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Yugo Metals Limited

(Formerly known as Lykos Metals Limited)

ABN 65 650 011 644

Financial Report
for the year ended 30 June 2025

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Directors

Mr Petar Tomasevic (Executive Director & CEO)
 Mr David Wheeler (Non-Executive Chair)
 Mr Mihajlo Matkovic (Non-Executive Director)

Company Secretary

Mr Craig McNab

Registered and Principal Office

Level 8
 216 St Georges Terrace
 Perth Western Australia 6000

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

Auditors

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

Bankers

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

Share Registry

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

Telephone: 1300 850 505

Stock Exchange Listing

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

ACN

650 011 644

Website

www.yugometals.com

The directors present the financial statements for the financial year ended 30 June 2025 for the Consolidated Entity ("Group") consisting of Yugo Metals Limited (referred to hereafter as "Yugo" or the "Company", formerly Lykos Metals Limited) and the entities it controlled at the end of, or during the year ended 30 June 2025.

Directors

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

David Wheeler	Non-Executive Chair (appointed as Non-Executive Director on 27 November 2024 and subsequently as Chair on 23 May 2025)
Petar Tomasevic	Executive Director & CEO (transitioned to Executive on 6 December 2024 and appointed Interim CEO on 23 May 2025)
Mihajlo Matkovic	Non-Executive Director (appointed 27 November 2024)
Anna Sloboda	Non-Executive Chair (resigned 23 May 2025)
Milos Bosnjakovic	Non-Executive Director (transitioned from Executive on 6 December 2024 and subsequently resigned on 3 March 2025)
Mladen Stevanovic	Non-Executive Director (resigned 3 March 2025)

Principal Activity

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

Dividends

No dividends were paid during the financial year ended 30 June 2025 (30 June 2024: nil).

Operating Results

The operating result of the Company for the financial year was a loss of \$1,839,289 (2024: loss of \$2,324,099).

Review of Operations

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

- Sinjakovo (comprising Sinjakovo and Jezero tenements) – approximately 80.8km²
- Sockovac – approximately 49km² at Dobojski tenement (not including the area under current application at Petrovo tenement)
- Cajnice - approximately 49.5km²

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

On 4 July 2024, the National Assembly of Republic of Srpska voted for the amendments to the Law on Geological Exploration ("Law"). In line with the new Law, the grant of Exploration Licenses no longer requires prior approval from the Municipalities. The new Law changes are significant for fostering an investor-friendly environment and sends a strong message that the Republic of Srpska supports geological exploration and direct foreign investment. These changes will also benefit Municipalities in providing employment opportunities.¹

Sinjakovo Project

Sinjakovo Project is prospective for gold, silver, antimony, copper, zinc and lead. It comprises two granted tenements: "Sinjakovo" and "Jezero", for a total 80.8km² area.

Previous Activities:

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

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

Recent Activities:

During the reporting period, the field team carried out a follow-up on previous encouraging surface sampling results reconnaissance at the Kovacevac Prospect and Erak Prospect. At both locations, polymetallic sulphide mineralisation was identified. Ten samples were submitted for mineralogical assessment in thin sections, which identified the primary sulphide minerals (tetrahedrite, chalcopyrite, galena, sphalerite and pyrite), secondarily enriched Cu-sulphide covellite, the secondary Cu & Pb oxides and carbonates (cuprite, malachite, azurite, cerussite and anglesite). Twenty-three rock-chip samples were submitted to ALS laboratory in Bor (Serbia) which returned significant results of up to 1.8% antimony, 4.0% copper, 969 g/t silver, 1.8 g/t gold, 7.1% lead and 1.6% zinc. The next steps will likely consist of detailed mapping, trenching and drilling.²

The Ministry of Energy and Mining has extended the exploration permit for the Jezero project until 4 March 2028. Jezero is prospective for epithermal gold and polymetallic mineralisation, with trenching revealing surface mineralisation, including an interval of 61 meters at 1.5 g/t gold³ (refer Figure 3) – this gold and polymetallic mineralisation has been discovered by the Company and was never tested by drilling previously. The Company is currently considering its future activities in respect of the Jezero project.⁴

¹ See ASX:YUG Announcement dated 31 October 2024

² See ASX:YUG Announcement dated 31 January 2025

³ See ASX:YUG announcement dated 25 January 2023

⁴ See ASX:YUG Announcement dated 31 January 2025

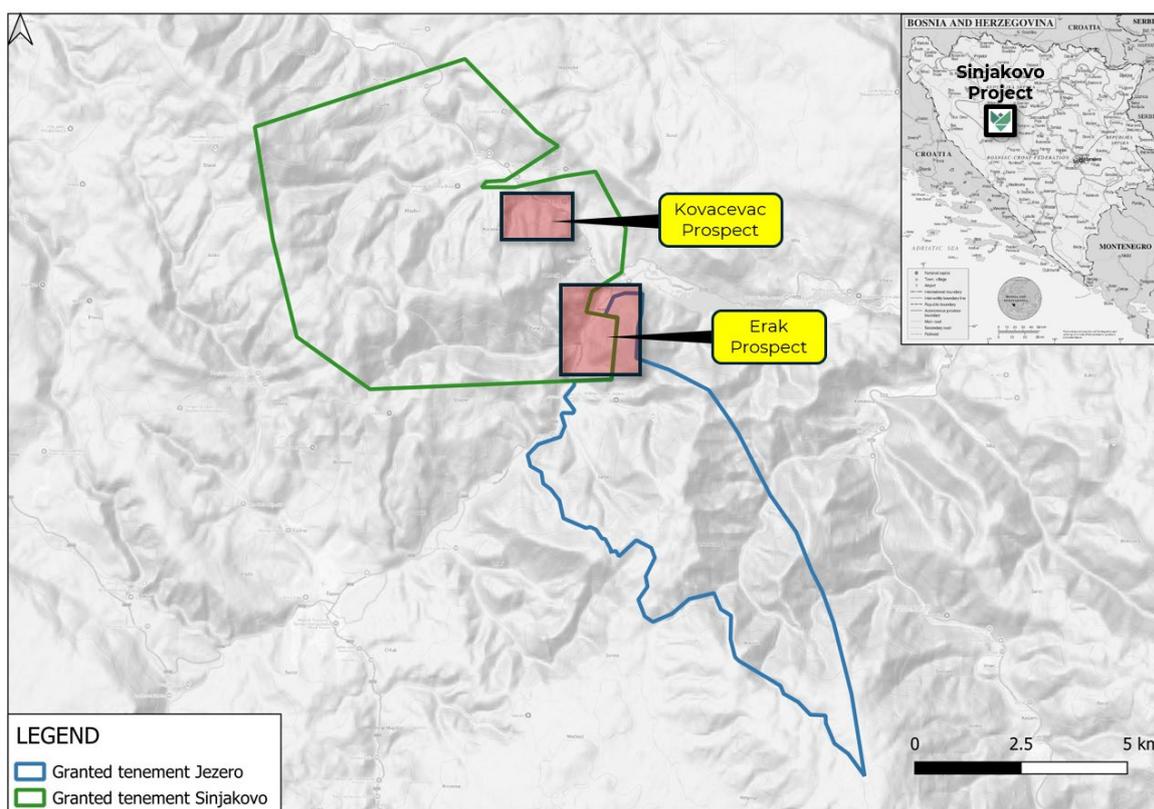


Figure 1: Sinjakovo Project, showing prospects of interest

Sockovac Project

Sockovac Project is prospective for nickel, cobalt, gold, silver, copper, zinc and lead. It comprises a granted tenement “Doboj” tenement (49km² area) and a pending application for “Petrovo” tenement (10km² area).

Previous Activities:

The exploration activities in 1968-1970 were carried out over a relatively small area (2x1km). The ground geophysical (Self Potential) survey was completed, and diamond drilling commenced in 50x50m spacing; after three initial drillholes targeting clay mineralisation for local brick manufacturing industry, sulphidic mineralisation was noted and the remaining 17 short drillholes (106m average depth) were drilled with purpose of delineating base metal mineralisation. A mineral zone returned excellent drilling results (such as 5.1m @ 6.63% nickel from 57.9m depth and 14.6m @ 2.78% nickel from 39.55m depth), and significant zinc-lead mineralisation in drilling (such as 9.35m @ 8.25% zinc+lead from 41.8m depth and 15m @ 5.97% zinc+lead from 34m depth)⁵. Cobalt was not analysed at the time of the historical drilling. There were no noteworthy base-metals exploration activities over Sockovac Project since 1970.

The Company has completed initial systematic surface sampling over the Project area in 2021 and 2022, which has identified a large (14km²) nickel-cobalt anomaly in the central area, which remains open to east and west. This work has also identified strong gold and silver mineralisation (up to 5.5g/t gold and 1,330/t silver in outcrops)⁶. In mid-2022, the Government revoked both Sockovac exploration tenements until more community consultation has been completed; the first tenement

⁵ See ASX:YUG Announcement dated 19 October 2021

⁶ See ASX:YUG Announcement dated 21 December 2021

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has been re-awarded in late-2023 and the second tenement is expected to be awarded during 2025.

Recent Activities:

During the reporting period, the Company has been largely active in community engagement and administration associated with tenement application. The exploration plan for Sockovac Project going forward may consist of: Petrovo tenement grant, drilling at nickel target, follow-up on gold-silver occurrences and target generation, expansion of previous soil sampling grids.

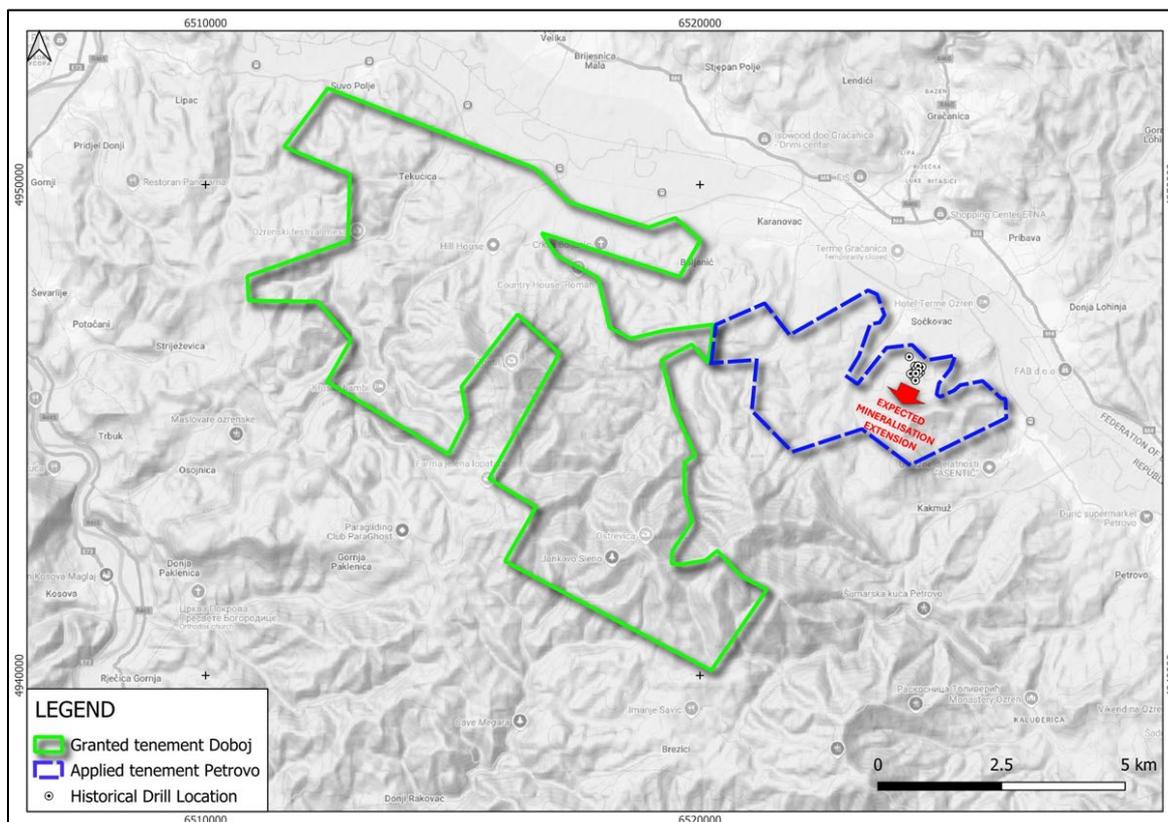


Figure 2: Sockovac Project, showing tenement status

Cajnice Project

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

Previous Activities:

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

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

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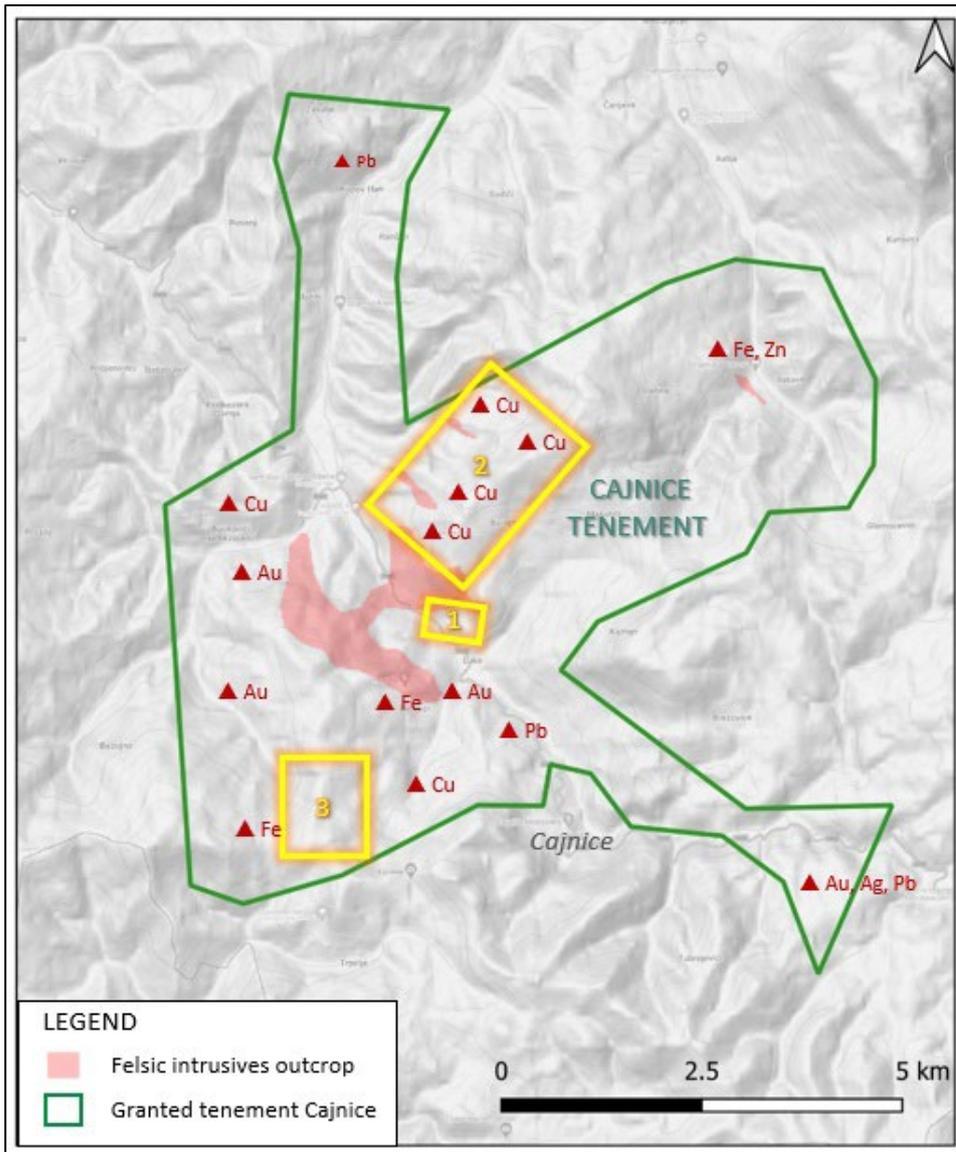


Figure 3 – Overview of the Cajnice Project area; marked in yellow are the current exploration priority areas: 1 – gold and silver in outcrop, 2 – copper in soil and drilling a porphyry system, 3 – lead and silver in outcrop

Material Business Risks

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

Exploration and development

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

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

Tenure and renewal

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

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

As at the date of this report, the Company's application concerning the Petrovo license area were still pending approval of the Government of Bosnia and Herzegovina ("Government"). On 29 January 2025 the Company announced that it has agreed to the Government's proposal to reduce the tenement application size from 44km² to 10km². This revised application area covers the Company's primary drill targets and will still allow the Company to focus its activities on the most prospective areas of the ground moving forward. The Company is optimistic about a favorable outcome and are in ongoing discussions with our advisors at the Ministry of Energy & Mining.

Operations in Foreign Jurisdictions

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

Economic Conditions

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

Reliance on key personnel

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Group's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk

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

Cyber Security and IT

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

Unforeseen expenditure risk

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

Environmental, weather & climate change

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

Events After the Reporting Date

On 2 July 2025, the Company issued 22,211,740 unlisted options, exercisable at \$0.02 expiring 2 July 2028, to participants for the placement announced 27 March 2025 ("Placement"), being one free attaching for every two shares subscribed for and issued under the Placement ("Placement Options").

On 2 July 2025, the Company also issued 20,000,000 unlisted options, exercisable at \$0.02 expiring 2 July 2028, to CPS Capital (or its nominee/s) as partial consideration for services provided as lead manager to the Placement ("Lead Manager Options").

In accordance with a resolution passed by its shareholder on 27 June 2025, the Company changed its name to Yugo Metals Limited (ASX: YUG), effective from 9 July 2025.

On 11 July 2025, the Company issued 16,000,000 unlisted performance rights to the directors of the Company as part of the Directors' remuneration and to incentivise the Directors in their performance of future services ("Director Performance Rights") and 2,000,000 unlisted performance rights to Mr Mladen Stevanovic in recognition of his performance and contribution to the Company as a Director and to incentivise his continued performance in his new advisory capacity ("Related Party Performance Rights"). Refer to Note 12 for further details.

On 18 July 2025, the Company announced an Option Prospectus offering up to 100,000,000 listed options exercisable at \$0.02 expiring three years from the date of issue ("New Options") to holders of the 50,000,000 listed LYKOA Options expired 11 June 2025 at an issue price of \$0.001 on the basis of two New Options for every one LYKOA Option. The New Options were fully subscribed and issued on 18 August 2025.

The issue of the Placement Options, Lead Manager Options, Director Performance Rights, Related Party Performance Rights and New Options were approved by shareholders at the general meeting on 27 Jun 2025.

On 1 August 2025, 277,778 unlisted options expiring 2 July 2028 were exercised at \$0.02 and converted to 277,778 fully paid ordinary shares.

On 18 August 2025, 1,666,667 unlisted options expiring 2 July 2028 were exercised at \$0.02 and converted to 277,778 fully paid ordinary shares.

Other than disclosed below in the opinion of the directors of the Group, in the period from 30 June 2025 to the date of this report no items, transactions or events of a material or unusual nature have arisen which will significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Future Developments

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

Environmental Reporting

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

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

David Wheeler	Non-Executive Chair (appointed as Non-Executive Director on 27 November 2024 and subsequently as Chair on 23 May 2025)
Qualifications	FAICD
Experience and expertise	Mr Wheeler has more than 30 years of senior executive management, directorships, and corporate advisory experience. He has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. He is a foundation Director and Partner of Pathways Corporate a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX-listed companies. Mr Wheeler has a wealth of experience on public and private company boards and currently holds several Directorships and Advisory positions in Australian companies.
Other current directorships	Avira Resources Ltd (since 13 September 2018) Earths Energy Ltd (since 12 October 2021) Cycliq Group Ltd (since 11 June 2021) MOAB Minerals Ltd (since 24 June 2020) OZZ Resources Ltd (since 30 May 2022) Invex Therapeutics Ltd (since 8 November 2023) Ragnar Metals Ltd (since 4 December 2017) Protean Energy Ltd (since 16 May 2017) Wellfully Ltd (since 26 April 2024)
Former directorships (last 3 years)	PVW Resources Ltd (resigned 16 October 2024) Wellfully Ltd (resigned 9 June 2023) Health House International Ltd (resigned 18 May 2023) Athena Resources Ltd (resigned 30 September 2022) ColorTV Ltd (resigned 19 September 2023) Tyranna Resources Ltd (resigned 1 July 2024)
Interest in securities as at date of this report	2,000,000 Class B Performance Rights

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Petar Tomasevic	Executive Director & CEO (transitioned to Executive on 6 December 2024)
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Qualifications	BSc(BusAdmin&Mgmt)
Experience and expertise	Petar has significant experience in the financial service industry, having worked with numerous ASX-listed companies of the resource sector in projects acquisition, capital raising, assets valuation and investor relations roles.
Other current directorships	Regener8 Resources Ltd (since 22 June 2022) GTI Energy Ltd (since 9 May 2020)
Former directorships (last 3 years)	-
Interest in securities as at date of this report	10,000,000 Class B Performance Rights

Mihajlo Matkovic	Non-Executive Director (appointed 27 November 2024)
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Qualifications	Bachelor of Law (LL.B)
Experience and expertise	Mr. Matkovic has more than 15 years of experience with a multinational law firm headquartered in London, UK. He is heavily involved in some of the most complex and significant large-scale European transactions with the primary focus on Mining & Energy, Projects & Infrastructure and Banking & Finance in Balkan region. He is a member of Belgrade and Serbian Bar Associations, American Chamber of Commerce in Serbia and Montenegro and Institute for Law and Finance.
Other current directorships	-
Former directorships (last 3 years)	-
Interest in securities as at date of this report	2,000,000 Class B Performance Rights

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Anna Sloboda	Non-Executive Chair (resigned 23 May 2025)
Qualifications	MBA, MEcon, and GAICD
Experience and expertise	Anna is a mining executive and entrepreneur with over 20 years of experience in the mining, energy and engineering sectors in operational management, financial planning, risk management, commercial negotiations and investments, providing advisory services to a range of public and private companies across various jurisdictions.
Other current directorships	Elixir Energy Ltd (since 1 October 2020)
Former directorships (last 3 years)	-
Interest in securities as at date of resignation	Nil

Milos Bosnjakovic	Non-Executive Director (transitioned to Non-executive Director on 6 December 2024 and subsequently resigned on 3 March 2025)
Qualifications	LLB
Experience and expertise	Milos is a lawyer by profession with strong communities and government networks in the Balkans and is a resident of Bosnia Herzegovina. Milos brings over 30-year of years of experience in stakeholders engagement, commercial acumen and business leadership in the mining sector.
Other current directorships	-
Former directorships (last 3 years)	Balkan Mining and Minerals Limited (resigned 19 May 2022)
Interest in securities as at date of resignation	53,965,334 Ordinary fully paid shares 750,000 Unlisted options

Mladen Stevanovic	Non-Executive Director (resigned 3 March 2025)
Qualifications	MSc(EconGeol), BSc(ExplGeol), and MAusIMM
Experience and expertise	Mladen is a geologist with over 19 years of experienced gained in Australia, Europe and Africa. He has held senior and management roles for tier one and junior mining companies, including Gold Fields Ltd in Western Australia.
Other current directorships	-
Former directorships (last 3 years)	-
Interest in securities as at date of resignation	200,000 Ordinary fully paid shares 725,000 Unlisted options

Company Secretary

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

Meetings of Directors

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

	Eligible to attend	Meetings attended
Petar Tomasevic	6	6
David Wheeler	3	2
Mihajlo Matkovic	3	1
Former Directors		
Anna Sloboda	6	6
Milos Bosnjakovic	5	4
Mladen Stevanovic	5	5

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

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

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

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

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

Non-Executive directors' remuneration

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

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

Executive remuneration

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

The executive remuneration and reward framework has three components:

- base pay including superannuation;
- annual performance based bonus or incentive payment (“STIP”) comprising cash bonuses and/or participation in equity-based scheme; and
- long-term performance based bonus or incentives payment (“LTIP”) providing for participation in equity-based scheme.

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

Fixed remuneration, consisting of base salary and superannuation are reviewed annually by the Board based on individual and business unit performance, the overall performance of the entity and comparable market remunerations. Entitlement (and the quantum) of the STIP and LTIP will be determined by the Company at its absolute discretion by reference to the key performance indicators as set by the Company.

Mr Tomasevic employment terms are governed by an Executive Service Agreement (“ESA”) commenced 1 April 2024 and a Letter of Variation to ESA dated 23 May 2025. Mr Tomasevic is entitled to receive a base salary of \$200,000 per annum (exclusive of statutory superannuation) (\$100,000 per annum pre-23 May 2025). The terms of the agreement can be terminated by either party providing six months written notice.

Details of remuneration

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

Remuneration paid during the year ended 30 June 2025:

	Year	Cash salary, fees and other short- term benefits \$	Super- annuation \$	Share based payments \$	Total \$	Performance related %
David Wheeler ¹	2025	29,000	-	90	29,090	-
	2024	-	-	-	-	-
Petar Tomasevic	2025	98,106	11,282	448	109,836	-
	2024	56,848	2,750	-	59,598	-
Mihajlo Matkovic ²	2025	20,806	-	90	20,896	-
	2024	-	-	-	-	-
Anna Sloboda ³	2025	38,333	-	-	38,333	-
	2024	29,167	-	-	29,167	-
Milos Bosnjakovic ⁴	2025	170,784	-	3,501 ⁷	174,285	-
	2024	216,268	-	16,776	233,044	-
Mladen Stevanovic ⁵	2025	37,080 ⁶	4,264 ⁶	90	41,434	-
	2024	7,508	826	-	8,334	-
Total		394,109	15,546	4,219	413,874	-
		309,791	3,576	16,776	330,143	-

1. Mr Wheeler was appointed as Non-Executive Director on 27 November 2024 and subsequently as Chair on 23 May 2025.
2. Mr Matkovic was appointed as Non-Executive Director of the Company on 27 November 2024.
3. Ms Sloboda resigned as Non-Executive Chair of the Company on 23 May 2025.
4. Mr Bosnjakovic resigned as Non-Executive Director of the Company on 3 March 2025.
5. Mr Stevanovic resigned as Non-Executive Director of the Company on 3 March 2025 while remaining as a consultant.
6. Of this total, \$26,616 salary and \$3,061 superannuation were related to the period during which Mr Stevanovic was a director of the Company.
7. Share-based payment expenses recognised in relation to securities issued in prior years.

Equity-based compensation

Performance Rights

On 27 June 2025, upon shareholders' approval the Company granted 14,000,000 unlisted performance rights to Directors of the Company ("Director Performance Rights") and 2,000,000 unlisted performance rights to Mr Mladen Stevanovic (and/or his nominee(s)) ("Related Party Performance Rights"). Once issued, a quarter (25%) of these rights will be deemed vested and be eligible to be converted upon satisfaction of any of the following Milestones:

- The Government of Bosnia and Herzegovina issuing the Sockovac Project licence.
- The Government of Bosnia and Herzegovina granting an extension to the Sockovac Project of an additional area of at least 10km².
- The Company completing drilling of at least 1,000m at the Sockovac Project.
- The Company receiving a mining permit for the Sockovac Project.
- The Company completing drilling of at least 1,000m in aggregate at the Sinjakovo Project and the Cajnice Project.
- The Company's share price achieving a VWAP of \$0.04 per share (or more) for no less than 10 consecutive ASX trading days (where trading in the Company's shares actually occurs).
- The Company's share price achieving a VWAP of \$0.08 per share (or more) for no less than 10 consecutive ASX trading days (where trading in the Company's shares actually occurs).
- The Company announcing to ASX a maiden JORC-compliant resource at either the Sockovac Project, Sinjakovo Project or Cajnice Project in the inferred category (or greater) of 10kt Ni metal.
- The Company reporting a drilling intercept of >20% meters (i.e. 10m@ 2% Ni, 4m @ 5% Ni) at either the Sockovac Project, Sinjakovo Project or Cajnice Project in accordance with the JORC Code.

Valuation Date	Expiry Date	Number of Right	Fair Value per Right	Valuation Model	Total Fair Value
27 June 2025	11 July 2028	16,000,000	\$0.025	Black Scholes	\$400,000

The total fair value of the Director Performance Rights and Related Party Performance Rights will be recognised as an expense over the expected period for achievement of the vesting condition. For the year ended 30 June 2025, a share-based payment expense of \$717 has been recognised in the statement of profit and loss.

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

Additional disclosures relating to equity

Key Management Personnel Option holding for the years ended 30 June 2025:

	Held at start of year	Granted as compensation	Other changes	Held at end of year	Vested and exercisable at end of year
David Wheeler ¹	-	-	-	-	-
Petar Tomasevic	-	-	-	-	-
Mihajlo Matkovic ¹	-	-	-	-	-
Anna Sloboda ²	-	-	-	-	-
Milos Bosnjakovic ²	750,000	-	(750,000)	-	-
Mladen Stevanovic ²	725,000	-	(725,000)	-	-
Total	1,475,000	-	(1,475,000)	-	-

1. The opening balances for Mr Wheeler and Mr Matkovic are reported as at their commencement date.

2. The closing balances for Ms Sloboda, Mr Bosnjakovic and Mr Stevanovic are reported as at the dates they ceased as a director.

Key Management Personnel Shareholding for the years ended 30 June 2025:

	Held at start of year	Granted as remuneration	Other Changes	Held at end of year
David Wheeler ¹	-	-	-	-
Petar Tomasevic	-	-	-	-
Mihajlo Matkovic ¹	-	-	-	-
Anna Sloboda ²	-	-	-	-
Milos Bosnjakovic ²	53,965,334	-	(53,965,334)	-
Mladen Stevanovic ²	-	-	200,000	200,000
Total	53,965,334	-	(53,765,334)	200,000

1. The opening balances for Mr Wheeler and Mr Matkovic are reported as at their commencement date.

2. The closing balances for Ms Sloboda, Mr Bosnjakovic and Mr Stevanovic are reported as at the dates they ceased as a director.

Key Management Personnel Performance Rights for the years ended 30 June 2025:

	Held at start of year	Granted as remuneration	Other Changes	Held at end of year
David Wheeler ¹	-	2,000,000	-	2,000,000
Petar Tomasevic	-	10,000,000	-	10,000,000
Mihajlo Matkovic ¹	-	2,000,000	-	2,000,000
Anna Sloboda ²	-	-	-	-
Milos Bosnjakovic ²	-	-	-	-
Mladen Stevanovic ²	-	-	-	-
Total	-	14,000,000	-	14,000,000

1. The opening balances for Mr Wheeler and Mr Matkovic are reported as at their commencement date.

2. The closing balances for Ms Sloboda, Mr Bosnjakovic and Mr Stevanovic are reported as at the dates they ceased as a director.

End of the remuneration report.

Indemnifying Officers or Auditor

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

The Company also maintains and pays for insurance against any liability incurred by its directors or officers as officers of the Company or a related company including, but not limited to, a liability for negligence and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome. Premiums are paid on behalf of the Company by its parent. These contracts of insurance prevent disclosure of the amounts paid in premium for this insurance. No claim has been made against or by the Company in relation to any such indemnities or insurance policies since the date of incorporation.

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

Proceedings on Behalf of the Company

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

Non-audit services

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Petar Tomasevic', written over a faint horizontal line.

Petar Tomasevic
Executive Director

Dated: 30 September 2025

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

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

The 2025 corporate governance statement is dated 30 September 2025 and reflects the corporate governance practices in place throughout the financial year ended 30 June 2025.

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

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To the Board of Directors,

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

As lead audit director for the audit of the financial statements of Yugo Metals Limited and its controlled entities for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 30th day of September 2025
Perth, Western Australia

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	Note	2025 \$	2024 \$
Interest Income		36,582	37,335
Other income		47,357	331
Employee benefit expenses		(174,152)	(175,102)
Share-based payment expense	12	(19,930)	(8,301)
Exploration and evaluation expenditure	4	(879,788)	(736,482)
Travel expenses		(47,945)	(42,695)
Premise expenses		(8,274)	(65,050)
Finance expenses		(7,207)	(9,628)
Depreciation	7 & 8	(95,836)	(94,807)
General and administration		(217,637)	(485,360)
Other professional services		(463,020)	(413,063)
Foreign exchange loss		(3,116)	(975)
Provision for doubtful debt	6	-	(329,274)
Other expenses		(6,323)	(1,028)
Loss before income tax		(1,839,289)	(2,324,099)
Income tax expense		-	-
Net loss after income tax for the year		(1,839,289)	(2,324,099)
Other comprehensive income			
<i>Other comprehensive income/(loss) for the period, net of tax</i>			
Translation of subsidiary foreign operations		36,256	(161,728)
Other comprehensive income for the year, net of tax		36,256	(161,728)
Total comprehensive loss for the year		(1,803,033)	(2,485,827)
Basic and diluted loss per share	5	\$0.01	\$0.02

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

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	13	901,362	1,995,066
Other receivables		7,097	15,559
Other assets	6	67,744	199,237
Total current assets		976,203	2,209,862
Non-current assets			
Plant and equipment	7	244,164	321,903
Right-of-use assets	8	69,403	94,954
Total non-current assets		313,567	416,857
Total assets		1,289,770	2,626,719
Current liabilities			
Trade and other payables	9	157,459	99,473
Lease liabilities	8	39,134	32,029
Employee benefits provision		22,872	2,135
Total current liabilities		219,465	133,637
Non-current liabilities			
Lease liabilities	8	38,749	70,454
Total current liabilities		38,749	70,454
Total liabilities		258,214	204,091
Net assets		1,031,556	2,422,628
Equity			
Issued Capital	10	15,004,426	14,945,437
Foreign currency translation reserve		285,088	248,832
Share-based payments reserve	11	819,517	486,545
Accumulated losses		(15,077,475)	(13,258,186)
Total equity		1,031,556	2,422,628

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2025



	Issued capital \$	Foreign currency translation reserve \$	Share- based payments reserve \$	Accumulated losses \$	Total \$
Balance at 30 June 2023	12,878,287	410,560	458,244	(10,934,087)	2,813,004
Loss after income tax for the year	-	-	-	(2,324,099)	(2,324,099)
Other comprehensive loss for the year	-	(161,728)	-	-	(161,728)
Total comprehensive loss for the year	-	(161,728)	-	(2,324,099)	(2,485,827)
Transactions with owners in their capacity as owners					
Shares issued during the year	2,248,667	-	-	-	2,248,667
Transaction costs on issue of shares	(181,517)	-	-	-	(181,517)
Share based payment	-	-	28,301	-	28,301
Balance at 30 June 2024	14,945,437	248,832	486,545	(13,258,186)	2,422,628
Loss after income tax for the year	-	-	-	(1,839,289)	(1,839,289)
Other comprehensive loss for the year	-	36,256	-	-	36,256
Total comprehensive loss for the year	-	36,256	-	(1,839,289)	(1,803,033)
Transactions with owners in their capacity as owners					
Shares issued during the year	423,800	-	-	-	423,800
Transaction costs on issue of shares	(364,811)	-	-	-	(364,811)
Share based payment	-	-	352,972	-	352,972
Options expired during the year	-	-	(20,000)	20,000	-
Balance at 30 June 2025	15,004,426	285,088	819,517	(15,077,475)	1,031,556

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2025



	Note	2025 \$	2024 \$
Cash flows from operating activities			
Payments to suppliers and employees		(769,384)	(1,830,728)
Payments for exploration expenditure		(801,960)	(161,228)
Interest received		42,227	37,335
Interest and other finance costs paid		(7,207)	(9,628)
Net cash used in by operating activities	13(b)	(1,536,324)	(1,964,249)
Cash flows from investing activities			
Payments for plant and equipment		(7,819)	(5,500)
Proceeds from sale of plant and equipment		91,613	35,972
Net cash provided by investing activities		83,794	30,472
Cash flows from financing activities			
Repayment of lease liabilities		(33,205)	(31,079)
Proceeds from capital raising		399,811	2,200,667
Transactions costs related to issue of equity securities		(7,780)	(133,518)
Net cash provided by financing activities		358,826	2,036,070
Net (decrease)/increase in cash held		(1,093,704)	102,293
Cash at the beginning of financial year		1,995,066	1,892,773
Cash at the end of the financial year	13(a)	901,362	1,995,066

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

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Note 1 Corporate Information

This financial report of Yugo Metals Limited (referred to hereafter as “Yugo” or the “Company”, formerly Lykos Metals Limited) and its wholly owned subsidiaries (referred to hereafter as “the Group”) was authorized for issue in accordance with a resolution of the Directors on 30 September 2025.

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

Note 2 Material Accounting Policies

Statement of compliance

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

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

Basis of Preparation

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

New or amended Standards and Interpretations adopted

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

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

Reporting Basis and Conventions

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

Going concern

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

As at 30 June 2025, the Group has net assets of \$1,031,556 (30 June 2024: \$2,422,628). During the year ended 30 June 2025 the Group incurred a net loss of \$1,839,289 (2024: net loss of \$2,324,099), had cash outflows from operating activities of \$1,536,324 (30 June 2024: \$1,964,249) and cash inflows from investing activities of \$83,794 (30 June 2024: inflow of \$30,472).

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

To address the future additional funding requirements of the Group, since 30 June 2025, the Directors have undertaken the following initiatives:

- undertaken a programme to continue to monitor the Group's ongoing working capital requirements and planned exploration expenditure;
- continued their focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources; and
- as disclosed in Note 17, the company raised \$100,000 (before costs) via the issue of listed options and \$38,889 via the exercise of unlisted options.

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

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

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

Accounting Policies

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

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Yugo Metals Limited ("parent entity") as at 30 June 2025 and the results of all subsidiaries for the year then ended. Yugo Metals Limited and its subsidiaries together are referred to in these financial statements as the "Group".

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

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

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

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

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

b) Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

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

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

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

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

d) Exploration and evaluation

Exploration and evaluation expenses including costs of acquiring exploration projects are expensed as incurred. Refer to Note 4 for details.

e) Revenue

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

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

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

f) Current and non-current classification

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

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

g) Cash and cash equivalents

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

h) Other Receivables and Other Assets

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

i) Plant and Equipment

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

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

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

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

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

j) Leases

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

Lease assets

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

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

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

Lease liabilities

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

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

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

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

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

k) Borrowing costs

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

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

l) Trade and Other Creditors

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

m) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

n) Share-based payments

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

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

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

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

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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

o) Contributed Equity

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

p) Earnings Per Share

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

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

q) Critical Accounting Estimates and Judgements

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

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

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

Note 3 Income Tax

	2025 \$	2024 \$
(a) Income tax recognised in profit		
No income tax is payable by the Company as it recorded losses for income tax purposes for the year.		
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,839,289)	(2,324,099)
Prima facie tax benefit at the Australian tax rate of 25% (2024: 25%)	(459,822)	(581,025)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Share based payments	4,983	4,594
Entertainment	1,722	84
	(436,164)	(576,347)
Movement in unrecognised temporary differences	(25,860)	77,566
Tax effect of current year tax losses for which no deferred tax asset has been recognised/(utilisation of losses)	462,024	498,781
Income Tax Expense	-	-
(c) Unrecognised deferred tax balances		
Revenue tax losses available to the Company	7,719,686	5,871,592
Potential tax benefit @ 25% (2024: 25%)	1,929,922	1,467,898
(d) Unrecognised temporary differences		
Deferred Tax Assets at 25% (2024: 25%)		
<i>On Income Tax Account</i>		
Property, Plant & Equipment	2,120	1,882
Tenement acquisition costs	1,906,036	1,733,875
Provision for expenses	17,389	10,303
Capital Raising Costs	-	141,977
	1,925,545	1,888,037
Deferred Tax Liabilities at 25% (2024: 25%)		
Prepayments	3,129	4,541
	3,129	4,541

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Note 4 Exploration and evaluation expenditure

	2025 \$	2024 \$
Exploration and evaluation expenditure	879,788	736,482

As at the date of this report, the Company's application concerning the Petrovo license area was still pending approval of the Government of Bosnia and Herzegovina ("Government"). On 29 January 2025 the Company announced that it has agreed to the Government's proposal to reduce the tenement application size from 44km² to 10km². This revised application area covers the Company's primary drill targets and will still allow the Company to focus its activities on the most prospective areas of the ground moving forward. The Company is optimistic about a favorable outcome and are in ongoing discussions with our advisors at the Ministry of Energy & Mining.

Note 5 Loss per share

	2025 \$	2024 \$
Weighted average shares used in calculation	199,708,496	140,691,684
Basic and diluted loss per share	0.01	0.02

As the Company made a loss during the reporting period the options are therefore anti-dilutive.

Note 6 Other Assets (Current)

	2025 \$	2024 \$
Prepayments	12,514	18,163
Consumables	-	76,766
VAT and GST recoverable ¹	55,230	100,778
Other assets	-	3,530
Total Other Assets	67,744	199,237

- ^{1.} During the year ended 30 June 2024 the Company raised a provision for doubtful debts of \$329,274 with respect to VAT which is still disputed with authorities as at 30 June 2025.

Note 7 Plant & Equipment

	2025 \$	2024 \$
Geologist equipment at cost	146,716	135,220
Less accumulated depreciation	(91,980)	(55,098)
	54,736	80,122
Motor vehicles at cost	-	112,331
Less accumulated depreciation	-	(45,854)
	-	66,477
Leasehold improvements at cost	201,344	181,021
Less accumulated depreciation	(11,916)	(5,717)
	189,428	175,304
Total Plant and Equipment	244,164	321,903

Reconciliations

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

	Geological equipment \$	Motor Vehicle \$	Leasehold improvements \$	Total \$
Balance at 1 July 2023	112,787	130,684	183,872	427,343
Effect of changes in foreign exchange rates	(4,599)	(5,689)	(5,091)	(15,379)
Additions	3,911	9,212	-	13,123
Disposals	(5,514)	(38,221)	-	(43,735)
Depreciation expense	(26,463)	(29,509)	(3,477)	(59,449)
Balance at 30 June 2024	80,122	66,477	175,304	321,903
Effect of changes in foreign exchange rates	7,044	3,270	19,429	29,743
Additions	7,556	-	-	7,556
Disposals	(2,490)	(50,869)	-	(53,359)
Depreciation expense	(37,496)	(18,878)	(5,305)	(61,679)
Balance at 30 June 2025	54,736	-	189,428	244,164

Note 8 Leases

Right-of-use assets

	2025	2024
	\$	\$
Office Lease		
Cost	178,035	160,065
Accumulated depreciation	(108,632)	(65,111)
Net carrying amount	69,403	94,954

Reconciliation of movement in Right-of-Use Assets

	2025	2024
	\$	\$
Opening carrying amount	94,954	131,059
Effect of changes in foreign exchange rates	8,606	(747)
Depreciation charge for the year	(34,157)	(35,358)
Closing carrying amount	69,403	94,954

Lease liabilities

	2025	2024
	\$	\$
Office Lease		
Current	39,134	32,029
Non-current	38,749	70,454
Total	77,883	102,483

Note 9 Trade and Other Payables

	2025	2024
	\$	\$
Trade Creditors	97,050	31,028
Other creditors & accruals	60,409	68,445
Total	157,459	99,473

Note 10 Issued Capital

	2025 \$	2024 \$
235,444,447 ordinary shares (2024: 188,355,559 shares)	15,004,426	14,945,437
	Number of Shares	\$
Movement in Ordinary Shares on Issue		
Opening Balance at 1 July 2023	113,400,002	12,878,287
Placement – 23 January 2024	26,666,667	800,000
Lead Manager Shares – 19 February 2024	1,600,000	48,000
Entitlement Issue – 5 March 2024	46,688,890	1,400,667
Share issue costs	-	(181,517)
Closing Balance at 30 June 2024	188,355,559	14,945,437
Placement – 4 April 2025	44,423,480	399,811
Lead Manager Shares – 4 April 2025	2,665,408	23,989
Share issue costs	-	(364,811)
Closing Balance at 30 June 2025	235,444,447	15,004,426

Note 11 Share-based Payments Reserve

	Number of Options	Number of Performance Rights	\$
<i>Movement in Options Reserve</i>			
Opening Balance at 1 July 2023	35,225,000	-	458,244
Expense recognised relating to Director Options	-	-	33,363
Forfeiture of Director options at resignation	(750,000)	-	(25,062)
Expiry of 30,000,000 quoted Options	(30,000,000)	-	-
Expiry of 2,000,000 IPO Lead Manager Options	(2,000,000)	-	-
Issue of 30,000,000 quoted New Options	30,000,000	-	-
Grant of 20,000,000 quoted Lead Manager Options	20,000,000	-	20,000
Closing Balance at 30 June 2024	52,475,000	-	486,545
Expense recognised relating to Director Options	-	-	3,501
Expiry of 50,000,000 quoted Options	(50,000,000)	-	(20,000)
Issue of 18,835,000 Performance Rights ¹	-	18,835,000	15,712
Grant of 14,000,000 Director Performance Rights and 2,000,000 Related Party Performance Rights ¹	-	-	717
Grant of 20,000,000 Lead Manager Options ¹	-	-	333,042
Closing Balance at 30 June 2025	2,475,000	18,835,000	819,517

¹ Refer to Note 12.

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Note 12 Share-based Payments

Share Options

- (1) On 27 June 2025, the Company obtained shareholders' approval to issue 20,000,000 unlisted options to the lead manager of the share placement which was completed on 27 March 2025, as part consideration for the service provided ("Lead Manager Options"). Subsequent to the end of the reporting period, the Lead Manager Options were issued on 2 July 2025.

The fair value of the Lead Manager Options was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Lead Manager Options	
Number of securities	20,000,000
Grant date	27 June 2025
Share price at grant date	\$0.025
Volatility factor	95%
Risk free rate	3.19%
Life of the securities (Years)	3
Exercise price	\$0.020
Valuation per security	\$0.016
Total Fair Value	\$333,042

Volatility was determined by calculating the historical volatility of the Company's share price over the previous three years. The total fair value of \$333,042 was recognised as a capital raising cost within issued capital in the statement of financial position for the year ended 30 June 2025.

Volatility was determined by calculating the historical volatility of the peer-group share prices from relatively recent historical periods.

Performance Rights

- (1) On 28 March 2025, 18,835,000 unlisted performance rights were issued to eligible participants under the Company's Employee Share Incentive Plan ("ESIP Rights"). A quarter (25%) of these Rights will be deemed vested and be eligible to be converted upon satisfaction of any of the following Milestones:

- The Government of Bosnia and Herzegovina issuing the Sockovac Project licence.
- The Government of Bosnia and Herzegovina granting an extension to the Sockovac Project of an additional area of at least 10km².
- The Company completing drilling of at least 1000m at the Sockovac Project.
- The Company receiving a mining permit for the Sockovac Project.
- The Company completing drilling of at least 1000m in aggregate at the Sinjakovo Project and the Cajnice Project.
- The Company's share price achieving a VWAP of \$0.04 per share (or more) for no less than 10 consecutive ASX trading days (where trading in the Company's shares actually occurs).
- The Company's share price achieving a VWAP of \$0.08 per share (or more) for no less than 10 consecutive ASX trading days (where trading in the Company's shares actually occurs).

- The Company announcing to ASX a maiden JORC-compliant resource at either the Sockovac Project, Sinjakovo Project or Cajnice Project in the inferred category (or greater) of 10kt Ni metal.
- The Company reporting a drilling intercept of >20% meters (i.e. 10m @ 2% Ni, 4m @ 5% Ni) at either the Sockovac Project, Sinjakovo Project or Cajnice Project in accordance with the JORC Code.

The fair value of the Performance Rights was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

ESIP Rights	
Number of securities	18,835,000
Grant date	27 March 2025
Share price at grant date	\$0.019
Volatility factor	90%
Risk free rate	3.72%
Life of the securities (Years)	3
Exercise price	-
Valuation per security	\$0.019
Total Fair Value	\$357,865

Volatility was determined by calculating the historical volatility of the Company's share price over the previous three years. The probability of performance hurdles being met was assessed at 50%. The total fair value of \$357,865 will be periodically recognised as share-based payment expense over the vesting period. For the year ended 30 June 2025, a share-based payment expense of \$15,712 has been recognised in the statement of profit and loss.

- (2) On 27 June 2025, the shareholder of the Company approved the issue of 14,000,000 Director Performance Rights and 2,000,000 Related Party Performance Rights. The performance milestones for the Director Performance Rights and Related Party Performance Rights are same as the ESIP Rights. Subsequent to the end of the reporting period, the Director Performance Rights and Related Party Performance Rights were issued on 2 July 2025.

The fair value of the Performance Rights was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

ESIP Rights		
Number of securities	14,000,000	2,000,000
Grant date	27 June 2025	27 June 2025
Share price at grant date	\$0.025	\$0.025
Volatility factor	95%	95%
Risk free rate	3.19%	3.19%
Life of the securities (Years)	3	3
Exercise price	-	-
Valuation per security	\$0.025	\$0.025
Total Fair Value	\$350,000	\$50,000

Volatility was determined by calculating the historical volatility of the Company's share price over the previous three years. The probability of performance hurdles being met was assessed at 50%. The total fair value of the Director Performance Rights and Related Party Performance Rights will be periodically recognised as share-based payment expense over the vesting period. For the year ended 30 June 2025, a share-based payment expense of \$717 has been recognised in the statement of profit and loss.

Reconciliation of share-based payment expense to the expense recorded in profit and loss

	2025	2024
	\$	\$
Share-based payment expense	3,501	33,363
Forfeiture of Director options at resignation	-	(25,062)
Issue of Performance Rights	15,712	-
Grant of Director Performance Rights and Related Party Performance Rights	717	-
Total share-based payment expense recognised	19,930	8,301

Note 13 The Statement of Cash Flows

- a) Cash as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	901,362	1,995,066

- b) Reconciliation of cash flow from operations with loss after income tax:

	2025	2024
	\$	\$
Loss after income tax	(1,839,289)	(2,324,099)
Non-cash transaction:		
Depreciation	95,836	94,807
Gain from sale of non-current asset	(28,020)	(1,393)
Changes in assets and liabilities:		
Changes to options reserve	19,930	28,301
Changes to foreign currency translation reserve	(2,093)	(149,915)
Decrease/(Increase) in receivables	7,096	(12,281)
Decrease in other assets	131,493	429,633
(Decrease)/Increase in payables & accruals	57,986	(10,634)
Increase/(Decrease) in employee provisions	20,737	(18,670)
Cash flow used in operations	(1,536,324)	(1,964,251)

Note 14 Related Party Transactions

(a) Parent entity

The Group is controlled by Yugo Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 19.

(c) Key Management Personnel Compensation

	2025	2024
	\$	\$
Key Management Remuneration		
Salaries, fees and other short-term benefits	394,109	378,541
Post-employment benefits	15,546	3,576
Share-based payments	4,219	23,289
Total	413,874	405,406

No loans have been made to any Director or any of their related parties during the period (2024: Nil). There were no further transactions with Directors including their related parties other than those disclosed above. All transactions were made on normal commercial terms and conditions and at market rates.

Note 15 Contingencies and Commitments

The Company's Bosnian subsidiaries are party to a dispute with the Indirect Taxation Authority of Bosnia and Herzegovina regarding the recoverability of VAT incurred on its exploration expenditure relating to the period from November 2021 and July 2022. If the Group's claim is unsuccessful, it may be liable for up to \$0.6 million in VAT previously recovered. However, on the advice of its lawyers, the Group is confident it will be successful and as a result, no liability amounts have been accrued in these financial statements in respect of this matter. There were no substantial updates on the VAT matter during the year ended 30 June 2025.

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

Note 16 Remuneration of auditor

	2025	2024
	\$	\$
Remuneration of auditor:		
Audit services – Crowe Perth	-	11,600
Audit services – Hall Chadwick	51,252	33,672
Total	51,252	45,272

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

Note 17 Subsequent Events

On 2 July 2025, the Company issued 22,211,740 unlisted options, exercisable at \$0.02 expiring 2 July 2028, to participants for the placement announced 27 March 2025 ("Placement"), being one free attaching for every two shares subscribed for and issued under the Placement ("Placement Options"). On the same day, the Company also issued 20,000,000 unlisted options, exercisable at \$0.02 expiring 2 July 2028, to CPS Capital (or its nominee/s) as partial consideration for services provided as lead manager to the Placement ("Lead Manager Options").

In accordance with a resolution passed by its shareholder on 27 June 2025, the Company changed its name to Yugo Metals Limited (ASX: YUG), effective from 9 July 2025.

On 11 July 2025, the Company issued 16,000,000 unlisted performance rights to the directors of the Company as part of the Directors' remuneration and to incentivise the Directors in their performance of future services ("Director Performance Rights") and 2,000,000 unlisted performance rights to Mr Mladen Stevanovic in recognition of his performance and contribution to the Company as a Director and to incentivise his continued performance in his new advisory capacity ("Related Party Performance Rights"). Refer to Note 12 for further details.

On 18 July 2025, the Company announced an Option Prospectus offering up to 100,000,000 listed options exercisable at \$0.02 expiring three years from the date of issue ("New Options") to holders of the 50,000,000 listed LYKOA Options expired 11 June 2025 at an issue price of \$0.001 on the basis of two New Options for every one LYKOA Option. The New Options were fully subscribed and issued on 18 August 2025.

The issue of the Placement Options, Lead Manager Options, Director Performance Rights, Related Party Performance Rights and New Options were approved by shareholders at the general meeting on 27 Jun 2025.

On 1 August 2025, 277,778 unlisted options expiring 2 July 2028 were exercised at \$0.02 and converted to 277,778 fully paid ordinary shares.

On 18 August 2025, 1,666,667 unlisted options expiring 2 July 2028 were exercised at \$0.02 and converted to 277,778 fully paid ordinary shares.

Other than disclosed below in the opinion of the directors of the Group, in the period from 30 June 2025 to the date of this report no items, transactions or events of a material or unusual nature have arisen which will significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Note 18 Parent entity information

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

	2025	2024
	\$	\$
Assets		
Current assets	872,265	2,477,063
Non-current assets	-	-
Total assets	872,265	2,477,063
Liabilities		
Current liabilities	142,515	54,435
Non-current liabilities	-	-
Total liabilities	142,515	54,435
Equity		
Issued Capital	15,004,426	14,945,436
Options reserve	839,517	486,545
Accumulated losses	(15,114,193)	(13,009,353)
Total equity	729,750	2,422,628
Total comprehensive loss for the year	(2,104,842)	(10,633,066)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments as at 30 June 2025 and 30 June 2024.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2.

Note 19 Investments in controlled entities

Name of controlled entities	Country of Incorporation	Class of Shares	Equity holding % 2025	Equity holding % 2024
Lykos Balkan Metals d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Merdeni Brijeg d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
SNK Metali d.o.o.	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Braha Resources d.o.o	Bosnia and Herzegovina (Republika Srpska)	Ordinary	100%	100%
Yugo Metals (UK) Limited	United Kingdom	Ordinary	100%	100%

Note 20 Financial Instruments

Financial risk management objectives

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

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

Market Risk

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

Consolidated	2025 \$	2024 \$
Australian dollar	858,058	1,923,990
BAM/Euro	43,304	71,076
	901,362	1,995,066

Note 21 Commitments

The Group's minimum expenditure commitments in relation to its tenements are as follows:

	2025 \$	2024 \$
Within 1 year	87,664	149,090
Between 2 and 5 years	26,659	194,429
More than 5 years	-	-
Total commitments	114,323	343,519

Note 22 Financial Assets and Liabilities

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

Note 23 Segment information

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

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

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

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity
- (d) the directors have been given the declarations required by s.295A of the Corporation Act 2001; and
- (e) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

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



Petar Tomasevic
Executive Director

Dated: 30 September 2025

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yugo Metals Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director’s declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,839,289 during the year ended 30 June 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Exploration and Evaluation Expenditure</i></p> <p>As disclosed in Note 4 to the financial statements, the Consolidated Entity incurred \$879,788 of exploration expenditure during the year.</p> <p>Exploration and evaluation expenditure is a key audit matter due to its nature and the significance to the Company's statement of profit or loss and other comprehensive income.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>; and • Assessing the adequacy of the disclosures in Note 4.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA

Director

Dated this 30th day of September 2025
Perth, Western Australia

Additional information required by the Australian Stock Exchange Limited and not disclosed elsewhere in this report is set out below. This information is current as at 19 September 2025.

Distribution of Shares

Range	Number of Holders	Securities Held	% of Units
1 – 1,000	10	1,971	0.00
1,001 – 5,000	105	301,716	0.13
5,001 – 10,000	67	560,017	0.24
10,001 – 100,000	256	11,161,730	4.70
100,001 over	161	225,363,458	94.93
Total	599	237,388,892	100.00

There are 151 shareholders holding unmarketable parcels represented by 553,704 shares.

Top 20 Largest Shareholders

Shareholder	Shares Held	% of Units
MR MILOS BOSNJAKOVIC	40,632,000	17.12
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	13,922,223	5.86
MR MILOS BOSNJAKOVIC	13,333,334	5.62
SP CAPITAL PTY LTD	10,561,163	4.45
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	6,783,802	2.86
QUADRATURA INVESTMENTS PTY LTD	6,250,002	2.63
MR STEPHEN CHARLES ALLEN	5,575,000	2.35
CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	5,489,546	2.31
VERT NOMINEES (WA) PTY LTD <NOMINEES A/C>	5,150,000	2.17
ORC PTY LTD	4,535,010	1.91
MRS MILIJANKA MARAS	4,500,000	1.90
MR GAVIN JEREMY DUNHILL	4,100,000	1.73
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	4,011,114	1.69
CUPRUM PLUS LTD	3,600,000	1.52
J STIMPSON PTY LTD <HOEK A/C>	3,499,780	1.47
RICHSHAM NOMINEES PTY LTD	3,217,000	1.36
FINK INK PTY LTD	3,033,737	1.28
ORC PTY LTD	2,850,000	1.20
MR SHANE TIMOTHY BALL <THE BALL A/C>	2,755,000	1.16
WINTRUZ INVESTMENT LIMITED	2,733,334	1.15
Total Top 20 Holders	146,532,045	61.73
Total Remaining Holders	90,856,847	38.27
Total Ordinary Shares on Issue	237,388,892	100.00

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Substantial Shareholders

Shareholder	Shares Held	% of Units
MR MILOS BOSNJAKOVIC	53,965,334	22.73
MR JASON PETERSON	27,052,512	11.40

Distribution of Listed Options (ASX: YUGOB)

Range	Number of Holders	Securities Held	% of Units
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	5	50,000	0.05
10,001 – 100,000	56	3,088,000	3.09
100,001 over	66	96,862,000	96.86
Total	127	100,000,000	100

There are 10 option holders holding unmarketable parcels represented by 144,000 options.

Top 20 Largest Option Holders (ASX: YUGOB)

Option holder	Options Held	% of Units
CELTIC CAPITAL PTY LTD <INCOME A/C>	12,995,000	13.00
CELTIC FINANCE CORP PTY LTD	8,815,000	8.82
GOFFACAN PTY LTD	8,710,500	8.71
CPS CAPITAL NO 5 PTY LTD	7,800,000	7.80
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	6,670,388	6.67
RICHSHAM NOMINEES PTY LTD	6,200,000	6.20
CUPRUM PLUS LTD	4,100,000	4.10
AROSA CAPITAL PARTNERS DOO	4,040,216	4.04
ORC PTY LTD	3,500,000	3.50
STEPHEN ALLEN SUPERANNUATION PTY LTD <STEPHEN ALLEN SUPER FUND A/C>	3,500,000	3.50
ALLEN COST CONSULTANTS PTY LTD	2,350,000	2.35
QUADRATURA INVESTMENTS PTY LTD	2,050,000	2.05
MR STEPHEN CHARLES ALLEN	2,000,000	2.00
MS LAURA ANN MANDER	2,000,000	2.00
PLUTUS VENTURES PTY LTD	1,330,000	1.33
SUNSAND NOMINEES PTY LTD <SUNSAND SF A/C>	1,229,166	1.23
CPS CAPITAL GROUP PTY LTD <THE FIDELITY A/C>	1,000,000	1.00
QUATTRO STAGIONE PTY LTD	1,000,000	1.00
SPIKE CAPITAL PTY LTD	1,000,000	1.00
ORC PTY LTD	900,000	0.90
Total Top 20 Holders	81,190,270	81.19
Total Remaining Holders	18,809,730	18.81
Total Ordinary Shares on Issue	100,000,000	100.00

Voting Rights

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

On-Market Buy-Back

There is no current on-market buy-back.

Restricted Securities

There are no restricted securities.

Unquoted Securities

Type of Securities	Date of Expiry	Exercise Price	Number of Securities	Number of Holders
Options	15 October 2025	\$0.20	1,725,000	3
Options	1 April 2026	\$0.30	750,000	2
Options	11 July 2028	\$0.02	40,267,295	42
Performance Rights	28 March 2028	-	18,835,000	8
Performance Rights	2 July 2028	-	16,000,000	4

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

EXPLORATION LICENSES

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

- Sinjakovo (including Jezero) – approximately 80.8km²
- Sockovac – approximately 49km² at Dobož (not including the area under current application at Petrovo)
- Cajnice - approximately 49.5km²