ASX ANNOUNCEMENT

25 July 2022

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2022

HIGHLIGHTS

TALLEBUNG TIN PROJECT

- Drilling of 12 RC holes for a total of 2,213m and 1 diamond drillhole for a total of 150.2m at the Tallebung Tin Target intercepted broad bulk tonnage tin mineralisation.
- Assays received during the quarter included:

  TBD002: **60.2m @ 0.54% tin & 40.4g/t silver from 12.8m, including; 15m @ 1.17% tin & 150.3g/t silver from 58m**

  TBRC021: **25m @ 0.14% tin from 124m, including; 1m @ 1.57% tin from 124m**

  These results have continued to significantly expand the potential of Tallebung as a bulk tonnage tin resource.
- Metallurgical testwork of a simple gravity circuit has commenced – samples sent to TOMRA ore sorting for beneficiation before being sent for gravity concentration testwork aiming to produce a saleable cassiterite concentrate.

DORADILLA TIN PROJECT

- Assays received for the diamond drilling program completed in the March quarter at 3KEL-Doradilla – 3 holes were completed for a total of 697.8m. Results included:

  3KDD018: **81m @ 0.48% tin from 5m, including; 26m @ 1.04% tin from 45m**

  3KDD016: **18m @ 0.20% tin from 185m**

  3KDD017: **5m @ 3.21% zinc from 207.7m, 10.6m @ 0.09% tin from 228m**
- A large infill and extensional RC drilling program to rapidly advance the 3KEL Target has now commenced and will proceed into the September quarter.

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide a Quarterly Activities Report outlining SKY's advanced exploration program during the June 2022 quarter.

SEPTEMBER 2022 QUARTER – PROPOSED WORK PROGRAM

- Further RC drilling at the 3KEL Target, Doradilla Tin-polymetallic Project
- Evaluation of the tin mineralisation and oxide copper potential at the 3KEL Target
- RC and diamond drilling at the Tallebung Tin Project targeting further shallow bulk tonnage tin resources
- Further metallurgical work on the 3KEL Target and Tallebung Target

TALLEBUNG PROJECT: TIN (EL 6699, SKY 100%)

TALLEBUNG TARGET – RC DRILLING

In the March quarter, SKY completed nine of eleven planned RC holes and one redrilled hole, ten holes altogether, for a total of 1,217m, at the historic Tallebung Tin Mine. This drilling was designed to test for further up dip, shallow bulk tonnage tin mineralisation. Assays for the first four holes in the program were received in the March quarter. The assays for the final six holes were received in the June quarter with all holes successfully intercepting strong broad tin mineralisation.

Mineralisation at Tallebung is geologically interpreted to be hosted in four broad subparallel east dipping lodes named Lode A, B, C and D from east to west respectively. **TBRC015** was planned to intercept down plunge extensions to the broad tin mineralisation intercepted in **TBRC006** and identified as being 'Lode C' (**Figure 1**). Due to drilling difficulties, **TBRC015** was ended prematurely before passing entirely through Lode C, however, the hole did intercept mineralisation interpreted to be associated with the subparallel and overlying Lode B. Results included:

TBRC015: 29m @ 0.13% tin from 82m, including;
3m @ 0.54% tin from 82m.

TBRC016 was targeted to test up dip extensions to the mineralisation in Lode C and infill in an area of only very wide spaced and shallow historic drilling. This hole confirmed the continuation of broad tin mineralisation in an up-dip position on Lode C, results included:

TBRC016: 20m @ 0.13% tin from 29m including;
4m @ 0.46% tin from 29m.

TBRC017 was over 80m south of **TBRC016** and above the historic hole **DDH16**. This was also to test up dip extensions to the mineralisation in Lode C and infill in a region of only very wide spaced and shallow historic drilling. This hole also confirmed the continuation of broad tin mineralisation in an up-dip position on Lode C, results included:

TBRC017: 17m @ 0.11% tin from 17m including;
5m @ 0.25% tin from 24m.
4m @ 0.34% tin from 54m.

TBRC018 was targeted to test the continuity and up dip extensions to the broad tin mineralisation in the centre of the identified mineralisation where little to no drilling has been completed within 100m of **TBRC018**. Drilling difficulties resulted in the hole being abandoned before reaching the planned depth, however, the hole did confirm the continuation of broad tin mineralisation through the centre of the Tallebung Tin Target, results included:

TBRC018: **6m @ 0.10% tin from 133m.**
12m @ 0.08% tin & 0.19% tungsten from 154m including;
2m @ 0.86% tungsten from 154m and;
5m @ 0.16% tin & 0.08% tungsten from 161m.

Drilling difficulties resulted in **TBRC019** being abandoned at only 78m due to extreme hole deviation, over 70m short of the planned end of hole at 150m. **TBRC025** was then drilled from the same pad to attempt to reach the target designed for **TBRC019**. **TBRC025** also encountered similar extreme hole deviation which resulted in the hole also being abandoned prematurely at 90m, 60m short of the planned end of hole. Both holes were targeted to test along strike and up-dip extensions to the mineralisation by infilling in a region with no historic drilling within 100m (**Figure 1**).

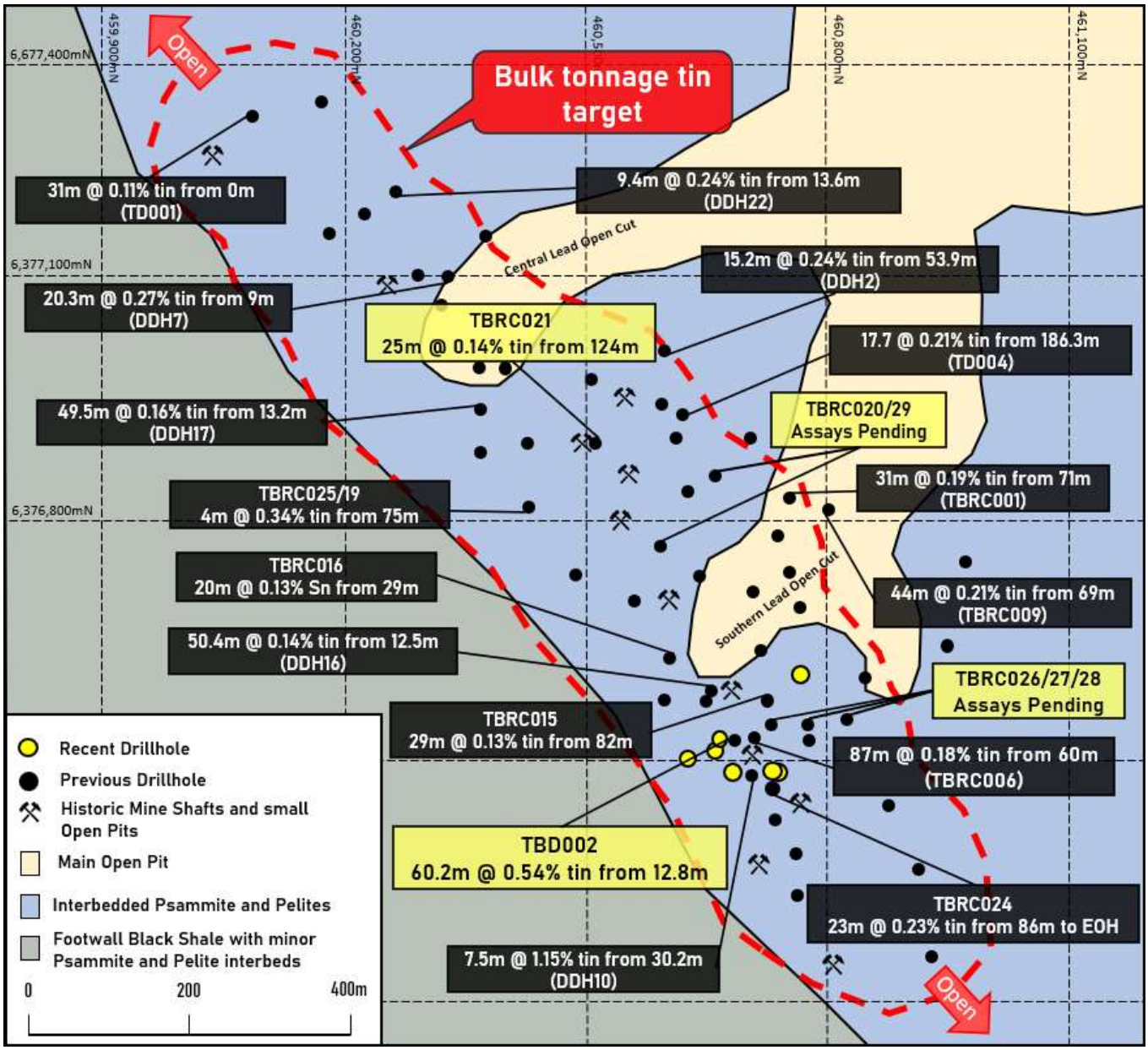

Figure 1: *Tallebung Target – Plan view with drill hole collars and significant intercepts. Recent results are in yellow and RC holes are yellow (TBRC030-35) – assays are pending for these holes.*

TBRC019/25 confirmed the continuation and extension of broad tin mineralisation through the centre of the Tallebung Tin Target, results included:

TBRC019: **4m @ 0.11% tin, 0.18% tungsten & 28g/t silver from 57m.**
1m @ 0.39% tin, 0.35% tungsten & 94.9g/t silver from 75m.

TBRC025: **4m @ 0.34% tin, 0.08% tungsten & 25g/t silver from 59m including;**
1m @ 1.33% tin, 0.05% tungsten & 82g/t silver from 59m.
2m @ 0.11% tin, 0.05% tungsten & 20g/t silver from 86m.

In the June quarter, initial six RC drillholes, **TBRC020-21** and **TBRC026-29,** for a total of 1,110m were completed at Tallebung to infill the large extensions to the tin mineralisation intercepted by the RC program during the previous quarter. Assays have been received for one of the six holes drilled, **TBRC021**, which confirms the tin mineralisation has successfully been extended. Results include:

TBRC021: **4m @ 0.35% tin & 0.04% tungsten from 42m, including;**
1m @ 1.23% tin & 0.07% tungsten from 42m.
25m @ 0.14% tin from 124m including;
8m @ 0.36% tin & 0.07% tungsten from 124m, including;
1m @ 1.57% tin from 124m.

Another six infill and extension RC drillholes, **TBRC030-35**, were then completed at Tallebung to continue to expand the broad footprint of bulk tonnage mineralisation and to increase confidence in the bulk tonnage tin mineralisation intercepted in previous drilling (**Figure 1**).

TALLEBUNG TARGET – DIAMOND DRILLING

During the quarter a large diameter PQ diamond drillhole, **TBD002**, was completed at Tallebung to provide samples for further metallurgical test work. This hole was orientated perpendicular to previous drilling and subparallel to the mineralisation to intercept as much of the mineralisation as possible to provide as much sample as possible for bulk metallurgical test work (**Figure 2**). Assay results were received in the quarter and include:

TBD002: **60.2m @ 0.54% tin & 40.4g/t silver from 12.8m, including;**
0.6m @ 7.96% tin & 0.08% tungsten from 12.8m and;
36.4m @ 0.73% tin & 65.2g/t silver from 36.6m including;
15m @ 1.17% tin, 150.3g/t silver & 0.20% copper from 58m including;
6m @ 2.28% tin, 229.1g/t silver & 0.35% copper from 64m.

The shallow high-grade tin mineralisation intercepted in **TBD002** demonstrates the strong potential for near surface open pit tin mineralisation at Tallebung. Two possible post mineralisation faults were observed in the hole and SKY plans to drill additional diamond drillholes with orientated core to continue to further develop the geological and structural controls on the mineralisation at Tallebung in the September quarter.

TALLEBUNG TARGET – METALLURGICAL TESTWORK

In the previous quarter, a sample of the Tallebung tin mineralisation was sent to TOMRA Ore Sorting Solutions in Sydney. The sample was sorted on approximately a 25:75 product to waste ratio. Assays from this work showed an almost quadrupling of the grade with +90% recovery for both tin and tungsten (**Table 1**). These trial results were extremely encouraging for the

application of ore sorting at Tallebung. Samples taken from the wide-diameter diamond hole, TBD002, have now been sorted by TOMRA during the June quarter to build on these very excellent, early trial results.

Table 1 – Tallebung Tin-Tungsten Project, Tallebung Target. Collar summary for drill holes.

Commodity	Sample	Weights	Feed Grade	Sort Grade	Sort Ratio	Recovery	Upgrade
Tin	Product 1	2.98	**0.19%**	**0.70%**	26:74	**96%**	**3.74**
	Waste 1	8.62	**0.19%**	**0.01%**	74:26	**4%**	**0.05**
Tungsten	Product 1	2.98	**0.02%**	**0.06%**	26:74	**90%**	**3.50**
	Waste 1	8.62	**0.02%**	**0.002%**	74:26	**10%**	**0.14**

The sorted products from TOMRA will now be sent to ALS Burnie to test a conventional, simple gravity concentration circuit to produce a saleable concentrate from the tin mineralisation at Tallebung. Tin mineralisation at Tallebung is hosted as coarse cassiterite (tin-oxide) indicating favourable concentration by traditional gravity methods, most likely to be after preconcentration via ore sorting. A wide-diameter diamond hole has been planned for the June quarter to provide sample for further metallurgical testing of the Tallebung mineralisation.

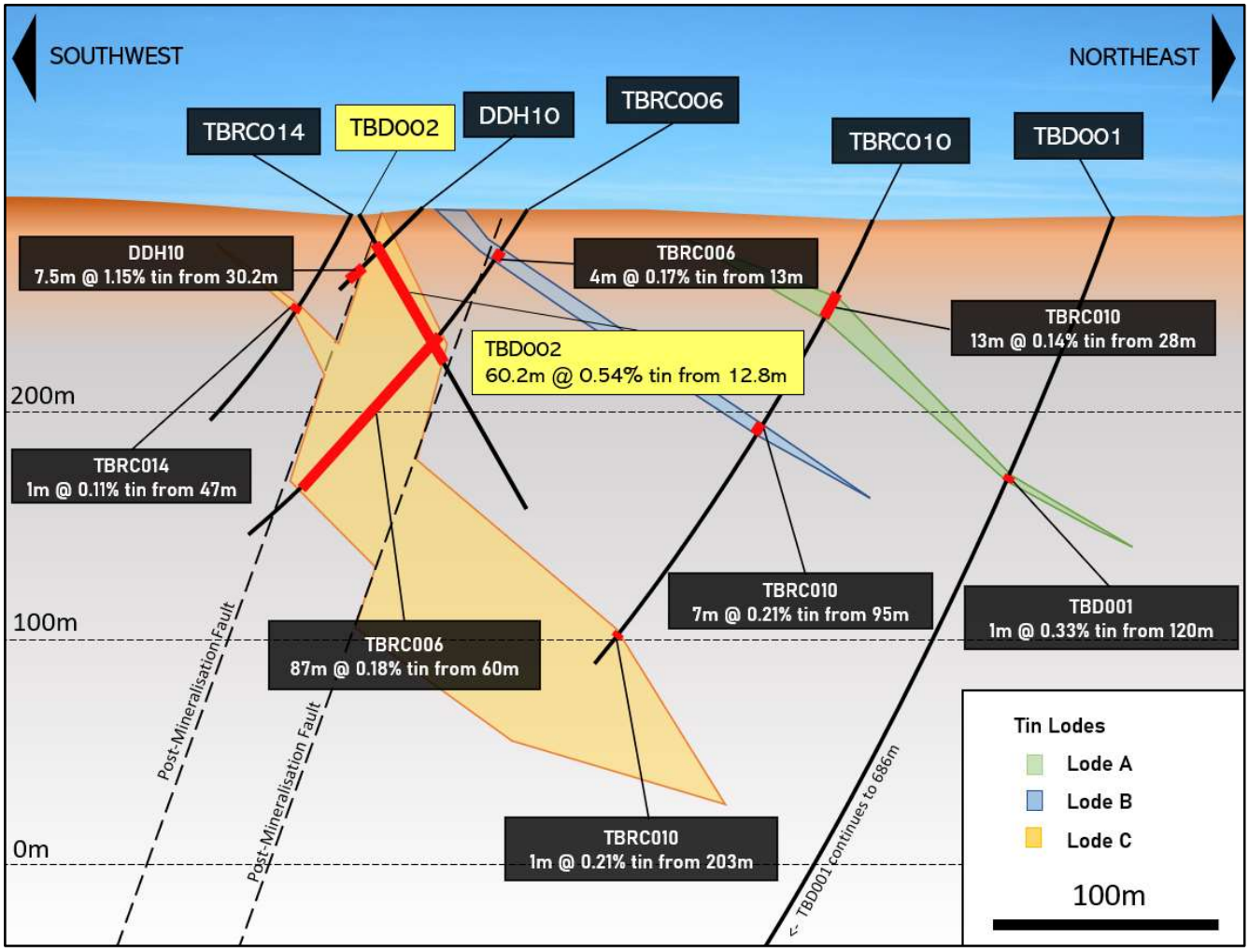

Figure 2: *Tallebung Target – Cross-section of* ***TBD002*** *and significant intercepts. Recent holes are in yellow.*

Table 2 – Tallebung Tin Project, Tallebung Target. Collar summary for drill holes.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
TBRC014	460625.71	6376533.9	287.05	-63	239.4	113	Completed
TBRC015	460726.51	6376596.15	286.12	-64	237.4	168	Completed
TBRC016	460536.12	6376635.32	283.79	-64	237.4	106	Completed
TBRC017	460597.97	6376572.46	284.81	-64	237.4	130	Completed
TBRC018	460546.61	6376691.94	283.27	-64	237.4	172	Completed
TBRC019	460427.8	6376818.93	292.14	-62	220.4	78	Abandoned due to hole deviation
TBRC020	460590.99	6376772.85	281.69	-60	239.4	204	Completed
TBRC021	460518.57	6376900.06	289.74	-60	246.6	210	Completed
TBRC022	460483.11	6376717.45	284.99	-60	244.4	132	Abandoned due to hole deviation
TBRC023	460418.82	6376891.6	288.92	-65	230.4	119	Completed
TBRC024	460735.38	6376477.27	291.37	-64	242.4	109	Abandoned due to strong ground water
TBRC025	460429.35	6376820.86	292.02	-57	220.4	90	Completed - Redrill of TBRC019
TBRC026	460845.01	6376531.68	286.86	-60	260.4	192	Completed
TBRC027	460729.43	6376529.45	288.79	-60	260.4	186	Completed
TBRC028	460763.91	6376527.83	288.79	-60	260.4	198	Completed
TBRC029	460655.32	6376873.9	281.86	-60	246.4	120	Abandoned due to strong ground water
TBRC030	460607.78	6376522.02	286.69	-58	260.4	204	Completed
TBRC031	460539.37	6376480.99	286.59	-60	260.4	150	Completed
TBRC032	460733.57	6376479.91	291.07	-55	255.4	198	Completed
TBRC033	460746.35	6376479.35	290.82	-62	230.4	156	Completed
TBRC034	460671.92	6376461.98	293.10	-60	255.4	203	Completed
TBRC035	460667.42	6376526.42	288.48	-60	260.4	192	Completed
TBD002	460631.23	6376534.37	286.96	-60	83.7	150.2	Completed

Table 3 – Tallebung Tin Project, Tallebung Target. Significant drillhole intersections.

Hole ID	From	To	Interval	Sn	W	Ag	Cu	Zn	Comment
	(m)	(m)	(m)	%	%	g/t	%	%	
TBD002	12.8	73	60.2	0.54	0.01	40.4	0.06	-	Bulk Tonnage Interval
including	12.8	13.4	0.6	7.96	0.08	5.41	-	-	High-grade Vein
and	36.6	73	36.4	0.73	0.01	65.2	0.09	-	Lower Zone – 'C' Lode
including	58	73	15	1.17	0.02	150.3	0.20	0.05	High-grade Zone
including	64	70	6	2.28	0.03	229.1	0.35	0.08	High-grade Core
TBRC014	36	37	1	0.10	-	3.7	-	-	
	47	48	1	0.11	-	-	-	-	
TBRC015	82	111	29	0.13	0.03	-	-	-	Lode B
including	82	85	3	0.54	0.13	-	-	-	
TBRC016	29	49	20	0.13	-	-	-	-	
including	29	33	4	0.46	-	-	-	-	

Hole ID	From	To	Interval	Sn	W	Ag	Cu	Zn	Comment
	(m)	(m)	(m)	%	%	g/t	%	%	
TBRC017	17	34	17	0.11	-	-	-	-	Lode B
including	24	29	5	0.25	-	-	-	-	
	54	58	4	0.34	-	-	-	-	Lode C
TBRC018	133	139	6	0.10	-	-	-	-	
	154	166	12	0.08	0.34	26	-	0.32	
including	154	156	2	0.03	1.73	12	-	0.71	
and	161	166	5	0.16	0.08	45	-	0.27	
TBRC019	57	61	4	0.11	0.18	28	-	-	Lode C
	75	76	1	0.39	-	-	-	-	
TBRC021	42	46	4	0.35	0.04	21.6	-	-	
including	42	43	1	1.23	0.07	53.7	-	-	
	124	149	25	0.14	0.03	3.24	-	-	
including	124	132	8	0.36	0.07	7.73	-	-	
including	124	125	1	1.57	0.02	28.8	-	0.1	
	192	202	10	0.12	0.02	4.12	-	0.21	
TBRC022	43	44	1	0.07	0.16	-	-	-	
	88	103	15	0.11	0.04	6.3	-	-	
	100	103	3	0.43	0.06	3.7	-	-	
TBRC023	56	71	15	0.06	0.06	3.3	-	0.35	
including	56	62	6	0.13	0.09	4.2	-	-	
	85	98	13	0.10	0.05	19	-	0.65	
including	85	89	4	0.15	0.11	42	-	0.77	
	116	119	3	0.17	0.11	37	-	1.00	Open to EOH
TBRC024	11	14	3	0.28	0.01	4.9	-	-	
	48	58	10	0.13	0.04	4.3	-	-	
	86	109	23	0.23	0.02	3.4	-	0.20	Broad mineralisation – Open to EOH
including	87	91	4	0.54	0.05	2.9	-	0.16	
including	96	97	1	2.67	0.03	28	-	2.5	
TBRC025	59	63	4	0.34	0.08	25	-	-	Lode C
including	61	62	1	1.33	0.15	82	-	-	
	86	88	2	0.11	0.05	20	-	-	

DORADILLA PROJECT: TIN-POLYMETALLIC (EL 6258, SKY 100%)

3KEL TARGET – DIAMOND DRILLING

SKY completed three diamond drill holes at 3KEL in the March quarter. Assays were received for these holes, **3KDD016, 3KDD017** and **3KDD018** in the June quarter. **3KDD016** was the first of these holes and was drilled for depth extensions to the high-grade tin mineralisation under **3KDD012** (**Figure 3**). Results included:

3KDD016: 60m @ 0.10% tin from 169m including,
18m @ 0.20% tin from 185m

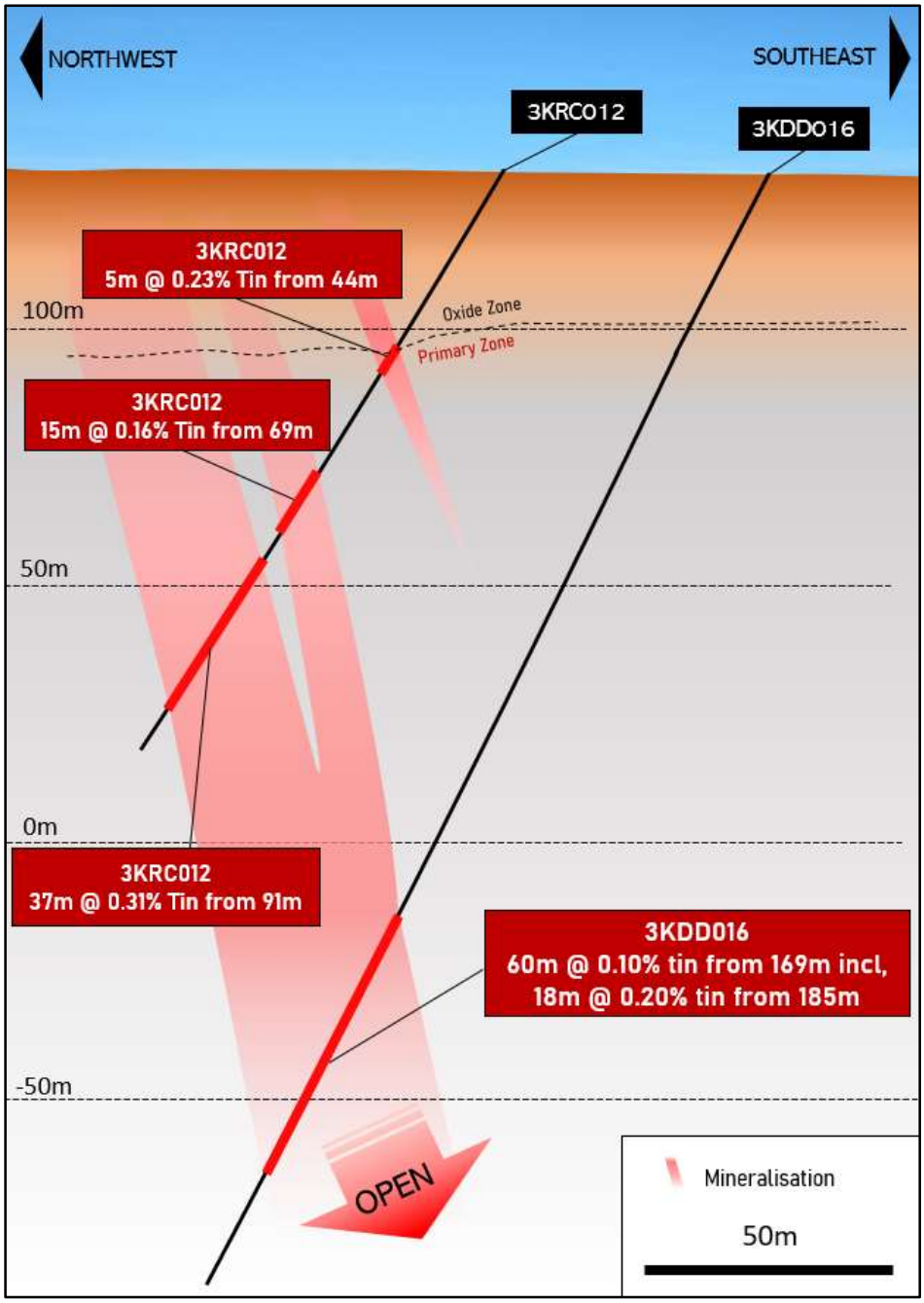

Figure 3: *3KEL Target – Cross-section showing **3KDD016** and **3KRC012**.*

3KDD016 intercepted strongly altered garnet skarn and calc-silicates with minor psammite interbeds, the calc-silicate and garnet skarn represent the host lithology for the tin at 3KEL. These results demonstrate that mineralisation at 3KEL continues at depth below **3KRC012** and **3KDD016** and along strike.

3KDD017 was drilled below the zinc mineralisation in **3KDD013** (11.2m @ 3.02% Zn from 123m) to confirm the geological interpretation that the zinc mineralisation in **3KDD013** was overlying further tin mineralisation at depth (**Figure 4**). The results from **3KDD017** have confirmed this geological model and established a 500m strike extension of the 3KEL Target, expanding the strike length of the 3KEL tin mineralisation to over 2.8km. Results included:

3KDD017: 5m @ 3.21% zinc from 207.7m,
10.6m @ 0.09% tin from 228m

Deeper drilling under the mineralisation intercepted in **3KDD017** is being planned to further extend this mineralisation at depth. Based on the growing confidence of the geological model being developed at 3KEL, SKY anticipates that that the tin grades will increase significantly at depth below **3KDD017**. Most importantly, these results also demonstrate that the mineralisation at 3KEL remains open along strike to the northeast, as has been indicated by up to 0.7% tin rock chips collected by SKY previously to the northeast of **3KDD017** (**Figures 6 and 7**).

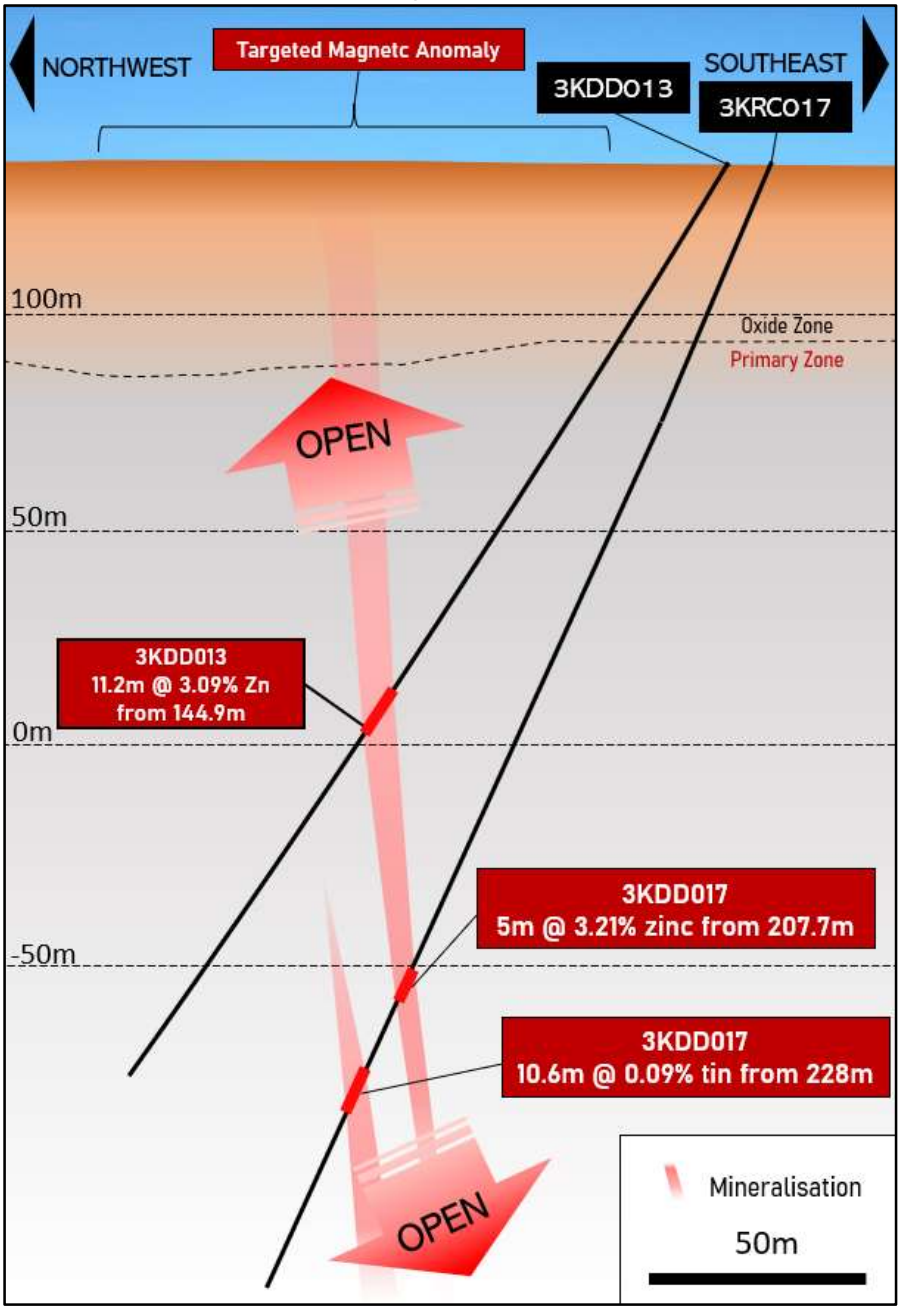

Figure 4: *3KEL Target – Cross-section showing* ***3KDD013*** *and* ***3KRC017****.*

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Zinc mineralisation is common in these zoned large-scale tin systems and is associated with 'high levels' above the tin mineralisation and mineralising granite. **3KDD013** likely intercepted this higher level, while **3KDD017** has intercepted the deeper tin zone of the 3KEL system, as has now been confirmed with these assays.

A wide diameter diamond hole, **3KDD018,** was drilled to intercept the high-grade tin mineralisation in **3KRCD007** on a sub-parallel angle to produce samples for metallurgical test work (**Figure 5**). Results included:

3KDD018: 81m @ 0.48% tin from 5m, including;
23m @ 1.06% tin from 48m

The high-grade tin results achieved in **3KDD018** show the hole successfully intercepted the 3KEL mineralisation and, therefore, the sample recovered will be suitable for the ongoing metallurgical test work.

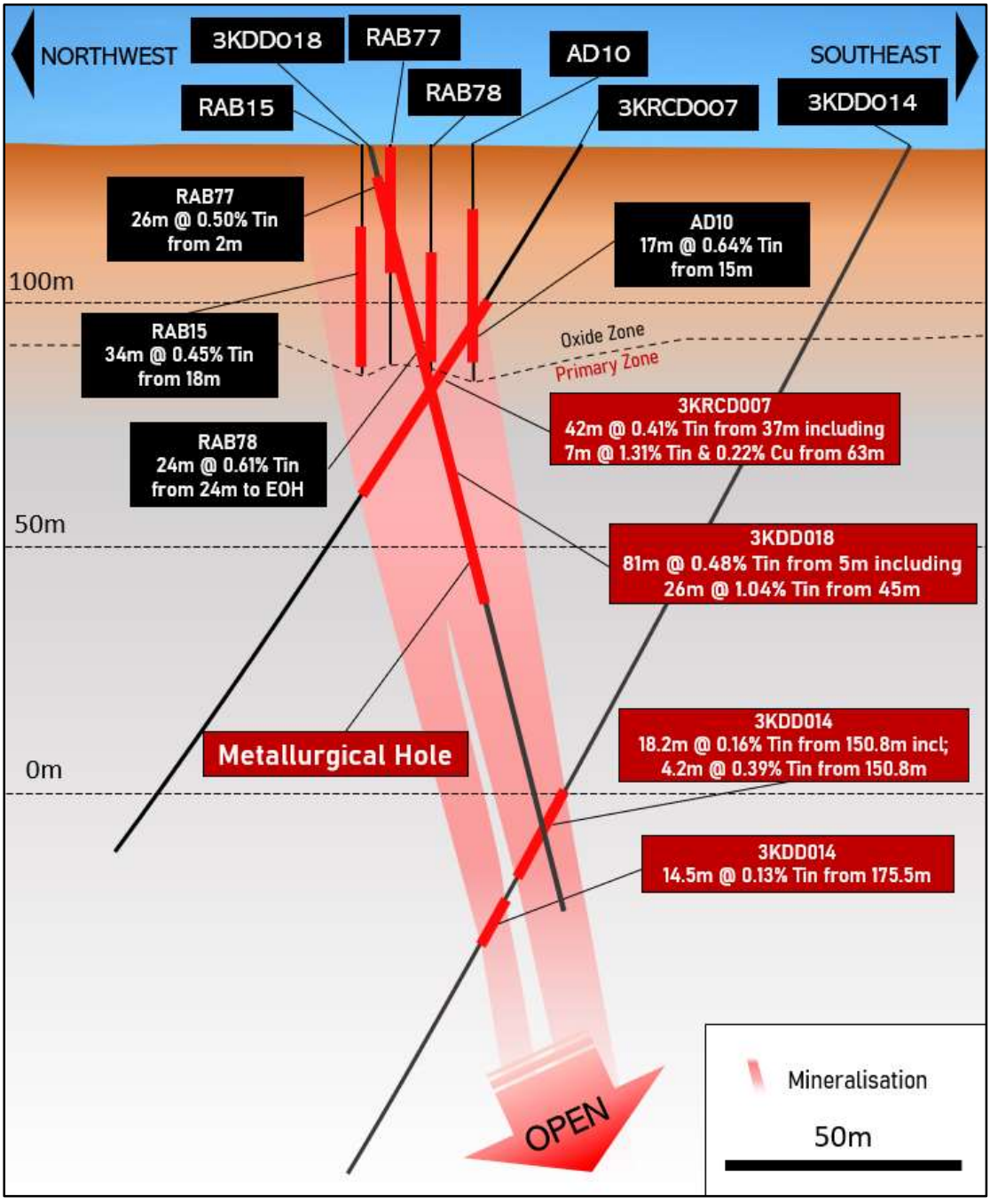

Figure 5: *3KEL Target – Cross-section showing* ***3KRCD007, 3KDD014*** *and* ***3KRC018 –*** *Metallurgical hole.*

SKY has engaged a metallurgist to oversee the test work process and several labs have been contacted to develop and test possible flowsheets for the 3KEL mineralisation, labs contacted include ALS Burnie and TOMRA Ore Sorting Solutions. The test work is anticipated to take at least 2-3 months with results and follow-on studies to proceed afterwards.

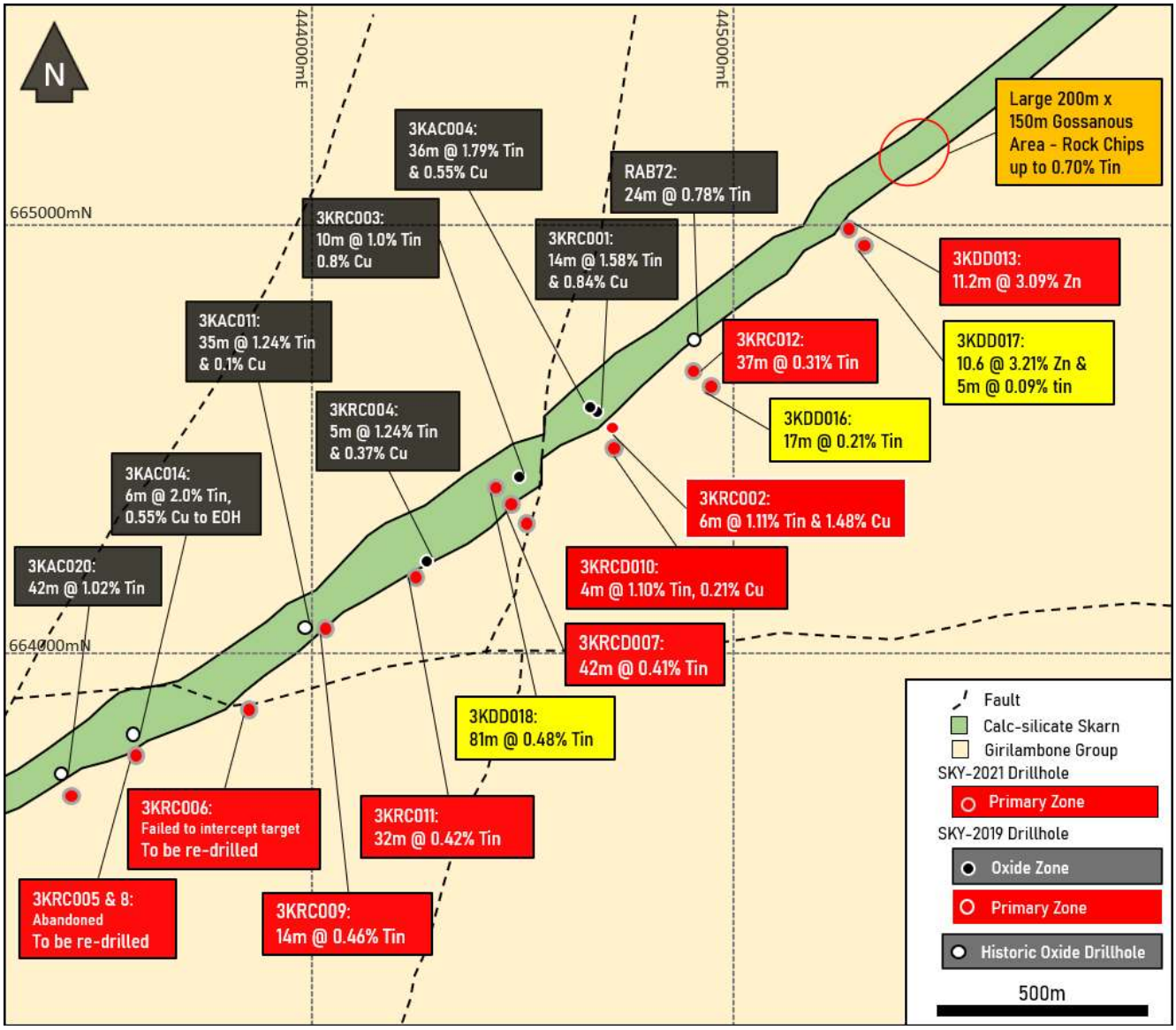

Figure 6: *3KEL Target – Geological map of the 3KEL Target and drillhole collar positions and assays. Drillholes from latest drill program are in the yellow boxes.*

3KEL TARGET – RC DRILLING

The large extension and infill RC drilling program planned for the June quarter at 3KEL has been delayed due to wet conditions at Doradilla. The drill program is to continue the drilling of the large 3KEL Target, starting on the north-eastern end of the 3KEL Target before moving to the south-west, testing along the 2.8km strike.

This RC program will aim to explore extensions to the large strike of tin mineralisation, extend the zinc mineralisation in **3KDD013** and also test underneath the rock chips results from the large 200m x 150m undrilled gossanous area 200m further to the northeast of **3DKK013**. Rock chips from this gossanous area assayed up to 0.7% tin and represent a +700m extension of the 3KEL Target.

A camp is in place near the 3KEL Target to allow for better access for SKY staff and contractors for the ongoing drilling programs planned over at least the September quarter.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
3KDD016	444933.9	6649621.1	132.1	-60	324.6	252.6	Completed
3KDD017	445309.7	6649962.4	129.3	-66	334.6	276.7	Completed
3KDD018	444425.6	6649385.2	135.4	-75	142	168.5	Completed

Table 4 – Doradilla Tin-Polymetallic Project, 3KEL Target. Collar summary for drill holes.

Table 5 – Doradilla Tin-Polymetallic Project, 3KEL Target. Significant drillhole intersections.

Hole ID	From	To	Interval	Sn	Cu	Zn	In	Ag	Comment
	(m)	(m)	(m)	%	%	%	g/t	g/t	
3KDD016	179	229	50	0.11	-	-	-	-	Broad mineralisation
including	185	203	18	0.20	-	-	-	-	
3KDD017	207.7	212.7	5	0.05	-	3.21	17.0	-	Upper Zinc Zone
and	228	238.6	10.6	0.09	-	-	11.4	-	Lower Tin Zone
3KDD018	5	86	81	0.48	0.06	0.19	32.5	-	Broad mineralisation
including	45	71	26	1.04	0.10	0.30	67.1	-	High-grade zone of mineralisation

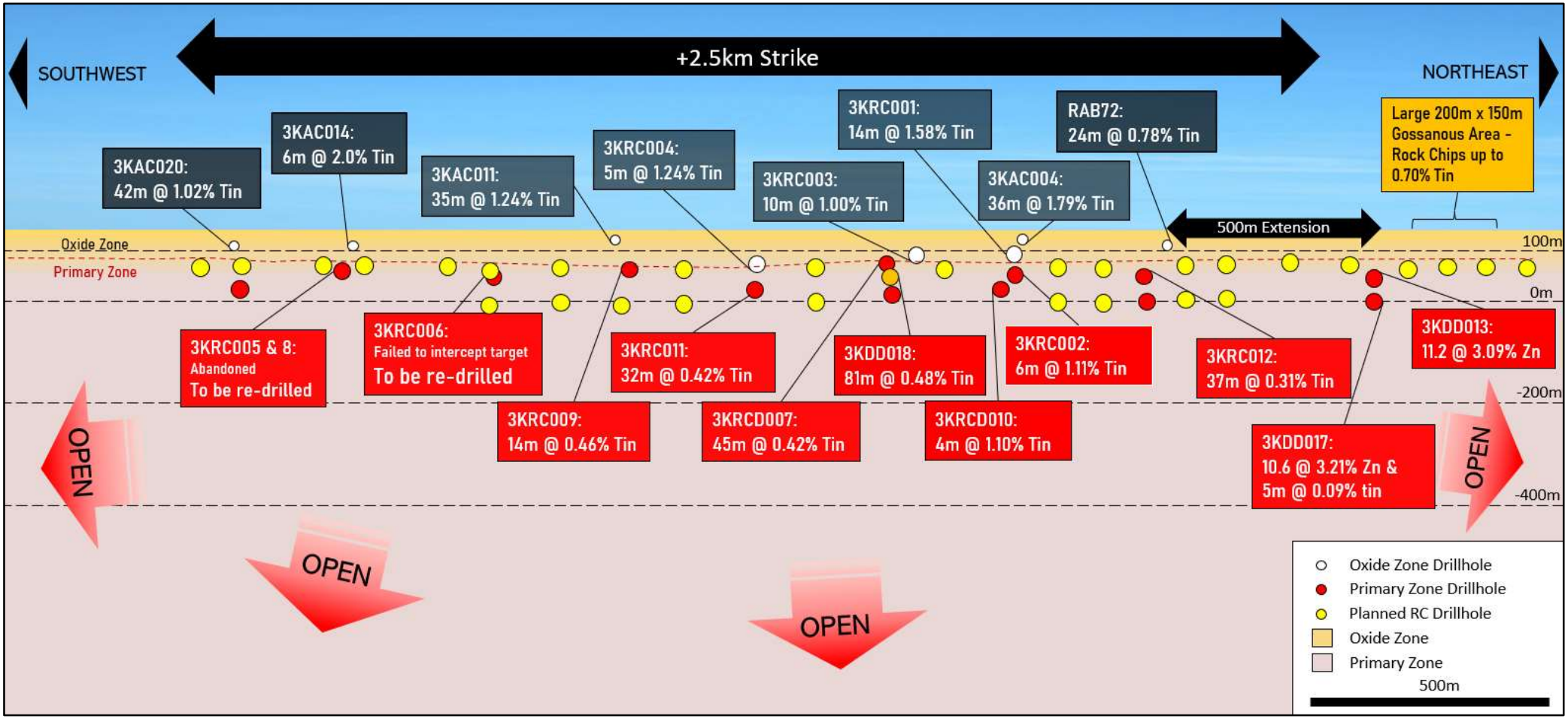

***Figure 7**: 3KEL Target – Schematic Long Section. Holes 3KRC005 and 3KRC008 were drilled from the same pad and both holes were abandoned before reaching the target depth.*

CULLARIN PROJECT: GOLD-LEAD-ZINC-COPPER (EL 7954, SKY 80%; DVP JV)

HUME TARGET – DIAMOND DRILLING AND DHEM

Diamond drilling completed at the Hume Target during the September 2021 quarter has highlighted the potential of the high-grade, gold-lead-zinc-copper mineralisation at depth at Hume. **HUD031** intercepted intervals of massive sulphides and strong base metal mineralisation, extending the known mineralisation by over 80m down plunge, deeper than any previous drilling at Hume. Assays received from **HUD031** show broad intervals of base metal mineralisation at depth (**Figures 8 and 9**). Results included:

HUD031: 32m @ 5.09% Pb+Zn, 0.15% Cu, 6g/t Ag from 420m including;
6m @ 8.93% Pb+Zn, 0.51% Cu, 18g/t Ag, 0.13g/t Au from 446m

SKY is encouraged by these thicker intervals of mineralisation at the Hume Target and the high content of conductive sulphides intercepted in this mineralisation indicate it may be detected effectively by a downhole electromagnetic (DHEM) survey. SKY intends to follow-up these promising results by re-entering **HUD030** and drilling deeper to intercept the Hume Structure approximately 130m below **HUD031.** This will test further extensions of the high-grade mineralisation in **HUD031** and test for any other potential mineralisation by using the hole as a platform for a DHEM survey.

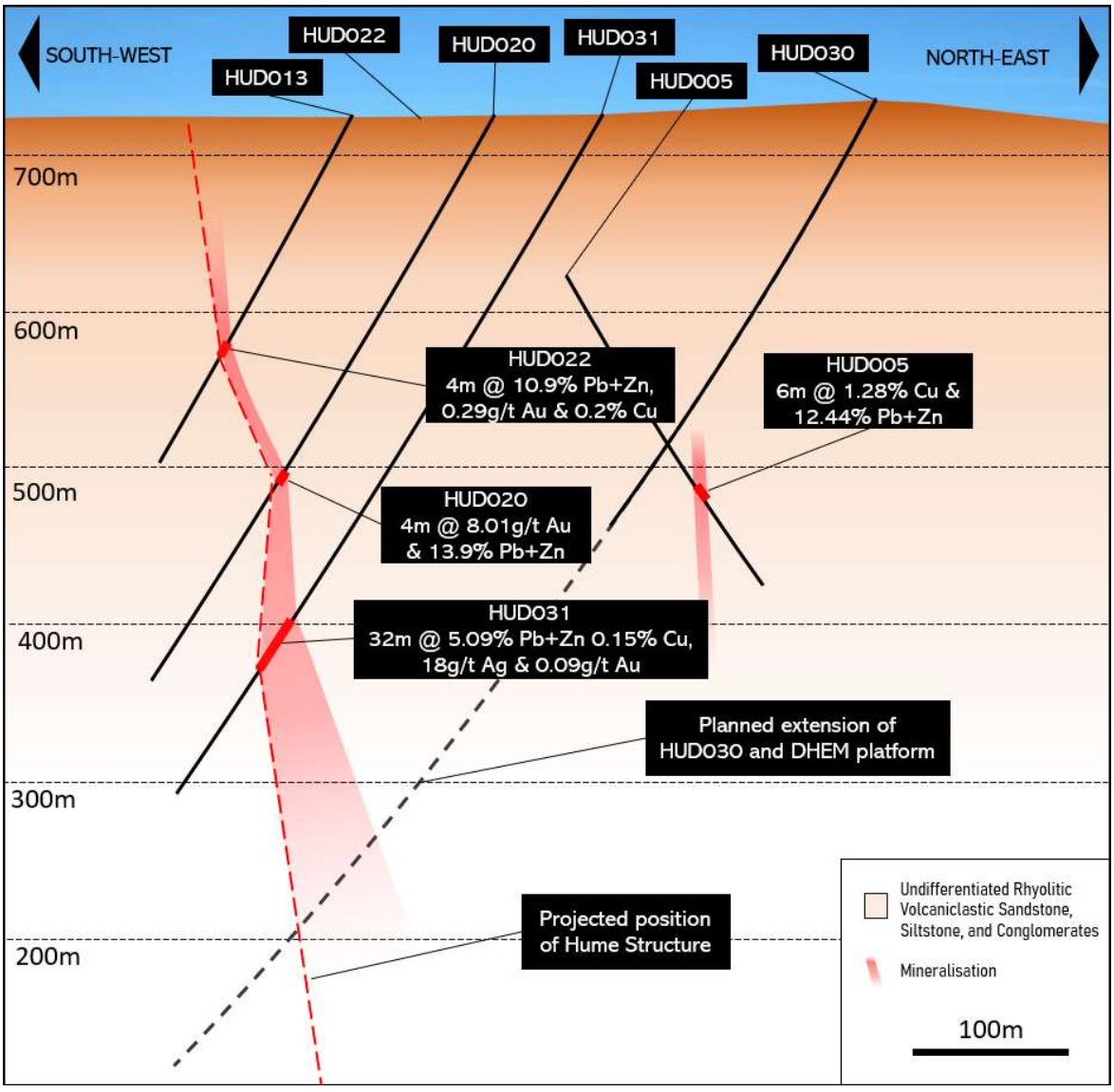

***Figure 8**: Hume Target – Cross-section of **HUD030** showing the trace in a dotted line of the planned extension of the hole to test the Hume Structure at depth and provide a platform for DHEM.*

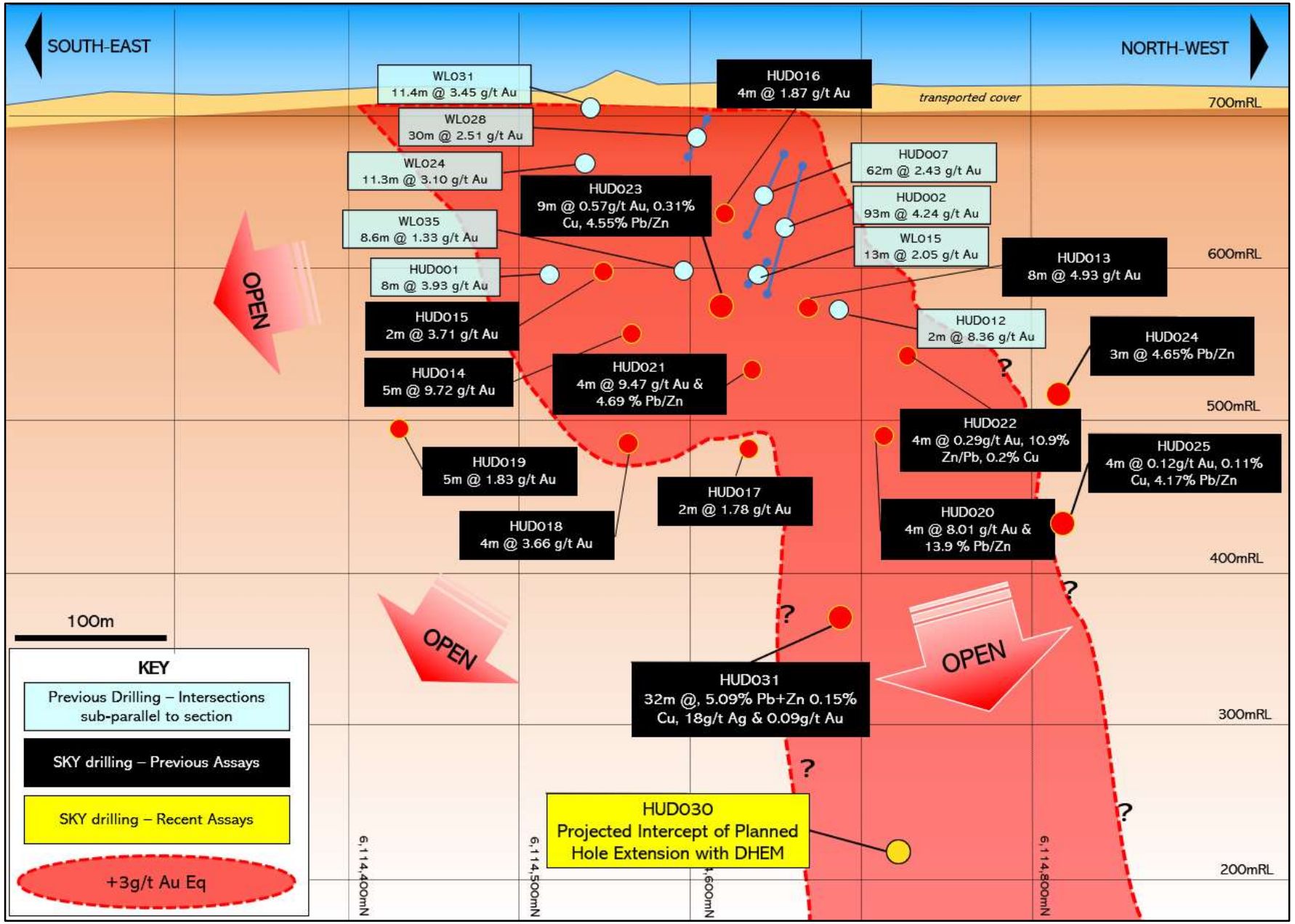

***Figure 9**: Hume Target – Schematic long-section with significant intercepts.*

SKY METALS

IRON DUKE PROJECT: COPPER-GOLD

BALMAIN OPTION 100% (EL6064), SKY 100% (9191)

The Iron Duke Project covers the Iron Duke Shear Zone which is at least 4km in strike and open to the south. Several historic copper mines occur along the Iron Duke Shear Zone including the Iron Duke, Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines, along with several unnamed copper workings and shafts. In the June 2021 quarter, SKY completed a maiden drilling program at the Iron Duke Mine, in conjunction with a VTEM survey and DHEM, to identify extensions to the high-grade copper-gold mineralisation along the Iron Duke Shear Zone (SKY:ASX Announcement 2nd June 2021).

An RC and diamond drilling program is planned to test for further extensions to the Iron Duke mine and test the previously undrilled historic mines at the Christmas Gift Workings (comprising of the Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines). However, this program has been delayed due to extremely wet ground condition preventing access to the area. Currently, this program is planned for the following quarters after a detailed review of the geophysics, mining records, historic data and previous drilling to develop robust targets for further drill testing and expansion of the Iron Duke mineralisation.

CALEDONIAN PROJECT: GOLD

100% SKY (EL8920 & EL9020)

SKY has now completed a soil sampling program, a phase of AC drilling, two phases of RC drilling and two diamond drill holes at the Caledonian Target. A review of SKY's and historic results indicates the Caledonian gold mineralisation likely represents a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation developed over an oxidised skarn.

SKY completed a shallow aircore (AC) drilling program over the area consisting of 38 vertical AC holes for a total of 697m on 50-100m spacing over the 600m x 400m area of mineralisation defined by the previous drilling, soil sampling and costeaning. Significant ground waters were intercepted by the AC drilling which prevented all but 4 of the 38 holes drilled from reaching refusal. As such, many of the holes were abandoned prematurely and may not have reached target depth to intercept significant mineralisation. SKY does not consider the target concept of a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation to have been effectively tested.

These results will be evaluated, along with the previous drilling, to direct SKY to further shallow high-grade oxide gold mineralisation in the target area.

GALWADGERE PROJECT: COPPER-GOLD

100% SKY (EL6320)

In the June quarter, 2021, SKY announced the Galwadgere maiden JORC-2012 Inferred Resource of **3.6Mt at 0.82% Cu & 0.27g/t Au** prepared by H&S Consultants (H&SC). H&S were engaged by SKY to complete the maiden resource using drilling completed by SKY in 2020 and previous drilling completed by Alkane Resources (ALK) and other past explorers. A drilling program at the Galwadgere Target is planned for the next quarters to further expand on the maiden JORC-2012 resource.

Soil sampling undertaken along strike from the Galwadgere MRE has identified two copper-gold, multielement pathfinder soil anomalies. The northern soil sampling program has delineated a 200m x 100m soil anomaly which is coincident with the McDowell's mine, several historic mine shafts and copper-carbonate bearing rocks discovered near these workings. Soil sampling south of the Galwadgere Target has identified another soil anomaly which appears similar in tenor to the anomaly

identified at the McDowell's mine. These anomalies are within 3km of the Galwadgere resource and provide strong support for expanding the copper-gold resource at Galwadgere with along strike exploration. These are priority drill targets to be tested.

KANGIARA PROJECT: GOLD

80% SKY (EL8400 & EL8573; DVP JV)

The Kangiara Project (EL8400, EL8573) is located 30km northwest of Yass in the Southern Tablelands of New South Wales (**Figure 9**). The project contains volcanic/volcaniclastic rocks of the Silurian Douro Group considered prospective for gold and base metal (copper-zinc) mineralisation. The high grade Kangiara Mine operated during the early 1900s, with documented production of ~40,000 tonnes at 16% Pb, 3% Cu, 5% Zn, 280g/t Ag and 2g/t Au from narrow north-south trending sulphide veins (ASX PDM 18 June 2009). Previous work by Paradigm Metals led to the calculation of an Indicated and Inferred Mineral Resource at Kangiara. Further desktop studies and follow-up field investigations are planned for the following quarters.

TIRRANA PROJECT: GOLD

100% SKY (EL9048)

As part of a regional review of the Cullarin area for McPhillamys-style gold mineralisation, SKY identified an area of open ground to the south-east of the Cullarin project. A detailed desktop review of previous exploration covering Tirrana was completed in the December 2021 quarter. This review identified two key areas for follow up.

NEW ENGLAND PROJECT: TIN

100% SKY (EL9200 & 9210)

The New England Projects in the New England Orogen of NSW cover areas of significant historical tin production – Emmaville & Gilgai. These areas were selected as they were considered to have significant potential to host hardrock tin resources and limited modern day exploration has been conducted. A detailed desktop review of previous exploration covering these areas is proposed for the following quarters with field work planned to follow-up any prospective targets which are identified.

NARRAIH PROJECT: TIN

100% SKY (ELA6486)

The Narriah Project is prospective for tin, lithium and tungsten. Multiple historic mines and workings are present in the area including the Restdown and Erigolia tin mining fields. Historic records state that tin and tungsten were previously mined from both alluvial and hard rock sources. The tenement covers the Erigolia Granite intruding the sediments of the Clements Formation. Previous exploration identified anomalous lithium in rock and soil sampling. Lithium anomalism appears offset to the historic tin workings in the vicinity of the Restdown mining field. At this stage, no lithium bearing minerals are identified in samples from the tenement. Further work to understand the distribution of lithium and the lithium-bearing minerals is required upon grant of the tenement which is anticipated for the December quarter. Following the grant of this tenement, SKY will conduct a detailed literature review of previous exploration and field work as required, including geological mapping, potential surface sampling and drilling of any targets identified.

CORPORATE

During the quarter $775k was spent on the exploration activities outlined in this report.

No mining production and development activities undertaken for the quarter.

During the quarter $35k was paid as Non-Executive Director fees and $16k was paid to Non-Executive Directors who provided additional consulting services to the Company.

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area	Comment
Tarago Exploration Pty Ltd (DVP sub)	80%	EL7954	19-6-2012	19-6-2022	51	144 km^2	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km^2	Kangiara Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2023	17	48 km^2	Kangiara Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km^2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km^2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km^2	Tirrana Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km^2	Galwadgere Project
Balmain Minerals Pty Ltd	Option to Purchase 100%	EL6064	21-3-2003	20-3-2028	5	15 km^2	Iron Duke Project – 6-year renewal granted
Gradient Energy Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2021	60	174 km^2	Iron Duke Project – Albert
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km^2	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km^2	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km^2	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9210	01-07-2021	01-07-2027	82	244 km^2	Gilgai Project
Stannum Pty Ltd (SKY sub)	100%	ELA6486	-	-	92	262 km^2	Narriah Project – application

Table 1: Tenement Summary – Changes in the quarter are highlighted in yellow.

This report has been approved for release by the Board of Directors.

ABOUT SKY (ASX: SKY)

SKY is an ASX listed public company focused on the exploration and development of high value mineral resources in Australia. SKY's project portfolio offers exposure to the tin, gold, and copper markets in the world class mining jurisdiction of NSW.

GOLD PROJECTS

CULLARIN / KANGIARA PROJECTS (EL7954; EL8400 & EL8573, HRR FARM-IN)

Under the HRR farm-in, SKY has now earned an 80% interest in the projects via the expenditure of $2M (ASX: 9 October 2019). 'McPhillamys-style' gold results from previous drilling at the Cullarin Project include 148.4m @ 0.97 g/t Au (WL31) including 14.6m @ 5.1 g/t Au from 16.2m, & 142.1m @ 0.89 g/t Au (WL28) including 12m @ 4.4 g/t Au from 25.9m. The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. SKY's maiden drill program was very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

CALEDONIAN / TIRRANA PROJECTS (EL8920, EL9048, EL9120 100% SKY)

Highlight, 'McPhillamys-style' gold results from previous exploration include 36m @ 1.2 g/t Au from 0m to EOH in drillhole LM2 and 81m @ 0.87g/t Au in a costean on EL8920 at the Caledonian Project. The distribution of multiple historic drill intersections indicates a potentially large gold zone with discrete high-grade zones, e.g. 6m @ 8g /t Au recorded from lode at historic Caledonian Mines (GSNSW). A strong, robust soil gold anomaly (600 x 100m @ +0.1ppm) occurs and most drillholes (depth ~25m) terminate in the mineralised zone.

COPPER GOLD PROJECTS

GALWADGERE (EL6320, 100% SKY)

The Galwadgere project is located ~15km south-east of Wellington in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g. 47m @ 0.90% Cu & 1.58g/t Au) and the mineralisation is open along strike and at depth.

IRON DUKE (EL6064, BALMAIN OPTION; EL9191 100% SKY)

The Iron Duke project is located ~10km south-east of Tottenham in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers including 13m @ 1.56% Cu & 4.48g/t Au.

TIN PROJECTS

TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located ~70km north-west of Condobolin in central NSW. The project encompasses the historic Tallebung Tin Mining Field at the northern extent of the Wagga Tin Belt within the central Lachlan Orogen and is considered prospective for lode and porphyry-style tin - tungsten mineralisation.

DORADILLA PROJECT (EL6258, 100% SKY)

The Doradilla Project is located ~ 30km south of Bourke in north-western NSW and represents a large and strategic tin project with excellent potential for associated polymetallic mineralisation (tin, tungsten, copper, bismuth, indium, nickel, cobalt, gold).

NEW ENGLAND PROJECT (EL9200 & 9210, 100% SKY)

SKY has been granted two exploration licences in the New England Orogen covering areas of significant historical tin production – Emmaville & Gilgai. These areas were selected as they were considered to have considerable potential to host hardrock tin resources and limited modern day exploration has been conducted.

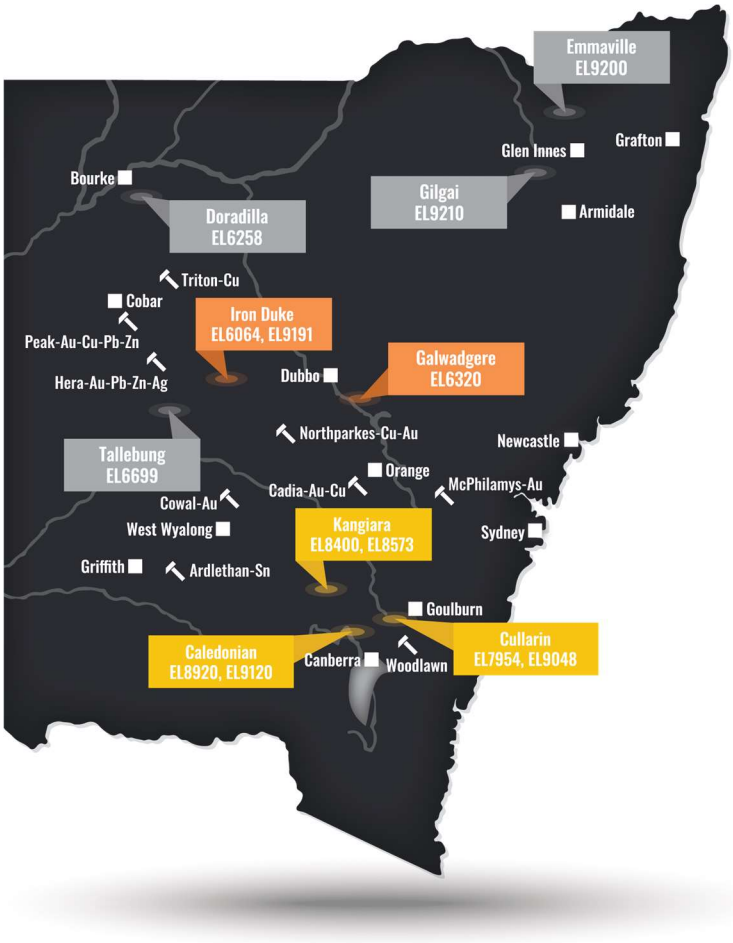

Figure 10: SKY Location Map

SKY METALS

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Sky Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

PREVIOUSLY REPORTED INFORMATION

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www. asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

SKY ASX releases released during the June 2022 Quarter or referenced in the announcement are listed below:

4 April 2022 – SKY ASX Announcement 'Tin Projects – Exploration Update'
10 May 2022 – SKY ASX Announcement 'Further Broad Tin Mineralisation Intercepted at Tallebung'
1 June 2022 – SKY ASX Announcement 'High Grade Tin at 3KEL – Drilling Completed at Tallebung'
8 February 2022 – SKY ASX Announcement 'High-Grade Tin at Tallebung and Drilling at 3KEL-Doradilla'

DISCLAIMER

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Sky Metals Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Sky Metals Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.