



TALLEBUNG TIN PROJECT

RESOURCE EXPANSION DRILLING PROGRAM COMMENCES

- Drilling program of approximately 23 RC drillholes and 2-3 diamond drillholes for a total of ~5000m has commenced at Tallebung.
- The program will target significant increases to the size and confidence of the current MRE at Tallebung, with the aim to expand the current MRE of 15.6Mt @ 0.15% tin towards the estimated Exploration Target which is **only limited by the drilling completed to date***.
- SKY continues to consolidate Tallebung as a rare opportunity to establish low-cost tin production, with increasing deposit scale and ideal mineralogy which provides an average of a **5x increase in grade** with TOMRA Ore Sorting across the entire deposit, **increasing the resource grade of 0.15% tin, to over 0.70% tin***.
- The Tallebung tin deposit remains open in all directions and has continued to expand with each drilling program.

SKY CEO Oliver Davies commented: *“With tin prices rising to the highest levels in almost 2 years, underpinned by growing tin supply uncertainty, this program to increase the MRE at Tallebung represents a vital step towards developing tin resources to meet the growing global demand for tin. Tin demand has remained strong due to its critical role as a solder, holding all electronics together, as well as in solar cell PVs and semiconductors, among many other applications. Supply shortages and uncertainties are pushing the tin price higher as the need for tin is increasing rapidly with global electrification and AI technology. Tallebung’s potential to be a low-cost, Australian tin producer represents an important move to building stable sources of tin to supply the growing demand. This drilling program is key to building a ‘critical mass’ for mining studies and potential future mining at Tallebung.”*



Figure 1: Tallebung Tin Project – RC drilling rig onsite at the Tallebung Tin Project.

* For further details on the MRE for the Tallebung Tin Project please see SKY ASX Announcement 23 January 2024.

SKY METALS LIMITED

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to advise of the commencement of RC drilling at the Tallebung Tin Project, NSW with a diamond drilling component to begin in the following weeks.

TALLEBUNG PROJECT (EL 6699, SKY 100%)
RESOURCE EXTENSION AND INFILL DRILLING PROGRAM

The drilling program aims to increase the MRE towards the estimated Exploration Target of approximately **23 – 32 Mt at a grade ranging between 0.14 - 0.17 % tin** defined from the drilling completed to date and remains open in all directions (SKY ASX Announcement 23 January 2024). This program will also aim to increase the confidence in the resources at Tallebung and convert further resources into indicated resources.

Increasing the confidence in the Exploration Target and MRE is the only remaining step before SKY can release mining studies for Tallebung. This drilling program will be designed to propel the Tallebung project towards announcing mining studies to show the specifics around the potential low-cost tin mining operation at the Tallebung Tin Project.

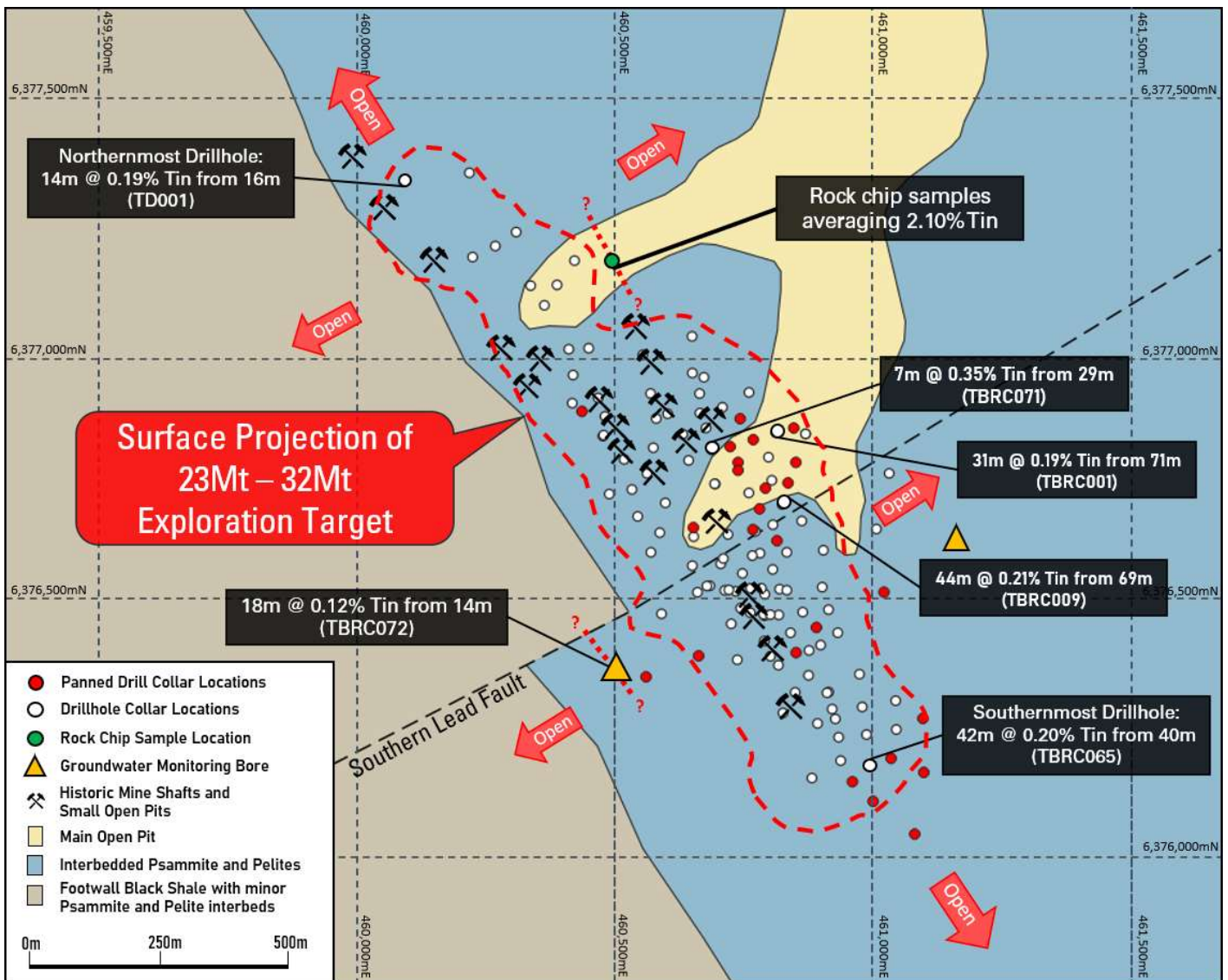


Figure 2: Tallebung Tin Project – Plan showing existing drillhole collars and the planned drillholes in red. An outline also shows the extent of the current estimated area for the Exploration Target. Strong intercepts are highlighted to the east and south which will be further drilled in this latest drilling program to expand the MRE in these higher-grade areas of the Tallebung deposit.

The program will target the southern and central areas of the historic Tallebung Tin Mining Field where the majority of the historic hardrock workings are located (**Figure 1**). This program will focus on converting a further portion of the Exploration Target into a 'critical mass' MRE of inferred and indicated resources.

Drilling will focus on the eastern area, adjacent to the central mining area, where higher-grade intercepts have been recorded in previous drilling, including:

TBRC071: 7m @ 0.35% Tin & 25.8g/t Silver from 29m_z
17m @ 0.36% Tin & 24.8g/t Silver from 164m_z including;
4m @ 1.02% Tin, 86.9g/t Silver, 0.08% Copper & 2.61% Zinc from 174m.

TBRC009: 44m @ 0.21% Tin from 69m_z including;
5m @ 1.33% Tin, 0.04% Tungsten & 16.1g/t Silver from 69m.

The program will also target further extensions to the south, where **TBRC065** intercepted exception broad, strong tin mineralisation beyond the footprint of any historic mining and significantly expanding the potential size of the MRE, results included:

TBRC065: 42m @ 0.20% Tin & 40g/t Silver from 40m_z including;
6m @ 0.67% Tin & 68g/t Silver from 67m, including;
1m @ 2.85% Tin, 0.03% Tungsten & 353g/t Silver from 67m

The diamond drilling program is scheduled to begin in a couple of weeks. The diamond drillholes will be drilled with wide diameter PQ drill core. Importantly, the diamond drilling is designed to increase the geological understanding of the deposit to improve geological models and increase confidence in the expansions of the MRE and Exploration Target. The wide diameter PQ core is also able to provide material for bulk samples, as required.

This program of ~5,000m of RC and diamond drilling at Tallebung is estimated to take approximately 6 weeks with the first assay results of the drilling expected to be received in the next 1-2 months.

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

ABOUT SKY (ASX: SKY)

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

TIN PROJECTS

TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located ~70km north-west of Condobolin in central NSW. The project encompasses the historic Tallebung Tin Mining Field at the northern extent of the Wagga Tin Belt within the central Lachlan Orogen where SKY has an updated MRE of 15.6Mt @ 0.15% Tin*. SKY plans to advance the Tallebung by increasing the resource to the 16-21Mt* Exploration Target and progress development for future mining (*SKY ASX Announcement 20 December 2023).

DORADILLA PROJECT (EL6258, 100% SKY)

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

NARRIAH PROJECT (EL9524, 100% SKY)

The Narriah Project is located ~70km west of West Wyalong in western NSW and represents a large tin project with multiple historic workings prospective for tin, tungsten and lithium mineralisation with limited drill testing completed to date.

COPPER GOLD PROJECTS

IRON DUKE (EL6064, EL9191 100% SKY)

The Iron Duke project is located ~10km south-east of Tottenham in central NSW and covers at least 4 significant historic copper-gold mines. High grade copper-gold mineralisation intersected by previous explorers (e.g. 13m @ 1.56% Cu & 4.48g/t Au).

GALWADGERE (EL6320, 100% SKY)

The Galwadgere project is located ~15km south-east of Wellington in central NSW. An open MRE of 3.6Mt @ 0.78% Cu and 0.28g/t Au defined at Galwadgere with numerous targets with limited drilling testing adjacent to the MRE.

GOLD PROJECTS

CULLARIN / KANGIARA projects (EL7954; EL8400 & EL8573, 80% SKY-DVP JV)

The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. 'McPhillamys-style' gold results from previous drilling at the Cullarin Project. SKY's maiden drill program was successful, including HUD002 which returned 93m @ 4.2 g/t Au from 56m.

CALEDONIAN PROJECTS (EL8920 & EL9120 100% SKY)

Highlight, 'McPhillamys-style' gold results from previous exploration include 36m @ 1.2 g/t Au from 0m to EOH in drillhole LM2 and 81m @ 0.87g/t Au in a costean on EL8920 at the Caledonian Project.



Figure 3: SKY Tenement Location Map

Competent Persons Statement

The information in this report that relates to Exploration Results and Results which underpin the Mineral Resource Estimate is based on information compiled by Mr. Oliver Davies, who is a Member of the Australasian Institute of Geoscientists. Mr. Oliver Davies is an employee 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. Davies consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously Reported Information

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

Disclaimer

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

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