

## 2022 CORPORATE GOVERNANCE STATEMENT

Lykos Metals Limited (the Company) is committed to having the highest standards of ethical behaviour and an effective system of corporate governance for the Company, commensurate with the size of the Company and the scope of its business operations.

In accordance with ASX Listing Rule 4.10.3, set out below are the applicable ASX Corporate Governance Council's eight principles of corporate governance (ASX Governance Principles) and outlined accordingly is how the Board has applied each principle and the recommendations set out within them for the financial year ended 30 June 2022.

The Company is fully supportive of the 'if not, why not' disclosure-based approach to governance adopted by the ASX Governance Principles and the recognition within them that there is no single model of corporate governance, and that good corporate governance practice is not restricted to adopting the recommendations contained in the ASX Governance Principles. These policies and practices complied with the ASX Governance Principles except to the extent otherwise indicated.

ASX Principles and Recommendations	Yes/No	Explanation
<b>1. Lay solid foundations for management and oversight</b>		
1.1. A listed entity should disclose:	Yes	<p>The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> <li>(a) maintain and increase Shareholder value;</li> <li>(b) ensure a prudential and ethical basis for the Company's conduct and activities; and</li> <li>(c) ensure compliance with the Company's legal and regulatory objectives.</li> </ul> <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> <li>(a) developing initiatives for profit and asset growth;</li> </ul>
<ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>		

			<p>(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;</p> <p>(c) acting on behalf of, and being accountable to, the Shareholders; and</p> <p>(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.</p> <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully informed basis.</p> <p>In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.</p>
1.2.	A listed entity should:	Yes	The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.
(a)	Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and		
(b)	Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		All security holder releases will contain material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (4th Edition) about any candidate to be elected for the first time or re-elected to enable an informed decision to be made.
1.3.	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.

1.4	Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.	Yes	The Company Secretary is accountable to the Board through the Chairman on corporate governance matters pertaining to the proper functioning of the Board. All Directors have access to the Company Secretary.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	Yes	<p>The Company currently has 54 employees - 34 males and 20 female.</p> <p>In May 2021 the company appointed a female to the role of Company Secretary. There are no female Directors at present. As the Company grows, the Board remains conscious of the requirement to establish measurable objectives for achieving gender diversity and for the Board to assess and report annually both the objectives and the progress in achieving them.</p> <p>A copy of the Company's Diversity Policy is located on the Company's website.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a</p>	Yes	Due to the size of the Company and the Board a continual self-assessment is undertaken in relation to its collective performance and the performance of the Chairman.

	performance evaluation was undertaken in the reporting period in accordance with that process.		
1.7	A listed entity should:	Yes	The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.
(a)	have and disclose a process for periodically evaluating the performance of its senior executives; and		
(b)	disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		Informal performance evaluations were undertaken during the financial year.
<b>2. Structure the board to be effective and add value</b>			
2.1	The board of a listed entity should:	Yes	A nomination committee has not been established. In the absence of a formal committee, the role of identifying, appointing and reviewing potential board appointments is assumed by the full Board operating under the Nomination and Remuneration Charter adopted by the Board.
(a)	have a nomination committee which:		
	(1) has at least three members, a majority of whom are independent directors; and		
	(2) is chaired by an independent director, and disclose:		
	(3) the charter of the committee;		
	(4) the members of the committee; and		
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b)	if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is	Yes	The Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. As part of the review of the skills matrix the Board monitor

	looking to achieve in its membership.		the skills, expertise and experience that are relevant to the Company and assess those requirements against the collective attributes of the Directors. The Board skills matrix will be reviewed by the Directors on annual basis.
2.3	A listed entity should disclose:	Yes	The Board annually assesses the independence of each Director.
(a)	the names of the directors considered by the board to be independent directors;		As at 30 June 2022, the Board had 1 independent director.
(b)	if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and		Mr Johan Züger has been assessed as an independent director for the year ended 30 June 2022. In reaching that determination, the Board has taken into account (in addition to the matters set out above):
(c)	the length of service of each director.		<ul style="list-style-type: none"> <li>• The specific disclosures made by each independent Director as referred to above;</li> <li>• That no independent Director has ever been employed by the Company or any of its subsidiaries;</li> <li>• That no independent Director is, or has been associated with a supplier, professional adviser, consultant to or customer of the Company which is material under accounting standards; and</li> <li>• That no independent Director personally carries on any role for the Company otherwise than as a Director of the Company.</li> </ul>
2.4	A majority of the board of a listed entity should be independent directors.	No	The Board currently consists of 1 independent director from a Board comprising 4 members.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Partial	There is a clear division of responsibilities between the Chairman and the CEO/Managing Director. The Board has delegated to the CEO/Managing Director the authority to manage the day-to-day operations of the company. The Board ensures that the CEO/Managing Director is appropriately qualified and experienced to discharge his responsibilities.

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors. When a new Director joins the Board they are provided with information about the Company including the Constitution, Board Charters, Policies and Directors Duties information.
<b>3. Instil a culture of acting lawfully, ethically and responsibly</b>			
3.1	A listed entity should articulate and disclose its values.	Yes	The Board believes that the success of the Company has been and will continue to be enhanced by a strong and ethical culture within the organization. The Company has established a Corporate Code of Conduct which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour with which the Directors, officers, employees and consultants of the Company are expected to comply.
3.2	A listed entity should:	Yes	The Company adopted a formal code of conduct for its directors, senior executives and employees.
(a)	have a code of conduct for its directors, senior executives and employees; and		
(b)	disclose that code or a summary of it.		
3.3	A listed entity should have and disclose a Whistle-blower Policy.	Yes	The code of conduct is available on the Company's website. The Whistle-blower Policy is available on the Company's website.
3.4	A listed entity should have and disclose an Anti-bribery and corruption policy.	Yes	The Anti-bribery and Corruption Policy is available on the Company's website.
<b>4. Safeguard integrity of corporate reports</b>			
4.1	The board of a listed entity should:	Yes	Due to the size of the Company and the Board, it is more efficient for the full Board to review the integrity of the Company's financial reporting and the processes to ensure the independence and competence of the external auditors.
(a)	have an audit committee which:		
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and		
	(2) is chaired by an independent director, who is not the chair of the board, and disclose:		
	(i) the charter of the committee;		
	(ii) the relevant qualifications and		

	<p>experience of the members of the committee; and disclose:</p> <p>(3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board received a declaration from Stephen Allen before it approved the Company's financial statements for all financial periods in the reporting period.</p> <p>Stephen is a Chartered Accountant and has provided this declaration in his role as both Chairman of the company and as the managing Director of RFC Ambrian Limited, who provide accounting services to the Company including a contract CFO.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>The Company's Code of Conduct provides that the Company must have policies and procedures in place to protect the Company's assets and maintain financial integrity. The Chairman and Managing Director of the Company have sufficient qualifications to ensure that the integrity of the Company's periodic reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.</p>

5. Make timely and balanced disclosure			
5.1	A listed entity should:	Yes	The Company adopted a Continuous Disclosure Policy. It is available at the Company's website.
(a)	have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and		
(b)	disclose that policy or a summary of it.		
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	All directors sign off on all ASX announcements prior to the announcement being lodged on the ASX Market Announcements Platform.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation	Yes	All investor presentations are lodged with the ASX. The Company is aware of its obligations under its Disclosure and Communication Policy. It is available at the Company's website.
6. Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company discloses information about itself including its: Corporate Governance Policies, past announcements, investor updates and other relevant information on the Company website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Board aims to keep shareholders informed of all major developments affecting the Company's activities and its state of affairs through announcements to the ASX and releases to the media. The Company's commitment to respect the rights of shareholders is set out in the Continuous Disclosure Policy and Shareholder Communication Policy, which is available on the Company's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company adopted a Continuous Disclosure Policy and Shareholder Communication Policy. These Policies are available at the Company's website.
6.4	A listed entity should ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Directors will ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to,	Yes	Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may electronically lodge proxy



	the entity and its security registry electronically.		instructions for items of business to be considered at general meetings.
<b>7. Recognise and manage risk</b>			
7.1	The Board of a listed entity should:	Yes	The Board has not established a risk committee as the role of the committee is undertaken by the full board, which currently consists of 5 members. The Board has adopted an Audit and Risk Charter. This Charter is available on the Company's website.
	(a) have a committee or committees to oversee risk, each of which: has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		The overall basis for risk management is for the Board to provide recommendations about: Assessing the internal processes for determining and managing key risk areas, particularly: <ul style="list-style-type: none"> <li>• Non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;</li> <li>• Litigation and claims; and</li> <li>• Relevant business risks</li> <li>• Ensuring that the Company has an effective risk management system and that major risks to the Company are reported at least annually to the Board.</li> <li>• Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.</li> <li>• Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.</li> </ul>
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		Assessing whether the Company has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
7.2	The board or a committee of the board should:	Yes	The Board is responsible for identifying material business risks and implementing procedures to manage those risks.
	(a) review the entity's risk management framework at least annually to satisfy itself		

	that it continues to be sound; and		The Board and management identify, monitor and manage compliance issues and significant risks on an ongoing basis. In particular, the Board requires that the risks related to diversified resources exploration, development and production are addressed in proposed operations.
(b)	disclose in relation to each reporting period, whether such a review has taken place.		
7.3	A listed entity should disclose:	Yes	Due to the size of the Company and its Board, there is no internal audit function and the Board concluded that it was more appropriate for the full Board to consider internal control processes as part of the risk management framework. Key elements of the Group's internal control systems include: <ul style="list-style-type: none"> <li>• The Code of Conduct, which sets out an ethical and legal framework for all employees in the conduct of the Group's business; and</li> <li>• Financial and reporting systems to provide timely, relevant and reliable information to management and the Board.</li> </ul>
(a)	if it has an internal audit function, how the function is structured and what role it performs; or		
(b)	it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	All material risks were announced to the market, in accordance with its continuous and other disclosure obligations pursuant to the ASX Listing Rules and the Corporations Act 2001 (Cth).
<b>8. Remunerate fairly and responsibly</b>			
8.1	The Board of a listed entity should:	Yes	The board has not established a remuneration committee as the role of the committee is undertaken by the full board, which currently comprises of 4 members.
(a)	have a remuneration committee which:		
(i)	has at least three members, a majority of whom are independent directors; and		In the absence of a formal committee, the Board undertakes the role of reviewing the level and composition of remuneration for directors and senior executives.
(ii)	is chaired by an independent director, and disclose:		
(iii)	the charter of the committee;		
(iv)	the members of the committee; and		As part of the review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered.
(v)	as at the end of each reporting period, the number of times the committee met throughout the period and the		

	<p>individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>The level of remuneration for Non-Executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees paid to Non-Executive Directors approved by shareholders.</p> <p>The Company aims to ensure that the remuneration packages of Directors and senior executives properly reflect the person's duties, responsibilities and level of performance, as well as ensuring that remuneration is competitive in attracting, retaining and motivating people of the highest quality.</p> <p>The Board has adopted a Nomination and Remuneration Charter. This Charter is available on the Company's website.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of nonexecutive directors and the remuneration of executive directors and other senior executives.	Yes	The structure of Directors' remuneration is disclosed in the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should:	N/A	The Company does not currently have an equity-based remuneration scheme in place.

This Corporate Governance Statement has been approved by the Board of the Company on 27 September 2022.