

LYKOS METALS LIMITED
ACN 650 011 644

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per Share to raise up to \$1,400,667 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd (AFSL 294848) (**Underwriter**). Refer to Section 6.4 for details regarding the terms of the underwriting.

The Prospectus also includes the offer of 20,000,000 Underwriter Options to the Underwriter (or its nominees) (**Underwriter Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 2 February 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by the relevant Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs

(including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. For further information on overseas

Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.lykosmetals.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within those jurisdictions.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of

charge by contacting the Company by phone on (08) 9481 0389 during office hours or by emailing the Company at info@lykosmetals.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in

the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on (08) 9481 0389.

CORPORATE DIRECTORY

Directors

Miloš Bošnjaković
Managing Director & CEO

Anna Sloboda
Non-Executive Director

Johan Züger
Non-Executive Director

Petar Tomasevic
Non-Executive Director

Company Secretary

Craig McNab

Registered Office

Level 8, London House
216 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9481 0389
Email: info@lykosmetals.com
Website: www.lykosmetals.com

Auditor*

Crowe Perth
Level 24 Allendale Square
77 St Georges Terrace
PERTH WA 6000

Share Registry*

Automic Share Registry
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriter

CPS Capital Group Pty Ltd
Level 41
108 St Georges Terrace
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFERS INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC and ASX	2 February 2024
Ex date	7 February 2024
Record Date for determining Entitlements	5.00pm (WST) 8 February 2024
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	13 February 2024
Last day to extend the Closing Date	22 February 2024 (before noon Sydney time)
Closing Date of the Offers as at 5:00pm*	27 February 2024
Securities quoted on a deferred settlement basis	28 February 2024
ASX and Underwriter notified of under subscriptions	29 February 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	1 March 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	4 March 2024
Quotation of Shares issued under the Offer*	5 March 2024
General Meeting**	23 April 2024
Issue date for Underwriter Options**	23 April 2024

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

** The above dates are indicative only and may change without notice.

1.2 Key statistics of the Offers

Shares

	Full Subscription (\$1,400,667)
Entitlement Offer Price per Share	\$0.03
Entitlement Ratio (based on existing Shares)	1:3
Shares currently on issue	140,066,669
Shares to be issued under the Entitlement Offer	46,688,890 ¹
Shares to be issued to the Underwriter in lieu of Placement Fee	1,600,000 ²
Gross proceeds of the issue of Shares	\$1,400,667
Shares on issue Post-Offers³	188,355,559

Notes:

1. Assuming the Full Subscription of \$1,400,667 is achieved under the Entitlement Offer.
2. 1,600,000 Shares to be issued utilising the Company's Listing Rule 7.1 placement capacity to the Underwriter as a fee payable in respect of the Company's capital raising undertaken by way of placement announced on 17 January 2024. These Shares are anticipated to be issued after the Entitlement Offer has opened.
3. Refer to Section 4.1 for the terms of the Shares.

Options

	Full Subscription (\$1,400,667)
Options currently on issue	32,725,000
Options to be issued under the Entitlement Offer	Nil
Options to be issued under the Underwriter Offer ¹	20,000,000
Underwriter Offer price per Underwriter Option	\$0.00001
Gross proceeds of the issue of Options under the Underwriter Offer	\$200
Options on issue Post-Offers	52,725,000

Notes:

1. Refer to Section 4.2 for the terms of the Underwriter Options.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5. The predominant risks relating to the Company and the Offers are summarised below:

Risk	Description	Further Information
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. While the Directors are confident that on completion of the Entitlement Offer the Company will have sufficient funds to meet its planned exploration expenditure and short-term working capital requirements, the Company will (depending on its ability to generate income from its operations) likely require further financing in future (in addition to amounts raised under the Entitlement Offer) to continue as a going concern.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p> <p>In the event the Company is not able to complete the Entitlement Offer or a capital raising which is</p>	Section 5.2

Risk	Description	Further Information
	required in the future, a material uncertainty would exist as to whether the Company would be able to continue as a going concern.	
Bosnian Operations	<p>The Company's projects are located in the Republic of Srpska, one of the two entities which make up Bosnia and Herzegovina. There is no assurance that the political and economic conditions in the Republic of Srpska and Bosnia and Herzegovina will not result in the respective Governments in those areas adopting policies which adversely affect foreign development and ownership of mineral resources. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p> <p>The Company's ability to carry on its business in Bosnia and Herzegovina may also be adversely affected by political, sovereign and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, hostage taking, military repression, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, price controls, restrictions of production, challenges to the Company's title to properties, problems renewing licences and permits, illegal mining, opposition to mineral extraction and processing from environmental or other non-governmental organisations, regulations which favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction, increased financing costs, instability due to economic under-development, inadequate infrastructure and the expropriation and nationalisation of property interests.</p>	Section 5.2
Tenure and access	Mining and exploration projects in Bosnia and Herzegovina are subject to periodic renewal. The renewal of the term of granted licences and concessions is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. The consequence of forfeiture, involuntary surrender, revocation or suspension of a granted licence or concession for reasons beyond the control of the Company could be materially adverse to the	Section 5.2

Risk	Description	Further Information
	Company. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.	

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	\$
Miloš Bošnjaković	40,474,000	750,000	13,491,334	404,740
Anna Sloboda	Nil	Nil	Nil	Nil
Johan Züger	Nil	Nil	Nil	Nil
Petar Tomasevic	Nil	Nil	Nil	Nil

The Board recommends all Shareholders take up their Entitlements. Miloš Bošnjaković has advised he intends to take up his full Entitlement.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Miloš Bošnjaković	40,474,000	28.9%
Stephen Allen*	12,075,002	8.62%
Robert Adamson*	8,650,002	6.18%
Quadratura Investments Pty Ltd	7,500,002	5.35%

* **Notes:** Stephen Charles Allen and Robert Adamson have advised they hold relevant interests in Quadratura Investments Pty Ltd and as such the holding of substantial shareholder Quadratura Investments Pty Ltd is included within each of their individual substantial shareholdings.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offers.

1.6 Underwriting

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter pursuant to which the Underwriter has agreed to fully underwrite the Offer.

Pursuant to the Underwriting Agreement, the Underwriter will receive the following fees:

- (a) an underwriting fee of 6% of the Underwritten Amount; and
- (b) the issue of 10,000,000 Underwriter Options (subject to Shareholder approval being obtained at the General Meeting).

The Company has also agreed to issue the Underwriter an additional 10,000,000 Underwriter Options (subject to Shareholder approval being obtained at the

General Meeting) as part consideration for acting as the lead manager of a placement undertaken by the Company as announced on 17 January 2024.

The Underwriter is also engaged by the Company to provide corporate advisory services for a monthly fee of \$10,000 (excluding GST) for a minimum 12-month term. Refer to Section 6.4 for details of the terms of the underwriting.

1.7 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Entitlement Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

As at the date of this Prospectus, Director Miloš Bošnjaković is the Company's largest shareholder holding an interest in 28.9% of the Company's Shares.

Miloš Bošnjaković has confirmed that he intends to take up his full Entitlement under the Offer.

1.8 Potential dilution on non-participating Shareholders

In addition to the potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 26% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date ¹	Entitlements under the Offer	Holdings if Entitlement not taken Up	% post Offer
Shareholder 1	10,000,000	7.14%	3,333,333	10,000,000	5.31%
Shareholder 2	5,000,000	3.57%	1,666,667	5,000,000	2.65%
Shareholder 3	1,500,000	1.07%	500,000	1,500,000	0.80%
Shareholder 4	400,000	0.29%	133,333	400,000	0.21%
Shareholder 5	50,000	0.04%	16,667	50,000	0.03%

Notes:

1. The table above is based on the share capital as at the date of the Prospectus of 140,066,669 Shares and assumes that no Shares, other than 1,600,000 Shares to be issued to the Underwriter (refer to Section 1.2 for further details), are issued and no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer.

2. DETAILS OF THE OFFERS

2.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.03 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 46,688,890 Shares will be issued under the Entitlement Offer to raise up to \$1,400,667.

As at the date of this Prospectus the Company has 32,725,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.4 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.2 The Underwriter Offer

The Underwriter Offer is an offer of 20,000,000 Options to the Underwriter (or its nominees) (**Underwriter Options**).

The issue of the Underwriter Options is subject to Shareholder approval. The Company proposes to convene a general meeting on 23 April 2024 to approve the issue of the Underwriter Options to the Underwriter (or its nominees) (**General Meeting**).

The Underwriter Options have an issue price of \$0.00001 each. As such, \$200 will be raised from the issue of the Underwriter Options. All of the funds raised from the Underwriter Offer will be applied towards the expenses of the Entitlement Offer.

The Underwriter Options will be exercisable at \$0.30 on or before 11 June 2025 and will be otherwise issued on the terms set out in Section 4.2 (being the same terms as the Company's existing class of quoted Options trading under ASX:LYKOA).

All Shares issued upon exercise of the Underwriter Options will rank equally with the Shares on issue at the date of this Prospectus.

Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

Only the Underwriter (or its nominees) may accept the Underwriter Offer. A personalised Application Form in relation to the Underwriter Offer will be issued to the Underwriter (or its nominees) together with a copy of this Prospectus.

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/loginsah>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> • Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/loginsah. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> • Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/loginsah. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities will be at the discretion of the Board in conjunction with the Underwriter as per the allocation policy set out in Section 0. Accordingly, your application for additional Shortfall Securities may be scaled-back. • The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 2.4, 2.5 and 0.

Option	Key Considerations	For more information
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/loginsah for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse. 	N/A

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the

CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

There are no minimum subscriptions for the Offers.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.03 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.4.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant via direct credit only to the bank account as recorded with the Company's share registry, as soon as practicable after the closing date of the Shortfall Offer. To update your bank account details with the share registry visit, <https://investor.automic.com.au/#/home>.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Montenegro

This document has not been, and will not be, registered with or approved by any regulator in Montenegro. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in Montenegro except to

existing shareholders of the Company in circumstances that do not require a prospectus under the Law on Capital Markets of Montenegro.

United Kingdom

Neither this document nor any other document relating to the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside the jurisdiction noted above without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$1,400,667 before costs. The funds raised from the Entitlement Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Exploration & development of the Company's existing projects	850,000	60.7%
2.	Evaluation of new opportunities & working capital	409,020	29.2%
3.	Expenses of the Offer ¹	141,647	10.1%
	Total	1,400,667	100.0%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations. The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Purpose of the Underwriter Offer

The purpose of the Underwriter Offer is to satisfy the Company's obligations under the Underwriting Agreement and remove any trading restrictions on the sale of any Shares issued on exercise of the Underwriter Options.

3.3 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and that no Shares, other than the 1,600,000 Shares to be issued to the Underwriter (refer to Section 1.2 for further details), are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,259,020 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (a) increase the number of Shares on issue from 140,066,669 as at the date of this Prospectus to 188,355,559 Shares; and
- (b) increase the number of Options on issue from 32,725,000 as at the date of this Prospectus to 52,725,000 Options.

3.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	140,066,669
Shares offered pursuant to the Entitlement Offer	46,688,890
Shares to be issued to the Underwriter in lieu of Placement Fee	1,600,000
Total Shares on issue after completion of the Offers	188,355,559¹

Notes:

1. Refer to Section 1.2 for further details.

Options

	Number
Options currently on issue ¹	32,725,000
Options to be issued pursuant to the Entitlement Offer	Nil
Underwriter Options to be issued under the Underwriter Offer	20,000,000
Total Options on issue after completion of the Offers	52,725,000

Notes:

1. Comprising:
 - (a) 30,000,000 Quoted Options exercisable at \$0.30 on or before 11 June 2025;
 - (b) 1,000,000 Unquoted Options exercisable at \$0.30 on or before 1 April 2026; and
 - (c) 1,725,000 Unquoted Options exercisable at \$0.30 on or before 15 October 2025.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 172,791,669 Shares and on completion of the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 241,080,559 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.5 Pro-forma balance sheet

The audited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet as at 30 June 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers. The pro-forma balance sheet also reflects completion of the Company's capital raising undertaken by way of

placement announced on 17 January 2024 and the issue of 1,600,000 Shares to the Underwriter in lieu of a fee payable in respect of this placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audited 30 June 2023 \$	Placement \$	Proforma Full Subscription \$	Proforma Total \$
Current assets				
Cash	1,892,773	784,000	1,259,020	3,935,793
Other current assets	628,870	-	-	628,870
Total current assets	2,521,643	784,000	1,259,020	4,564,663
Non-current assets				
Plant and equipment	427,333	-	-	427,333
Exploration and evaluation expenditure	4,033,076	-	-	4,033,076
Total non-current assets	4,460,409	-	-	4,460,409
Total assets	6,982,052	784,000	1,259,020	7,766,052
Current liabilities				
Trade and other payables	69,584	-	-	69,584
Employee benefits provision	61,328	-	-	61,328
Total current liabilities	130,912	-	-	130,912
Total liabilities	130,912	-	-	130,912
Net assets	6,851,140	784,000	1,259,020	8,894,160
Equity				
Issued capital (net of costs)	12,878,287	784,000	1,259,020	14,921,307
Foreign currency	410,810	-	-	410,810

	Audited 30 June 2023 \$	Placement \$	Proforma Full Subscription \$	Proforma Total \$
translation reserve				
Options reserve	458,244	-	-	458,244
Accumulated losses	(6,896,201)	-	-	(6,896,201)
Total equity	6,851,140	784,000	1,259,020	8,894,160

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the

Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of the Underwriter Options

(a) **Entitlement**

Each Underwriter Option entitles the holder to subscribe for one Share upon exercise of the Underwriter Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Underwriter Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Underwriter Option will expire at 5:00 pm (WST) on 11 June 2025 (**Expiry Date**). An Underwriter Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Underwriter Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Underwriter Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Underwriter Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Underwriter Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Underwriter Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Underwriter Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Underwriter Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Underwriter Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Underwriter Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Underwriter Options without exercising the Underwriter Options.

(k) **Change in exercise price**

An Underwriter Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The Underwriter Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. While the Directors are confident that on completion of the Entitlement Offer the Company will have sufficient funds to meet its planned exploration expenditure and short-term working capital requirements, the Company will (depending on its ability to generate income from its operations) likely require further financing in future (in addition to amounts raised under the Entitlement Offer) to continue as a going concern.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p> <p>In the event the Company is not able to complete the Entitlement Offer or a capital raising which is required in the</p>

Risk Category	Risk
	future, a material uncertainty would exist as to whether the Company would be able to continue as a going concern.
Bosnian Operations	<p>The Company's projects are located in the Republic of Srpska, one of the two entities which make up Bosnia and Herzegovina. Bosnia and Herzegovina is not a country with a recent rich mining history and projects in nearby Eastern European countries have encountered substantial resistance from local communities at the time of development. The occurrence of this risk could have a material and adverse effect on the viability of the Company's affected operations, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. There is also no assurance that future political and economic conditions in those locations will not result in those Governments adopting different policies regarding foreign development and ownership of mineral resources which could adversely affect the Company's operations. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.</p> <p>The Company's ability to carry on its business in Bosnia and Herzegovina may be adversely affected by political, sovereign and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, hostage taking, military repression, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, price controls, restrictions of production, challenges to the Company's title to properties, problems renewing licences and permits, illegal mining, opposition to mineral extraction and processing from environmental or other non-governmental organisations, regulations which favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction, increased financing costs, instability due to economic underdevelopment, inadequate infrastructure and the expropriation and nationalisation of property interests. In addition, the Government of the Republic of Srpska and the wider Government of Bosnia and Herzegovina, or their respective court systems, may not recognise, protect or enforce the Company's legal rights. The Governments may take action which is arbitrary or illegal under Bosnian or International Law. Any of these events could result in conditions that delay or prevent the Company from exploring, developing, or ultimately operating its projects. Failure by the Company to comply strictly with all relevant laws, regulations and local practices relating to its projects, could result in loss to the Company. There is a further risk that outcomes in courts in the Republic of Srpska and Bosnia and Herzegovina generally would be less predictable than in Australia, which could adversely affect the enforceability of contracts entered</p>

Risk Category	Risk
	into by the Company. Any adverse changes in the political and legal environments in Bosnia and Herzegovina or of government policies and legislation which affect mining exploration activities, could adversely affect the viability and profitability of the Company.
Tenure and access	Mining and exploration projects in Bosnia and Herzegovina are subject to periodic renewal. The renewal of the term of granted licences and concessions is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the licences or concessions. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The consequence of forfeiture, involuntary surrender, revocation or suspension of a granted licence or concession for reasons beyond the control of the Company could be materially adverse to the Company. Please refer to the Company's announcements of 14 June 2022 and 14 June, 3 August and 7 November 2023 in respect of issues relating to the Company's Sockovac Project area.
Exploration and operating	The mineral exploration licences comprising the Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these mineral exploration licences, or any mining concessions that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that the required permits, consents and access agreements will be granted or that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the projects and obtaining all required mining concessions and other approvals for their contemplated activities at the projects. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the projects.
Bosnian Mining Exploration	The Company's projects comprise of exploration licences in the Republic of Srpska that allow, among other activities, the Company to conduct geological exploration and testing on

Risk Category	Risk
Licences and Concessions	<p>the exploration licence area to obtain a better knowledge of the composition, development and structure of the ground and to find and determine the quantity and quality of mineral raw materials. The commercial exploitation of mineral raw materials from an exploration licence area, however, can be performed exclusively through a concession which is granted by means of a concession agreement with the Ministry of Energy and Mining of the Republic of Srpska. Concessions are only granted upon the application of an exploration license holder after completion of exploration work. Although a holder of an exploration license generally has priority over other parties in being granted a concession, there is no guarantee that the Company or its subsidiaries will be granted such a concession in respect of the projects. Any failure to comply with an exploration license or complete exploration on the licence area or failure to be granted a concession by the Company or any of its subsidiaries would have a material adverse effect on the Company. Further, in the event the Company is granted a concession in respect of its projects, it will need to obtain the consent of landowners before commencing mining operations. There is no guarantee that the Company will be able to obtain such consents. There is also no guarantee that the Company will be able to comply with all conditions of a concession which may lead to such concession being terminated which would have a material adverse effect on the Company. In the event the Company commences mining operations, it will also be required to pay fees under any concession agreement.</p>
Overseas assets	<p>All of the Company's projects are located outside of Australia in the Republic of Srpska in Bosnia and Herzegovina. As a result, it may be difficult to enforce judgments obtained in Australian courts against the projects. In addition, there is uncertainty as to whether the courts of Bosnia and Herzegovina or any other jurisdiction in which the Company may operate in the future would recognise or enforce judgments of Australian courts based on provisions of the laws of Australia. Furthermore, because all of the Company's assets will be located outside Australia, it may be difficult to access those assets to satisfy an award entered for the Company in Australia. Consequently, Shareholders may have more difficulty in protecting their interests as a result of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.</p>
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples</p>

Risk Category	Risk
	<p>sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>

5.3 Industry specific

Risk Category	Risk
Exploration costs	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource and reserves and exploration targets	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. No assurances can be given that additional exploration work undertaken by the Company will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational</p>

Risk Category	Risk
	and financial performance may be materially adversely affected.
Mine development	Possible future development of mining operations at the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on one of the projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
Environmental	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.
Regulatory Compliance	The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker

Risk Category	Risk
	<p>safety, waste disposal, protection of the environment, and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the projects.</p>

5.4 General risks

Risk Category	Risk
Economic	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Company's projects may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance. Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Securities remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>
Litigation	<p>The Company is exposed to potential legal and other claims or disputes in the course of its business, including contractual disputes, indemnity claims, occupational and personal claims, intellectual property infringement disputes and employee disputes. Any costs involved in defending or settling legal and other claims or disputes that may arise could be costly and may impact adversely on the</p>

Risk Category	Risk
	Company's operations and financial position or cause damage to its reputation.
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Reliance on key personnel	The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Taxation	The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities under this Prospectus from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities offered under this Prospectus.

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29 January 2024	Ceasing to be a substantial holder
29 January 2024	Application for quotation of securities - LYK
24 January 2024	Change in substantial holding
23 January 2024	Notice Under Section 708A

Date	Description of Announcement
23 January 2024	Application for quotation of securities - LYK
19 January 2024	Change in substantial holding
18 January 2024	Change in substantial holding
18 January 2024	Change in substantial holding
17 January 2024	Proposed issue of securities - LYK
17 January 2024	Lykos Metals Confirms Capital Raise of \$2.2 million
15 January 2024	Trading Halt
12 December 2023	Update - LYKOA Top 20 holders and distribution schedule
12 December 2023	Update - Application for quotation of securities - LYK
12 December 2023	LYKOA - Top 20 holders and distribution schedule
12 December 2023	Application for quotation of securities - LYK
11 December 2023	Amended Appendix 3B
5 December 2023	Notification of cessation of securities - LYK
4 December 2023	Notification of cessation of securities - LYK
30 November 2023	Initial Director's Interest Notice
30 November 2023	Final Director's Interest Notice
30 November 2023	Changes to Board and Company Secretary
29 November 2023	Results of Meeting
22 November 2023	Disclosure Document
22 November 2023	Proposed issue of securities - LYK
7 November 2023	Sockovac Region Update
1 November 2023	Appendix 4G
27 October 2023	Notice of Annual General Meeting/Proxy Form
26 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
20 October 2023	Notification of Share Release from Escrow

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://lykosmetals.com/asx-announcements/>.

6.3 Market price of Shares and Underwriter Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Underwriter Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus

with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.045	28 November 2023
Lowest	\$0.032	30 January 2024
Last	\$0.030	1 February 2024

The highest, lowest and last closing market sale prices of Options in the same class as the Underwriter Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.003	18 January 2024
Lowest	\$0.002	21 & 27 December 2023, 9,12,19 and 23 January 2024
Last	\$0.002	1 February 2024

6.4 Underwriting Agreement

The Company has entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has agreed to fully underwrite the Entitlement Offer, being a subscription of up to 46,688,890 Shares (the **Underwritten Shares**).

The Underwriter and the Company may appoint sub-underwriters to sub-underwrite the Entitlement Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	<p>The Company has agreed to:</p> <ul style="list-style-type: none"> (a) pay the Underwriter an underwriting fee of 6% of the Underwritten Amount; and (b) subject to the receipt of approval of the Company's shareholders at the General Meeting, issue the 10,000,000 Underwriter Options.
Termination Events	<p>The Underwriter may terminate its obligations under the Underwriting Agreement if:</p> <ul style="list-style-type: none"> (a) Offer withdrawn: the Entitlement Offer is withdrawn by the Company; (b) No Listing Approval: the Company fails to lodge an Appendix 2A in relation to the Underwritten Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations; (a) Corrective Disclosure: the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of a material adverse change forms the view on reasonable grounds that a corrective document should be lodged with ASX and ASIC to comply with

the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require, or the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold);

- (b) **Misleading documents:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (c) **Restriction on issue:** the Company is prevented from issuing the Underwritten Shares within the relevant timeframe provided in the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (d) **ASIC application:** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Entitlement Offer, provided that the 29 February 2024 (**Shortfall Notice Deadline Date**) has arrived, and that application has not been dismissed or withdrawn;
- (e) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the Shortfall Notice Deadline Date, either of which in the Underwriter's reasonable opinion has a material adverse effect;
- (f) **Indictable offence:** a director or senior manager of the Company is charged with an indictable offence;
- (g) **Market movement:** the S&P/ASX Small Ordinaries index falls by 10% or more below the level of the S&P/ASX Small Ordinaries index on the execution date of the Underwriting Agreement at the close of trading for at least two consecutive Business Days in the period between the execution date Underwriting Agreement and the Business Day prior to 4 March 2024; or on the Business Day immediately prior to 4 March 2024.
- (h) **Other:** any of the following events occurs:
 - (i) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 10 Business Days after the Underwriter

- notifies the Company of the default or breach or by the Shortfall Notice Deadline Date, whichever is earlier;
- (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect to a material respect;
 - (iii) **Contravention of constitution or Act:** a material contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **Adverse change:** an event occurs which gives rise to a material adverse effect in relation to the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
 - (v) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the issue or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive to a material respect;
 - (vi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (vii) **Prescribed occurrence:** a prescribed occurrence occurs; (as that term is defined in the Underwriting Agreement);
 - (viii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
 - (ix) **Event of insolvency:** an event of insolvency occurs in respect of the Company;
 - (x) **Judgment against the Company:** a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;
 - (xi) **Litigation:** litigation, arbitration, administrative or industrial proceedings seeking damages in an amount exceeding \$100,000 are brought after the execution date of the Underwriting Agreement commenced against the Company;

- (xii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the Issue without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xiii) **Change in shareholdings:** a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xiv) **Timetable:** there is a delay in any specified date in the timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xv) **Force majeure:** a force majeure (as that term is defined in the Underwriting Agreement) which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 7 days occurs;
- (xvi) **Certain resolutions passed:** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xvii) **Hostilities:** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand the United States of America, the United Kingdom any member state of the European Union, Japan, the Peoples Republic of China or Indonesia, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries; or
- (xviii) **Adverse change in financial markets:** there occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions, including

but not limited to the collapse of a major bank or financial institution.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and

other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to the Directors as disclosed in the Company's 2023 Annual Report and proposed remuneration for the current financial year.

Director	FY ended 30 June 2024 (Proposed)	FY ended 30 June 2023	FY ended 30 June 2022
Anna Sloboda	\$29,157 ¹	N/A	N/A
Miloš Bošnjaković	\$172,500	\$238,279 ²	\$159,205 ⁵
Johan Züger	\$45,000	\$76,487 ³	\$10,000
Petar Tomasevic	\$37,500 ⁴	N/A	N/A

Notes:

1. Appointed on 30 November 2023 comprising pro-rata annual Directors' fees of \$50,000.
2. Comprising Directors' fees of \$177,607 and equity-based payments of \$60,672.
3. Comprising Directors' fees of \$40,000 and equity-based payments of \$36,487.
4. Appointed on 23 August 2023 comprising pro-rata annual Directors' fees of \$50,000.
5. Comprising Directors' fees of \$115,846 and equity-based payments of \$43,359.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

CPS Capital Group Pty Ltd has acted as the underwriter of the Entitlement Offer. The Company will pay the Underwriter the fees set out in Section 6.4. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriter has received no fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$68,921 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as the underwriter to the Entitlement Offer in this Prospectus. CPS Capital Group Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$141,647 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Amount
ASIC fees	\$3,206
ASX fees	\$24,401
Underwriting fee	\$84,040
Legal fees	\$15,000
Administrative services and other costs	\$15,000
Total	\$141,647

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form, Shortfall Application Form or Underwriter Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1.1 (unless extended).

Company means Lykos Metals Limited (ACN 650 011 644).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement Offer means the pro-rata non-renounceable entitlement issue pursuant to this Prospectus.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offers means the Entitlement Offer and Underwriter Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 0.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means CPS Capital Group Pty Ltd (AFSL 294848).

Underwriter Offer means the offer of Underwriter Options to the Underwriter (or its nominees) pursuant to this Prospectus.

Underwritten Amount means \$1,400,667.

Underwriter Application Form means the application form with respect to the Underwriter Offer either attached to or accompanying this Prospectus.

WST means Western Standard Time as observed in Perth, Western Australia.