ABN 46 098 952 035

SKY METALS LIMITED
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

SKY METALS

SKY METALS LIMITED

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Dear Fellow Shareholders,

2023 was another active year for the Company with a busy exploration program running throughout the year on the Company’s projects. The focus of exploration work for the year was on the Company’s large-scale Tin assets Tallebung and Doradilla.

SKY has further progressed the promising work at the Tallebung Tin Project this year. This work has delivered the maiden Mineral Resource Estimate of 10.2Mt @ 0.18% Tin at a 0.1% Tin Cut-off in March 2023. SKY plans to continue to grow this maiden MRE in the coming year to a critical mass to begin mine scoping studies. Crucially, SKY has also continued to establish the uniquely low-cost processing pathway for the Tallebung Tin mineralisation with TOMRA Ore Sorting and conventional gravity concentration processing. SKY’s continued work with TOMRA Ore Sorting Solutions shows remarkable results in upgrading the Tin mineralisation and reducing the mass to be processed. The results from the TOMRA test work indicate the possibility for a significantly reduced processing plant size and therefore project capital, and operating costs. We are very encouraged by the results received to date to quickly progress the Tallebung Tin Project.

In addition to the fast developing Tallebung Tin Project, SKY has also undertaken work on the Doradilla Project this year. The drilling program across the large 3KEL Prospect commenced at the end of 2022 and was completed this year, establishing that the mineralisation at Doradilla is open along strike. Following re-assaying of drilling samples, Rare Earth Elements (REE) were discovered in the clays overlying the 16km long Doradilla Skarn. SKY then completed an aircore drilling program over the Doradilla Skarn and Midway Granite and discovered further REE mineralisation along with additional Tin, Zinc, Copper, Tungsten, Silver, Indium and Bismuth mineralisation. SKY is now investigating potential processing options to economically extract this enigmatic polymetallic REE, Tin, Zinc, Copper, Tungsten, Silver, Indium and Bismuth mineralisation at Doradilla.

Your Board continues to be invigorated by the results achieved to date and is excited by the Company’s prospects. We look forward to creating value for our shareholders with the developing Tallebung Tin Project and ongoing progress to extract the widespread and high value mineralisation at Doradilla.

I would like to express my heartfelt thanks to all of the SKY team including my fellow Directors Mr Hill and Mr Kairaitis, CEO Mr Davies and Company Secretary Mr Willson for the exceptional work that has been conducted throughout the year.

Yours sincerely

Norman A. Seckold
Chairman

Corporate Activities

- On 27 October 2022, 1,950,000 employee performance rights expired.
- On 12 January 2023, 8,250,000 employee performance rights expiring 12 January 2026 were issued.
- On 31 January 2023, 6,000,000 CEO options expired.
- On 19 May 2023, SKY announced a $3.5 million placement to institutional, sophisticated and professional investors at A$0.045 per share to accelerate Development of the Tallebung Tin Project. The shares were issued on 26 May 2023.
- On 9 June 2023:
    - 2,000,000 options with an exercise price of $0.068 expiring 18 months post issuance were issued to Blue Ocean Equities Pty Ltd as consideration for acting as lead manager in the capital raise.
    - 4,000,000 options with an exercise price of $0.068 expiring 18 months post issuance were issued to Pindari Custodians Pty Ltd as consideration for assisting with the capital raise process.
- On 20 June 2023 17,398,437 Unlisted Options expired.

Sky Metals Limited ('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 gold, copper, and tin markets in the world class mining jurisdiction of NSW.

Figure 1: SKY Metals - Project Location Map

TALLEBUNG PROJECT (EL 6699, SKY 100%)

TALLEBUNG PROJECT – RESOURCE EXTENSION AND INFILL DRILLING

SKY has continued to successfully explore for a large bulk tonnage tin resource at Tallebung, culminating in the announcement of the maiden Mineral Resource Estimate (MRE) at Tallebung of 10.2Mt @ 0.18% Tin for 18.4kt at a 0.10% Tin cut-off grade, and an initial estimated Exploration Target of **16 – 21 Mt at a grade ranging between 0.16 - 0.20 % tin** at 0.1% Tin cut-off (SKY ASX Announcement 22 March 2023).

Highlight results received during the year included:

TBD003:	**60.55m @ 0.36% Tin from 23m, including;** **0.65m @ 15.35% Tin from 47.1m.**
TBRC035:	**98m @ 0.10% tin from 3m, including;** **10m @ 0.71% tin & 30g/t silver from 58m**
TBRC034:	**43m @ 0.20% tin from 5m, including;** **6m @ 0.43% tin from 5m**
TBRC042:	**11m @ 0.81% tin from 27m, including;** **3m @ 2.70% tin & 0.24% tungsten from 86m.** **21m @ 0.11% tin from 126m including;** **2m @ 0.83% tin from 129m.**

An RC and diamond drilling resource extension program commenced late in the year to continue to grow this maiden resource towards a 'critical mass' for mine scoping studies to commence. Additionally, this program will aim to increase the confidence in the resource at Tallebung, converting a significant portion of inferred resources into indicated resources with further drilling. Assays from this program are still pending and expected to be received early this current year.

The resource expansion program is targeting the southern and central area of the historic Tallebung Tin Mining Field where the majority of the historic hardrock workings are located (**Figure 2**). This program is focussing on converting a 'critical mass' into inferred and indicated resources. Once defined, this expanded MRE will then provide a platform for mine scoping studies to commence on the Tallebung Tin Project to evaluate the project economics.

The diamond drilling commenced in this program will be completed across the entire strike of the area to be developed into further resources in this program. The holes will provide SKY with a further opportunity to complete geotechnical studies to aid in future mine planning and mine open pit designs for any future mining excavations.

These diamond drillholes will be drilled with wide diameter PQ drill core to over 150m downhole to provide material for a bulk sample for further representative metallurgical testing. This work will aim to improve on the current simple processing methods and provide further representative samples for TOMRA Ore Sorting testwork to confirm and possibly improve on the excellent results achieved to date.

This program of ~8,000m of RC and diamond drilling at Tallebung has been split into two phases. Once all assay results have been received for this first phase program, it is anticipated that the data will be used to complete another mineral resource estimate for the Tallebung Tin Project. Following the updated MRE, the second phase will commence to infill the resource and increase confidence in the MRE at Tallebung to begin further mine scoping studies, to be released in the next year.

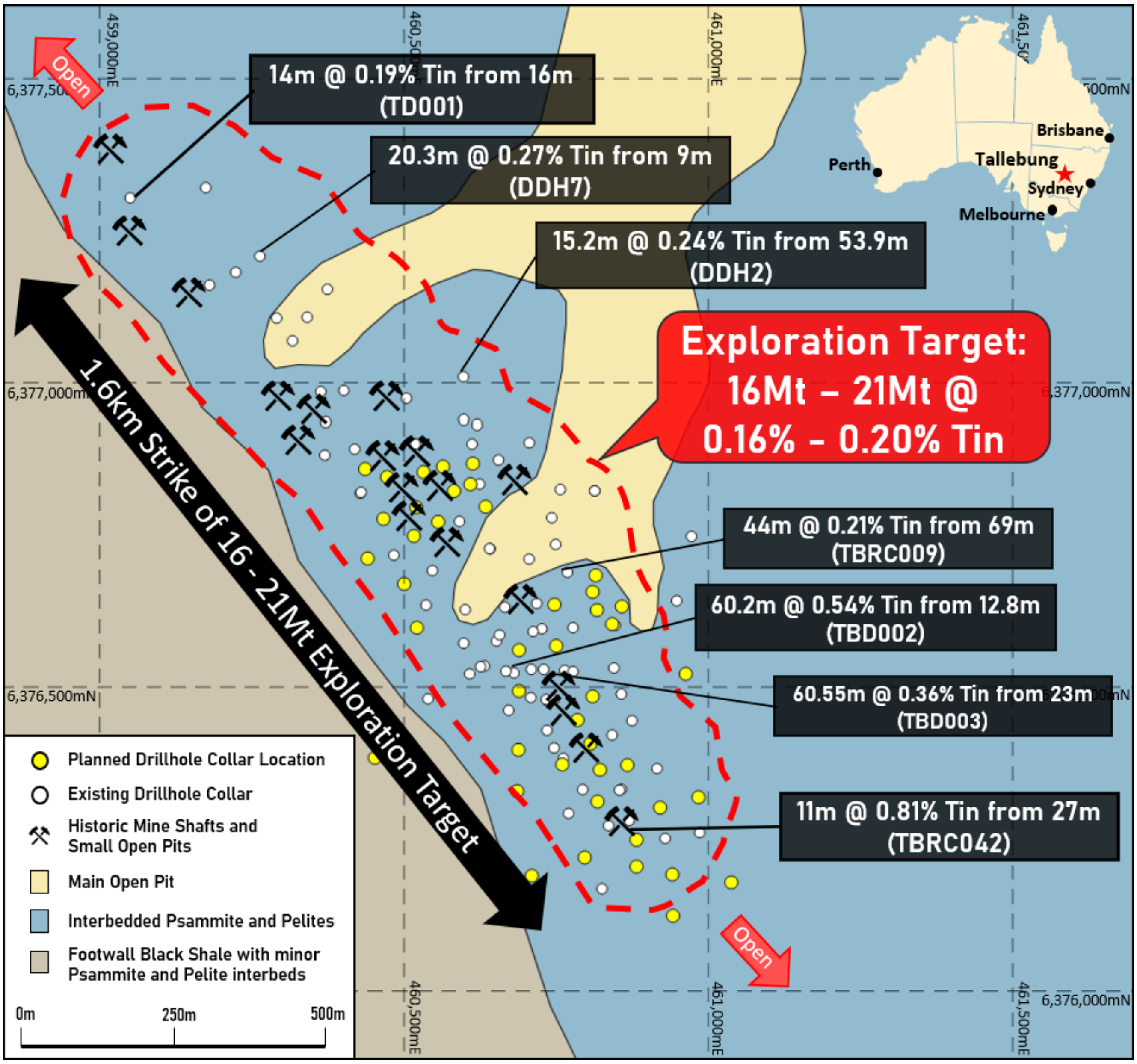

Figure 2: *Tallebung Tin Project – Plan view showing the past drilling with highlighted intercepts, the extent of the current Exploration Target and maiden MRE, along with the locations of the planned drillholes in the resource expansion and infill drilling program now commenced overlaid on the geology.*

Tallebung Target – BULK ORE SORTING TESTWORK

The exceptional results from the bulk testwork conducted by TOMRA Ore Sorting Solutions have demonstrated the extremely suitable nature of the Tallebung tin mineralisation for ore sorting. The results show that, of the sample sorted, the product was only 33% of the sorted mass and contained 98% of the tin in the sorted sample, increasing the tin grade over **3 times** from 0.29% tin to 0.89% tin and decreasing the mass by a third.

Furthermore, these results show that ore sorting at Tallebung has the potential to reduce the total plant feed by over 50%, indicating a significant reduction in plant size and associated capital expenditure for any potential future mining at Tallebung. Additionally, ore sorting can substantially reduce operating costs as less than half of the material will be processed to produce a saleable tin concentrate.

The ore sorted samples were then sent on to ALS Metallurgy, Burnie, Tasmania where a thorough testwork program has developed a gravity flowsheet. This started with combining the TOMRA Ore Sorting product with the fines which were crushed and ground to -1180um before a series of spirals followed by a set of tables were used to produce a gravity concentrate. These gravity concentration processes removed over 97% of the total mass processed and upgraded the tin concentration by over 25 times.

Fraction	Sample	Weight	Total Weight Fraction	Sort Weight Fraction	Tin Grade	Sort Recovery	Total Recovery	Upgrade
-85mm	Feed	542 kg	100%	-	0.29%	-	-	-
25-50mm	Product	74 kg	13.7%	30.0%	0.65%	97%	30%	2.24
25-50mm	Waste	173 kg	31.9%	70.0%	0.01%	3%	1%	0.03
8-25mm	Product	62 kg	11.4%	36.9%	1.18%	99%	46%	4.07
8-25mm	Waste	106 kg	19.6%	63.1%	0.01%	1%	1%	0.03
Sorted Total (8-50mm)	**Product**	136 kg	51.5%	32.8%	**0.89%**	**98%**	76%	3.07
	Waste	279 kg	25.1%	67.2%	**0.01%**	**2%**	2%	0.03
-8mm	**Fines**	**2.98**	**23.4%**	**-**	**0.28%**	**-**	**22%**	**-**

Table 1 – Tallebung Tin Project, Tallebung Target. Summary results table for the TOMRA ore sorting bulk testwork showing significant 3 times increase in tin grade and 1/3 reduction in mass for 98% recovery of tin (from SKY ASX Announcement 5 September 2022).

Tallebung Target – BULK Metallurgical TESTWORK

To build on the exceptional ore sorting results, the ore sorting products were sent for metallurgical testing to produce a saleable tin concentrate at ALS Metallurgy. This testwork successfully yielded a saleable tin concentrate via low-cost, simple, and conventional flowsheet.

The testwork showed a tin concentrate from the Tallebung tin mineralisation can be achieved through concentration via a simple gravity circuit with gravity concentrate dressing via reverse sulphide flotation and wet high intensity magnetic separation (WHIMS) to produce a >60% tin concentrate (**Figure 3**).

The tin grade in the gravity concentrate is then further increased with a reverse sulphide flotation or Wet, High-Intensity Magnetic Separation (WHIMS) dressing of the gravity concentrate (for fresh or weathered ore, respectively) to produce a saleable +60% tin concentrate with low smelter penalties and a high payability product. 70-75% is the standard range of tin recovery for operations using this conventional tin gravity concentration methods as used in this testwork program, SKY has achieved over 73% recovery through the entire testwork process, however, SKY will be looking to increase the recovery with the addition of a gravity circuit for ultrafines to recover further fine tin and incremental improvements throughout the process to increase the total recovery of tin from the flowsheet.

SKY will continue to build on these excellent initial testwork programs with large scale testing of ore sorting and further development of this simple flowsheet to refine the production of the saleable tin concentrate for the Tallebung tin mineralisation over the coming year.

Tallebung Target – DMS Metallurgical TESTWORK

SKY conducted Dense Medium Separation (DMS) trials on the crushing fines (fines) to build on the exceptional results already achieved in producing a saleable +60% tin concentrate from the coarse cassiterite tin mineralisation at Tallebung (SKY ASX Announcement 24 October 2022). This trial of DMS has shown exceptional potential for use at Tallebung to reduce the mass to be processed in the gravity circuit to approximately a quarter of the total mass mined.

The flowsheet developed from the testwork on the Tallebung mineralisation involved an initial crushing of the rock to reduce the size. The crushed rock is then separated into +8mm crushed rock suitable for ore sorting and a -8mm fines which are too fine to be ore sorted.

These fines accounted for approximately 23.4% of the mass before ore sorting and when recombined with the +8mm ore sorting product account for almost 50% of the mass requiring further processing via the gravity circuit. As such, reducing the mass of these fines has the potential to significantly reduce the mass for gravity processing.

The trial of DMS on the 127kg of fines from the 542kg bulk sample used to test the ore sorting and flow sheet to produce a +60% saleable tin concentrate has shown that the mass of these can be reduced significantly. DMS has been shown to reduce the mass of these fines from 127kg to 10.3kg or 8.1% of the starting mass while recovering 86.9% of tin. When recombined with the ore sorted product, the ore sorting and DMS combine to reduce the mass for intensive downstream processing by almost 75% (**Tables 1** and **2**).

The extraordinary reduction in mass also increases the tin grade of the feed into the gravity plant. A higher grade being fed into the gravity plant is expected to increase the recovery of tin. This is due to many of the gravity processes exhibiting a fixed tail grade, therefore, the higher the grade that is fed into the plant, the lower percentage of the tin that will be in the tail grade. This will act to increase the recoveries of tin in the gravity plant and will compensate for the tin lost in the reduction of the mass via ore sorting and DMS processing.

Table 2 – Tallebung Tin Project, Tallebung Target. Summary results table for the DMS bulk testwork showing almost 11 times increase in tin grade and +90% reduction in mass for 95% total recovery of tin, reducing the total mass by ~ 75%.

This excellent DMS trial result continues to demonstrate the exceptional nature of the Tallebung tin mineralisation for concentration to a saleable tin concentrate.

Fraction	Sample	Weight	Total Weight Fraction	Tin Grade	Process Recovery	Total Tin Recovery	Upgrade Factor
-8mm	Fines	127 kg	23.4%	0.28%	-	22.3%	-
DMS Fines	**Product**	**10.3 kg**	**8.1%**	**3.01%**	**86.9%**	19.4%	**10.75**
	Waste	**116.7 kg**	**91.9%**	**0.04%**	**13.1%**	2.9%	**0.14**
Ore Sorting	Product	136 kg	51.5%	0.89%	98%	76%	3.07
	Waste	279 kg	25.1%	0.01%	2%	1.8%	0.03
Combined DMS and Ore Sorting Product	**Gravity Plant Feed**	**146 kg**	**27%**	**1.04%**	**-**	**95.3%**	**3.54**

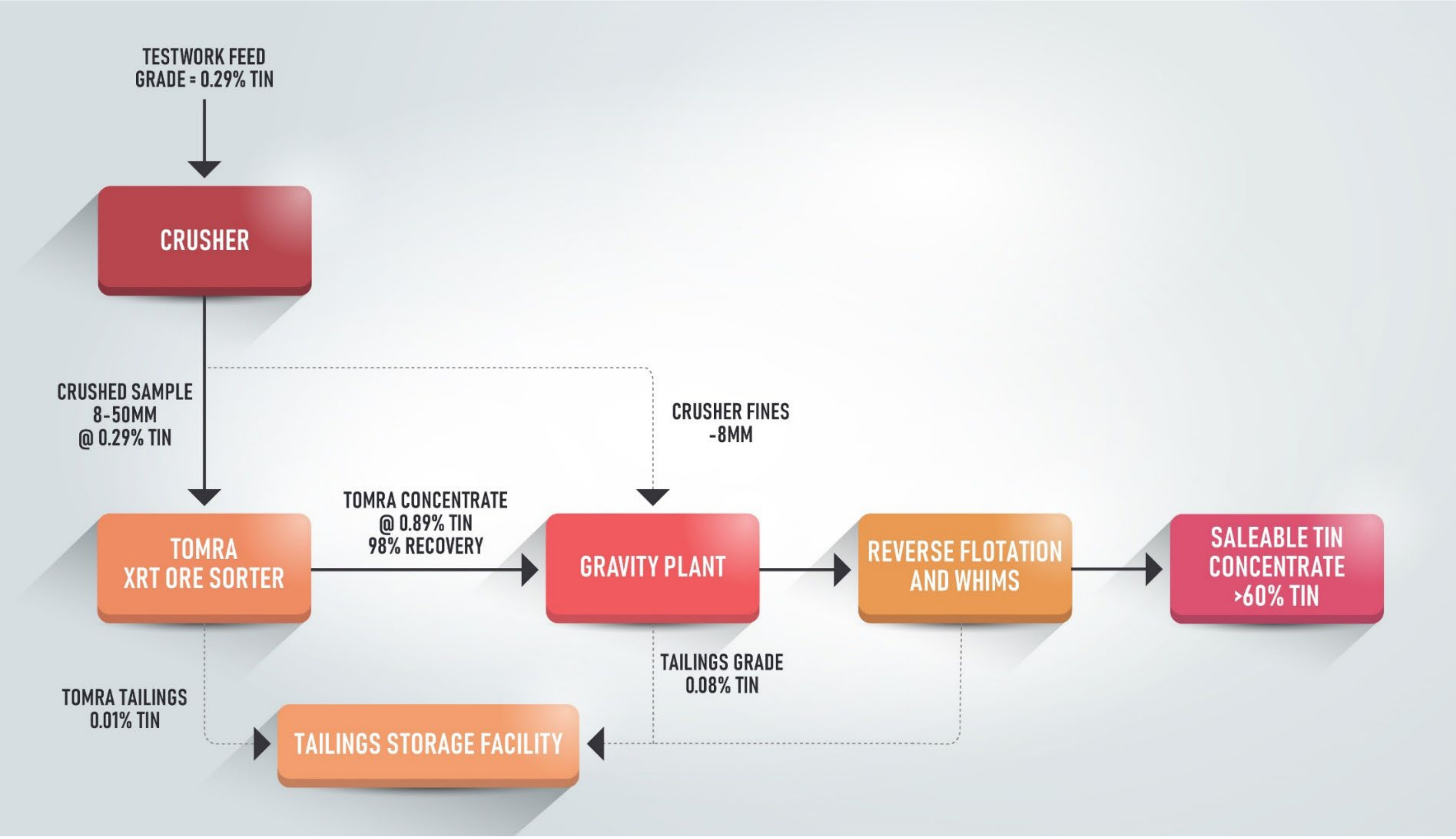

Figure 3: *Tallebung Target – More detailed simplified schematic flowsheet starting with the TOMRA XRT Ore Sorter and now with the DMS on the crusher fines to increase the tin grade to significantly reduce the total mass to undergo processing. The reduced feed will be further upgraded in the gravity plant before reverse flotation and WHIMS dressing to produce the saleable tin concentrate.*

DORADILLA PROJECT (EL 6258, SKY 100%)

3KEL Target – RC Drilling

The large RC program to infill and extend the 3KEL Target with 30 holes drilled for a total of 4,532m was completed in early September 2022. The RC program began on the north-eastern end of the 3KEL Target before stepping to the south-west, testing along the 2.8km strike.

The first holes of this program (holes **3KRC013-019**) were designed to extend the potential strike of tin and zinc mineralisation and also test underneath the rock chip results from the large 200m x 150m undrilled gossanous area 200m further to the northeast of **3KDD013**. Rock chips from this gossanous area assayed up to 0.7% tin and represented a +700m extension of the 3KEL Target. The extension has now been tested with this drilling program.

Holes **3KRC013-019** successfully intercepted the target skarn, host to tin and zinc mineralisation at 3KEL. This establishes that mineralisation is still open to the northeast along strike. The most north-eastern hole, **3KRC015**, of this program intercepted broad, strong tin mineralisation, showing strong potential for additional extensions to the 2.8km strike.

Promising mineralisation was intercepted in all of these north-eastern RC holes (**Figure 4**), results included:

3KRC013:	**6m @ 0.42% zinc from 131m.**
3KRC014:	**84m @ 0.46% zinc from 32m, including;**
	5m @ 1.04% zinc from 102m.
3KRC015:	**55m @ 0.10% tin from 16m, including;**
	3m @ 0.41% tin & 56.9g/t Indium from 146m.
3KRC016:	**25m @ 0.12% tin from 47m**
3KRC017:	**22m @ 0.13% tin from 0m, including;**
3KRC018:	**45m @ 0.10% tin from 83m, including;**
	7m @ 0.28% tin & 0.05% copper from 116m.
3KRC019:	**10m @ 0.19% zinc from 85m**
	3m @ 0.35% zinc from 114m

Following the successful strike extension of the 3KEL target, the drilling program continued stepping to the southwest along strike with holes **3KRC020-024**, infilling between previous drilling by SKY, namely holes **3KDD013 3KRC012** (**Figure 4** & **5**). The drilling of holes **3KRC020-024** intercepted further tin mineralisation with associated polymetallic zinc, copper, indium and silver mineralisation. Results included:

3KRC020:	**13m @ 0.09% tin & 0.61% zinc from 93m, including;**
	4m @ 0.09% tin & 1.62% zinc from 95m.
3KRC021:	**3m @ 0.08% tin & 0.12% copper from 13m,**
	17m @ 0.11% tin from 133m.
3KRC022:	**96m @ 0.18% tin from 2m, including;**
	69m @ 0.22% tin & 32.7g/t Indium from 29m.
	9m @ 0.36% tin, 0.10% copper & 73.1g/t Indium from 58m
3KRC023:	**26m @ 0.17% tin, 0.14% copper & 32.7g/t Indium from 71m, including;**
	8m @ 0.26% tin, 0.31% copper and 55.1g/t Indium from 80m.
3KRC024:	**14m @ 0.31% tin & 0.05% copper from 213m, including;**
	3m @ 0.63% tin, 0.21% copper & 28.5g/t Indium from 222m.

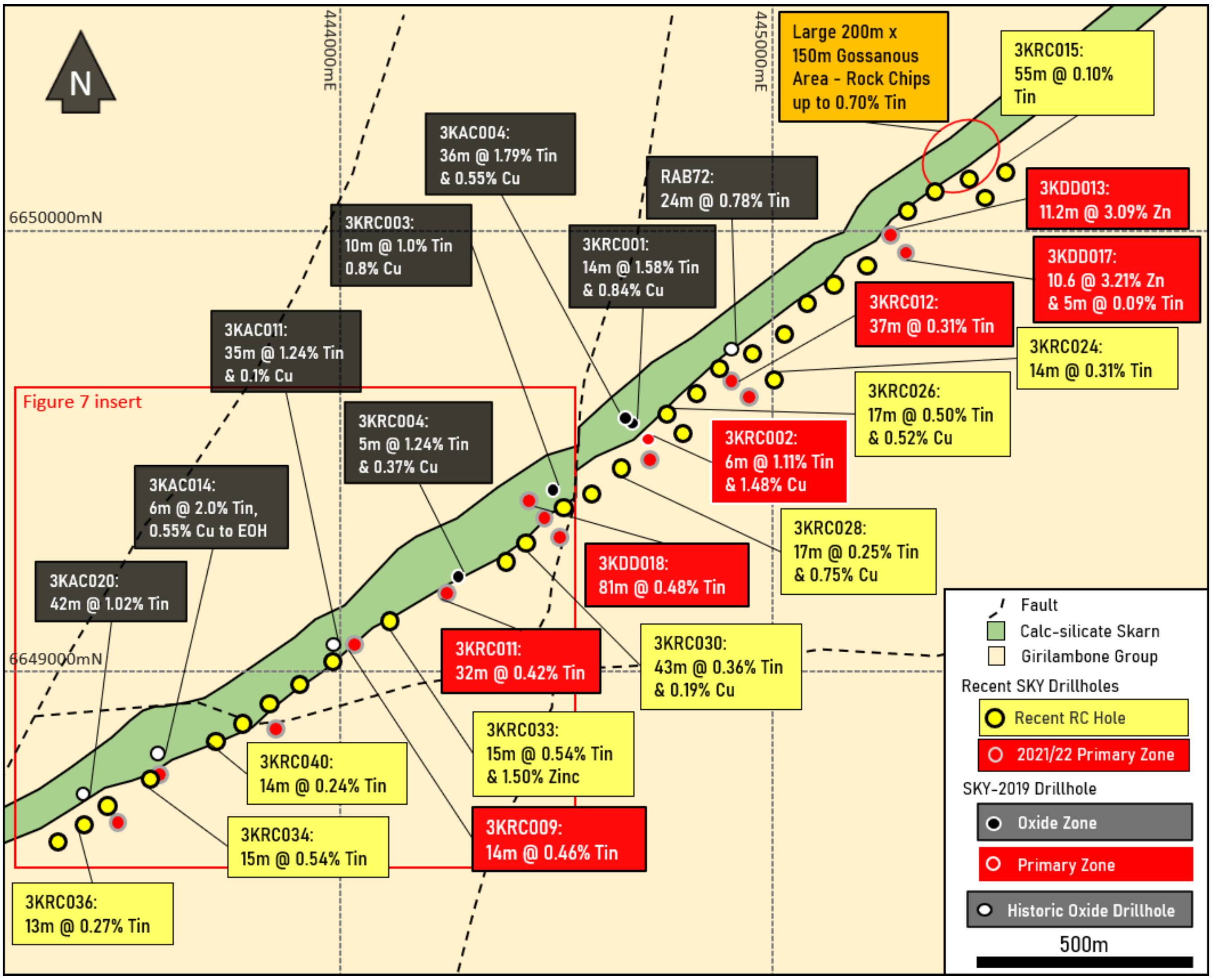

Figure 4: *3KEL Target – Plan view of the whole 3KEL Target showing the past drilling with the recent RC drillholes. Recent results are in yellow, past results in red and black for oxide and primary intercepts, respectively.*

The program continued to further infill previous results by SKY with holes then drilled between and beyond **3KRC012 – 3KRC002**. These RC holes, **3KRC025-28** intercepted strong tin mineralisation while **3KRC029** was abandoned due to excessive groundwater downhole. **3KRC025, 26** and **28** intercepted very encouraging high-grade copper results. Further work is ongoing to better understand the distribution of the polymetallic mineralisation at 3KEL to better assess the potential scale and tenure of the polymetallic mineralisation (**Figure 4**). Results for holes **3KRC025-28** include:

3KRC025:	**44m @ 0.17% tin, 0.34% copper & 9.62g/t silver from 76m, including;**
	7m @ 0.55% tin, 1.65% copper, 26.8g/t Indium & 50.2g/t silver from 96m.
	3m @ 0.99% tin, 3.29% copper, 36g/t Indium & 105g/t silver from 99m.
3KRC026:	**15m @ 0.13% tin, 0.42% copper, 15.3g/t Indium & 20.3g/t silver from 57m, including;**
	6m @ 0.17% tin, 0.84% copper, 18.1g/t Indium & 43.9g/t silver from 60m.
	17m @ 0.50% tin, 0.52% copper, 27.7g/t Indium & 19.1/t silver from 84m.
	6m @ 1.09% tin, 1.33% copper, 56.7g/t Indium & 47.8g/t silver from 85m.
3KRC027:	**11m @ 0.14% tin & 15.9g/t Indium from 87m, including;**
	28m @ 0.13% tin & 12.3g/t Indium from 114m.
	13m @ 0.19% tin & 16.6/t Indium from 114m.
	5m @ 0.32% tin & 22.0g/t Indium from 118m.
3KRC028:	**17m @ 0.25% tin 0.76% copper, 14.6g/t Indium & 30.7/t silver from 87m, including;**
	5m @ 0.60% tin, 2.52% copper, 26.5g/t Indium & 103g/t silver from 88m.
	1m @ 0.88% tin, 10.9% copper, 53.6g/t Indium & 437g/t silver from 89m.

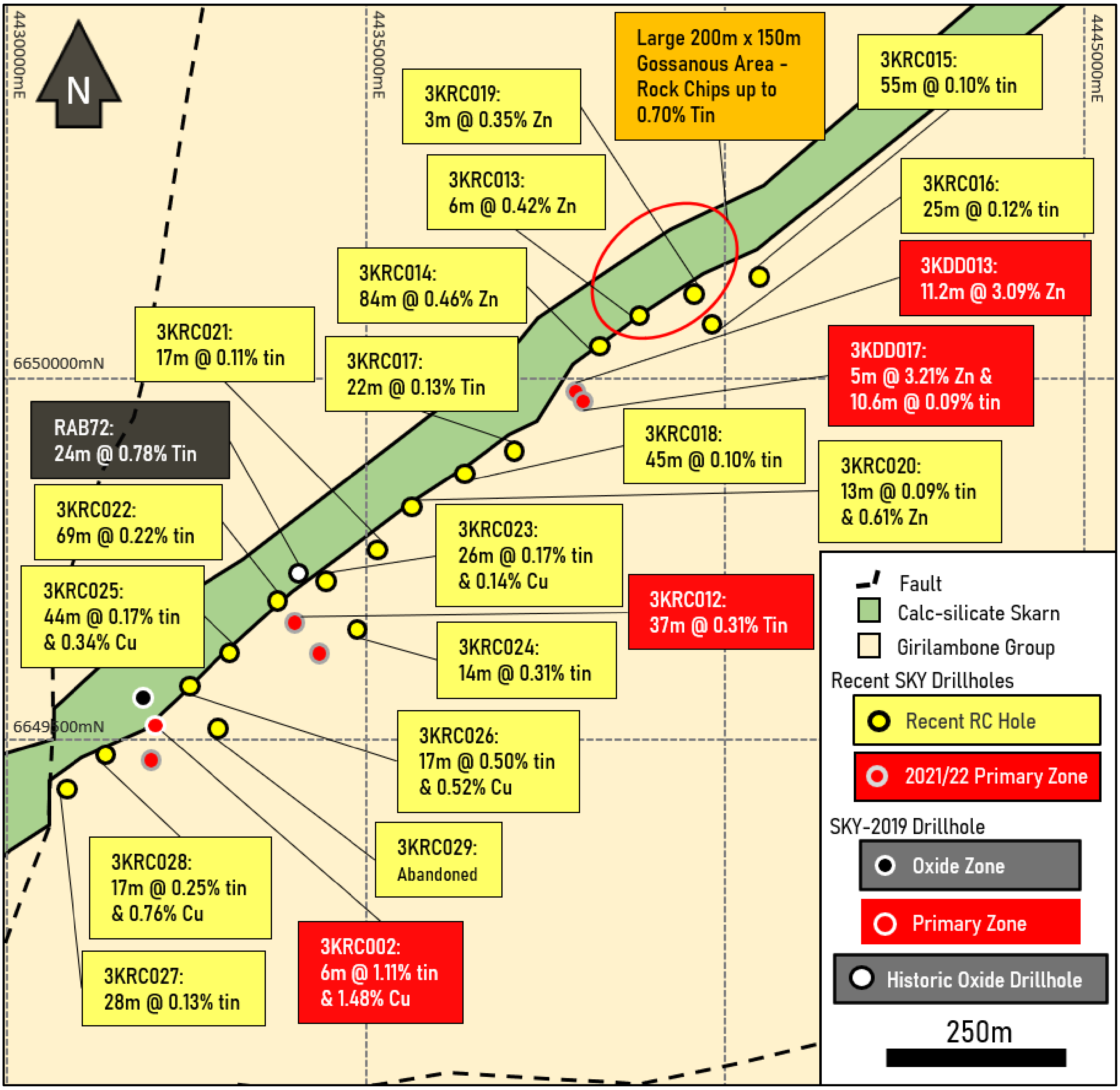

Figure 5: *3KEL Target – Plan view showing the past drilling with the recent RC drillholes. Recent results are in yellow, past results in red and black for oxide and primary intercepts, respectively.*

The RC program continued stepping to the southwest with another 13 holes drilled to infill along the rest of the 3KEL strike between **3KRC029** to **3KRCD007** (**Figure 2**).

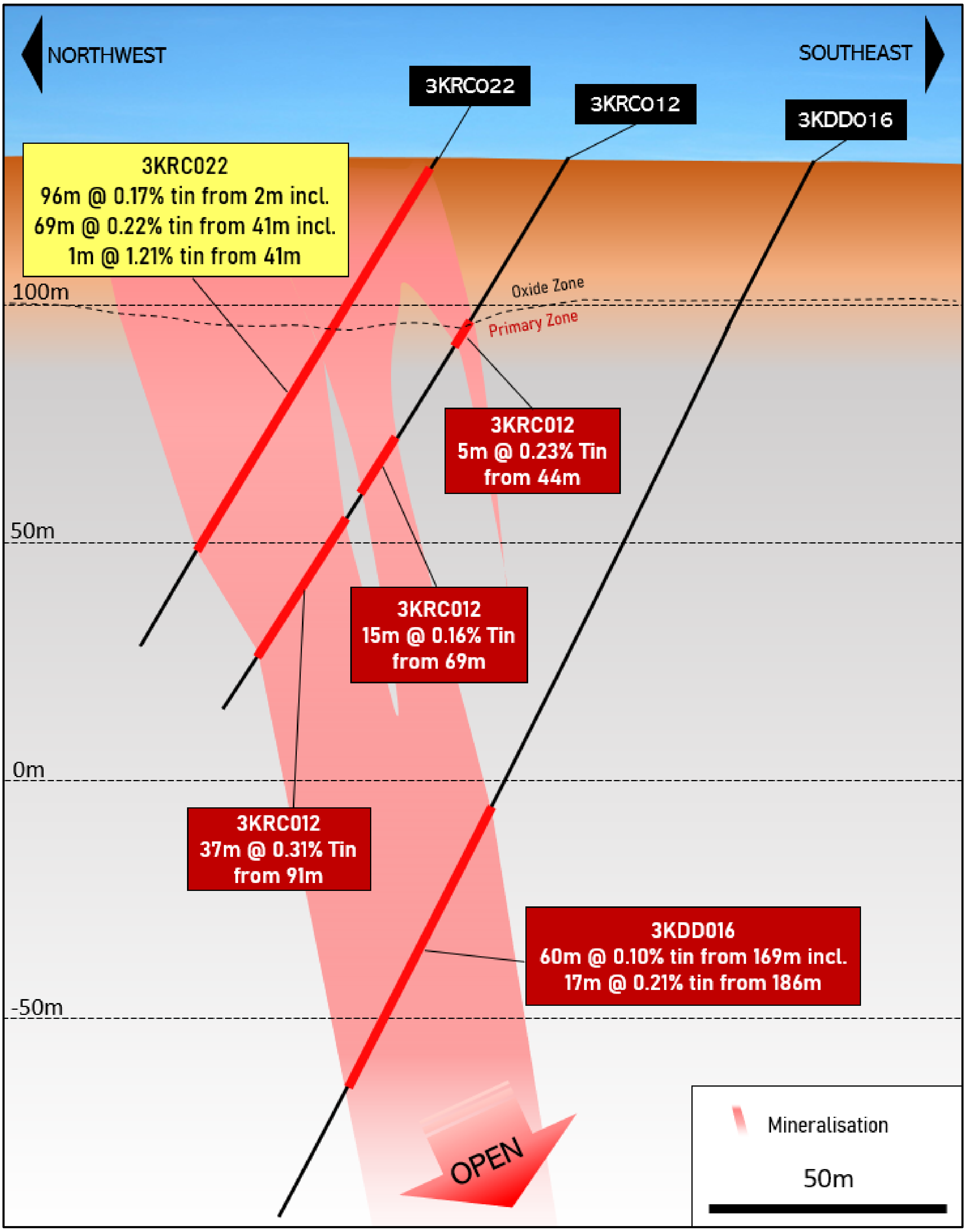

Figure 6: *3KEL Target – Cross section of **3KRC012, 3KDD016** and recent hole **3KRC022**, recent results are in yellow.*

Results for these 13 holes, **3KRC030-42,** beginning with holes **3KRC030-32** which were designed to infill between the exceptional results in **3KRC0011** and **3KRCD007** (**Figure 4** and **7**). **3KRC030** was drilled near **3KRCD007** and **3KDD014,** as shown in cross section in **Figure 8**. Results from **3KRC030-32** include:

3KRC030: 43m @ 0.36% tin, 0.19% copper & 25.1g/t indium from 89m, including;
14m @ 0.91% tin, 0.48% copper, 49.9g/t Indium & 9.74g/t silver from 112m, including;
3m @ 2.48% tin, 0.90% copper, 88.8g/t Indium & 22.5g/t silver from 117m.

3KRC031: 38m @ 0.15% tin & 10.4g/t Indium from 38m.
11m @ 0.32% tin, 0.11% copper & 39.9g/t Indium from 84m.

3KRC032: 29m @ 0.20% tin & 16.9g/t Indium from 107m, including;
2m @ 1.11% tin, 0.19% copper & 63.9g/t Indium from 132m.

3KRC033 was then drilled to infill between **3KRC009** and **3KRC011**, two of the highest grade and widest intercepts to date along the 3KEL strike. **3KRC033** intercepted the calc-silicate target horizon and strong tin and zinc mineralisation. Results included:

3KRC033: 38m @ 0.28% tin, 0.62% zinc & 19.6/t Indium from 80m, including;
15m @ 0.54% tin, 0.05% copper, 1.50% zinc & 40.0g/t Indium from 98m including;
6m @ 0.59% tin, 0.08% copper, 3.58% zinc & 59.7g/t Indium from 100m.

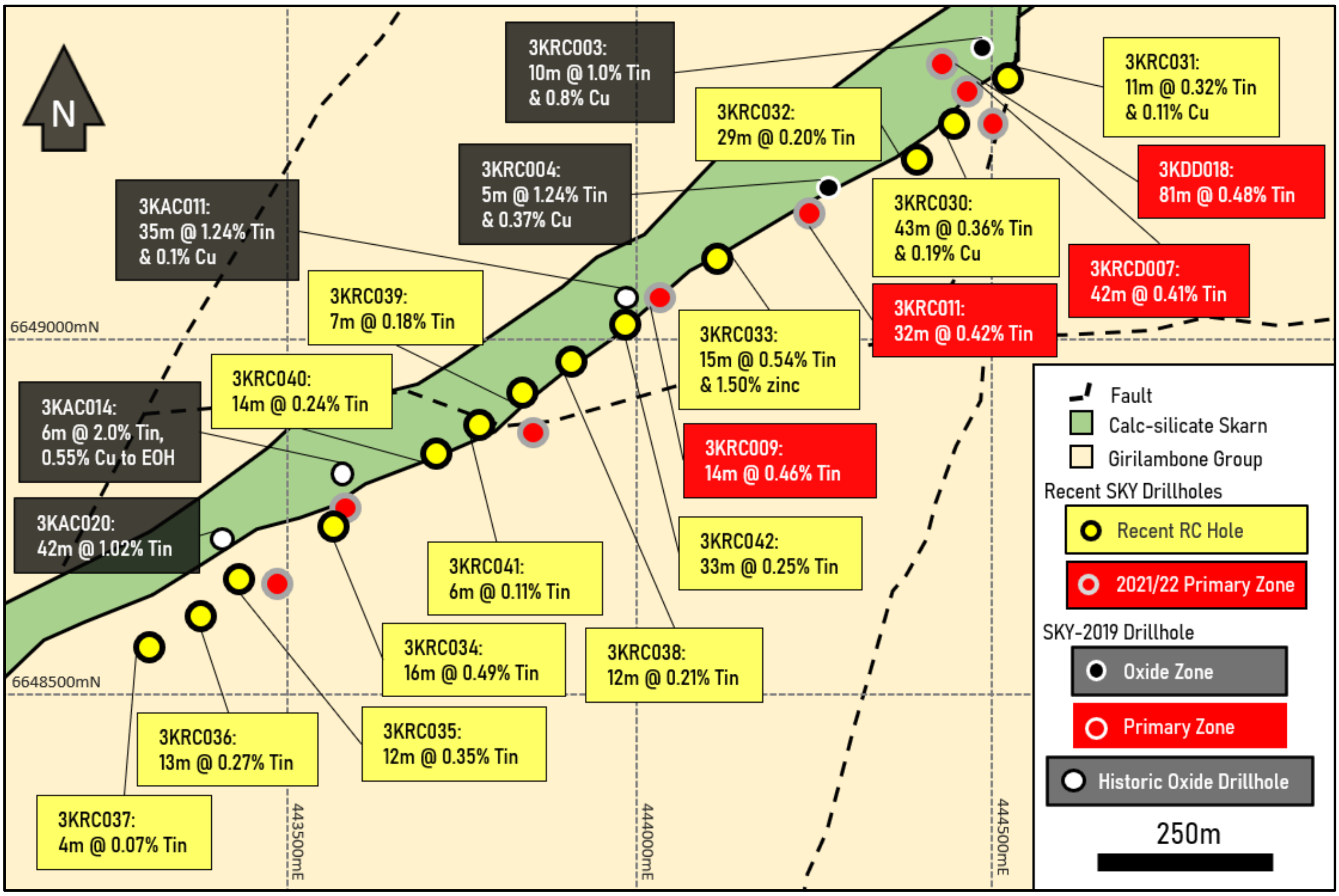

Figure 7: *3KEL Target – Plan view of the southwestern end of the 3KEL Target showing the past drilling with the recent RC drillholes. Recent results are in yellow, past results in red and black for oxide and primary intercepts, respectively.*

The program then moved to the southwest end of the 3KEL Target to redrill holes **3KRC005**, **3KRC006** and infill to hole **3KDD015**. **3KRC005** and **3KRC006** failed to intercept the target depth in the previous drilling program by SKY in 2021 and **3KDD015** intercepted the calc-silicate skarn horizon at depth. Both **3KRC034** and **3KRC035** successfully intercepted the target calc-silicate and high-grade tin mineralisation, results include:

3KRC034: 16m @ 0.49% tin & 30.2g/ t Indium from 117m, including;
6m @ 1.06% tin & 58.2g/t Indium from 120m.

3KRC035: 12m @ 0.35% tin, 0.24% zinc & 25.0g/t Indium, including;
2m @ 1.29% tin & 84.4g/t Indium.

The program continued to the southwest end of the 3KEL Target with holes **3KRC036** and **3KRC037** drilled to extend the 3KEL Target to the southwest and increase the large 2.8km strike already established at 3KEL. These holes successfully extended the 3KEL Target and while **3KRC036** has intercepted the calc-silicate horizon and discovered strong tin mineralisation, **3KRC037** intercepted a weakly altered and mineralised stratigraphy. During drilling pad preparation for another hole further to the southwest of **3KRC036** and **3KRC037**, potential skarn was found while conducting earthworks. A sample has been taken from this area and indicates that the target calc-silicate horizon at 3KEL has a potential offset to the south. Therefore, **3KRC037** may have been drilled too far to the northwest of the 3KEL Target and, as such, not intercepted the strong tin mineralisation intercepted in all the other drilling at 3KEL. Additional work will aim to build on this knowledge to extend 3KEL to further to the southwest. Results for **3KRC036** and **3KRC037** include:

3KRC036: 13m @ 0.27% tin & 21.0g/t Indium from 97m.

3KRC037: 4m @ 0.07% tin from 85m.

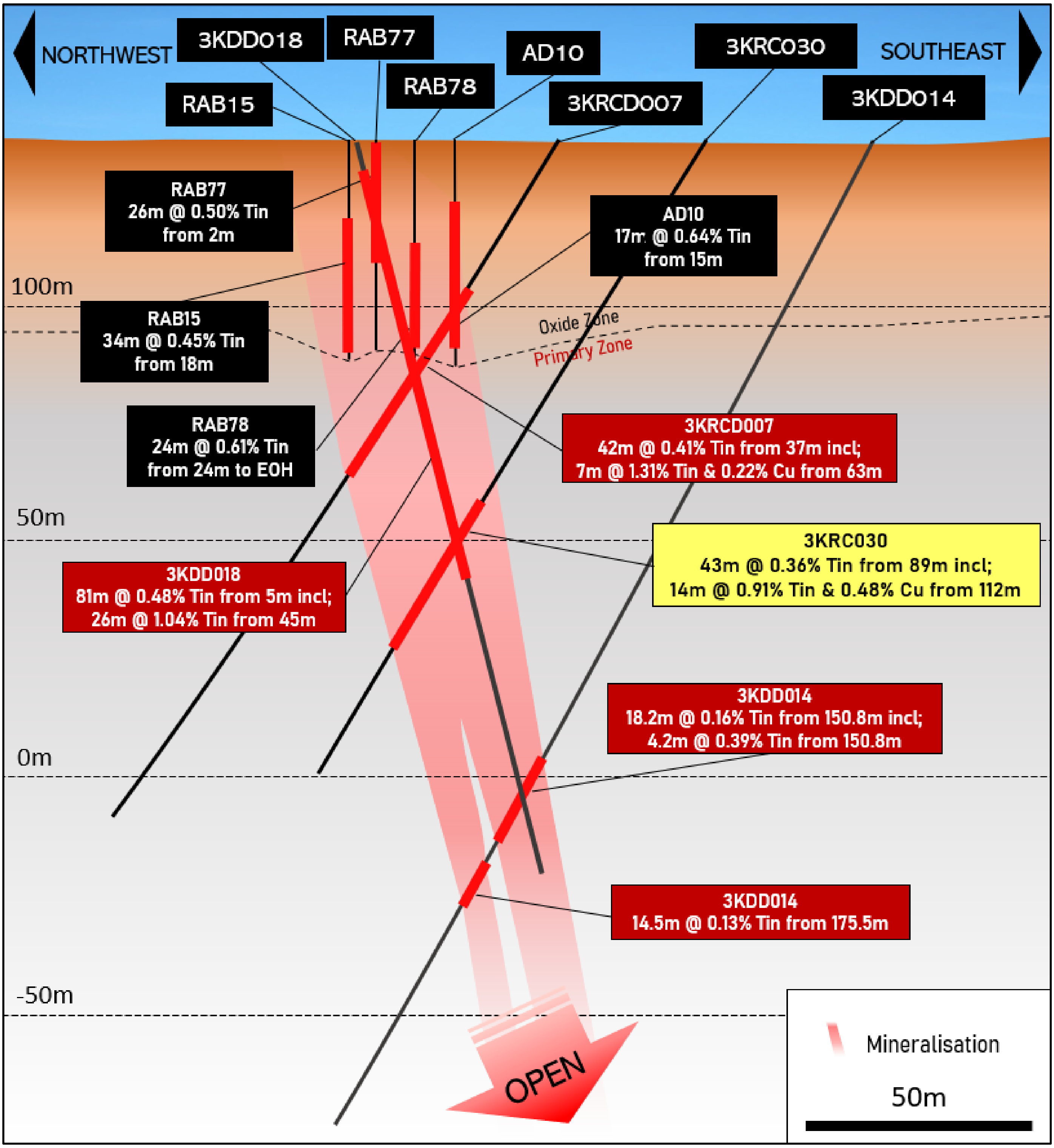

Figure 8: *3KEL Target – Cross section of **3KRCD007, 3KDD014, 3KDD018** and recent hole **3KRC030**, recent results are in yellow.*

After successfully extending the 3KEL strike to the southwest, drilling moved back to infill along the 3KEL Target. Holes **3KRC038**, **3KRC039** and **3KRC042** were drilled to infill the excellent tin mineralisation intercepted in **3KRC009** and between hole **3KRC008** which failed to reach target depth. **3KRC038**, **3KRC039** and **3KRC042** successfully intercepted tin mineralisation and the target calc-silicate horizon, results include:

3KRC038: 81m @ 0.13% tin from 81m, including;
3m @ 0.35tin & 18.1g/t Indium from 90m.
12m @ 0.21% tin 14.0& g/t Indium from 106m.

3KRC039: 7m @ 0.18% & 10.2g/t Indium from 116m.

3KRC042: 5m @ 0.11% tin from 73m.
33m @ 0.25% tin & 12.8g/t Indium from 85m, including;
7m @ 0.60% tin & 33.1g/t Indium from 104m.

Finally, holes **3KRC040** and **3KRC041** were drilled to infill between **3KRC005**, **3KRC006** and **3KDD008**. All holes **3KRC005**, **3KRC006** and **3KDD008**, failed to reach target depth due to poor drilling conditions. **3KRC040** and **3KRC041** both intercepted the target calc-silicate horizon and strong tin mineralisation. Results include:

3KRC040: 14m @ 0.24% tin & 20.9g/t Indium from 111m.

3KRC041: 6m @ 0.11% tin & 14.2g/t Indium from 112m.

All results have now been received for the large RC program at 3KEL. The program has successfully established at least a 2.8km strike with excellent tin-polymetallic results for the entire length of the target. 3KEL also remains open, demonstrated with results from the most north-eastern hole, **3KRC015**, intercepting 55m @ 0.10% tin, and the skarn discovered in earthworks near **3KRC037** demonstrate potential to further grow the already exceptional size of the 3KEL Target with further work from SKY.

RARE EARTH ELEMENT MINERALISATION – AIRCORE DRILLING PROGRAM
During the year, SKY discovered widespread REE mineralisation along the DMK line at Doradilla, including REE mineralisation at 3KEL, SKY has subsequently continued to focus on continuing to explore the extent and nature of the REE mineralisation (SKY ASX Announcement 25 January 2023). Further metallurgical testwork for extracting the REE mineralisation along with the polymetallic tin-copper-indium-silver-zinc mineralisation will be conducted through the following year and most recently SKY completed an aircore drilling program over the Midway Prospect where the best REE results had been received to date, discovered by reassaying historic 1970s drill samples.

Results for the aircore drilling program completed at the Doradilla Project have been received for all 63 holes for a total of 3,062m. The program successfully expanded the strike of the DMK Line by 4km, between the Doradilla and Midway Deposits, and discovered additional REE mineralisation over the Midway Granite.

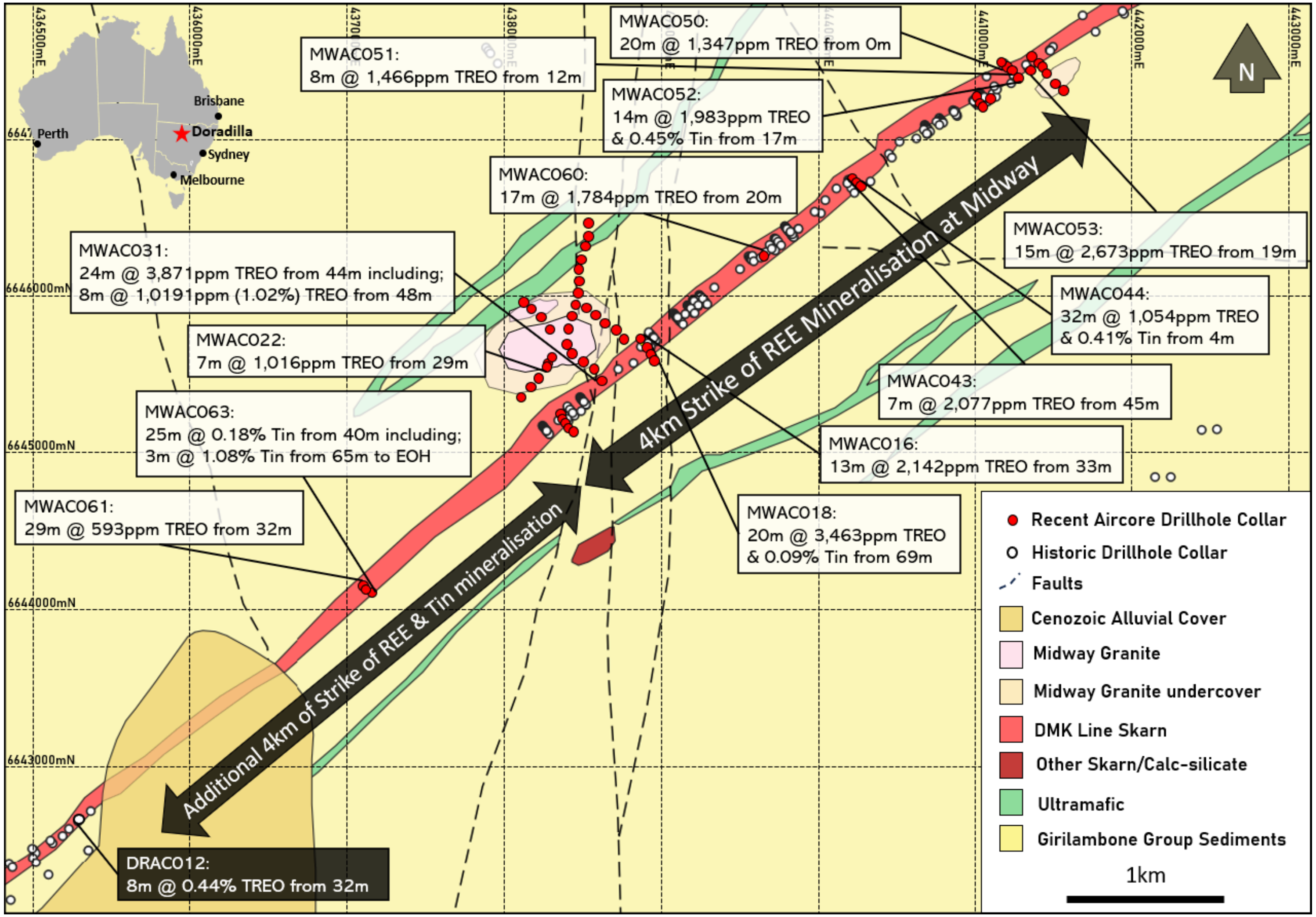

Figure 9: *Doradilla Project – Map shows the large strike extension of the previously undrilled and untested strike between Midway and Doradilla on the DMK Line and the previous strike extent with recent aircore drilling intercepts overlaid on the mapped and interpreted geology.*

The program was focussed on testing the Midway Deposit and along strike extension of the DMK Line for REE and tin mineralisation. The program was focussed on Midway as it has the highest grade REE and tin identified along the DMK Line to date. This program was also designed to test the outcropping Midway Granite for potential REE mineralisation.

The program commenced with drilling two traverses on a southeast-northwest orientation commencing from the DMK line and progressed across the surface outcrop of the Midway Granite. Another traverse was then completed southwest-northeast over the Midway Granite outcrop to test the volume of the weathered Midway Granite for potential mineralisation.

Results from these traverses intercepted exceptionally high grade REE mineralisation in the DMK Line through the Midway Deposit (**Figures 9 and 10**), results included:

MWAC031: 24m @ 3,871ppm (0.39%) TREO from 44m, including;
<u>8m @ 10,191ppm (1.02%) TREO from 48m</u>.
MWAC018: 20m @ 3,463ppm (0.35%) TREO from 69m, including;
7m @ 5,682ppm (0.57%) TREO from 73m.

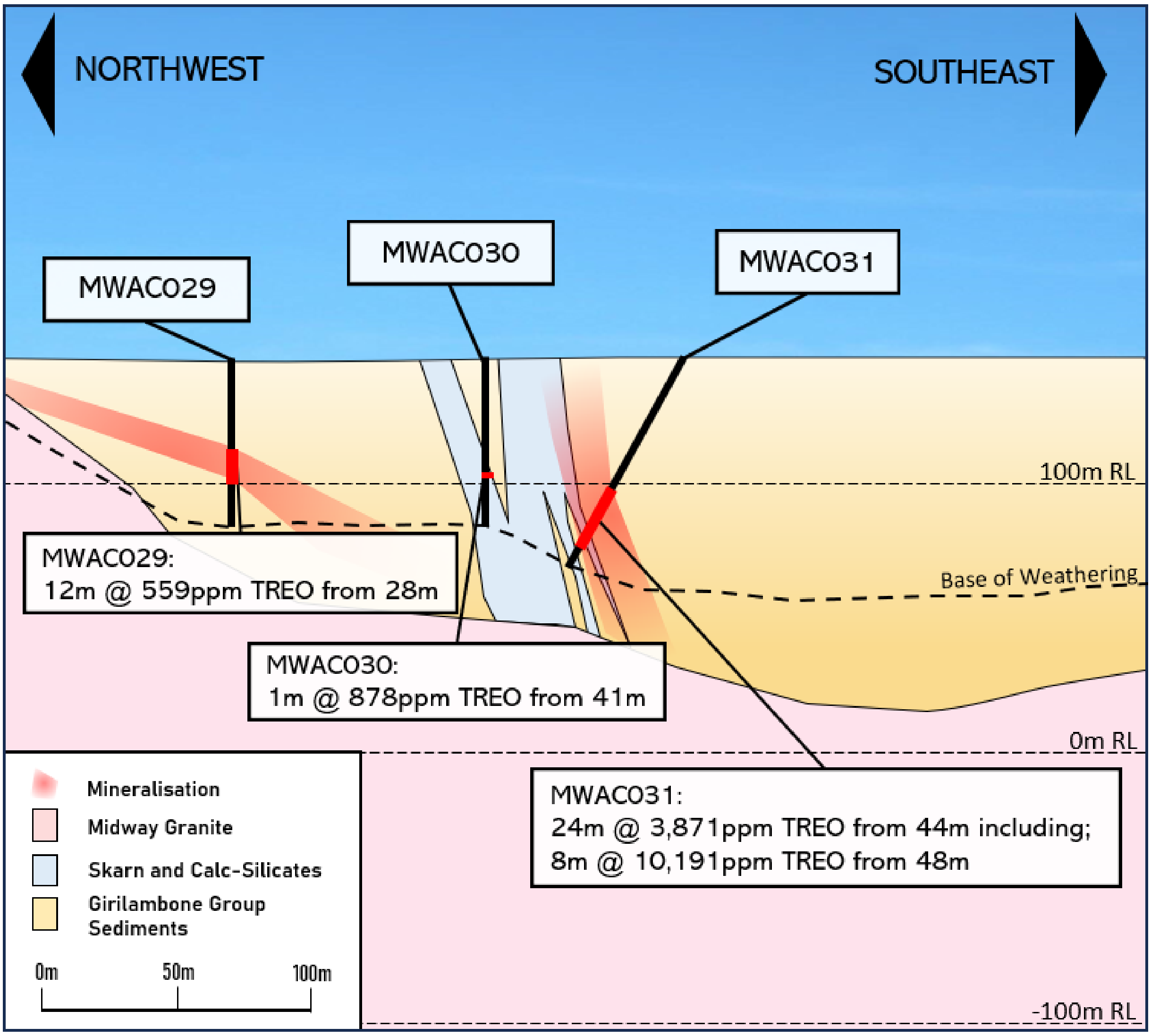

Figure 10: *Doradilla Project – Cross-section from MWAC029 to MWAC031 showing the DMK line Skarn above the Midway Granite with the Midway Granite coming to surface and outcropping to the northwest.*

Drilling then continued along the Midway Deposit with multiple traverses of angled aircore holes to confirm the historic drilling results throughout the Midway Deposit from drilling in the 1970s and 1980s. These results also confirmed the re-assaying completed by SKY of the historic drill pulp samples. Numerous high-grade and broad zones of REE and Tin mineralisation were confirmed throughout the Midway Deposit (**Figures 9 and 10**), results included:

MWAC052: 41m @ 822pm (0.08%) TREO & 0.33% Tin from 4m, including;
14m @ 1,983ppm (0.20%) TREO & 0.45% Tin from 17m, including;
3m @ 6,854ppm (0.69%) TREO & 0.26% Tin from 17m.
1m @ 10,114ppm (1.01%) TREO & 0.08% Tin from 17m.
MWAC044: 32m @ 1,054ppm (0.11%) TREO & 0.41% Tin from 32m, including;
15m @ 1,081ppm (0.11%) TREO & 0.75% Tin from 12m, and;
6m @ 2,266ppm (0.23%) TREO & 0.51% Tin from 23m.
MWAC053: 15m @ 2,673ppm (0.27%) TREO, 0.08% Tin & 0.03% Tungsten from 15m.

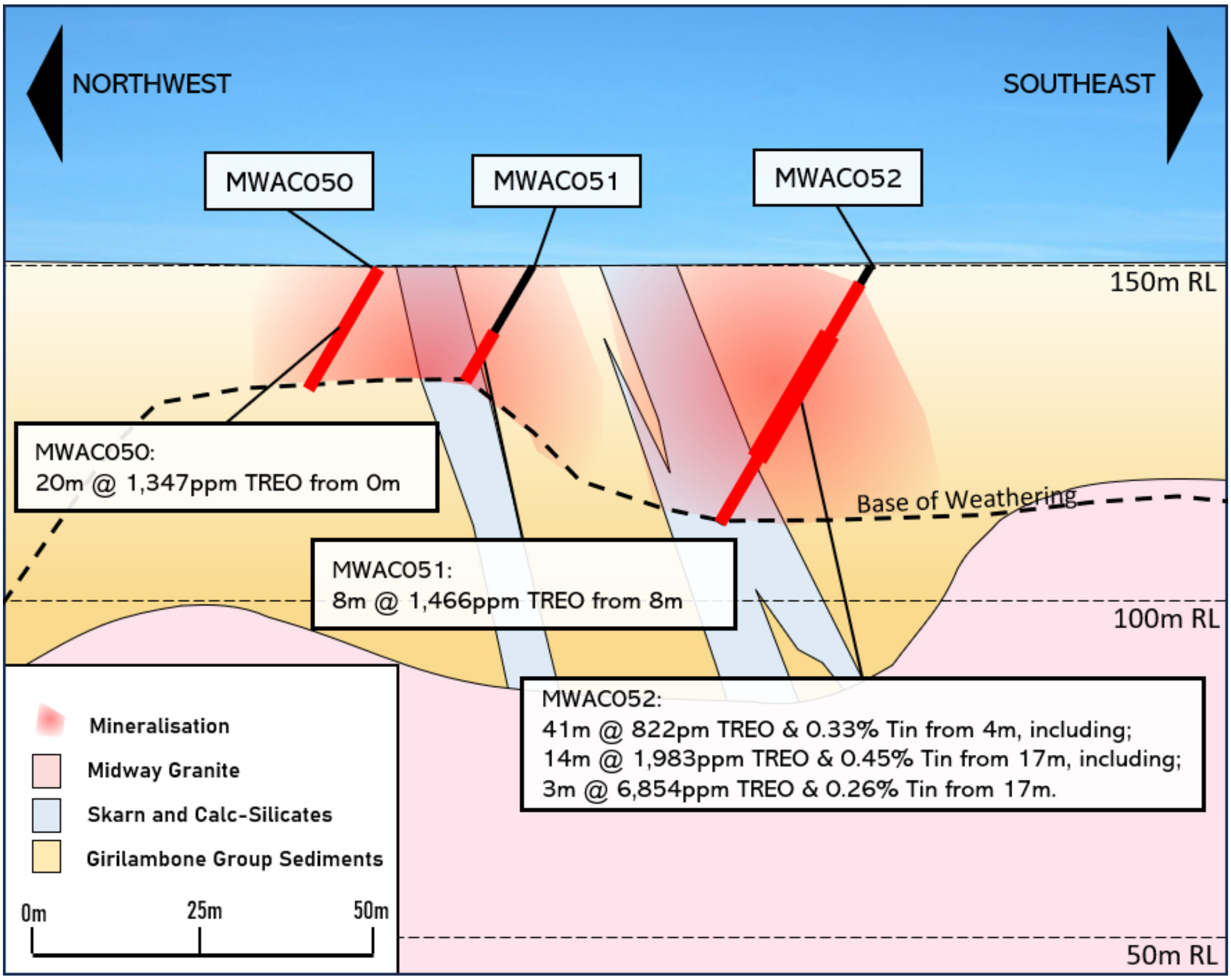

Figure 11: *Doradilla Project – Cross-section from MWAC050 to MWAC052 showing the multiple skarns of the DMK line associated with REE and tin mineralisation above the Midway Granite which underlies the area.*

Finally, a traverse of three (3) angled aircore holes were drilled for a 1.5km along strike step out southwest from Midway and 2.5km along strike to the northeast from Doradilla, testing the 4km of untested strike of the DMK Line between the Midway and Doradilla Deposits. These holes successfully intercepted the DMK Line and REE and tin mineralisation. This extends the strike of the DMK line over an additional 4km between the previous untested strike of the DMK Line Doradilla and Midway (**Figure 9**), results included:

MWAC061: 29m @ 593ppm (0.06%) TREO from 32m.
MWAC062: 13m @ 620ppm (0.06%) TREO from 44m.
MWAC063: 25m @ 0.18% Tin & 0.71% Zn from 40m, including;
9m @ 0.41% Tin & 0.77% Zn from 56m, including;
3m @ 1.08% Tin from 62m.

This strike extension between the Midway and Doradilla Deposits further demonstrates the remarkable opportunity to continue to expand the DMK Line's high value REE and tin mineralisation at Doradilla.

This aircore program successfully:
- Discovered complimentary REE mineralisation over the Midway Granite,
- Confirmed and expanded the REE and tin mineralisation at the Midway Deposit and,
- Substantially extended the REE and tin mineralisation of the DMK Line, showing the DMK Line is continuous over **an additional 4km** of previously untested strike between the Midway and Doradilla Deposits.

This program highlights the exceptional opportunity to continue to grow this large and high value, potential source of REE and tin-polymetallic mineralisation.

METALLUGICAL TESTWORK PROGRAM

Samples from this aircore drilling program will be sent to ANSTO over the next quarter to test extraction of the REE via AS (ammonium sulphate) leaching or for investigation with other extraction methods, if required.

However, the samples obtained of the Midway Granite and other areas of the Midway Deposit, possibly represent a discrete type of REE mineralisation and, therefore, different chemistry from the previously tested mineralisation. Therefore, it is possible that this mineralisation will be more amenable REE extraction via AS leaching than previous samples tested.

More broadly, SKY is continuing to progress the preliminary work on the nature, mineralogy, and potential metallurgical pathways, for the extraction of the high value REE and tin mineralisation at Doradilla. This has commenced with the REE mineralisation characterisation work and review of past metallurgical work currently being completed at ANSTO and UNSW.

A first pass trial of ammonium sulphate (AS) leaching at a solution pH of 4 and pH of 3 by ANSTO for samples from the DMK Line has not shown promise for economic extraction of REE via this method in the samples provided to date. However, this is one of many possible methods for economic REE extraction that may be investigated. It is likely that a number of other extraction pathways will be available given the strong grades and the high value of mineralisation present at the project.

SKY will continue to work with ANSTO, along with other experts, to further test a broad range of methods available to extract the REE, tin and polymetallic mineralisation on the DMK Line and mineralisation more widely discovered to unlock the high value mineralisation at Doradilla.

NARRIAH PROJECT (EL 9524, SKY 100%)

RESTDOWN MINES – ROCK CHIP RESULTS AND MAPPING

During this year, SKY completed an initial first field inspection and rock chip sampling at the newly acquired Narriah Project in NSW. Numerous historic shafts and small open pits were observed at three main workings, namely the Arctic, Restdown and Tex Prospects, collectively referred to as the Restdown Mining Area (Figure 1).

Forty (40) rock chip samples were collected from the limited outcrop and old mine dumps at all three prospects inspected at the Restdown Mining Area. Of the 40 samples collected, 10 samples were taken from the Restdown Prospect (OD20230531-1-10), 18 samples were taken from the Tex Prospect (OD20230601-1 – 18) and 12 samples from the Arctic Prospect (OD20230601-19 – 30).

A majority of the samples were weathered granite of variable composition and grain size as well as samples of quartz veining with variable cassiterite, wolframite, biotite, and tourmaline content with associated granite wall rock (**Figure 12**). Highlight results included:

Tin & Tungsten:	**3.59% tin & 0.63% tungsten** (OD20230601-26)
	1.66% tungsten & 0.11% tin (OD20230601-11)
	0.59% tin & 0.39% tungsten (OD20230601-15)
Lithium mineralisation:	**0.19% Li_2O, 107ppm Caesium & 1530ppm Rubidium** (OD20230531-10)
	0.16% Li_2O, 193ppm Caesium & 879ppm Rubidium (OD20230601-27)
	0.16% Li_2O, 121.5ppm Caesium & 718ppm Rubidium (OD20230601-12)

Lithium mineralisation was noted to be associated with samples collected from the host rock Erigolia Granite. Lithium mineralisation was associated with Rubidium and Caesium anomalism; however, the tin and tungsten mineralisation appear most associated with veining within the Erigolia Granite margins.

Of further encouragement for significant lithium mineralisation at the project is the recording of pegmatites within geological mapping of historic mining levels from 1977.

Further samples will be taken for detailed petrographic description of these rocks and future drillcore will vitally aid in the identification of the host lithologies and the nature of the lithium mineralisation.

As lithium is often a very mobile element in the weathering of rocks it is likely to be depleted in the rock chip samples collected by SKY to date as these have all been of weathered rock. Therefore, SKY anticipates that lithium grades will be higher when tested at depth in this upcoming drilling program.

Level sampling of the historic mines recorded a highlight tin result of **8m @ 0.81% tin** recorded in underground mapping records from 1977.

Historical level sampling did not assay for lithium.

RESTDOWN MINES – FUTURE WORK

Following these very encouraging rock chip results and identification of extensive historical workings, SKY plans to drill test this target as soon as possible. Currently, two shallow diamond drill holes are planned to test under each of three of the prospects sampled to date (Arctic, Restdown and Tex Prospects) for a total of 6 diamond drillholes for a total of approximately 500m.

Diamond drilling has been selected as orientated drill core will allow detailed study of the host rock and mineralisation as well as structural measurements to provide information to aid in best targeting further mineralisation. This drill program aims to assess the extent of the previously mined tin and tungsten mineralisation while testing the newly identified lithium mineralisation at depth.

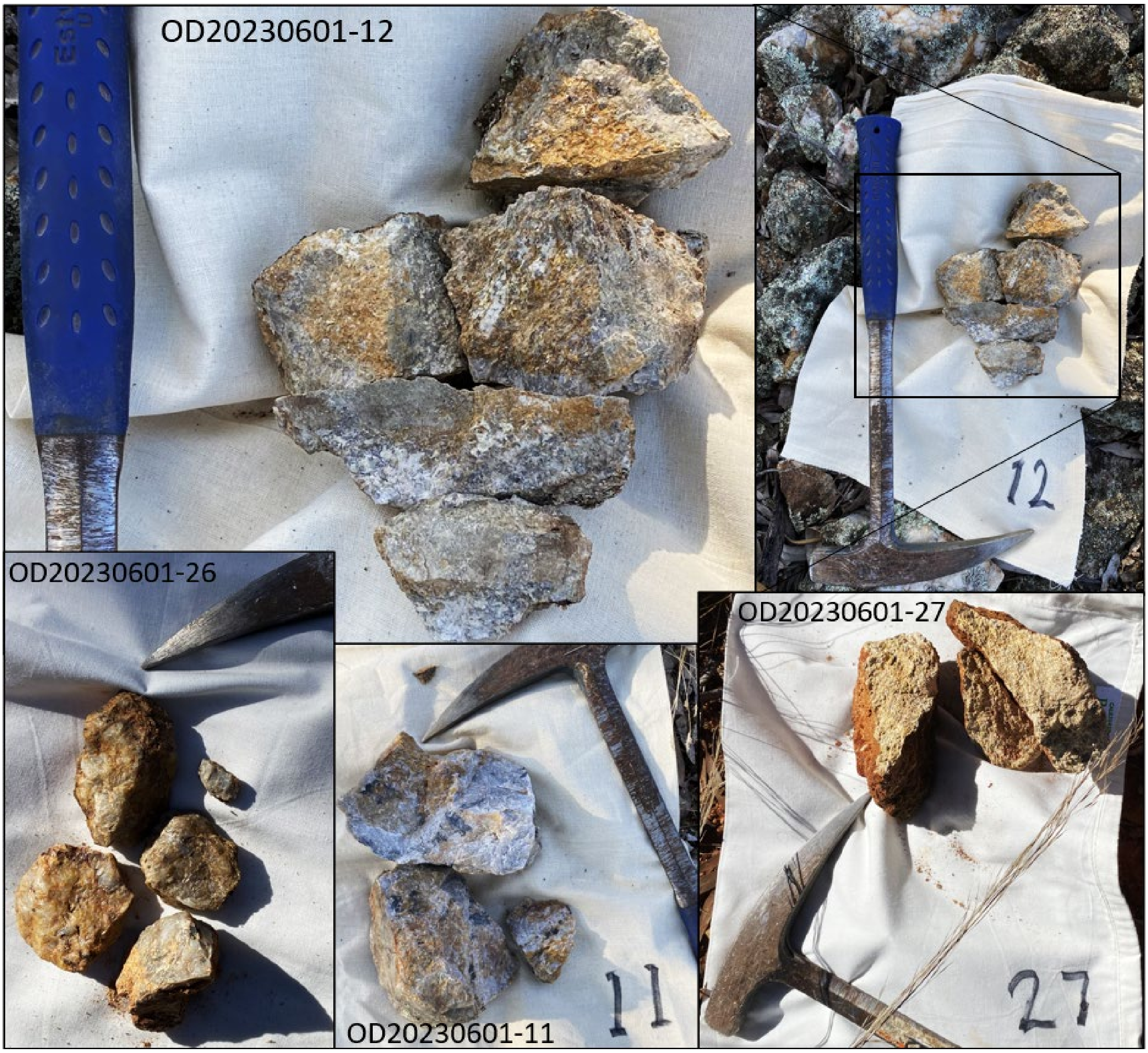

Figure 12: *Narriah Project – Photos of key rock chip samples, descriptions starting at the top left and moving counterclockwise:* ***OD20230601-12****: Micaceous quartz-eye Erigolia Granite with pale grey bands of possible xenoliths (grading* ***0.16% Li_2O****).* ***OD20230601-26:*** *Quartz veining with 5mm cassiterite crystals and elongated wolframite and tourmaline crystals (grading* ***3.59% Tin and 0.63% Tungsten****).* ***OD20230601-11****: Quartz blow with wolframite and minor granite wall rock (grading* ***0.11% Tin and 1.66% Tungsten****).* ***OD20230601-27****: Weathered micaceous granite from mullocks with less abundant quartz-eyes and greener tinge possibly indicating less weathering (grading* ***0.16% Li_2O****).*

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 in 2021 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, deeper than any previous drilling at Hume. 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 was encouraged by these thicker intervals of mineralisation at the Hume Target. In the previous quarter, SKY re-entering **HUD030** and extended the hole to intercept the Hume Structure 100m below **HUD031.** Previously, **HUD030** had been drilled to 303.6m in 2021 to test for extensions to the strong base metal mineralisation intercepted in **HUD005** (6m @ 1.28% Cu & 12.44% Pb+Zn). SKY re-entered the hole and drilled on to 702.4m (**Figures 13**).

Initial geological logging and modelling of **HUD030** indicated that the hole had drilled through an interpreted moderately west dipping fault named the Eastern Fault. Although the hole intercept multiple zones of intense sericite-silica-pyrite alteration, results were subdued. The assay results and advances in the geological understanding of the Hume Target from this drilling will be studied by SKY geologists over in the next year to identify any further targets for expanding the gold-rich, polymetallic mineralisation at the Cullarin Project.

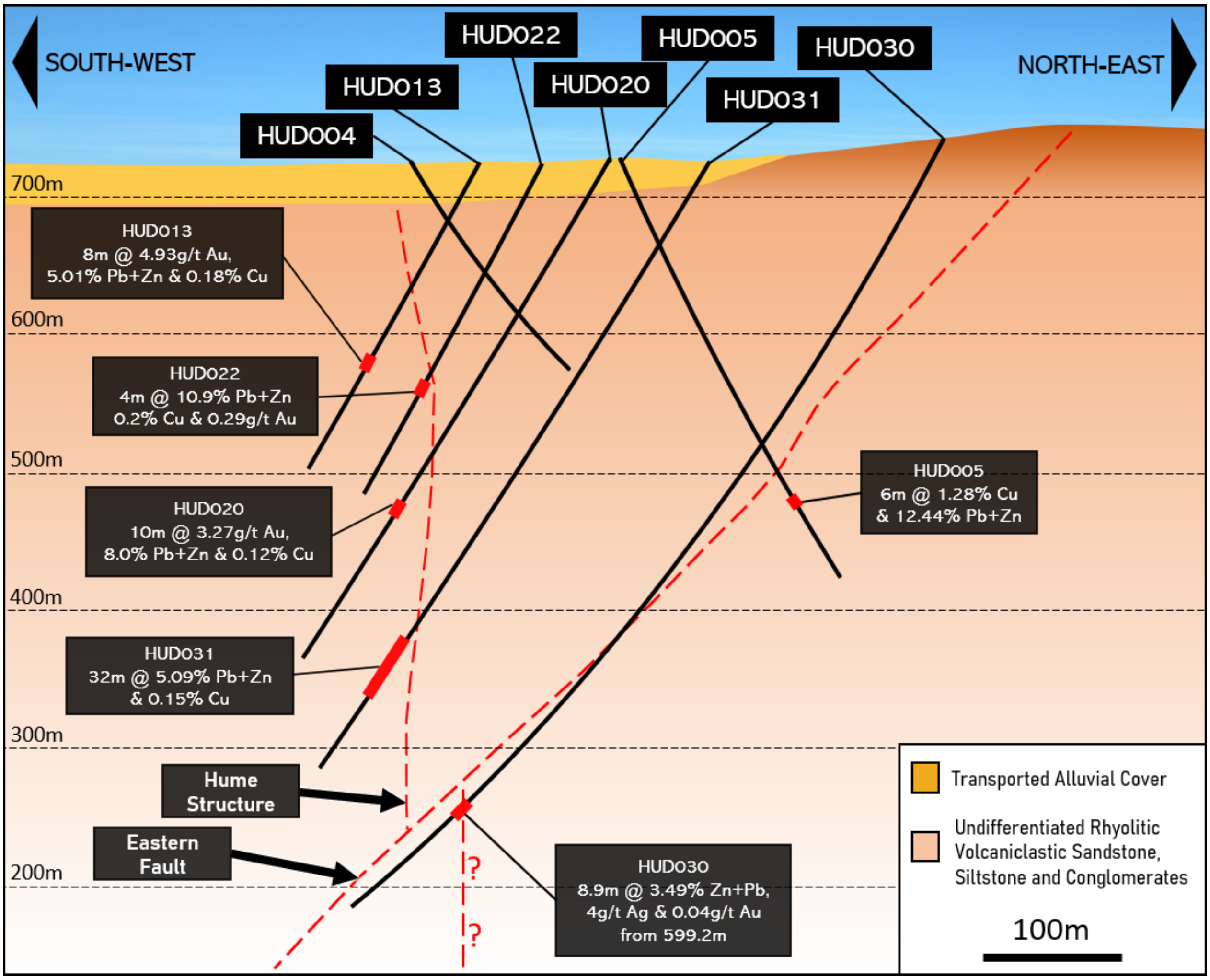

***Figure 13**: Hume Target – Cross-section of **HUD030** showing the trace in red of the extension of the hole to test the Hume Structure at depth and provide a platform for DHEM – Assays are pending for the extended hole interval shown in red.*

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). This program was delayed due to extremely wet ground condition preventing access to the area. Currently, this program is planned for the following year 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. Dure to significant ground waters intercepted by the AC drilling, preventing all but 4 of the 38 holes drilled from reaching refusal, 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.

SKY has been informed of the proposed development of a solar farm on the northern area of EL8920. This area covers the Jerrawa Strike which is a trend of metallic occurrences that SKY interprets to be an exhalative horizon with strong potential to host gold-silver and base metal mineralisation. SKY is continuing to work with the solar farm developers to ensure that the solar farm will not be developed over significant mineralisation. The work to date has delineated a gold soil anomaly which SKY plans to follow up in the following year, pending ongoing negotiations with the Solar Farm developers.

GALWADGERE PROJECT: Copper-GOLD

100% SKY (EL6320)

In 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. SKY has now divested this project to pre-IPO company Burrendong Minerals Ltd.

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 1**). 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 & EL9210)

The New England Projects in the New England Orogen of NSW cover areas of significant historical tin production – Emmaville & Gilgai. Gilgai has been relinquished this year to allow SKY to focus on other key assets. 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. Additionally, recent reviews of the geochemistry of the intrusions in the licence area have identified significant potential for REE mineralisation to have developed in some suitable geological settings. A detailed desktop review of previous exploration covering these areas is proposed for the following years with field work planned to follow-up any prospective targets which are identified.

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area	Comment
Tarago Exploration Pty Ltd (DVP sub)	80%	EL7954	19-6-2012	19-6-2028	51	144 km2	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km2	Kangiara Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2029	17	48 km2	Kangiara Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km2	Murrum Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km2	Tirrana Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km2	Galwadgere Project – Option to purchase to pre-IPO Burrendong Minerals Ltd.
Balmain Minerals Pty Ltd	100%	EL6064	21-3-2003	20-3-2028	5	15 km2	Iron Duke Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2027	60	174 km2	Albert Project
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km2	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km2	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km2	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9524	08-02-2023	08-02-2029	92	262 km2	Narriah Project

Table 8: Sky Metals - Tenement Summary

No Material Changes

Sky Metals confirms that it is not aware of any new information or data that would materially affect the information included in market announcements and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed.

Competent Person 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.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 Corporate Governance Statement was approved by the Board on 26 September 2023 and reflects the corporate governance practices throughout the 2023 financial year. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement, which can be viewed at https://www.skymetals.com.au/corporate-governance/

The Directors present their report together with the consolidated financial statements of the Group comprising of Sky Metals Limited ('the Company') and its subsidiaries for the financial year ended 30 June 2023 and the auditor's report thereon.

1. Directors

The names and particulars of the Directors at any time during or since the end of the financial year are:

Norman Alfred Seckold, Executive Chairman

Director since 4 December 2001

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 40 years in the full time management of natural resource companies, both in Australia and overseas, including the role of Chairman for a number of publicly listed companies.

Mr Seckold is currently Chairman of process technology company Alpha HPA Limited, and Deputy Chairman and Executive Director of Nickel Industries Limited a nickel mining and production company operating in Indonesia.

Rimas Kairaitis

Director since 20 June 2019.

Mr Kairaitis is a geologist and mining industry executive with over 25 years' experience in minerals exploration, resource development and mining company management in gold, base metals and industrial minerals. From 2006-2016 Mr Kairaitis was the founding Managing Director and CEO of Aurelia Metals Limited (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer.

Mr Kairaitis is also the Managing Director of process technology company Alpha HPA Limited (ASX: A4N).

Richard Grant Manners Hill

Director since 20 June 2019.

Mr Hill is a geologist and solicitor with over 25 years' experience in the resources sector. He has performed roles as commercial manager and geologist for several mid-cap Australian mining companies and as Director and Chairman for a series of successful ASX-listed companies including a founding Director for Aurelia Metals Limited (ASX:AMI) and Chairman of Genesis Minerals Ltd. He is currently the Chairman of New World Resources Limited (ASX: NWC), and Chairman of Accelerate Resources Limited. In addition to his corporate, commercial and fund raising roles, Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities worldwide.

Directors' and Executives' Remuneration

For details on the amount of remuneration for each Director, refer to the Remuneration Report below.

2. Company Secretary

Richard Willson

Company Secretary since 31 July 2019

Richard is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the resources, technology, and agricultural sectors for both publicly listed and private companies.

Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors. He is Chairman of Thomson Resources Limited (ASX:TMZ), a Non-Executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), MedTEC Holdings Ltd, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies.

3. Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors (while they were a Director) of the Company during the financial year are:

Director	Board Meetings	
	Held	Attended
Norman A. Seckold	4	4
Rimas Kairaitis	4	3
Richard G.M. Hill	4	4

The Board met informally frequently throughout the year.

4. Principal Activities

The principal activities of the Group during the course of the financial year was the exploration for tin, copper gold and gold and the investigation of projects involving those activities with the objective of identifying, developing and exploiting economic mineral deposits. Those activities were undertaken in New South Wales, Australia.

There was no significant change in the nature of the activities of the Group during the financial year.

5. Operating and financial review

Review of Operations

A review of operations of the Group during the year ended 30 June 2023 is provided in the 'Review of Operations' commencing on page 2 of this annual report.

Financial Review

The consolidated loss after income tax attributable to members of the Company for the financial year ended 30 June 2023 was $9,600,745 (30 June 2022 - $2,318,155 loss).

5. Operating and financial review (Cont'd)

Business risks

The prospects of the Group in progressing its exploration projects may be affected by a number of factors. These factors are similar to most exploration companies moving through the exploration phase and attempting to get projects into development. Some of these factors include:

Risk	Description	Mitigant
Future capital needs	The Group does not currently generate cash from its operations given their stage of development. The Group will therefore require additional funding to meet its corporate expenses and continue exploration and potentially move from the exploration phase to the development phases of its projects. Whilst the Group has a strong track record of raising new capital to fund its activities, there is no certainty that the Group will be successful in raising additional capital on acceptable terms in the future that is sufficient to fund its exploration, feasibility, or development costs at those times.	The Group actively monitors and manages its liquidity position through cash flow forecasting to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when they are due, under both normal and stressed conditions.
Exploration and development	The results of the exploration activities may be such that the estimated resources are insufficient to justify the financial viability of the projects. The Group undertakes extensive exploration and product quality testing prior to establishing JORC compliant resource estimates and to (ultimately) support mining feasibility studies. There is a risk that its mineral deposits may not be commercially viable subject to factors outside of the Group's control including development costs, changes in mineralisation, consistency and reliability of ore grades and commodity prices.	To mitigate these risks to the extent possible, the Group engages external experts to assist with the evaluation of exploration results where required and utilises third party competent persons to prepare JORC resource statements or suitably qualified senior geologists and management of the Group. Economic feasibility modelling of projects will be conducted in conjunction with third party experts and the results of which will usually be subject to independent third-party peer review.
Environmental	All phases of mining and exploration present environmental risks and hazards. The Group's operations are subject to environmental regulations pursuant to a variety of state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers, and employees.	The Group assesses each of its projects very carefully with respect to potential environmental issues, in conjunction with specific environmental regulations applicable to each project, prior to commencing field exploration. Periodic reviews are undertaken once field exploration commences.

5. Operating and financial review (Cont'd)

Business risks (Cont'd)

Risk	Description	Mitigant
Social Licence to Operate	The ability of the Group to secure and undertake exploration and development activities within prospective areas is also reliant upon satisfactory resolution of native title and (potentially) overlapping tenure.	To address this risk, the Group develops strong, long term effective relationships with landholders with a focus on developing mutually acceptable access arrangements. The Group takes appropriate legal and technical advice to ensure it manages its compliance obligations appropriately.
Management and key personnel risk	The Group's business and future success depends heavily on the continued services of a small group of executive management and other key personnel. If one or more of the Group's management or key personnel were unable to (or unwilling to) continue in their present positions, the Group might not be able to replace them easily or at all. As a result, the Group's business may be severely disrupted, materially adversely affecting its financial condition and operational results. The Group may also incur additional expenses to recruit, train and retain new or existing personnel	The Group seeks to mitigate the risk of attrition of key personnel by offering attractive remuneration packages and has put in place an Incentive Plan.
Cyber risk	The Company and its Group Entities rely on IT infrastructure and systems. The Company's IT infrastructure, systems and operations could be exposed to damage or interruption from system failures, computer	The Group engages a reputable third-party IT firm to manage its IT infrastructure and cyber-security.
Safety	Safety is of critical importance in the planning, organisation and execution of the Group's exploration and development activities. The Group is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health, safety or the health and safety of others associated with our business. The Group recognises that safety is both an individual and shared responsibility of all employees, contractors and other persons involved with the operation of the organisation. The Group has a Safety and Health Management system which is designed to minimise the risk of an uncontrolled safety and health event and to continuously improve the safety culture within the organisation.	The Group has a Safety and Health Management system which is designed to minimise the risk of an uncontrolled safety and health event and to continuously improve the safety culture within the organisation.
Market	There are numerous factors involved with exploration and early-stage development of its projects, including variance in commodity price and labour costs which can result in projects being uneconomical.	As a Group which is focused on the development of commodity projects, the Group is exposed to movements in commodity prices, which are quoted in foreign currencies. The Group monitors historical and forecast pricing for these commodities from a range of sources and in order to inform its planning and decision making.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year.

5. Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2023. No dividends have been paid or declared during the financial year (2022 - $nil).

6. Subsequent Events

On 12 July 2023, the Group entered into an option to purchase agreement with Burrendong Minerals Limited ('BML') for the potential divestment of SKY's non-core Galwadgere project EL6320.

The agreement is in two stages as follows:

- Stage 1 – following exploration expenditure of $250,000 within 18 months of executing the purchase agreement, BML will earn an option to purchase 100% interest in Galwadgere EL6320.

- Stage 2 – After satisfying stage 1, BML may elect to purchase EL6320 outright for $600,000 consideration payable in BML shares or cash at BML's election.

On 8 September 2023, the Group exercised the option to purchase all fully paid ordinary shares in the capital of Balmain Minerals Pty Limited as per the Binding Terms Sheet dated 9 June 2020 between Sky Metals Limited and Diversified Minerals Pty Ltd. The Group have met the exercise conditions as defined in the Binding Terms Sheet by incurring exploration expenditure in excess of $150,000 on the Iron Duke tenement EL6064.

To satisfy the exercise of the option in accordance with the Terms Sheet, the Group has:

- issued $350,000 of fully paid ordinary shares in the capital of SKY to Diversified Minerals Pty Ltd for the Balmain Minerals Pty Ltd shares, at a deemed issue price equal to the 5-day volume weighted average price of the SKY Shares over the 5 days in which trading in SKY shares occurs on ASX prior to the Settlement Date and,

- issued Diversified Minerals Pty Ltd 980,392 options in SKY exercisable into fully paid ordinary shares in SKY. The number of Consideration Options was calculated by dividing $50,000 by the exercise price $0.041. The options have an expiry date 2 years from the issue date.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

7. Likely Developments

The Group's focus over the next financial year will be on its key projects, Tallebung and Doradilla and new project Narriah. Further commentary on these projects, and the Company's other projects is provided in the 'Review of Operations'. The Company will also assess new opportunities, especially where these have synergies with existing projects.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

8. Environmental Regulations

The Company's operations are subject to significant environmental regulations under both Australian Commonwealth and State legislation in relation to its activities. The Company holds various mineral exploration licences that regulate its exploration activities in Australia. These licences include conditions and regulation with respect to the management and rehabilitation of areas disturbed during the course of its activities.

8. Environmental Regulations (Cont'd)

The Group is committed to achieving a high standard of environmental performance. The Board of Directors has adequate systems in place and regularly monitors compliance with environmental regulations. Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was substantially achieved across all operations with no instances of non-compliance in relation to licence requirements noted. Based on the results of enquiries made, the board is not aware of any significant breaches during the period covered by this report.

9. Directors' Interests

The relevant interest of each director in the shares or other securities issued by the Company and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Fully paid ordinary shares	Options over ordinary shares	Performance Rights
Norman Seckold	18,731,060	-	-
Rimas Kairaitis	9,130,830	-	-
Richard Hill	6,900,000	-	-

10. Share options

Unissued shares under options

At the date of this report, unissued ordinary shares of the Company under option are:

Number of shares	Exercise Price	Expiry Date
1,500,000	$0.12	24 October 2023
2,000,000	$0.25	31 January 2024
6,000,000	$0.0675	9 December 2024

Shares issued on exercise of options

During the financial year, no shares were issued on the exercise of options previously granted.

11. Performance Rights

Unissued shares under performance rights

At the date of this report, unissued ordinary shares of the Company under performance rights are:

Number of shares	Performance Milestone Share Price	Expiry Date
5,500,000	$0.18	17 December 2024
4,125,000	$0.15	12 January 2026
4,125,000	$0.20	12 January 2026

Shares issued on exercise of performance rights

During the financial year, no shares were issued on the exercise of performance rights previously granted.

12. Indemnification of Directors and Officers

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him or her in their capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

13. 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 period.

14. Remuneration Report - Audited

Principles of Compensation - Audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors and the Chief Executive Officer. No other employees have been deemed to be key management personnel.

The remuneration policy of Directors and senior executives is to ensure the remuneration package properly reflects the persons' duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board is responsible for reviewing its own performance. The evaluation process is designed to assess the Company's business performance, whether long term strategic objectives are being achieved, and the achievement of individual performance objectives.

Remuneration generally comprises salary and superannuation. Longer term incentives are able to be provided, including through the Company's share option and performance rights program which acts to align the Director's and senior executive's actions with the interests of the shareholders. The remuneration disclosed below represents the cost to the Group for services provided under these arrangements.

There were no remuneration consultants used by the Company during the year ended 30 June 2023 or in the prior year.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is as follows:

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company and approved at a general meeting of shareholders to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is $500,000 per annum, excluding shareholder approved share based payments. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. Currently Non-Executive Directors fees are $40,000 per annum, and the Chairman $50,000 per annum.

14. Remuneration Report - Audited

Non-Executive Director Remuneration (Cont.)

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Directors' and Executive officers' option plan, subject to the approval of shareholders.

The remuneration of Non-Executive Directors for the year ended 30 June 2023 is detailed in this Remuneration Report

Executive Service Agreement

Mr Oliver Davies became the Chief Executive Officer of the Group on 26 April 2022. Mr Davies receives an annual remuneration of $210,000 (plus superannuation). The Company, or Mr Davies may terminate the employment by giving three months written notice.

Details of Directors & Executives

The following table provides details of the members of key management personnel of the entity as at 30 June 2023:

Directors and Executives	**Position held**
Norman Seckold	Chairman
Rimas Kairaitis	Non-Executive Director
Richard Hill	Non- Executive Director
Oliver Davies	Chief Executive Officer

14. Remuneration Report - Audited

Details of remuneration for the year ended 30 June 2023 - Audited

Details of the nature and amount of each major element of the remuneration of each Director of the Company and other key management personnel of the Group are:

		Short Term		Long Term	Share based payments		
		Salaries & Fees	Other benefits	Post - employment Super-Annuation benefits	Options & Rights	Total	Remuneration subject to a performance condition
Directors and Executives	**Period**	**$**	**$**	**$**	**$**	**$**	**%**
Executives							
Oliver Davies[1]	**2023**	**210,000**	**-**	**22,050**	**102,905[4]**	**334,955**	**30.7**
	2022	177,476	22,239	17,748	70,016[3]	287,479	24.4
Non-executive Directors							
Norman Seckold (Chairman)	**2023**	**50,000**	**-**	**-**	**-**	**50,000**	**-**
	2022	50,000	-	-	254,253[2]	304,253	83.6
Rimas Kairaitis	**2023**	**40,000**	**-**	**-**	**-**	**40,000**	**-**
	2022	40,000	-	-	226,000[2]	266,000	85.0
Richard Hill	**2023**	**73,291**	**-**	**-**	**-**	**73,291**	**-**
	2022	72,650	-	-	226,000[2]	298,650	75.7
Total all specified Directors & Executives	**2023**	**373,291**	**-**	**22,050**	**102,905**	**498,246**	**20.7**
	2022	340,126	22,239	17,748	776,269	1,156,382	67.1

(1) Appointed as CEO on 26 April 2022.

(2) During the six months to 30 June 2020 6,250,000 performance rights were issued to Directors which vest over the term of the rights. These performance rights lapsed on 5 June 2022.

(3) During the year ended 30 June 2022 2,000,000 performance rights (valued at $156,607) were issued to Oliver Davies.

(4) During the year ended 30 June 2023 4,000,000 performance rights (valued at $156,347) were issued to Oliver Davies.

Options granted as compensation

There were no options over ordinary shares granted to Directors or Executives as remuneration during the year ended 30 June 2023.

Performance Rights granted as compensation

On 12 January 2023, 4,000,000 performance rights were issued to Mr Oliver Davies. The performance rights convert to ordinary fully paid shares in SKY at no cost when the following performance criteria are met:

- 50% of performance rights vesting on SKY's 5 day VWAP share price reaching 15 cents within three years of the date of issue to 12 January 2026, and
- Remaining 50% of performance rights vesting on SKY's 5 day VWAP share price reaching 20 cents within three years of the date of issue to 12 January 2026, and
- SKY's Board of Directors being satisfied that SKY's environmental, social and corporate governance 'ESG' performance is satisfactory, and
- Mr Davies remains employed by SKY at the time of achieving the above performance criteria.

15. Remuneration Report - Audited (Cont.)

Performance Rights granted as compensation (Cont.)

Director / Key Management Personnel	Grant Date	Number of Performance Rights Granted	Fair Value at Grant Date
Oliver Davies	19 December 2022	2,000,000	$0.036
Oliver Davies	19 December 2022	2,000,000	$0.041

The fair value of the performance rights at grant date was determined using a Monte Carlo simulation model. The model inputs of the performance rights issued were the Company's share price of $0.048 at the grant date 19 December 2022, a volatility factor of 110% based on historical share price performance, a risk-free interest rate of 3.23% based on the 3-year government bond rate and no dividend paid.

Analysis of movement in equity instruments

The value of rights or options over ordinary shares in the Company granted and exercised by each key management person during the reporting period is detailed below.

Key management personnel	Granted in period* ($)	Value of rights or options exercised in period ($)	Forfeiture / Lapsed rights or options in period ($)
Oliver Davies	156,347	-	111,840
Norman Seckold	-	-	-
Rimas Kairaitis	-	-	-
Richard Hill	-	-	-

* The value of the rights or options granted in the year is the fair value of the rights or options calculated at grant date. The total value of the rights or options granted is included in the table above. The amount is allocated to remuneration over the vesting period.

Ordinary shareholding of key management personnel movement in shares - Audited

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2022	Share Placement	On Market Purchase	Other / Disposed	Held at 30 June 2023
Norman Seckold	18,731,060	-	-	-	**18,731,090**
Rimas Kairaitis	9,130,830	-	-	-	**9,130,830**
Richard Hill	6,900,000	-	-	-	**6,900,000**
Oliver Davies	200,000	222,222	-	-	**422,222**

15. Remuneration Report - Audited (Cont.)

Movement in option holdings of key management personnel - Audited

Key management personnel	Held at 1 July 2022	Granted	Exercised	Forfeiture / Lapsed	Held at 30 June 2023	Vested during the year	Vested and exercisable at 30 June 2023	Vested and unexercisable at 30 June 2023
Rimas Kairaitis	2,300,000	-	-	(2,300,000)(b)	-	-	-	-
Richard Hill	1,900,000	-	-	(1,900,000)(b)	-	-	-	-
Oliver Davies	3,000,000	-	-	-	**3,000,000**(a)	-	**3,000,000**	-

(a) Oliver Davies 2,000,000 options granted and expiring 31 January 2024 and 1,000,000 options granted and expiring 24 October 2023
(b) Options that lapsed during the year were granted during the financial year ended 30 June 2020

Movement in performance rights holdings of key management personnel - Audited

Key management personnel	Held at 1 July 2022	Granted	Exercised	Forfeiture / Lapsed	Held at 30 June 2023*	Vested during the year	Vested and exercisable at 30 June 2023	Vested and unexercisable at 30 June 2023
Norman Seckold	-	-	-	-	-	-	-	-
Rimas Kairaitis	-	-	-	-	-	-	-	-
Richard Hill	-	-	-	-	-	-	-	-
Oliver Davies	2,600,000	4,000,000	-	(600,000)	**6,000,000**	-	-	**6,000,000**

*Performance rights held by Oliver Davies:
(a) 1,000,000 rights granted and expiring 17 December 2024
(b) 1,000,000 rights granted and expiring 17 December 2024
(c) 4,000,000 rights granted and expiring 12 January 2026

Key management personnel transactions - Audited

Other transactions with key management personnel - Audited

A number of key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

During the year ended 30 June 2023, Norman Seckold had joint control of an entity, Mining Services Trust ('MIS'), which invoiced for reimbursement of storage of company files to the Group. Fees paid to MIS during the period amounted to $676 (2022 - $666) exclusive of GST. At the end of the period the amount outstanding to MIS was $64 (2022 $Nil).

During the year ended 30 June 2023, Richard Hill performed services for the Company which in the opinion of the Directors are outside the scope of the ordinary duties of a Non-Executive Director and was paid an amount of $33,291 (2022 $32,650) for these services. At the end of the period the amount outstanding to Mr Hill was $Nil (2022 $Nil).

15. Remuneration Report - Audited (Cont.)

Consequences of performance on shareholders' wealth - Audited

In considering the Group's performance and benefits for shareholders' wealth, the Board has regard to the following indices in respect of the current period and the previous four financial years.

	2023 $	2022 $	2021 $	2020 $	2019 $
Net loss attributable to equity holders of the parent	(9,600,745)	(2,318,155)	(2,352,292)	(828,983)	(1,143,790)
Dividends paid	-	-	-	-	-
Change in share price	(0.02)	(0.05)	(0.15)	0.176	(0.001)

The overall level of key management personnel's compensation has been determined based on market conditions and advancement of the Group's projects.

End of remuneration report.

16. Non-audit Services

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

	30 June 2023 $	30 June 2022 $
Statutory Audit		
- Audit and review of financial reports	**110,503**	114,961
Non-Audit Services		
- Taxation services	**7,763**	21,528
Total paid to KPMG	**118,266**	138,489

17. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 42 and forms part of the Directors' Report for the financial year ended 30 June 2023.

This Directors' report is made out in accordance with a resolution of the Board of Directors:

Norman A. Seckold
Chairman

Dated at Sydney this 26th day of September 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Sky Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Sky Metals Limited for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Adam Twemlow

Partner

Gold Coast

26 September 2023

SKY METALS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 $	30 June 2022 $
Other income			
Other income	4	**26,796**	15,765
Gain on disposal of property, plant and equipment		**-**	-
Expenses			
Consultants' and administration expenses		**(504,947)**	(538,512)
Depreciation and amortisation expense		**(144,512)**	(149,755)
Employee and director expenses		**(786,458)**	(1,466,779)
Other expenses	4	**(8,191,642)**	(172,357)
Operating loss before net finance expense		**(9,600,763)**	(2,311,638)
Finance income	4	**39,396**	2
Finance expense	4	**(39,378)**	(6,519)
Net finance expense		**18**	(6,517)
Loss before tax		**(9,600,745)**	(2,318,155)
Income tax expense	5	**-**	-
Total comprehensive loss for the year		**(9,600,745)**	(2,318,155)
Total comprehensive loss attributable to:			
Owners of the Company		**(9,600,745)**	(2,318,155)
Non-controlling interest		**-**	-
Total comprehensive (loss) for the year		**(9,600,745)**	(2,318,155)
Earnings per share			
Basic and diluted loss per share (cents)	15	**(2.49)**	(0.66)

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

SKY METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	30 June 2023 $	30 June 2022 $
Current assets			
Cash and cash equivalents	16	**3,835,460**	4,597,338
Trade and other receivables	6	**24,271**	880
Total current assets		**3,859,731**	4,598,218
Non-current assets			
Investments	8	**231**	231
Exploration and evaluation expenditure	9	**10,783,490**	15,979,924
Property plant and equipment	10	**575,358**	690,595
Other non-current assets	7	**295,901**	272,020
Total non-current assets		**11,654,980**	16,942,770
Total assets		**15,514,711**	21,540,988
Current liabilities			
Trade and other payables	11	**527,747**	399,206
Lease liability	12	**64,787**	61,945
Employee benefits		**72,037**	77,529
Total current liabilities		**664,571**	538,680
Non-current liabilities			
Lease liability	12	**353,429**	443,846
Total non-current liabilities		**353,429**	443,846
Total liabilities		**1,018,000**	982,526
Net assets		**14,496,711**	20,558,462
Equity			
Issued capital	13	**77,238,006**	74,056,357
Fair value reserve	14	**231**	231
Option premium reserve	14	**614,083**	1,469,848
Accumulated losses		**(63,373,829)**	(54,986,194)
Total equity attributable to equity holders of the Company		**14,478,491**	20,540,242
Non-controlling interest		**18,220**	18,220
Total equity		**14,496,711**	20,558,462

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

SKY METALS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Issued capital $	Fair value & Option reserve $	Accumulated losses $	Total	Non-controlling Interest $	Total equity $
Balance at 1 July 2021		68,793,175	2,265,236	(54,433,506)	16,624,905	18,220	16,643,125
Total comprehensive income for the period							
Loss for the period		-	-	(2,318,155)	(2,318,155)	-	(2,318,155)
Total comprehensive loss for the period		-	-	(2,318,155)	(2,318,155)	-	(2,318,155)
Transactions with owners recorded directly in equity							
Ordinary shares issued							
- Issue of shares	13	5,600,000	-	-	5,600,000	-	5,600,000
- Cost of issue	13	(336,818)	-	-	(336,818)	-	(336,818)
Share options – share based payments	18	-	970,310	-	970,310	-	970,310
Expiry of options and performance rights		-	(1,765,467)	1,765,467		-	
Balance at 30 June 2022		**74,056,357**	**1,470,079**	**(54,986,194)**	**20,540,242**	**18,220**	**20,558,462**
Balance at 1 July 2022		**74,056,357**	**1,470,079**	**(54,986,194)**	**20,540,242**	**18,220**	**20,558,462**
Total comprehensive income for the period							
Loss for the period		-	-	(9,600,745)	(9,600,745)	-	(9,600,745)
Total comprehensive loss for the period		-	-	(9,600,745)	(9,600,745)	-	(9,600,745)
Transactions with owners recorded directly in equity							
Ordinary shares issued							
- Issue of shares	13	3,499,800	-	-	3,499,800	-	3,499,800
- Cost of issue	13	(318,151)	-	-	(318,151)	-	(318,151)
Share options – share based payments	18	-	357,345	-	357,345	-	357,345
Expiry of options and performance rights		-	(1,213,110)	1,213,110	**-**	-	-
Balance at 30 June 2023		**77,238,006**	**614,314**	**(63,373,829)**	14,478,491	**18,220**	**14,496,711**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Cash receipts in the course of operations		**26,797**	15,765
Government assistance received		**-**	-
Cash payments in the course of operations		**(1,014,164)**	(1,224,676)
Cash generated from operations		**(987,367)**	(1,208,911)
Interest received		**39,396**	2
Interest paid		**(39,378)**	(6,519)
Net cash used in operating activities	16	**(987,349)**	(1,215,428)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(2,886,422)**	(2,737,203)
Payments for investments in security deposits		**(23,881)**	(104,400)
Payments for plant and equipment		**(29,276)**	(49,338)
Proceeds from sale of plant and equipment		**-**	-
Net cash used in investing activities		**(2,939,579)**	(2,890,941)
Cash flows from financing activities			
Proceeds from issue of share capital		**3,499,800**	5,600,000
Cost of issue		**(234,750)**	(336,818)
Payments of lease liabilities		**(100,000)**	(87,667)
Net cash from financing activities		**3,165,050**	5,175,515
Net increase / (decrease) in cash and cash equivalents		**(761,878)**	1,069,146
Cash and cash equivalents at 1 July		**4,597,338**	3,528,192
Cash and cash equivalents at the end of the financial period	16	**3,835,460**	4,597,338

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

1. Reporting entity

Sky Metals Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 2 Hawthorn Place, Orange NSW 2800.

These consolidated financial statements for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity, primarily engaged in identifying and evaluating mineral resource opportunities in New South Wales, Australia.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Board of Directors on 26 September 2023.

Details of the Group's accounting policies are included in Note 3.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items which are measured on an alternative basis on each reporting date.

- Investments - financial assets classified as fair value through other comprehensive income.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 9 - Exploration and evaluation expenditure
- Note 18 – Share based payments
- Note 3(d) – Going concern

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group.

(a) Other Income

Other income is rent from sub-lease of office in Orange NSW and rent of SKY's XRF machine.

(b) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as intangible exploration and evaluation assets on an area of interest basis, less any impairment losses. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to developing mine properties.

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Significant accounting policies (Cont.)

(c) Property, plant and equipment (Cont.)

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Office equipment and software	30% to 60% per annum
Plant and equipment	33.3% per annum
Motor Vehicles	25% per annum.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss after tax of $9,600,745 (2022: $2,318,155) for the year ended 30 June 2023. At 30 June 2023 the Group had cash and cash equivalents of $3,835,460 (2022: $4,597,338) and net assets of $14,496,711 (2022: $20,558,462). The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities

The Directors have prepared cash flow forecasts that support the ability of the Group to continue as a going concern for the period of at least 12 months from the date of the directors' declaration. These cash flow projections include significant ongoing expenditure on exploration and evaluation activities and assume the Group receives sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure in line with available funding.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon the Group raising additional funding from shareholders or other parties and/or the Group reducing expenditure in-line with available funding

In the event that the Group does not obtain additional funding and/or reduce expenditure in line with available funding, the achievement of which is inherently uncertain until secured or realised, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report. No allowance for such circumstances has been made in the financial report.

(e) Financial instruments

Non-derivative financial assets

Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3. Significant accounting policies (Cont.)

(e) Financial instruments (Cont.)

Non-derivative financial assets (Cont.)

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income – equity investment; or
- Fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value through OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities

Financial liabilities are measured at amortised cost.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise loans and borrowings and trade and other payables.

3. Significant accounting policies (Cont.)

(f) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3. Significant accounting policies (Cont.)

(i) Income tax (Cont.)

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Sky Metals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(j) Impairment

Non derivative financial assets

Financial instruments

The Group recognises loss allowances for expected credit losses (‘ECLs’) on:

- Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through other comprehensive income, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

3. Significant accounting policies (Cont.)

(j) Impairment (Cont.)

Reversals of impairment

An impairment loss in respect of a financial asset carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of non-financial assets, an impairment loss is reversed if there has been a conclusive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(l) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Directors and the CEO, who are the Group's operating decision makers.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's management and Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Directors and the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period in relation to exploration and evaluation and to acquire property, plant and equipment, and intangible assets other than goodwill.

3. Significant accounting policies (Cont.)

(m) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(o) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis.

(p) Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments in equity securities
The fair value of listed shares is determined by reference to their market price at the reporting date.

Share-based payment transactions
The fair value of the employee share options is measured using the Black-Scholes formula and performance rights using a Monte Carlo simulation, taking into account the terms and conditions upon which the options were granted. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on historic share performance), risk-free interest rate (based on government bonds), and a dividend yield.

3. Significant accounting policies (Cont.)

(q) Leases

At inception of a contract, the Group assessed whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease under AASB16.

At commencement on or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group recognises a right-of- use asset at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property plant and equipment. In addition the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the interest rate implicit in the lease, or if that rate cannot be readily determined the Groups incremental borrowing rate. Generally the Group uses its incremental borrowing rate as the discount rate.

(r) Newly effective accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2023.
The impact of these new or amended Accounting Standards to the Group's consolidated financial statements are not expected to be significant.

	30 June 2023 $	30 June 2022 $
4. Loss from operating activities		
Loss from operating activities before income tax includes the following items of income and expense:		
Other income		
Rent received	**12,000**	9,600
Other	**14,796**	6,165
	26,796	15,765
Other expenses		
Pre-license costs	**(9,004)**	(14,624)
Legal fees	**(4,340)**	(4,277)
Auditor's remuneration – audit & review of financial reports	**(110,502)**	(119,961)
Write down of capitalised exploration expenditure	**(8,055,904)**	-
Other	**(11,892)**	(33,495)
	(8,191,642)	(172,357)
Financial income and expense		
Interest revenue	**39,396**	2
Finance lease expense	**(39,378)**	(6,519)

	30 June 2023 $	30 June 2022 $
5. Income tax expense		
Current tax expense		
Current year	**(2,798,041)**	(399,793)
Adjustments for prior year	**-**	-
Tax losses not recognised	**2,798,041**	399,793
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(9,600,745)**	(2,318,155)
Prima facie income tax benefit at the Australian tax rate of 30% (2022 - 30%)	**(2,880,224)**	(695,447)
Adjustments to prima facie tax due to:		
- non-deductible expenses	**82,184**	295,654
- effect of DTAs on tax losses not recognised	**1,392,489**	1,280,138
- effect of DTAs on temporary differences not brought to account	**1,405,551**	(880,345)
Tax expense	**-**	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital losses	**-**	-
Tax losses	**14,877,133**	13,463,522
Net deductible temporary differences	**(2,557,417)**	(4,096,049)
Potential tax benefit at 30% (2022 - 30%)	**12,319,716**	9,367,473

The deductible temporary differences and tax losses do not expire under current tax legislation, however, are subject to tests that must be satisfied before they can be utilised relating to continuity of ownership or same business. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the tax benefits. Tax losses do not expire but are subject to requirements regarding continuity of ownership and/or business.

6. Trade and other receivables

GST receivable	**23,171**	-
Other	**1,100**	880
	24,271	880

7. Other assets

Tenement bond deposit	**295,901**	272,020

	30 June 2023 $	30 June 2022 $
8. Investments		
Investments - fair value through other comprehensive income	**231**	231

The Company holds 10,950 Ordinary Shares in Pilot Energy Limited. At 30 June 2023, the Directors compared the carrying value of the investment to market value and recorded a $Nil movement in fair value (2022 – $Nil).

9. Exploration and evaluation expenditure

	30 June 2023 $	30 June 2022 $
EL 6699 Tallebung	**3,775,792**	2,640,904
EL 6258 Doradilla	**5,296,678**	3,923,338
EL9524 Narriah	**12,834**	-
EL 6320 Galwadgere	**600,000**	1,881,784
EL 7954 Cullarin	**-**	5,768,440
EL 8400 & EL 8573 Kangiara	**-**	168,646
EL 8920 Caledonian	**-**	519,194
EL 6064 Iron Duke	**1,062,003**	1,026,812
EL 9048 Tirrana	**-**	-
EL 9120 Murrum	**-**	-
EL 9191 Albert	**36,183**	28,231
EL 9200 Emmaville	**-**	15,361
EL9210 Gilgai	**-**	7,214
Net book value at 30 June	**10,783,490**	15,979,924

EL 6699 Tallebung		
Carrying amount at 1 July	**2,640,904**	1,902,414
Additions	**1,134,888**	738,490
Net book value at 30 June	**3,775,792**	2,640,904
EL 6258 Doradilla		
Carrying amount at 1 July	**3,923,338**	2,630,886
Additions	**1,373,340**	1,292,452
Net book value at 30 June	**5,296,678**	3,923,338
EL 9524 Narriah		
Carrying amount at 1 July	**-**	-
Additions	**12,834**	-
Net book value at 30 June	**12,834**	-
EL 6320 Galwadgere		
Carrying amount at 1 July	**1,881,784**	1,834,118
Additions	**8,593**	47,666
Write Down	**(1,290,377)**	-
Net book value at 30 June	**600,000**	1,881,784

9. Exploration and evaluation expenditure (Cont.)

	30 June 2023 $	30 June 2022 $
EL 7954 Cullarin		
Carrying amount at 1 July	**5,768,440**	5,461,459
Additions	**219,767**	306,981
Write Down	**(5,988,207)**	-
Net book value at 30 June	**-**	5,768,440
EL 8400 & EL 8573 Kangiara 1 & 2		
Carrying amount at 1 July	**168,646**	161,991
Additions	**9,623**	6,655
Write Down	**(178,269)**	-
Net book value at 30 June	**-**	168,646
EL 8920 Caledonian		
Carrying amount at 1 July	**519,194**	354,949
Additions	**30,404**	164,245
Write Down	**(549,598)**	-
Net book value at 30 June	**-**	519,194
EL 6064 Iron Duke		
Carrying amount at 1 July	**1,026,812**	855,981
Additions	**35,191**	170,831
Net book value at 30 June	**1,062,003**	1,026,812
EL 9048 Tirrana		
Carrying amount at 1 July	**-**	8,265
Additions	**3,270**	10,346
Write Down	**(3,270)**	(18,611)
Net book value at 30 June	**-**	-
EL 9120 Murrum		
Carrying amount at 1 July	**-**	2,400
Additions	**6,612**	5,675
Write Down	**(6,612)**	(8,075)
Net book value at 30 June	**-**	-
EL 9191 Albert		
Carrying amount at 1 July	**28,231**	18,257
Additions	**7,952**	9,974
Net book value at 30 June	**36,183**	28,231

	30 June 2023 $	30 June 2022 $

9. Exploration and evaluation expenditure (Cont.)

EL 9200 Emmaville		
Carrying amount at 1 July	**15,361**	12,001
Additions	**9,514**	3,360
Write Down	**(24,875)**	-
Net book value at 30 June	**-**	15,361

EL 9210 Gilgai		
Carrying amount at 1 July	**7,214**	-
Additions	**7,482**	7,214
Write Down	**(14,696)**	-
Net book value at 30 June	**-**	7,214

The ultimate recoupment of exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

During the year ended 30 June 2023, the Group assessed its exploration and evaluation expenditure assets for impairment. The Group impaired the carrying value in full on Cullarin, Caledonian, Kangiara, Emmaville and Gilgai tenements, as the Board have not planned future exploration activities in these areas. The Group has also impaired the carrying value of Galwadgere to its realisable value of $600,000, refer subsequent events Note 22.
Impairment expense totalled $8,055,904.

10. Property, plant and equipment

Motor vehicles	**81,874**	122,138
Office equipment	**21,734**	23,324
Plant and equipment	**73,536**	65,926
Right of use asset	**398,214**	479,207
Net book value at 30 June	**575,358**	690,595

Motor vehicles	**212,258**	212,258
Accumulated Depreciation	**(130,384)**	(90,120)
Net book value at 30 June	**81,874**	122,138

Office Equipment	**57,677**	51,873
Accumulated Depreciation	**(35,943)**	(28,549)
Net book value at 30 June	**21,734**	23,324

Plant and Equipment	**109,788**	86,315
Accumulated Depreciation	**(36,252)**	(20,390)
Net book value at 30 June	**73,536**	65,925

Right of use asset	**485,956**	485,956
Accumulated Depreciation	**(87,742)**	(6,749)
Net book value at 30 June	**398,214**	479,207

10. Property, plant and equipment (Cont.)

Right of Use Assets

Right-of-use assets related to the leased exploration office and shed at Orange in NSW and are presented as property, plant & equipment. The lease of the Orange property is for a period of 6 years (3 years + 3 year option) commencing on 1 June 2022 and the Company is reasonably certain that the option period of the lease will be exercised. The annual lease cost is $100,000 excluding GST.

As at 30 June 2023, the Company recognised $485,956 of right-to-use asset, $87,742 of accumulated depreciation and $418,216 of lease liabilities of which $64,787 is recognised as a current liability.

During the year ended 30 June 2023, the Company recognised $80,993 of depreciation charges and $39,378 of interest costs from the lease.

Reconciliation of the carrying amounts for each class of property, plant & equipment are set out below.

	30 June 2023 $	30 June 2022 $
Motor Vehicles		
Carrying amount at 1 July	**122,138**	163,780
Additions	**-**	6,881
Disposals	**-**	-
Write back accumulated depreciation on disposals	**-**	-
Depreciation	**(40,264)**	(48,523)
Net book value at 30 June	**81,874**	122,138
Office Equipment		
Carrying amount at 1 July	**23,324**	30,718
Additions	**5,804**	830
Depreciation	**(7,394)**	(8,224)
Net book value at 30 June	**21,734**	23,324
Plant & Equipment		
Carrying amount at 1 July	**65,925**	18,745
Additions	**23,472**	62,457
Depreciation	**(15,861)**	(15,277)
Net book value at 30 June	**73,536**	65,925
Right of use asset		
Carrying amount at 1 July	**479,207**	70,983
Additions	**-**	485,956
Disposals	**-**	(151,405)
Write back accumulated depreciation on disposals	**-**	108,816
Depreciation	**(80,993)**	(35,143)
Net book value at 30 June	**398,214**	479,207

	30 June 2023 $	30 June 2022 $
11. Trade and other payables		
Current liabilities		
Trade and other payables	**403,693**	308,883
Accruals	**78,833**	60,000
Payroll payables	**45,221**	30,323
	527,747	399,206
12. Lease liability		
Current liabilities		
Property rental	**64,787**	61,945
Non-current liabilities		
Property rental	**353,429**	443,846
	418,216	505,791

Payments under the lease arrangements attributable to the repayment of lease liability is included under financing cash flows. During the year ended 30 June 2023, payments totalling $100,000 has been recognised as cash outflows from lease repayments.

	30 June 2023		30 June 2022	
13. Issued capital	**No.**	**$**	**No.**	**$**
Ordinary shares, fully paid at 1 July	**376,783,470**	**74,056,357**	310,901,115	68,793,175
Placement of ordinary shares on 4 November 2021 at $0.085	**-**	**-**	65,882,355	5,600,000
Placement of ordinary shares on 26 May 2023 at $0.045	**77,773,326**	**3,499,800**	-	-
Less cost of issue	**-**	**(318,151)**	-	(336,818)
Balance at 30 June	**454,556,796**	**77,238,006**	376,783,470	74,056,357

On 4 November 2021, the Group issued 65,882,355 shares under a share placement at $0.085 per share.

On 26 May 2023, the Group issued 77,773,326 shares under a share placement at $0.045 per share.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

No dividends were declared or paid by the Company during the current or prior period.

	30 June 2023 $	30 June 2022 $
14. Reserves		
Fair value reserve		
Opening balance at 1 July	**231**	231
Net change in fair value of financial assets	**-**	-
Closing balance at 30 June	**231**	231

Changes in fair value of investments are recognised in other comprehensive income and accumulated in a separate reserve within equity. Refer to Note 8 for further details on investments.

Option Premium Reserve		
Opening balance at 1 July	**1,469,848**	2,265,005
Vesting of CEO options	**-**	33,125
Vesting of Employee Performance Rights	**273,943**	229,822
Vesting of Director Performance Rights	**-**	707,363
Vesting of Broker Options	**83,402**	-
Lapsed Performance Rights	**(363,480)**	-
Lapsed Options	**(844,356)**	(262,000)
Forfeiture of Performance Rights	**(5,274)**	(1,503,467)
Closing balance at 30 June	**614,083**	1,469,848

The option premium reserve is used to recognise the grant date fair value of options and performance rights issued but not exercised separately within equity. Refer to Note 18 for further details on options and performance rights on issue.

15. Loss per share

The calculation of basic EPS has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Basic and diluted loss per share:

Net loss for the period attributable to equity holders of the parent	**(9,600,745)**	**(2,318,155)**

	30 June 2023 Nº	30 June 2022 Nº
Weighted average number of ordinary shares (basic and diluted)		
Issued ordinary shares at 1 July	**376,783,470**	310,901,115
Effect of shares issued (note 13)	**7,670,794**	42,958,906
Weighted average number of ordinary shares at 30 June	**384,454,264**	353,860,021

As the Group is loss making, none of the potentially dilutive securities are currently dilutive in the calculation of the total loss per share.

	30 June 2023 $	30 June 2022 $

16. Reconciliation of cash flows from operating activities

Reconciliation of net loss from operating activities after tax to net cash used in operating activities

	30 June 2023 $	30 June 2022 $
Loss from operating activities after tax	**(9,600,745)**	(2,318,155)
Non-cash items		
Amortisation and depreciation	**144,512**	149,756
Impairment of exploration tenements	**8,055,904**	26,686
Interest payable	**39,378**	-
Share based payment	**273,943**	970,310
Changes in assets and liabilities		
Trade and other receivables	**(23,391)**	60,628
Trade and other payables	**128,542**	(148,456)
Employee provisions	**(5,492)**	43,803
Net cash used in operating activities	**(987,349)**	(1,215,428)

Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and cash on deposit net of bank overdrafts and excluding security deposits. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2023 $	30 June 2022 $
Cash at bank	**3,835,460**	4,597,338

17. Related parties

a) Parent and ultimate controlling party

Sky Metals Limited is both the parent and ultimate controlling party of the Group.

b) Transactions with key management personnel

i) Key management personnel compensation

Key management personnel compensation comprised the following:

	30 June 2023 $	30 June 2022 $
Salaries and fees	**373,291**	340,126
Other short term benefits	**-**	22,239
Share based payments	**102,905**	776,269
Post – employment benefits	**22,050**	17,748
	498,246	1,156,382

At 30 June 2023, the amount outstanding to Key Management Personnel and Directors was $7,917 (2022 $19,421 inclusive of GST). These services were invoiced monthly and payable within 30 days.

The Board reviews remuneration arrangements annually based on services provided. Apart from the details disclosed in this note, no Director has entered into a contract with the Company during the period and there were no contracts involving Directors' interests subsisting at period end.

17. Related parties (Cont.)

b) Transactions with key management personnel (Cont.)

i) Key management personnel transactions

Key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies

The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

During the period ended 30 June 2023, Norman Seckold had joint control of an entity, Mining Services Trust ('MIS'), which invoiced for reimbursement of storage of company files to the Group. Fees paid to MIS during the period amounted to $676 (30 June 2022 - $666) exclusive of GST. At 30 June 2023, the amount outstanding to MIS was $64 (2022 $Nil).

There were no loans made to key management personnel or their related parties during the years ended 30 June 2023 or 30 June 2022.

18. Share Based Payments

Incentive Plan

The Company has an Incentive Plan to provide eligible persons, being employees or directors, or individuals whom the determined to be employees for the purpose of the Plan, with the opportunity to acquire options over unissued ordinary shares in the Company. The number of options granted or offered under the Plan will not exceed 5% of the total number of issued shares of the Company as at the time of the invitation or offer. Unless otherwise determined by the Board, the exercise price of each option will be a minimum of the Market value of a Share when the Board resolves to offer the options. Options have no voting of divided rights. The Board may in its absolute discretion determine the vesting conditions attached to options issued under the plan.

If at any time before the exercise of an Option a holder ceases to be an Eligible Participant any options which have not reached their exercised period will automatically lapse unless the Board otherwise determined within 30 days of the holder ceases to be an eligible participant.

Options & Performance Rights Issues

During the financial year, the Company issued 8,250,000 performance rights under the Company's Incentive Plan.

The Company also issued 6,000,000 options as consideration for service performed in relation to the capital raise that was completed on 26 May 2023.

18. Share Based Payments (Cont.)

The following options and performance rights were on issue at 30 June 2023.

Type / Description	Grant Date	Vesting Conditions	Expiry Date	Exercise Price	Fair Value per Option/Right Granted	Balance at the end of the period
Incentive Plan	25 October 2019	Refer page 66	25 October 2023	$0.12	$0.0463	1,500,000
Incentive Plan	21 March 2021	Refer page 66	31 January 2024	$0.25	$0.0942	2,000,000
Incentive Plan	17 February 2022	Refer page 66	17 December 2024	$Nil	$0.0820	4,500,000
Incentive Plan	16 May 2022	Refer page 66	17 December 2024	$Nil	$0.0746	1,000,000
Incentive Plan	19 December 2022	Refer page 66	12 January 2026	$Nil	Note 1	8,250,000
Broker Options	26 May 2023	Refer page 66	9 December 2024	$0.0675	$0.0139	6,000,000

Note 1 – These performance rights contain two tranches that are fair valued individually as noted within the conditions of the performance rights on the following page. The fair value per right for tranche 1 is $0.0366 for 50% of the rights issued and for the remainder 50% of the rights issued, the fair value per right for tranche 2 is $0.0415.

Movement of options & performance rights during the year ended 30 June 2023.

Grant Date	Outstanding at the beginning of period	Granted during the period	Forfeiture during the period	Exercised during the period	Lapsed during the period	Outstanding at the end of period	Exercisable at the end of period
20 June 2019	17,398,437	-	-	-	(17,398,437)	-	-
25 October 2019	1,500,000	-	-	-	-	1,500,000	1,500,000
16 January 2020	2,000,000	-	-	-	(2,000,000)	-	-
16 January 2020	2,000,000	-	-	-	(2,000,000)	-	-
16 January 2020	2,000,000	-	-	-	(2,000,000)	-	-
27 October 2020	1,950,000	-	-	-	(1,950,000)	-	-
21 March 2021	2,000,000	-	-	-	-	2,000,000	2,000,000
17 February 2022	5,000,000	-	500,000	-	-	4,500,000	-
16 May 2022	1,000,000	-	-	-	-	1,000,000	-
19 December 2022	-	8,250,000	-	-	-	8,250,000	-
26 May 2023	-	6,000,000	-	-	-	6,000,000	6,000,000
	34,848,437	14,250,000	0	0	25,348,437	23,250,000	9,500,000

Weighted average exercise price of options and performance rights

Year	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Outstanding at the end of period	Exercisable at the end of the period
2023	$0.087	$0.028	-	-	$0.083	$0.029	$0.072

The weighted average remaining contractual life of share options and performance rights outstanding at the end of the period was 1.34 years (2022: 1.14 years).

18. Share Based Payments (Cont.)

Fair Value of Options & Performance Rights (Cont.)
The fair value of options granted is measured at grant date and recognised as an expense over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

When options on issue are modified and the modification is beneficial to the other party the incremental fair value at the date of the modification is recognised over the remaining modified vesting period and the original grant-date fair value is recognised over the remaining original vesting period. When the modification is to options on issue that have fully vested the incremental fair value is recognised as an expense in the period the modification occurs. The incremental fair value is the difference between the fair value of the share based payment at the date of modification between the old and new terms.

The fair value of 6,000,000 options granted to non-employees on 26 May 2023 with an exercise price of $0.0675 was $83,402. The Black-Scholes formula model inputs were the Company's share price of $0.045 at the grant date, a volatility factor of 86.71% based on historical share price performance and a risk-free interest rate of 3.57% based on the 2-year government bond rate. The options vested in full on grant date.

The fair value of 8,250,000 performance rights granted on 19 December 2022, of which 50% which will convert to shares at no cost upon the Company's share price on ASX achieving $0.15 (tranche 1), and the remaining 50% which will convert to shares at no cost upon the Company's share price on ASX achieving $0.20 (tranche 2), and the Board of Directors being satisfied that SKY's environmental, social and corporate governance 'ESG' performance is satisfactory, was $322,465. The rights include a service condition that the employee must remain in the employ of Sky Metals at the time of achieving the above criteria. The performance rights were valued using a Monte Carlo simulation model. The model inputs were the Company's share price of $0.048 at the grant date, a volatility factor of 110% based on historical share price performance and a risk-free interest rate of 3.23% based on the 3-year government bond rate.

The fair value of 1,000,000 performance rights granted on 16 May 2022 which will convert to shares at no cost upon the Company's share price on ASX achieving $0.18 and the Board of Directors being satisfied that SKY's environmental, social and corporate governance 'ESG' performance is satisfactory, was $74,607. The rights include a service condition that the employee must remain in the employ of Sky Metals at the time of achieving the above criteria. The performance rights were valued using a Monte Carlo simulation model. The model inputs were the Company's share price of $0.085 at the grant date, a volatility factor of 104% based on historical share price performance and a risk-free interest rate of 2.77% based on the 5-year government bond rate.

The fair value of 5,000,000 performance rights granted on 17 February 2022 which will convert to shares at no cost upon the Company's share price on ASX achieving $0.18 and the Board of Directors being satisfied that SKY's environmental, social and corporate governance 'ESG' performance is satisfactory, was $410,300. The rights include a service condition that the employee must remain in the employ of Sky Metals at the time of achieving the above criteria. The performance rights were valued using a Monte Carlo simulation model. The model inputs were the Company's share price of $0.092 at the grant date, a volatility factor of 108% based on historical share price performance and a risk-free interest rate of 1.49% based on the 5-year government bond rate.

The fair value of 2,000,000 options granted on 21 March 2021 with an exercise price of $0.25 was $188,530. The Black-Scholes formula model inputs were the Company's share price of $0.16 at the grant date, a volatility factor of 114.26% based on historical share price performance and a risk-free interest rate of 0.11% based on the 5-year government bond rate. The options vested in full on grant date.

The fair value of 1,500,000 options granted on 25 October 2019 with an exercise price of $0.12 was $69,450. The Black-Scholes formula model inputs were the Company's share price of $0.08 at the grant date, a volatility factor of 92.98% based on historical share price performance and a risk-free interest rate of 0.79% based on the 5-year government bond rate. The options vested in full on grant date.

During the period ended 30 June 2023, share based payment expense of $273,943 was recorded in the profit and loss (2022 - $970,310). A further $83,402 share based payment expense was recorded as a transaction cost and accounted for as a deduction against equity as the services provided by non-employees were directly attributable to the capital raise that occurred in May 2023.

19. Financial risk management and financial instruments disclosures

The Group's financial instruments comprise deposits with banks, receivables, investments, and trade and other payables. The Group does not trade in derivatives or in foreign currency.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The primary responsibility to monitor the financial risks lies with the Managing Director under the authority of the Board.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors rolling forecasts of liquidity on the basis of commitments, expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. At balance date, the Group has available funds of $3,835,460.

Contractual maturities of financial liabilities are:

Financial liabilities	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years
	$	$	$	$	$	$
Trade and other payables	527,747	(527,747)	(527,747)	-	-	-
Lease liability	418,216	(538,257)	(51,500)	(51,757)	(435,000)	-
30 June 2023	**945,963**	**(1,066,004)**	**(579,247)**	**(51,757)**	**(435,000)**	**-**
Trade and other payables	399,206	(399,206)	(399,206)	-	-	-
Lease liability	505,791	(630,174)	(41,667)	(50,250)	(538,257)	-
30 June 2022	**904,997**	**(1,029,380)**	**(440,873)**	**(50,250)**	**(538,257)**	**-**

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure as follows:

	30 June 2023	30 June 2022
	$	$
Cash and cash equivalents	**3,835,460**	4,597,338
Trade and other receivables	**24,271**	880
Tenement bond deposit	**295,900**	272,020
Investments	**231**	231
	4,155,862	4,870,469

19. Financial risk management and financial instruments disclosures (Cont.)

Cash and cash equivalents

At 30 June 2023, the Group held cash and cash equivalents of $3,835,460 (30 June 2022 - $4,597,338), which represents its maximum credit exposure on these assets. These balances are held with a major Australian bank.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's income statement is affected by changes in interest rates due to the impact of such changes on interest income and expenses.

Variable rate instruments		
Cash and cash equivalents	**3,835,460**	4,597,338

The Group does not have interest rate swap contracts. The Group has an interest bearing account from which it draws cash when required to pay liabilities as they fall due. The Group analyses its interest rate exposure when considering renewals of existing positions including alternative financing arrangements.

Sensitivity analysis

The following sensitivity ' is based on the interest rate risk exposures at balance date.

An increase of 100 basis points in interest rates throughout the reporting period would have decreased the loss for the period by the amounts shown below, whilst a decrease would have increased the loss by the same amount. The Company's equity consists of fully paid ordinary shares. There is no effect on fully paid ordinary shares by an increase or decrease in interest rates during the period.

139,235	105

Currency risk

At 30 June 2023, the Group does not hold bank accounts in denominations other than the functional currency.

Price risk

The Group is exposed to equity securities prices risk. This arises from investments held by the Group.

As at 30 June 2023, the Group's investments in financial assets consist of an investment in Pilot Energy Limited (refer Note 8). A 10% increase/(decrease) in the price of this investment would result in an immaterial increase/(decrease) in the operating profit or loss of the Group.

19. Financial risk management and financial instruments disclosures (Cont.)

Capital management

Management aims to control the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group’s capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements on the Group.

Management effectively manages the Group’s capital by assessing the Group’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Estimation of fair values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
30 June 2023				
Financial assets	**231**	**-**	**-**	**231**
30 June 2022				
Financial assets	231	-	-	231

All financial assets outline above relate to investments held in listed equity securities (designated as Level 1 financial assets). The fair value is based on quoted market prices at the end of the reporting period.

20. Operating segments

The Group's chief operating decision maker has considered the requirements of AASB 8, Operating Segments. During the period the Group had a single reportable segment, as described below.

- Exploration – exploration and evaluation activities

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. In reviewing segment results the Chief Executive Officer and Board consider total expenditure on exploration and evaluation activities (expensed and capitalised) and results of such activities. Unallocated items comprise mainly corporate assets and expenses.

	Exploration	Total Reportable Segments	Unallocated	Total
	$	$	$	$
30 June 2023				
Revenue and other income				
Finance income	-	-	39,396	39,396
Other Income	-	-	26,796	26,796
Operating loss before income tax	(8,064,908)	(8,064,908)	(1,535,837)	(9,600,745)
Assets				
Segment assets	11,079,390	11,079,390	4,435,321	15,514,711
Liabilities				
Segment liabilities	(250,847)	(250,847)	(767,153)	(1,018,000)
30 June 2022				
Revenue and other income				
Finance income	-	-	2	2
Other Income	-	-	15,765	15,765
Operating loss before income tax	(26,686)	(26,686)	(2,291,469)	(2,318,155)
Assets				
Segment assets	16,251,944	16,251,944	5,289,044	21,540,988
Liabilities				
Segment liabilities	(193,621)	(193,621)	(788,905)	(982,526)

	30 June 2023	30 June 2022
Reconciliations of reportable segment revenues and profit or loss	**$**	$
Revenue		
Total revenue for reportable segments	**-**	-
Other income	**26,796**	15,765
Consolidated income	**26,796**	15,765
Profit or loss		
Total loss for reportable segments	**(8,064,908)**	(26,686)
Unallocated amounts:		
- finance income	**39,396**	2
- other income	**26,796**	15,765
- net other corporate expenses	**(1,602,029)**	(2,307,236)
Consolidated loss before tax	**(9,600,745)**	(2,318,155)

21. Operating segments (Cont.)

Reconciliations of reportable segment assets and liabilities	30 June 2023 $	30 June 2022 $
Assets		
Total assets for reportable segments	**11,079,390**	15,979,924
Unallocated corporate assets	**4,435,321**	5,561,064
Consolidated total assets	**15,514,711**	21,540,988
Liabilities		
Total liabilities for reportable segments	**250,847**	193,621
Unallocated corporate liabilities	**767,153**	788,905
Consolidated total liabilities	**1,018,000**	982,526

Geographical information

All of the Company's activities are in Australia.

Concentration of revenue and other income

Other income is rent from sub-lease of office in Orange NSW and rent of SKY's XRF machine.

22. Subsequent events

On 12 July 2023, the Group entered into an option to purchase agreement with Burrendong Minerals Limited ('BML') for the potential divestment of SKY's non-core Galwadgere project EL6320.

The agreement is in two stages as follows:

- Stage 1 – following exploration expenditure of $250,000 within 18 months of executing the purchase agreement, BML will earn an option to purchase 100% interest in Galwadgere EL6320.

- Stage 2 – After satisfying stage 1, BML may elect to purchase EL6320 outright for $600,000 consideration payable in BML shares or cash at BML's election.

On 8 September 2023, the Group exercised the option to purchase all fully paid ordinary shares in the capital of Balmain Minerals Pty Limited as per the Binding Terms Sheet dated 9 June 2020 between Sky Metals Limited and Diversified Minerals Pty Ltd. The Group have met the exercise conditions as defined in the Binding Terms Sheet by incurring exploration expenditure in excess of $150,000 on the Iron Duke tenement EL6064.

To satisfy the exercise of the option in accordance with the Terms Sheet, the Group has:

- issued $350,000 of fully paid ordinary shares in the capital of SKY to Diversified Minerals Pty Ltd for the Balmain Minerals Pty Ltd shares, at a deemed issue price equal to the 5-day volume weighted average price of the SKY Shares over the 5 days in which trading in SKY shares occurs on ASX prior to the Settlement Date and,

- issued Diversified Minerals Pty Ltd 980,392 options in SKY exercisable into fully paid ordinary shares in SKY. The number of Consideration Options was calculated by dividing $50,000 by the exercise price $0.041. The options have an expiry date 2 years from the issue date.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

23. Controlled entities

Parent entity

Sky Metals Limited is an Australian incorporated company listed on the Australian Stock Exchange.

Controlled entity	Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Big Sky Metals Pty Ltd	Australia	**100**	100
Stannum Pty Ltd	Australia	**100**	100
Gradient Energy Pty Limited	Australia	**100**	100
Planet Cooper Basin Pty Limited	Australia	**100**	100
Aurum Metals Pty Limited	Australia	**100**	100
Planet Unconventional Energy Pty Limited	Australia	**100**	100
Balmain Minerals Pty Ltd	Australia	**-**	-

Subsequent to year end 30 June 2023, SKY acquired 100% of the issued capital of Balmain Minerals Pty Ltd. Refer to Note 22 for further details.

24. Parent entity disclosures

As at and throughout the financial year ended 30 June 2023, the parent entity of the Group was Sky Metals Limited.

	30 June 2023 $	30 June 2022 $
Result of the parent entity		
Net loss	**9,600,745**	2,318,155
Other comprehensive loss	**-**	-
Total comprehensive loss for the period	**9,600,745**	2,318,155
Financial position of the parent entity at year end		
Current assets	**3,768,337**	4,506,823
Non-current assets	**11,768,853**	17,056,643
Total assets	**15,537,190**	21,563,466
Current liabilities	**675,892**	549,998
Non-current liabilities	**4,018,788**	4,109,206
Total liabilities	**4,694,680**	4,659,204
Net assets	**10,842,510**	16,904,262
Equity		
Share capital	**77,222,803**	74,041,154
Reserves	**596,093**	1,451,860
Accumulated losses	**(66,994,606)**	(58,606,972)
Total equity attributable to equity holders of the Company	**10,824,290**	16,886,042
Non-Controlling Interest	**18,220**	18,220
Total equity	**10,842,510**	16,904,262

25. Contingencies

The Directors are of the opinion that no contingencies existed at, or subsequent to, year end.

26. Commitments

The Group does not have any contracted capital expenditure commitments at reporting date (2022: nil).

1. In the opinion of the Directors of Sky Metals Limited (the 'Company'):

   (a) the consolidated financial statements and notes that are set out on pages 43 to 73, and the Remuneration Report as set out on pages 35 to 40 of the Directors' Report are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required under section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2023.

3. The Directors draw attention to note 2(a) of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney this 26th day of September 2023 in accordance with a resolution of the Board of Directors:

Norman A. Seckold
Chairman

Independent Auditor's Report

To the shareholders of Sky Metals Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Sky Metals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 3(d), "Going Concern" in the financial report. The conditions disclosed in Note 3(d), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
  - Assessing the planned levels of operating cash inflows and outflows, including capital expenditures, for feasibility, timing, consistency of relationships and trends to the Group's historical results since year end, and our understanding of the business, industry and economic conditions of the Group;
- Assessing significant non-routine forecast cash inflows and outflows including the expected impact of planned capital raisings for feasibility, quantum and timing. We used our knowledge of the client, its industry and current status of those initiatives to assess the level of associated uncertainty.
- Considering the Group's planned exploration program and assessing the level of additional shareholder funds required to execute the exploration program, including the level of associated uncertainty in raising additional shareholder funds.
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principle matters giving rise to the material uncertainty.

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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Capitalised exploration and evaluation expenditure - $10,783,490	
Refer to Note 3(b) and Note 9 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Capitalised exploration and evaluation expenditure (E&E) is a key audit matter due to: • the significance of E&E activities to the Group's business and the balance of capitalised E&E expenditure (being 70%of total assets); and • the greater level of audit effort required to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), in particular the conditions allowing capitalisation of relevant expenditure and the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's assessment of impairment indicators and the impairment recorded by the Group in the year. In assessing the conditions allowing capitalisation of relevant expenditure, we focused on: • Documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions to maintain current rights to an area of interest; • The Group's determination of the areas of interest (areas); • The Group's intention and capacity to continue the relevant E&E activities; and • The Group's determination of whether the capitalised E&E meets the carry forward conditions of AASB 6, including whether it is expected to be recouped through successful development and	Our audit procedures included: • Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard; • Assessing the Group's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the licenses in which the Group holds an interest and the exploration programs planned for those for consistency with documentation such as license related technical conditions, joint venture agreements and planned work programs; • Assessing the Group's current rights to tenure for each area of interest by corroborating the ownership of the relevant licence to government registers or other supporting documentation and evaluation agreements in place with other parties. We also tested for compliance with licence conditions, such as minimum expenditure requirements on a sample of licenses; • Selecting a statistical sample of the Group's additions to capitalised exploration and evaluation expenditure for the year and checking the amount recorded for consistency to the underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard; • Evaluating Group documents, such as minutes of Directors' meetings and management's cash flow projections, for consistency with their stated intentions for continuing exploration and evaluation activities in certain area. We corroborated this through interviews with key personnel and checked for consistency with operational and finance personnel and checked for consistency with amounts impaired; • Analysing the Group's determination of recoupment through successful development and exploitation of the area or by its sale by evaluating the Group's documentation of planned future/continuing activities including work programs and project and corporate budgets for each area.

exploitation of the area of interest, or alternatively, by its sale. In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest where significant capitalised E&E exists, and where E&E was impaired by the Group. In addition to the assessments above, and given the financial position of the Group we paid particular attention to: • The ability of the Group to fund the continuation of activities in each area of interest; and • Results from latest activities regarding the existence or otherwise of economically recoverable reserves for each area of interest.	• Obtaining project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with existing E&E projects, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding. • Comparing the results from latest activities regarding the potential existence of reserves and resources for consistency to the treatment of E&E and the requirements of the accounting standard. • Recalculating the impairment charge against the recorded amount disclosed; • Assessing the disclosures in the financial report, using our understanding of the matter obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Sky Metals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Sky Metals Limited for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 35 to 40 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Adam Twemlow

Partner

Gold Coast

26 September 2023

Additional information required by the Australian Stock Exchange Listing Rules as at 10 September 2023 and not disclosed elsewhere in this report is set out below.

Substantial Holders

The number of shares held by substantial shareholders and their associates is set out below:

Ordinary Shares	Quantity
Rigi Investments Pty Ltd	21,609,192
Aurelia Metals Ltd	17,500,000
Archimedes Securities Pty Ltd <Golden Valley S/F A/C>	13,061,623

Twenty Largest Shareholders

The twenty largest quoted shareholders held 47.34% of the fully paid ordinary shares as follows:

	Name	Quantity	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,834,673	8.76
2	BUTTONWOOD NOMINEES PTY LTD	18,996,806	4.18
3	AURELIA METALS LIMITED	18,410,000	4.05
4	PALMER BOOKMAKING PTY LIMITED	14,012,256	3.08
5	OBI-WAN INVESTMENTS PTY LTD	12,190,000	2.68
6	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	11,775,864	2.59
7	ALL-STATES FINANCE PTY LIMITED	9,603,268	2.11
8	ALKANE RESOURCES LIMITED	9,049,307	1.99
9	ADRIATIC PTY LTD <MGS A/C>	8,870,312	1.95
10	SMIFF PTY LTD	8,050,000	1.77
11	NEWBALL PTY LIMITED	7,544,444	1.66
12	ARCHIMEDES SECURITIES PTY LTD <GOLDEN VALLEY S/F A/C>	7,224,748	1.59
13	RIGI INVESTMENTS PTY LIMITED <THE CAPE A/C>	7,100,000	1.56
14	SILVERPEAK NOMINEES PTY LTD <THE RGM HILL A/C>	6,700,000	1.47
15	PALMER BOOKMAKING PTY LTD	6,666,666	1.47
16	COMSERV (NO 461) PTY LTD <NO 2 INV A/C>	6,002,840	1.32
17	ROSIGNOL PTY LTD <NIGHTINGALE FAMILY A/C>	5,333,317	1.17
18	MR ROBERT SIMEON LORD	4,500,000	0.99
19	AJAVA HOLDINGS PTY LTD	4,444,444	0.98
19	MR ANTHONY GOW-GATES	4,444,444	0.98
19	LONERGAN FOUNDATION PTY LTD	4,444,444	0.98
	Top 20 holders of FULLY PAID ORDINARY SHARES (Total)	215,197,833	47.34
	Total Remaining Holders Balance	239,358,963	52.66

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company’s Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

Distribution of Shareholders

The total distribution of fully paid shareholders, being the only class of equity, was as follows:

Range	Total Holders	Number of shares	%
1 - 1,000	86	19,213	0.00
1,001 - 5,000	126	355,714	0.08
5,001 - 10,000	124	1,000,289	0.22
10,001 - 100,000	498	20,755,100	4.57
100,001 and over	353	432,426,480	95.13
Total	**1,187**	**454,556,796**	**100.00**

As at 10 September 2023, 349 shareholders held less than marketable parcels of 11,905 shares.

Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Sydney.

Other information

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

On Market Buy Back

There is no current on market buy-back.

Tenements Held

As at 10 September 2023 the Company held the following interests in mineral exploration tenements:

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area km2	Project Name / Comment
Tarago Exploration Pty Ltd (DVP sub)	80%	EL7954	19-6-2012	19-6-2028	51	144 km2	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km2	Kangiara Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2029	17	48 km2	Kangiara Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km2	Murrum Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km2	Tirrana Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km2	Galwadgere Project – Option to purchase to pre-IPO Burrendong Minerals Ltd.
Balmain Minerals Pty Ltd	100%	EL6064	21-3-2003	20-3-2028	5	15 km2	Iron Duke Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2027	60	174 km2	Albert Project
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km2	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km2	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km2	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9524	08-02-2023	08-02-2029	92	262 km2	Narriah Project

CORPORATE DIRECTORY

Directors:

Mr Norman A. Seckold (Chairman)
Mr Rimas Kairaitis
Mr Richard G.M. Hill

Chief Executive Officer:

Mr Oliver Davies

Company Secretary:

Mr Richard Willson

Principal Place of Business and Registered Office:

2 Hawthorn Place
ORANGE NSW 2800
Phone: +61 2 6360 1587
Internet: https://www.skymetals.com.au

Auditor's:

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Solicitors:

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Location of Share Registry:

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Level 4
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Overseas Callers: +61 3 9415 4000
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