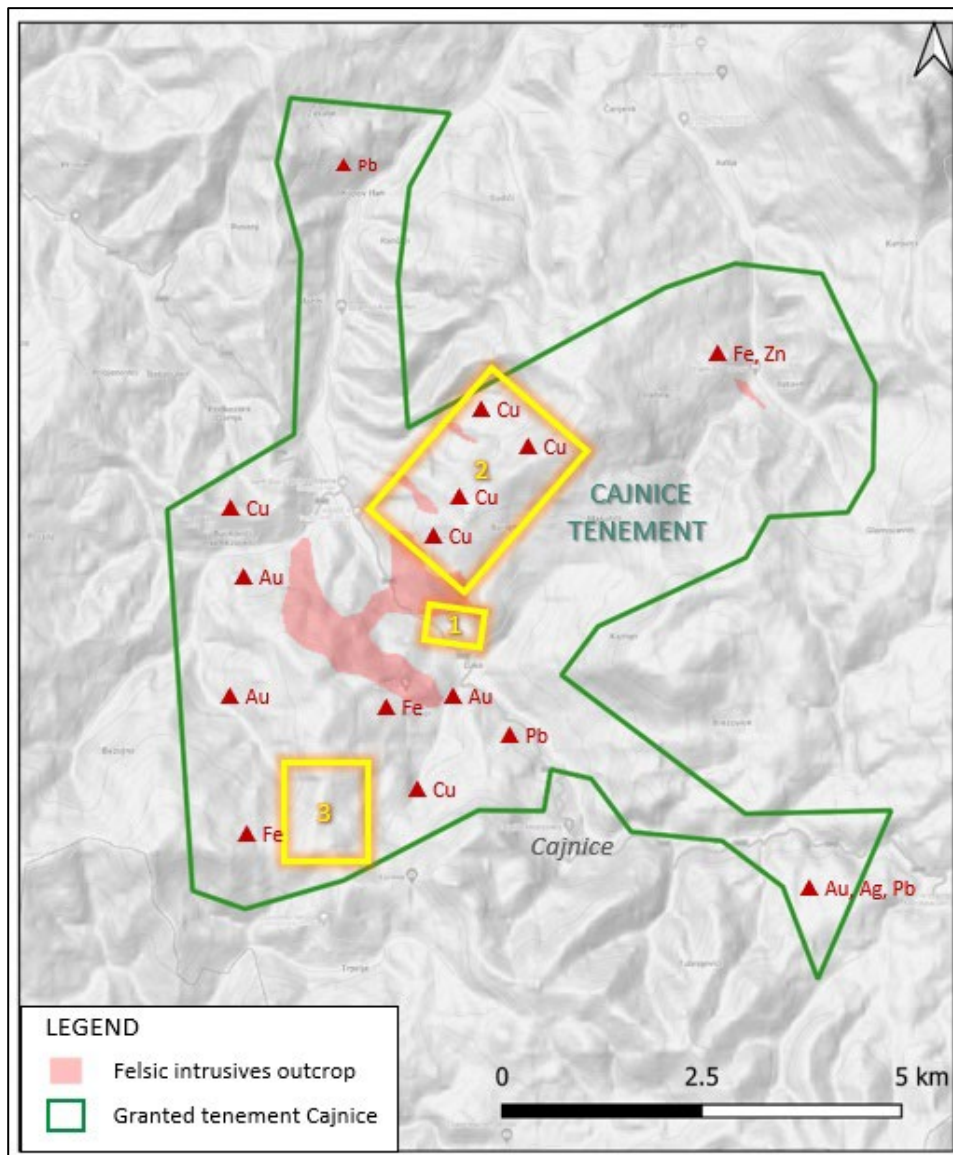


Figure 3 – Overview of the Cajnice Project area; marked in yellow are the current exploration priority areas: 1 – gold and silver in outcrop, 2 – copper in soil and drilling a porphyry system, 3 – lead and silver in outcrop

Directors' Report

Material Business Risks

The Board of Directors have identified the following specific risks relevant to the Company's current/ongoing business and operations:

Exploration and development

The future value of the Group will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Group. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Group is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Tenure and renewal

Mining and exploration licences are subject to periodic renewal. There is no guarantee that current or future licences or future applications for production licences will be approved.

The mineral licences are subject to the applicable mining acts and regulations in Bosnia and Herzegovina. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the licences comprising the Group's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

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 Licences 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. Should the permit be issued, it will increase the Sockovac tenement from previous 17km-square to subsequent 44km-square area.

Operations in Foreign Jurisdictions

The Group operates in foreign jurisdictions, specifically in Bosnia and Herzegovina. The Company's projects are exposed to various risks, including the potential for unfavourable political and economic changes, fluctuations and controls related to foreign currency, civil unrest, political upheavals, or conflicts. Furthermore, unforeseen events can curtail or interrupt operations on these properties, restrict capital movement, or lead to increased taxation. The Company remains proactive and closely monitors the political and economic landscapes of the jurisdictions in which it operates.

Economic Conditions

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Group's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the

Directors' Report

directors or senior management could have an adverse effect on the Group's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

Cyber Security and IT

The Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

Unforeseen expenditure risk

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Group and its proposed business plans.

Environmental, weather & climate change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

Events After the Reporting Date

Other than disclosed below in the opinion of the directors of the Group, in the period from 30 June 2024 to the date of this report no items, transactions or events of a material or unusual nature have arisen which will significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

As disclosed in the Company's ASX announcement of 8 July 2024, the National Assembly of Republic of Srpska voted for the amendments to the Law on Geological Exploration. In line with the new Law the grant of Exploration License no longer requires prior approval from the Municipalities. Following this the Company has lodged an application for the larger area, which includes the previous Sockovac tenement. Should the permit be issued, it will increase the Sockovac tenement from previous 17km-square to subsequent 44km-square area.

Future Developments

The Company expects to continue with the exploration program on its mineral properties in Bosnia and Herzegovina, in accordance with the disclosures in its IPO Prospectus.

Environmental Reporting

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory or laws of Bosnia and Herzegovina.

Directors' Report

Information on the Directors in office at the date of this report:

Anna Sloboda

Title	Non-Executive Chair
Qualifications	MBA, MEcon, and GAICD
Experience and expertise	Anna is a mining executive and entrepreneur with over 20 years of experience in the mining, energy and engineering sectors in operational management, financial planning, risk management, commercial negotiations and investments, providing advisory services to a range of public and private companies across various jurisdictions.
Other current directorships	Elixir Energy Ltd (since 1 October 2020)
Former directorships (last 3 years)	None
Interest in securities as at date of this report	None

Milos Bosnjakovic

Title	Managing Director & CEO
Qualifications	LLB
Experience and expertise	Milos is a lawyer by profession with strong communities and government networks in the Balkans and is a resident of Bosnia Herzegovina. Milos brings over 30-year of years of experience in stakeholders engagement, commercial acumen and business leadership in the mining sector.
Other current directorships	None
Former directorships (last 3 years)	Balkan Mining and Minerals Limited (resigned 19 May 2022)
Interest in securities as at date of this report	53,965,334 Ordinary fully paid shares 750,000 Unlisted options

Petar Tomasevic

Title	Executive Director
Qualifications	BSc(BusAdmin&Mgmt)
Experience and expertise	Petar has significant experience in the financial service industry, having worked with numerous ASX-listed companies of the resource sector in projects acquisition, capital raising, assets valuation and investor relations roles.
Other current directorships	Regener8 Resources Limited (since 22 June 2022) GTI Energy Ltd (since 9 May 2020)
Former directorships (last 3 years)	None
Interest in securities as at date of this report	None

Directors' Report

Mladen Stevanovic

Title	Non-Executive Director (appointed 1 May 2024)
Qualifications	MSc(EconGeol), BSc(ExplGeol), and MAusIMM
Experience and expertise	Mladen is a geologist with over 19 years of experienced gained in Australia, Europe and Africa. He has held senior and management roles for tier one and junior mining companies, including Gold Fields Ltd in Western Australia.
Other current directorships	None
Former directorships (last 3 years)	None
Interest in securities as at date of this report	725,000 Unlisted options

Stephen Allen

Title	Non-Executive Chairman (resigned 30 November 2023)
Qualifications	FCAEW, CA ANZ
Experience and expertise	Stephen has over 30 years experience in the resources sector, including the last 24 years with specialist resource sector corporate finance advisory and investment group RFC Ambrian, where he is presently managing director.
Other current directorships	None
Former directorships (last 3 years)	None
Interest in securities as at date of resignation	12,075,002 Ordinary fully paid shares 750,000 Unlisted options

Johan Züger

Title	Non-Executive Director (resigned 1 May 2024)
Qualifications	MA(Econ)
Experience and expertise	Johan is a Swiss based investor and investment advisor. He has an extensive career in both corporate banking and wealth management.
Other current directorships	None
Former directorships (last 3 years)	None
Interest in securities as at date of resignation	500,000 Unlisted options

Directors' Report

Company Secretary

Candice Van Der Plas held the role of Company Secretary since May 2021 until 30 November 2023. Craig McNab was appointed Company Secretary on 30 November 2023.

Craig McNab is a Chartered Accountant and Fellow member of the Governance Institute of Australia (Chartered Secretary) with over 15 years' experience in the resource industry and accounting profession in Australia, New Zealand and the UK. Craig initially qualified as an auditor at PricewaterhouseCoopers and his experience includes senior finance positions held at the De Beers Group and various corporate roles at Anglo American plc in London. He provides services to a number of ASX-listed companies, specialising in corporate compliance and financial accounting. Craig has held the position of Company Secretary for a number of ASX listed companies including the management of several companies from incorporation through to IPO.

Meetings of Directors

During the financial year, 6 meetings were held by the Board of Directors. Attendances by each of the directors during the period were:

	Eligible to attend	Meetings attended
Anna Sloboda	2	2
Milos Bosnjakovic	6	5
Petar Tomasevic	5	5
Mladen Stevanovic	-	-
Johan Züger	6	6
Stephen Allen	4	4
Candice Van Der Plas	1	-

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Options over ordinary shares held by key management personnel;
- Shareholdings of key management; and
- Other transactions and balances with key management personnel and their related parties.

Principles used to determine the nature and amount of remuneration

The objective of the entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

Directors' Report

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive;
- compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non- executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was through a sole shareholder resolution on 21 July 2021, where the shareholder approved a maximum annual aggregate remuneration of \$500,000.

Executive remuneration

The entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has two components:

- base pay including superannuation; and
- retention incentives through the provision of share options.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation are reviewed annually by the Board based on individual and business unit performance, the overall performance of the entity and comparable market remunerations. The retention incentives ('LTI') presently comprises share options which vest over a period of three years.

Directors' Report

Details of remuneration

Details of the remuneration of key management personnel of the entity are set out in the following tables.

Remuneration paid during the year ended 30 June 2024:

	Short-term benefits	Post-employment benefits	Share based payments			% of remuneration
	Cash salary, fees and other short-term benefits	Super-annuation	Equity-settled options	Total	Fixed	Limited to performance
	\$	\$	\$	\$	%	%
Anna Sloboda ⁽ⁱ⁾	29,167	-	-	29,167	100	Nil
Milos Bosnjakovic	216,268	-	16,776 ^(vii)	233,044	100	Nil
Petar Tomasevic ⁽ⁱⁱ⁾	56,848	2,750	-	59,598	100	Nil
Mladen Stevanovic ⁽ⁱⁱⁱ⁾	7,508	826	-	8,334	100	Nil
Johan Züger ^(iv)	37,500	-	6,513 ^(vii)	44,013	100	Nil
Stephen Allen ^(v)	31,250	-	-	31,250	100	Nil
Candice Van Der Plas ^(vi)	-	-	-	-	-	Nil
TOTAL	378,541	3,576	23,289	405,406		

(i) Ms Sloboda appointed 30 November 2023

(ii) Mr Tomasevic appointed 23 August 2023

(iii) Mr Stevanovic appointed 1 May 2024

(iv) Mr Züger resigned 1 May 2024

(v) Mr Allen resigned 30 November 2023

(vi) Ms Van Der Plas resigned 23 August 2023

(vii) Share-based payment expenses recognised in relation to securities issued in prior years

Remuneration paid during the year ended 30 June 2023:

	Short-term benefits	Post-employment benefits	Share based payments			% of remuneration
	Cash salary, fees and other short-term benefits	Super-annuation	Equity-settled options	Total	Fixed	Limited to performance
	\$	\$	\$	\$	%	%
Stephen Allen	75,000	-	36,487	111,487	100	Nil
Milos Bosnjakovic	177,607	-	60,672	238,279	100	Nil
Mladen Stevanovic	116,951	11,136	(43,359)	84,728	100	Nil
Johan Züger	40,000	-	36,487	76,487	100	Nil
Candice Van Der Plas	-	-	-	-	-	Nil
TOTAL	409,558	11,136	90,287	510,981		

Directors' Report

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of the agreements for the director who are in office at the date of this report are as follows:

Name	Anna Sloboda
Title	Non-executive Chair
Agreement commenced	30 November 2023
Term of agreement	Until validly terminated by either party.
Details	Base salary of \$50,000 per annum inclusive of superannuation.

Name	Milos Bosnjakovic
Title	Managing Director & CEO
Agreement commenced	21 October 2021
Term of agreement	Until validly terminated by either party with three months notice required in respect of the executive role.
Details	Base salary of \$160,000 consisting of \$120,000 for the role as in-country manager in Bosnia and Herzegovina and \$40,000 for the role as a Director plus the issue of 750,000 20c four year options which vest in three equal parcels on the 1st, 2nd and 3rd anniversary of 21 October 2021.

Name	Petar Tomasevic
Title	Executive Director
Agreement commenced	1 April 2024
Term of agreement	Until validly terminated by either party.
Details	Director fee of \$100,000 per annum exclusive of superannuation.

Name	Mladen Stevanovic
Title	Non-executive Director
Agreement commenced	1 May 2024
Term of agreement	Until validly terminated by either party.
Details	Director fee of \$50,000 per annum inclusive of superannuation for providing a commitment of up to 32 hours per month. \$100 per hours inclusive of superannuation for any time committed above 32 hours per month

Directors' Report

Options held by key management personnel

Key Management Personnel Option holding for the years ended 30 June 2024:

30 June 2024	Held at start of year	Granted as compensation	Other changes	Held at end of year	Vested and exercisable at end of year
Directors					
Anna Sloboda ⁱ	-	-	-	-	-
Milos Bosnjakovic	750,000	-	-	750,000	500,000
Petar Tomasevic	-	-	-	-	-
Mladen Stevanovic ⁱ	725,000	-	-	725,000	725,000
Johan Züger ⁱⁱ	750,000	-	(250,000)	500,000	500,000
Stephen Allen ⁱⁱ	6,225,000	-	(5,475,000)	750,000	250,000
Candice Van Der Plas ⁱⁱ	25,000	-	-	25,000	-
Total	8,475,000	-	(5,725,000)	2,750,000	1,975,000

(i) The opening balance for Ms Sloboda and Mr Stevanovic are reported as at their commencement date.

(ii) The closing balance for Mr Züger, Mr Allen and Ms Van Der Plas are reported as at the dates they ceased as a director.

Key Management Personnel Option holding for the years ended 30 June 2023:

30 June 2023	Held at start of year	Granted as compensation	Other changes	Held at end of year	Vested and exercisable at end of year
Directors					
Stephen Allen	5,475,000	750,000	-	6,225,000	5,725,000
Milos Bosnjakovic	750,000	-	-	750,000	250,000
Mladen Stevanovic	1,800,000	-	(1,200,000)	600,000	600,000
Johan Züger	-	750,000	-	750,000	250,000
Total	8,025,000	1,500,000	(1,200,000)	8,325,000	6,825,000

Shareholdings of key management personnel

Key Management Personnel Shareholding for the years ended 30 June 2024:

30 June 2024	Held at start of year	Granted as remuneration	Other Changes	Held at end of year
Directors				
Anna Slobodai	-	-	-	-
Milos Bosnjakovic	40,474,000	-	13,491,334	53,965,334
Petar Tomasevic	-	-	-	-
Mladen Stevanovici	-	-	-	-
Johan Züger ⁱⁱ	-	-	-	-
Stephen Allen ⁱⁱ	12,075,002	-	-	12,075,002
Candice Van Der Plas ⁱⁱ	70,443	-	-	70,443
Total	52,619,445	-	13,491,334	66,110,779

(i) The opening balance for Ms Sloboda and Mr Stevanovic are reported as at their commencement date.

(ii) The closing balance for Mr Züger, Mr Allen and Ms Van der Plas are reported as at the dates they ceased as a director.

Directors' Report

Other transactions and balances with key management personnel and their related parties

The aggregate amount recognised during the year relating to Directors, Key Management Personnel and their related parties were as follows:

	Nature of transaction	Transactions for the year ended 30 June 2024	Balance payable at 30 June 2024	Transactions for the year ended 30 June 2023	Balance payable at 30 June 2023
Directors					
	Provision of corporate, management and administrative services				
Stephen Allen		60,018	-	182,032	-

The key management personnel have not received any share or option-based payments other than set out above.

End of the remuneration report.

Indemnifying Officers or Auditor

The Company has, to the extent permitted by law, entered into agreements to indemnify its directors and officers for all losses or liabilities incurred as an officer of the Company or a related company. This includes losses or liabilities incurred as an officer of a company where such office is held for the benefit of the Company.

The Company also maintains and pays for insurance against any liability incurred by its directors or officers as officers of the Company or a related company including, but not limited to, a liability for negligence and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome. Premiums are paid on behalf of the Company by its parent. These contracts of insurance prevent disclosure of the amounts paid in premium for this insurance.

No claim has been made against or by the Company in relation to any such indemnities or insurance policies since the date of incorporation.

No indemnities have been given or insurance premium paid during or since the end of the financial period, for any person who is or has been an auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial period.

Non-audit services

There were no non-audit services provided by the auditor during the year.

Directors' Report

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the Directors.



Milos Bosnjakovic
Managing Director & CEO

Dated: 30 September 2024

Corporate Governance Statement

Lykos Metals Limited and the Board are committed to achieving the highest standards of corporate governance. Lykos has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The 2024 corporate governance statement is dated 30 September 2024 and reflects the corporate governance practices in place throughout the financial year ended 30 June 2024.

A description of the Group's current corporate government practices (including the Company's Corporate Governance Statement) is set out on the Company's website at www.lykosmetals.com

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements Lykos Metals Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 30th day of September 2024
Perth, Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Note	2024 \$	2023 \$ (Restated)
Interest Income		37,335	27,555
Other income		331	13,038
Employee benefit expenses		(175,102)	(254,782)
Share based payment expense		(8,301)	(90,287)
Exploration and evaluation expenditure	3 & 5	(736,482)	(4,449,957)
Travel expenses		(42,695)	(49,835)
Premise expenses	3	(65,050)	(49,378)
Finance expenses	3	(9,628)	(11,393)
Depreciation	3, 7 & 8	(94,807)	(82,473)
General and administration		(485,360)	(157,095)
Other professional services		(413,063)	(305,717)
Foreign exchange (loss)/gain		(975)	29,016
Provision for doubtful debt	6	(329,274)	-
Other expenses		(1,028)	(156,744)
Loss before income tax		(2,324,099)	(5,538,052)
Income tax expense		-	-
Net loss after income tax for the year		(2,324,099)	(5,538,052)
Other comprehensive income			
<i>Other comprehensive (loss)/income for the period, net of tax</i>			
Translation of subsidiary foreign operations		(161,728)	453,370
Other comprehensive income for the year, net of tax		(161,728)	453,370
Total comprehensive loss for the year		(2,485,827)	(5,084,682)
Basic and diluted loss per share	3 & 18	\$0.02	\$0.04

* Refer to Note 3: Restatement of comparative balances for details of the impact of the change in accounting policy relating to the treatment of exploration and evaluation expenditure and the recognition of leases.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial report.

Consolidated Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$ (Restated)
CURRENT ASSETS			
Cash and cash equivalents	11	1,995,066	1,892,773
Other receivables		15,559	-
Other assets	6	199,237	628,870
TOTAL CURRENT ASSETS		2,209,862	2,521,643
NON CURRENT ASSETS			
Plant and equipment	7	321,903	427,333
Right-of-use assets	3 & 8	94,954	131,059
TOTAL NON CURRENT ASSETS		416,857	558,392
TOTAL ASSETS		2,626,719	3,080,035
CURRENT LIABILITIES			
Trade and other payables		99,473	69,584
Lease liabilities	3 & 8	32,029	30,784
Employee benefits provision		2,135	61,328
TOTAL CURRENT LIABILITIES		133,637	161,696
NON-CURRENT LIABILITIES			
Lease liabilities	3 & 8	70,454	105,336
TOTAL CURRENT LIABILITIES		70,454	105,336
TOTAL LIABILITIES		204,091	267,032
NET ASSETS		2,422,628	2,813,004
EQUITY			
Issued Capital	9	14,945,437	12,878,287
Foreign currency translation reserve		248,832	410,560
Options reserve	10	486,545	458,244
Accumulated losses	3	(13,258,186)	(10,934,087)
TOTAL EQUITY		2,422,628	2,813,004

* Refer to Note 3: Restatement of comparative balances for details of the impact of the change in accounting policy relating to the treatment of exploration and evaluation expenditure and the recognition of leases.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial report.

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

	Issued Capital \$	Foreign Currency Translation Reserve \$	Options Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	12,878,287	(42,560)	367,957	(2,220,774)	10,982,910
Impact of change in accounting policy*	-	(250)	-	(3,175,261)	(3,175,511)
Balance at 1 July 2022 (Restated)	12,878,287	(42,810)	367,957	(5,396,035)	7,807,399
Loss after income tax for the year (restated)*	-	-	-	(5,538,052)	(5,538,052)
Other comprehensive loss for the year	-	453,370	-	-	453,370
Total comprehensive loss for the year	-	453,370	-	(5,538,052)	(5,084,682)
Transactions with owners in their capacity as owners					
Share based payment	-	-	90,287	-	90,287
Balance at 30 June 2023	12,878,287	410,560	458,244	(10,934,087)	2,813,004
Loss after income tax for the year	-	-	-	(2,324,099)	(2,324,099)
Other comprehensive loss for the year	-	(161,728)	-	-	(161,728)
Total comprehensive loss for the year	-	(161,728)	-	(2,324,099)	(2,485,827)
Transactions with owners in their capacity as owners					
Shares issued during the year	2,248,667		-	-	2,248,667
Transaction costs on issue of shares	(181,517)		-	-	(181,517)
Share based payment	-		28,301	-	28,301
Balance at 30 June 2024	14,945,437	248,832	486,545	(13,258,186)	2,422,628

* Refer to Note 3: Restatement of comparative balances for details of the impact of the change in accounting policy relating to the treatment of exploration and evaluation expenditure and the recognition of leases.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial report.

Consolidated Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$ (Restated)
CASH FLOWS FROM OPERATING			
Payments to suppliers and employees		(1,830,728)	(1,465,163)
Payments for exploration expenditure		(161,228)	(3,599,011)*
Interest received		37,335	-
Other receipts		-	69,609
Interest and other finance costs paid		(9,628)	-
Net cash used in by operating activities	11(b)	(1,964,249)	(4,994,565)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments from non-current assets		(5,500)	(175,272)
Proceeds from sale of current asset		35,972	-
Net cash provided by/(used in) investing activities		30,472	(175,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(31,079)	(28,420)
Proceeds from capital raising		2,200,667	-
Transactions costs related to issue of equity securities		(133,518)	-
Net cash provided by/(used in) financing activities		2,036,070	(28,420)
Net increase/(decrease) in cash held		102,293	(5,198,257)
Cash at the beginning of financial year		1,892,773	7,091,030
Cash at the end of the financial year	11(a)	1,995,066	1,892,773

* Refer to Note 3: Restatement of comparative balances for details of the impact of the change in accounting policy relating to the treatment of exploration and evaluation expenditure and the recognition of leases.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial report.

Notes to the Financial Statements for the year ended 30 June 2024

Note 1: Corporate Information

This financial report of Lykos Metals Limited (referred to hereafter as “Lykos” or the “Company”) and its wholly owned subsidiaries (referred to hereafter as “the Group”) was authorized for issue in accordance with a resolution of the Directors on 30 September 2024.

Lykos Metals Limited is a publicly listed company, incorporated and domiciled in Australia.

Note 2: Material Accounting Policies

Statement of compliance

This financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”).

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the functional and presentational currency of the Group and all values are rounded to the nearest dollar.

New or amended Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied as for-profit entities.

Going concern

The financial statements have been prepared on the going concern basis which assumes the Company and Group will have sufficient cash to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

As at 30 June 2024, the Group has net assets of \$2,422,628 (30 June 2023: \$2,813,004). During the year ended 30 June 2024 the Group incurred a net loss of \$2,324,099 (2023: \$5,538,052), had cash outflows from operating activities of \$1,964,251 (30 June 2023: \$4,994,565) and cash inflows from investing activities of \$30,472 (30 June 2023: outflow of \$175,272).

Management’s assessment of the Group’s current and future cash position indicates that the Group does not have sufficient cash to meet its planned exploration expenditure and support its current level of corporate overheads and therefore will need to raise additional funds to continue as a going concern.

To address the future additional funding requirements of the Group, since 30 June 2024, the Directors have undertaken the following initiatives:

- undertaken a programme to continue to monitor the Group’s ongoing working capital requirements and planned exploration expenditure; and
- continued their focus on maintaining an appropriate level of corporate overheads in line with the Group’s available cash resources.

Notes to the Financial Statements for the year ended 30 June 2024

The directors are confident that they will be able to complete a capital raising that will provide the Group with sufficient funding to meet its planned exploration expenditure and support its planned level of overhead expenditures, and therefore that it is appropriate to prepare the financial statements on the going concern basis.

However, in the event that the Group is not able to successfully complete the capital raising referred to above, a material uncertainty exists as to whether the Company and Group will be able to continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company and the Group not continue as going concerns.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lykos Metals Limited ("parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Lykos Metals Limited and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all those entities over which the Group has control. The Parent controls a subsidiary if it is exposed to, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Notes to the Financial Statements for the year ended 30 June 2024

b) Foreign currency translation

The financial statements are presented in Australian dollars, which is Lykos Metals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

c) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

d) Exploration and evaluation

During the current reporting period the Group made a voluntary change to its accounting policy relating to the treatment of exploration and evaluation expenditure. Exploration and evaluation expenses including costs of acquiring exploration projects are expensed as incurred. Refer to Note 3 for details.

e) Revenue

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Notes to the Financial Statements for the year ended 30 June 2024

An asset is classified as current when:

- (i) it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is expected to be realised within 12 months after the reporting period; or
- (iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is either expected to be settled in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within 12 months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Other Receivables and Other Assets

Other receivables and other assets are recognised at amortised cost, less any allowance for expected credit losses.

i) Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their useful lives as follows:

- Lease hold improvements 3-10 years; and
- Equipment and motor vehicles 3-10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements for the year ended 30 June 2024

j) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

k) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

Notes to the Financial Statements for the year ended 30 June 2024

l) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

n) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;

Notes to the Financial Statements for the year ended 30 June 2024

- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

p) Earnings Per Share

Basic earnings per share: Basic earnings per share are determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q) Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity, or areas of assumptions and estimates significant to the financial statements are disclosed in note (n) "Share based payments" and (d) "Exploration and evaluation expenditure".

Notes to the Financial Statements for the year ended 30 June 2024

Note 3: Restatement of comparative balances

Change in Accounting Policy – Exploration and evaluation expenditure

In the current reporting period the Accounting Policy for reporting and disclosing exploration and evaluation expenditure has changed. All exploration and evaluation expenditure is now expensed as incurred. To align comparability changes to classifications of expenses have been made to comparative and current financial information accordingly.

The directors are of the opinion that the change in accounting policy is both in line with Australian Accounting Standards and provides the users with reliable and relevant information. The change in policy is irrespective of whether or not the Board believe expenditure could be recouped from either a successful development and commercial exploitation or sale of the respective assets.

Recognition of Right-of-Use asset & lease liabilities (error in comparatives)

The Company has identified certain accounting adjustments relating to recognition of Right-of-Use asset and lease liabilities in one of the subsidiaries' lease contracts. The adjustments have been corrected by restating each of the affected financial statement line items of the corresponding prior periods.

	Restated 2023	Change	Previously Reported 2023
	\$	\$	\$
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Exploration and evaluation expenditure	4,449,957	4,363,350	86,607
Impairment of exploration and evaluation expenditure assets	-	(2,741,194)	2,741,194
Employee benefit expenses	254,782	(764,341)	1,019,123
Premise expenses	49,378	(38,392)	87,770
Finance expenses	11,393	11,393	-
Depreciation	82,473	31,809	50,664
Loss before income tax	(5,538,051)	(862,626)	(4,675,425)
Income tax expense	-	-	-
Basic and diluted loss per share	(0.04)	-	(0.04)
Consolidated Statement of Financial Position			
Exploration and evaluation expenditure	-	(4,033,076)	4,033,076
Right-of-use assets	131,059	131,059	-
Lease liabilities	30,784	30,784	-
Lease liabilities (non-current)	105,336	105,336	-
Foreign currency translation reserve	410,560	(250)	410,810
Accumulated losses	(10,934,086)	(4,037,886)	(6,896,200)
	Restated 1 July 2022	Change	Previously Reported 1 July 2022
	\$	\$	\$
Consolidated Statement of Financial Position			
Exploration and evaluation expenditure	-	(3,175,620)	3,175,620
Right-of-use assets	152,513	152,513	-
Lease liabilities	26,329	26,329	-
Lease liabilities (non-current)	126,184	126,184	-
Accumulated losses	(5,396,034)	(3,175,260)	(2,220,774)

Notes to the Financial Statements for the year ended
30 June 2024

Note 4: Income Tax

	2024 \$	2023 \$
(a) Income tax recognised in profit		
No income tax is payable by the Company as it recorded losses for income tax purposes for the year.		
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(2,324,099)	(5,538,051)
Prima facie tax benefit at the Australian tax rate of 25% (25% 2023)	(581,025)	(1,384,513)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Share based payments	4,594	22,572
Fines	-	2,028
ATO Technology Boost	-	(928)
Entertainment	84	5,338
	(576,347)	(1,355,503)
Movement in unrecognised temporary differences	77,566	842,260
Tax effect of current year tax losses for which no deferred tax asset has been recognised/(utilisation of losses)	498,781	513,243
Income Tax Expense	-	-
(c) Unrecognised deferred tax balances		
Revenue tax losses available to the Company	5,871,592	3,876,467
Potential tax benefit @ 25% (2023: 25%)	1,467,898	969,117
(d) Unrecognised temporary differences		
Deferred Tax Assets at 25% (25% 2023)		
<i>On Income Tax Account</i>		
Property, Plant & Equipment	1,882	1,265
Tenement acquisition costs	1,733,875	1,693,568
Provision for expenses	10,303	26,707
Capital Raising Costs	141,977	184,427
	1,888,037	1,905,967
Deferred Tax Liabilities at 25% (25% 2022)		
Prepayments	4,541	3,872
	4,541	3,872

Notes to the Financial Statements for the year ended 30 June 2024

Note 5: Exploration and evaluation expenditure

	2024	2023
	\$	\$
Exploration and evaluation expenditure	736,482	4,449,957

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. Should the permit be issued, it will increase the Sockovac tenement from previous 17km-square to subsequent 44km-square area.

Note 6: Other Assets (Current)

	2024	2023
	\$	\$
Prepayments	18,163	-
Consumables	76,766	79,320
VAT and GST recoverable ¹	100,778	524,021
Other assets	3,530	25,529
Total Other Assets	199,237	628,870

¹ During the year the Company has raised a provision for doubtful debts of \$329,274 with respect to VAT which is currently disputed with authorities.

Note 7: Plant & Equipment

	2024	2023
	\$	\$
Geologist equipment at cost	135,220	143,305
Less accumulated depreciation	(55,098)	(30,518)
	80,122	112,787
Motor vehicles at cost	112,331	172,182
Less accumulated depreciation	(45,854)	(41,498)
	66,477	130,684
Leasehold improvements at cost	181,021	187,225
Less accumulated depreciation	(5,717)	(3,353)
	175,304	183,872
Total Plant and Equipment	321,903	427,333

Lykos Metals Limited

ABN 65 650 011 644

Notes to the Financial Statements for the year ended 30 June 2024

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Geological equipment \$	Motor Vehicle \$	Leasehold improvements \$	Total \$
Balance at 1 July 2022	79,661	174,832	48,232	302,725
Additions	50,667	-	138,993	189,660
Disposals	-	(14,378)		(14,378)
Depreciation expense	(17,541)	(29,770)	(3,353)	(50,664)
Balance at 30 June 2023	112,787	130,684	183,872	427,343
Effect of changes in foreign exchange rates	(4,599)	(5,689)	(5,091)	(15,379)
Additions	3,911	9,212	-	13,123
Disposals	(5,514)	(38,221)	-	(43,735)
Depreciation expense	(26,463)	(29,509)	(3,477)	(59,449)
Balance at 30 June 2024	80,122	66,477	175,304	321,903

Note 8: Leases

Right-of-use assets

	2024 \$	2023 \$
Office Lease		
Cost	160,065	160,065
Accumulated depreciation	(65,111)	(29,006)
Net carrying amount	94,954	131,059

Reconciliation of movement in Right-of-Use Assets

	2024 \$	2023 \$
Opening carrying amount	131,059	152,513
Effect of changes in foreign exchange rates	(747)	10,355
Depreciation charge for the year	(35,358)	(31,809)
Closing carrying amount	94,954	131,059

Lease liabilities

	2024 \$	2023 \$
Office Lease		
Current	32,029	30,784
Non-current	70,454	105,336
Total	102,483	136,120

Notes to the Financial Statements for the year ended 30 June 2024

Note 9: Issued Capital

	2024 \$	2023 \$
188,355,559 ordinary shares (2023: 113,400,002 shares)	14,945,437	12,878,287

Movement in Ordinary Shares on Issue	Number of Shares	\$
Opening Balance at 1 July 2022	113,400,002	12,878,287
Shares issued during the year	-	-
Share issue costs		-
Closing Balance at 30 June 2023	113,400,002	12,878,287
Placement – 23 January 2024	26,666,667	800,000
Lead Manager Shares – 19 February 2024	1,600,000	48,000
Entitlement Issue – 5 March 2024	46,688,890	1,400,667
Share issue costs		(181,517)
Closing Balance at 30 June 2024	188,355,559	14,945,437

Note 10: Options Reserve

Movement in Options Reserve	Number of Options	\$
Opening Balance at 1 July 2022	34,925,000	367,957
Expense recognised relating to Director Options	-	237,708
Forfeiture of Director options at resignation	(1,200,000)	(147,421)
Issue of Director Options	1,500,000	-
Closing Balance at 30 June 2023	35,225,000	458,244
Expense recognised relating to Director Options	-	33,363
Forfeiture of Director options at resignation	(750,000)	(25,062)
Expiry of 30,000,000 quoted Options	(30,000,000)	-
Expiry of 2,000,000 IPO Lead Manager Options	(2,000,000)	-
Issue of 30,000,000 quoted New Options ¹	30,000,000	-
Issue of 20,000,000 quoted Lead Manager Options ²	20,000,000	20,000
On issue at 30 June 2024	52,475,000	486,545

- On 12 December 2023, 30,000,000 quoted options were issued to previous holders of the 30,000,000 options which expired on 15 October 2023 for nil cash consideration.
- On 26 April 2024, 20,000,000 quoted options were issued to CPS Capital as part consideration for lead manager and underwriter services provided (Lead Manager Options). The fair value of the Lead Manager options were determined based on the market value of \$0.001 per option.

Lykos Metals Limited

ABN 65 650 011 644

Notes to the Financial Statements for the year ended 30 June 2024

Note 11: The Statement of Cash Flows

	2024 \$	2023 \$
a) Cash as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	1,995,066	1,892,773
b) Reconciliation of cash flow from operations with loss after income tax:		
	2024 \$	2023 \$
Loss after income tax	(2,324,099)	(5,538,051)
Non-cash transaction:		
Depreciation	94,807	82,473
Gain from sale of non-current asset	(1,393)	-
Changes in assets and liabilities:		
Changes to options reserve	28,301	90,287
Changes to foreign currency translation reserve	(149,915)	453,370
(Increase)/Decrease in receivables	(12,281)	176,737
Decrease/(Increase) in other assets	429,633	(223,281)
Increase/(Decrease) in payables & accruals	(10,634)	(77,200)
(Decrease)/Increase in employee provisions	(18,670)	41,100
Cash flow used in operations	(1,964,251)	(4,994,565)

Note 12: Related Party Transactions

(a) Parent entity

The Group is controlled by Lykos Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 16.

(c) Key Management Personnel Compensation

	2024 \$	2023 \$
Key Management Remuneration		
Salaries, fees and other short-term benefits	378,541	409,558
Post-employment benefits	3,576	11,136
Share-based payments	23,289	90,287
Total	405,406	510,981

Notes to the Financial Statements for the year ended 30 June 2024

(d) Other transactions and balances with key management personnel and their related parties

	Nature of transaction	Transactions for the year ended 30 June 2024	Balance payable at 30 June 2024	Transactions for the year ended 30 June 2023	Balance payable at 30 June 2023
Directors					
Stephen Allen	Provision of corporate, management and administrative services	60,018	-	182,032	-

Note 13: Contingencies and Commitments

The Company's Bosnian subsidiaries are party to a dispute with the Indirect Taxation Authority of Bosnia and Herzegovina regarding the recoverability of VAT incurred on its exploration expenditure. If the Group's claim is unsuccessful, it may be liable for up to \$0.6 million in VAT previously recovered. However, on the advice of its lawyers, the Group is confident it will be successful and as a result, no liability amounts have been accrued in these financial statements in respect of this matter.

Refer to note 5 for details regarding the Petrovo licence area which remains the subject of an unresolved action by the Ministry of Energy and Mining for the Republic of Srpska, Bosnia-Herzegovina.

There has been no other material change to contingencies or commitments since the Group's last annual financial report.

Note 14: Remuneration of auditor

	2024	2023
	\$	\$
Remuneration of auditor:		
Audit services – Crowe Perth	11,600	16,750
Audit services – Crowe Croatia	-	28,750
Audit services – Hall Chadwick	33,672	-
Total	45,272	45,500

There were no non-audit services provided by the auditor.

Note 15: Subsequent Events

Other than as disclosed below in the period from 30 June 2024 to the date of this report no items, transactions or events of a material or unusual nature have arisen which will significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

As disclosed in the Company's ASX announcement of 8 July 2024, the National Assembly of Republic of Srpska voted for the amendments to the Law on Geological Exploration. In lines with the new Law the grant of Exploration License no longer requires prior approval from the Municipalities. Following this the Company has lodged an application for the larger area, which includes the previous Sockovac tenement. Should the permit be issued, it will increase the Sockovac tenement from previous 17km-square to subsequent 44km-square area.

Notes to the Financial Statements for the year ended 30 June 2024

Note 16: Parent entity information

Set out below is the summarized financial information of Lykos Metals Limited, the parent entity of the Group. The Group's accounting policies are applied consistently across all entities within the Group, unless otherwise stated.

	2024 \$	2023 \$
Loss after income tax	(10,633,066)	(1,031,670)
Total comprehensive loss	(10,633,066)	(1,031,670)

	2024 \$	2023 \$
Assets		
Current assets	2,477,063	3,000,157
Non-current assets	-	8,033,206
Total assets	2,477,063	11,033,363
Liabilities		
Current liabilities	54,435	73,120
Non-current liabilities	-	-
Total liabilities	54,435	73,120
Equity		
Issued Capital	14,945,436	12,878,287
Options reserve	486,545	458,243
Accumulated losses	(13,009,353)	(2,376,287)
Total equity	2,422,628	10,960,243

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1.

Notes to the Financial Statements for the year ended 30 June 2024

Note 17: Investments in controlled entities

Name of controlled entities	Country of Incorporation	Class of Shares	Equity holding % 2024	Equity holding % 2023
Lykos Balkan Metals d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Merdeni Brijeg d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
SNK Metali d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Braha Resources d.o.o	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Lykos Metals (UK) Limited	United Kingdom	Ordinary	100%	100%

Note 18: Loss per share

	2024 \$	2023 \$
Weighted average shares used in calculation	140,691,684	113,400,002
Basic and diluted loss per share	0.02	0.04

All of the options outstanding, have exercise prices greater than the average market price of ordinary shares during the reporting period and are therefore anti-dilutive.

Notes to the Financial Statements for the year ended 30 June 2024

Note 19: Financial Instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks and market risks most significantly foreign currency risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors (the Board). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls, and risk limits.

Market Risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. In order to protect against exchange rate movements, the Group holds a combination of Australian dollars and the Euro based currency of Bosnia and Herzegovina(BAM).

Consolidated	2024 \$	2023 \$
Australian dollar	1,923,990	1,235,974
BAM/Euro	71,076	656,799
	1,995,066	1,892,773

Note 20: Financial Assets and Liabilities

Due to their short-term nature the carrying values of financial assets and liabilities equate to their fair values.

Note 21: Segment information

The Group's sole activity is mineral exploration and resource development wholly within Bosnia & Herzegovina; therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

Lykos Metals Limited

ABN 65 650 011 644

Consolidated Entity Disclosure Statement

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of Incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Lykos Balkan Metals d.o.o.	Body corporate	N/A	100	Bosnia and Herzegovina (Republika Srpska)	Foreign	Republika Srpska
Merdeni Brijeg d.o.o.	Body corporate	N/A	100	Bosnia and Herzegovina (Republika Srpska)	Foreign	Republika Srpska
SNK Metali d.o.o.	Body corporate	N/A	100	Bosnia and Herzegovina (Republika Srpska)	Foreign	Republika Srpska
Braha Resources d.o.o.	Body corporate	N/A	100	Bosnia and Herzegovina (Republika Srpska)	Foreign	Republika Srpska
Lykos Foundation	Not-for-profit organization	N/A	100	Bosnia and Herzegovina (Republika Srpska)	Foreign	Republika Srpska
Lykos Metals (UK) Limited	Body corporate	N/A	100	United Kingdom	Foreign	United Kingdom
Lykos Metals Limited	Body corporate	N/A	100	Australia	Australian	N/A

Directors' Declaration

In accordance with a resolution of the directors of Lykos Metals Limited, I state that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity
- (d) the directors have been given the declarations required by s.295A of the Corporation Act 2001; and
- (e) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.



Milos Bosnjakovic
Managing Director & CEO

Dated: 30 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYKOS METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lykos Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$2,324,099 during the year ended 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Expenditure As disclosed in note 5 to the financial statements, during the year, the Consolidated Entity incurred exploration and evaluation expenditure of \$736,482. Exploration and evaluation expenditure is a key audit matter due to the significance to the Consolidated Entity's statement of profit or loss and other comprehensive income.	Our procedures amongst others included testing exploration expenditure incurred during the year by evaluating a sample of recorded expenditure for consistency to supporting documentation, the requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> .

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Lykos Metals Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 30th day of September 2024
Perth, Western Australia

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited and not disclosed elsewhere in this report is set out below. This information is current as at 30 September 2024.

1.

Distribution of Shares

Range	Number of Holders	Securities Held
1 – 1,000	10	1,879
1,001 – 5,000	121	351,492
5,001 – 10,000	77	647,390
10,001 – 100,000	247	10,566,457
100,001 over	157	176,788,341
Rounding Total	612	188,355,559

There are 254 shareholders holding unmarketable parcels represented by 1,662,007 shares.

Top 20 Largest Shareholders

Shareholder	Shares Held	% of Units
MR MILOS BOSNJAKOVIC	40,632,000	21.57
MR MILOS BOSNJAKOVIC	13,333,334	7.08
CITICORP NOMINEES PTY LIMITED	10,502,990	5.58
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	8,366,667	4.44
VERT NOMINEES (WA) PTY LTD <NOMINEES A/C>	7,145,614	3.79
QUADRATURA INVESTMENTS PTY LTD	6,250,002	3.32
MR STEPHEN CHARLES ALLEN	5,575,000	2.96
MRS MILIJANKA MARAS	4,500,000	2.39
1215 CAPITAL PTY LTD	4,000,000	2.12
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	3,491,350	1.85
WINTRUZ INVESTMENT LIMITED	2,733,334	1.45
CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	2,566,112	1.36
FINK INK PTY LTD	2,367,730	1.26
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	2,333,336	1.24
CUPRUM PLUS LIMITED	1,733,333	0.92
STANDARD PASTORAL COMPANY PTY LTD	1,700,000	0.90
CLIVE STREET HOLDINGS PTY LTD	1,580,000	0.84
QUADRATURA INVESTMENTS PTY LTD	1,250,000	0.66
MS PAAN CHAI NGANG	1,165,835	0.62
MR SHANE TIMOTHY BALL <THE BALL A/C>	1,100,000	0.58
MR ALEKSANDAR NIKOLIC	1,100,000	0.58

Lykos Metals Limited

ABN 65 650 011 644

ASX ADDITIONAL INFORMATION

TRI-NATION HOLDINGS PTY LTD <KRIS FAMILY SUPER FUND A/C>	1,100,000	0.58
Total Top 20 Holders	124,526,637	66.11
Total Remaining Holders	63,828,922	33.89
Total Ordinary Shares on Issue	188,355,559	100.00

Substantial Shareholders

Shareholder	Shares Held	% of Units
MR MILOS BOSNJAKOVIC	53,965,334	28.65
MR JASON PETERSON	14,077,778	7.47

Top 20 Largest Option Holders (ASX: LYKOA)

Option holder	Options Held	% of Units
CELTIC CAPITAL PTY LTD <INCOME A/C>	7,000,000	14.00
GOFFACAN PTY LTD	5,201,250	10.40
CPS CAPITAL NO 5 PTY LTD	3,900,000	7.80
CITICORP NOMINEES PTY LIMITED	3,500,000	7.00
RICHSHAM NOMINEES PTY LTD	3,100,000	6.20
MR IGOR OSTOJIC	2,000,000	4.00
STEPHEN ALLEN SUPERANNUATION PTY LTD <STEPHEN ALLEN SUPER FUND A/C>	1,350,000	2.70
CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	1,250,000	2.50
ORC PTY LTD	1,063,526	2.13
MR STEPHEN CHARLES ALLEN	1,000,000	2.00
ALLEN COST CONSULTANTS PTY LTD	925,000	1.85
QUADRATURA INVESTMENTS PTY LTD	625,000	1.25
SUNSAND NOMINEES PTY LTD <SUNSAND SF A/C>	614,583	1.23
CPS CAPITAL GROUP PTY LTD <THE FIDELITY A/C>	500,000	1.00
QUATTRO STAGIONE PTY LTD	500,000	1.00
LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	437,500	0.88
LICHFIELD CAPITAL PTY LTD	412,500	0.83
MRS ELEANOR JEAN REEVES <ELANWI A/C>	375,000	0.75
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	342,500	0.69
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	335,194	0.67
Total Top 20 Holders	34,432,053	68.86
Total Remaining Holders	15,567,947	31.14
Total Ordinary Shares on Issue	50,000,000	100.00

Lykos Metals Limited

ABN 65 650 011 644

ASX ADDITIONAL INFORMATION

Distribution of Listed Options (ASX: LYKOA)

Range	Number of Holders	Securities Held
1 – 1,000	1	500
1,001 – 5,000	72	346,489
5,001 – 10,000	36	318,708
10,001 – 100,000	212	7,754,542
100,001 over	64	41,579,761
Rounding Total	385	50,000,000

There are 370 option holders holding unmarketable parcels represented by 17,470,641 options.

Voting Rights

One vote for each ordinary share held in accordance with the Company's Memorandum and Articles of Association. Unlisted options do not carry any voting rights.

On-Market Buy-Back

There is no current on-market buy-back.

Restricted Securities

There are no restricted securities.

Unquoted Securities

Type of Securities	Date of Expiry	Exercise Price	Number of Securities	Number of Holders
Options	15 October 2025	\$0.20	1,725,000	3
Options	1 April 2026	\$0.30	750,000	2

2. The name of the Company Secretary is Mr Craig McNab.
3. The address of the registered office and principal place of business in Australia is Level 8, 216 St Georges Terrace, Perth, Western Australia 6000.
4. Registers of securities are held at the following address:
Computershare Investor Services Pty Ltd
Level 17, 221 St George Terrace
Perth Western Australia 6000
5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

EXPLORATION LICENSES

The Group holds 100% interest in exploration licences in the following mineral exploration projects, all of which are located in Bosnia and Herzegovina:

- Sinjakovo (including Jezero) – approximately 80.8 km²
- Sockovac – approx. 50 km² at Doboj plus approximately 17 km² at Petrovo
- Cajnice - approximately 49.5 km²

The Petrovo licence area remains the subject of an (as yet) unresolved action by the Ministry of Energy and Mining for the Republic of Srpska, Bosnia-Herzegovina, which seeks to revoke Lykos' rights to licence area.