



S K Y M E T A L S

SKY METALS LIMITED
ACN 098 952 035
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am

DATE: 2 May 2024

PLACE: Level 2, 66 Hunter St, Sydney NSW

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm on 30 April 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,076,493 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – NORMAN SECKOLD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 15,151,515 Shares to Norman Seckold (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – RIMAS KAIRAITIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,515,151 Shares to Rimas Kairaitis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – RICHARD HILL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 909,090 Shares to Richard Hill (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 60,560,363 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,455,680 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,841,294 Shares and 781,862 Options to Balmain Minerals Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 28 March 2024

By order of the Board



Richard Willson
Company Secretary

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Approval to issue Tranche 2 Placement Shares to Unrelated Parties	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Unrelated T2 Participants) or an associate of that person (or those persons).
Resolution 2 – Approval to issue Placement Shares to Director – Mr Norman Seckold	Norman Seckold (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 3 – Approval to issue Placement Shares to Director – Mr Rimās Kairaitis	Rimās Kairaitis (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 4 – Approval to issue Placement Shares to Director – Mr Richard Hill	Richard Hill (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 5 – Ratification of prior issue of Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Participants) or an associate of that person or those persons.
Resolution 6 – Ratification of prior issue of Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Participants) or an associate of that person or those persons.
Resolution 7 – Ratification of prior issue of Shares and Options – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Balmain Minerals) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0)411 411 485.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 TO 4

As announced on 14 March 2024, the Company received binding commitments to raise \$4,200,000 through the issue of 127,655,076 Shares at an issue price of \$0.033 per Share (**Placement**).

The Placement will be completed in two tranches, comprising the issue of:

- (a) 106,002,827 Shares under the Company's combined Listing Rule 7.1 (60,547,147) and 7.1A (45,455,680) capacities (**Tranche 1 Placement Shares**), ratification of which is sought under Resolutions 5 and 6;
- (b) an aggregate of 21,652,249 Shares subject to Shareholder approval (**Tranche 2 Placement Shares**), which includes the issue of:
 - (i) 4,076,493 Shares to unrelated parties (**Unrelated T2 Participants**), approval of which is sought under Resolution 1; and
 - (ii) an aggregate of 17,575,756 Shares to Directors, Norman Seckold, Rimas Kairaitis and Richard Hill (together, the **Related T2 Participants**), approval of which is sought under Resolutions 2 to 4.

There was no lead manager engaged by the Company for the Placement.

Use of Funds

The Company intends to apply proceeds raised under the Placement towards:

- (a) Tallebung project resource expansion drilling and further metallurgical test work;
- (b) Tallebung resource and mining studies; and
- (c) Narryah geophysics and drilling.

2. RESOLUTION 1 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTIES

2.1 General

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 4,076,493 Shares under Tranche 2 of the Placement to the Unrelated T2 Participants (**Unrelated T2 Placement Shares**). Further information in relation to the Placement is set out in Section 1 above.

2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the

approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at its 2023 annual general meeting held on 30 October 2023.

The proposed issue of the Unrelated T2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the Company's 25% limit under Listing Rules 7.1 and 7.1A. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Unrelated T2 Placement Shares. In addition, the issue of the Unrelated T2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Unrelated T2 Placement Shares, and the Company will have to forgo the additional \$134,525 that would have otherwise been raised under Tranche 2 of the Placement.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Unrelated T2 Placement Shares.

2.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Unrelated T2 Placement Shares will be issued to professional and sophisticated investors who have been identified by the Directors. The recipients were identified through a bookbuild process which involved the Company seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Unrelated T2 Placement Shares to be issued is 4,076,493. The Unrelated T2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Unrelated T2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Unrelated T2 Placement Shares will occur on the same date;
- (e) the issue price of the Unrelated T2 Placement Shares will be \$0.033 per Share. The Company will not receive any other consideration for the issue of the Unrelated T2 Placement Shares;
- (f) the purpose of the issue of the Unrelated T2 Placement Shares is to raise capital, which the Company intends to apply towards the purposes as set out in Section 1;
- (g) the Unrelated T2 Placement Shares are not being issued under an agreement; and
- (h) the Unrelated T2 Placement Shares are not being issued under, or to fund, a reverse takeover.

3. RESOLUTIONS 2 TO 4 – APPROVAL TO ISSUE SHARES TO RELATED PARTIES

3.1 General

As set out in Section 1 above, the Related T2 Participants wish to participate in the Placement on the same terms as other Placement Participants (**Participation**).

Resolutions 2 to 4 seek Shareholder approval for the issue of an aggregate of 17,575,756 Shares (**Related T2 Placement Shares**) to the Related T2 Participants (or their nominees) under Tranche 2 of the Placement on the terms set out in the table below. Further information in relation to the Placement is set out in Section 1 above.

Related Party	Shares	Value
Norman Seckold	15,151,515	\$500,000.00
Rimas Kairaitis	1,515,151	\$49,999.98
Richard Hill	909,090	\$29,999.97
Total	17,575,756	\$579,999.95

3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Related T2 Participants are related parties of the Company by virtue of being Directors.

The Related T2 Participants consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Related T2 Placement Shares will be issued on the same terms as Securities issued to other investors in the Placement, and accordingly, the Board has resolved that the arms-length exception under section 210 of the Corporations Act applies to the Participation.

3.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders;

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 2 to 4 seek Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 to 4 are passed, the Company will be able to proceed with the issue of the Related T2 Placement Securities. In addition, the issue of the Related T2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 2 to 4 are not passed, the Company will not be able to proceed with the issue of the Related T2 Placement Shares and no further funds will be raised in respect of the Shares that would have otherwise been issued to the Related T2 Participants.

3.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 2 to 4:

- (a) the Related T2 Placement Shares will be issued to Norman Seckold, Rimas Kairaitis and Richard Hill (or their nominees), who fall within the category set out in Listing Rule 10.11 by virtue of being Directors;
- (b) the maximum number of Related T2 Placement Shares to be issued is 17,575,756;
- (c) the Related T2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Related T2 Placement Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related T2 Placement Shares will occur on the same date;
- (e) the issue price of the Shares will be \$0.033 per Share (being the same price as all Shares issued under the Placement). The Company will not receive any other consideration for the issue of the Related T2 Placement Shares;
- (f) the purpose of the issue of the Related T2 Placement Shares is to raise capital for the Company. The Company intends to apply the funds raised from the issue towards the purposes as set out in Section 1;
- (g) the Related T2 Placement Shares are not intended to remunerate or incentivise the Directors;
- (h) the Related T2 Placement Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in Resolutions 2 to 4 of the Notice.

4. RESOLUTIONS 5 AND 6 – RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULES 7.1 AND 7.1A

4.1 General

Resolutions 5 and 6 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 106,002,827 Shares under Tranche 1 of the Placement. Further information in relation to the Placement is set out in Section 1 above.

The Company has issued:

- (a) 60,547,147 Shares pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 5); and
- (b) 45,455,680 Shares pursuant to the Company's 7.1A mandate which was approved by Shareholders at the Company's 2023 annual general meeting.

The Company confirms that the issue of the Tranche 1 Placement Shares did not breach Listing Rule 7.1 or 7.1A at the time of issue.

4.2 Listing Rules 7.1 and 7.1A

As summarised in Section 2.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at the Company's 2023 annual general meeting.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

4.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 5 and 6 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

4.4 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 5 and 6 are not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

4.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who were identified by the Directors. The recipients were identified through a bookbuild process which involved the Company seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) none of the persons who received the Tranche 1 Placement Shares are parties referred to under Listing Rules 10.11.1 to 10.11.5;
- (d) 106,002,827 Tranche 1 Placement Shares were issued on the following basis:
 - (i) 60,547,147 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 5); and
 - (ii) 45,455,680 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 6);
- (e) the Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Tranche 1 Placement Shares were issued on 21 March 2024;
- (g) the issue price was \$0.033 per Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (h) the purpose of the issue of the Tranche 1 Placement Shares is to raise capital for the Company, which will be applied towards the purposes as set out in Section 1; and
- (i) the Tranche 1 Placement Shares were not be issued under an agreement.

5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – LISTING RULE 7.1

5.1 General

On 22 Septemeber 2023, the Company issued 6,841,294 Shares and 781,862 Options (**Consideration Securities**) in consideration for exercising the option to

acquire Balmain Minerals Pty Ltd (**Balmain**), the registered owner of the Iron Duke Copper-Gold Project in NSW (the **Balmain Acquisition**).

The issue of the Consideration Securities did not breach Listing Rule 7.1 at the time of the issue.

As announced by the Company on 1 June 2022, the Company entered into an option and purchase agreement with Balmain (**Option and Purchase Agreement**) on the following terms:

- (a) **Option:** the Company holds the exclusive option to acquire 100% of the shares of Balmain, the registered owner of EL 6064.
- (b) **Option fee and period:** the Company was required to complete \$150,000 on in-ground expenditure within 18 months, and issue Balmain 116,280 options with a 24 month term and \$0.43 exercise price.
- (c) **Purchase:** on exercise of the option, the Company may acquire Balmain by paying \$350,000 in cash and/or Shares at the Company's election plus \$50,000 worth of two-year options exercisable at 100% above the volume-weighted average price (VWAP) over the 5 trading days prior to the date of exercise of the option.

5.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 October 2023.

The issue of the Consideration Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consideration Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consideration Securities.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consideration Securities.

5.3 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Consideration Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Securities.

If Resolution 7 is not passed, the Consideration Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Securities.

5.4 Technical information required by Listing Rule 7.5

- (a) the Consideration Securities were issued to Balmain;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 6,841,294 Shares and 781,862 Options were issued;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options were issued on the terms and conditions set out in Schedule 1;
- (f) the Consideration Securities were issued on 22 September 2023;
- (g) the Consideration Securities were issued at a nil issue price, in consideration for the Balmain Acquisition. The Company has not and will not receive any other consideration for the issue of the Consideration Securities (other than in respect of funds received on exercise of the Options which will be used for exploration and working capital purposes);
- (h) the purpose of the issue of the Consideration Securities was to satisfy the Company's obligations under the Option and Purchase Agreement with Balmain; and
- (i) the Consideration Securities were issued to Balmain under the Option and Purchase Agreement with Balmain. A summary of the material terms of the Option and Purchase Agreement is set out in Section 5.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Balmain means Balmain Minerals Pty Ltd.

Balmain Acquisition means the acquisition of 100% of the issued capital of Balmain as announced on 25 September 2023 and originally on 1 June 2022.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Sky Metals Limited (ACN 098 952 035).

Consideration Securities means 6,841,294 Shares and 781,862 Options issued to Balmain.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option and Purchase Agreement means the option and purchase agreement between the Company and Balmain announced on 1 June 2022.

Participation has the meaning given in Section 3.1.

Placement has the meaning given in Section 1.

Placement Participants means investors who participated in the Placement.

Proxy Form means the proxy form accompanying the Notice.

Related Parties means Norman Seckold, Rimas Kairaitis and Richard Hill.

Related T2 Participants means Norman Seckold, Rimas Kairaitis and Richard Hill.

Related T2 Placement Shares means 17,575,756 Shares proposed to be issued to the Related T2 Participants.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tranche 1 Participants means unrelated professional and sophisticated investors who participated in tranche 1 of the Placement.

Tranche 1 Placement Shares means 106,016,043 Shares issued under Tranche 1 of the Placement.

Tranche 2 Placement Shares means 21,256,684 Shares proposed to be issued under Tranche 2 of the Placement.

Unrelated T2 Participants means Placement Participants who are unrelated to the Company, being all Placement Participants other than the Related T2 Participants.

Unrelated T2 Placement Shares means 3,680,928 Shares proposed to be issued under Tranche 2 of the Placement to the Unrelated T2 Participants.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF CONSIDERATION OPTIONS

1. Entitlement

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

2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Option will be \$0.064 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (WST) on 22 September 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. Exercise Date

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

7. Timing of issue of Shares on exercise

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

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

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

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

9. Reconstruction of capital

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

10. Participation in new issues

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

11. Change in exercise price

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

12. Transferability

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



S K Y M E T A L S

ACN 098 952 035

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

SKY

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Sky Metals Limited General Meeting

The Sky Metals Limited General Meeting will be held on Thursday, 2 May 2024 at 10:00am (Sydney time). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (Sydney time) on Tuesday, 30 April 2024.



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Level 2, 66 Hunter St, Sydney, NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



S K Y M E T A L S

ACN 098 952 035

SKY

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THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Sydney time) on Tuesday, 30 April 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sky Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Sky Metals Limited to be held at Level 2, 66 Hunter St, Sydney, NSW 2000 on Monday, 2 May 2024 at 10:00am (Sydney time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 2, 3, 4, 5, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 2, 3, 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 2, 3, 4, 5, 6 and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – NORMAN SECKOLD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – RIMAS KAIRAITIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	APPROVAL TO ISSUE PLACEMENT SHARES TO DIRECTOR – RICHARD HILL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – LISTING RULE 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SKY

999999A



Computershare

