TALLEBUNG – SUBSTANTIAL INCREASE TO MINERAL RESOURCE ESTIMATE WITH EXCEPTIONAL ORE SORTING UPGRADE

- Updated JORC-2012 Mineral Resource Estimate (MRE) shows a 53% increase in total tonnes from the maiden MRE* as well as a significant increase in the Exploration Target. Updated MRE Indicated and Inferred Resources totals:

  15.6Mt @ 0.15% tin for 23.2kt of contained tin at a 0.08% tin cut-off grade.

- Exceptional results for the TOMRA Ore Sorting variability testwork at Tallebung show consistent, very strong upgrades of the resource tin grade, results include:

  TBD005 (206-232m): **0.17% tin upgraded 6.6x to = 1.10% tin** (99.1% Tin recovery)
  TBD008 (152-169m): **0.14% tin upgraded 5.1x to = 0.70% tin** (98.6% Tin recovery)
  TBD005 (2-22m): **0.21% tin upgraded 6.5x to = 1.38% tin** (99.3% Tin recovery)

- The extent of the Tallebung mineralisation has been substantially broadened with results for three rock chips samples collected from outcropping quartz veins ~**200m past the current extent of drilling**, including:

  2.60% tin (OD20231020-1)**, 2.16% tin** (OD20231020-2) & **1.55% tin** (OD20231020-3)

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to advise of the substantial increase in the Mineral Resources Estimate and Exploration Target with exceptional ore sorting upgrades and potential for further expansion of the resources from recent rock chip samples, all at the Tallebung Tin Project, NSW.

TALLEBUNG PROJECT (EL 6699, SKY 100%)

EXPLORATION TARGET

A new Exploration Target of approximately **23 – 32 Mt at a grade ranging between 0.14 - 0.17 % tin** has been defined from the drilling completed to date. The potential quantity and grade referred to above as the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. SKY will commence drilling of this exploration target in the coming months with at least 20 RC holes and diamond drilling with the aim to expand the MRE and grow confidence in this estimated Exploration Target. Supporting report and further details on the Mineral Resource Estimate and the definition of the Exploration Target are included below.

SKY CEO Oliver Davies commented: *"The tin price is maintaining strong levels at 3x the copper price, making tin a very high value commodity with continuing fragility present in global tin supply. These excellent results from Tallebung are building SKY's crucial position to produce low-cost tin from reliable and ethical sources at Tallebung. TOMRA Ore Sorting is vital to this, these latest results from the ore sorting variability testwork show consistent upgrading at Tallebung to over 0.6% Tin across the entire deposit, at current prices, 0.6% Tin equates to over 1.5% copper in value."*

* For further details on the maiden MRE for the Tallebung Tin Project please see SKY ASX Announcement 22 March 2023.

UPDATED MINERAL RESOURCE ESTIMATE

Independent geological consultants, H&S Consultants Pty Ltd (H&SC), was retained to provide an updated Mineral Resource Estimate (MRE) for the Tallebung Tin Project. H&SC compiled the 115 holes drilled at Tallebung to date, including 85 holes drilled by SKY since 2019, for approximately 19,098 assays in total, to produce the MRE. The MRE has been reported in accordance with the 2012 JORC Code and Guidelines and the Inferred and Indicated MRE is shown in **Table 1**.

Table 1 *– Tallebung MRE showing total tonnage, grade and contained metals at a 0.08% Tin cut-off grade. NB: WO_3 refers to the Tungsten reported as an oxide as it is likely to be a significant by-product. Additionally, mtu refers to metric tonne units which Tungsten is conventionally reported as, 1 mtu = 10 kg WO_3.*

Resource Category	Tonnes	Grade		Contained Metal	
	Mt	Tin (%)	WO_3 (%)	Tin (kt)	WO_3 (mtu)
Inferred	10.6	0.14	0.03	15.2	302,106
Indicated	5.00	0.16	0.03	7.93	131,833
Total	**15.6**	**0.15**	0.03	**23.2**	433,940

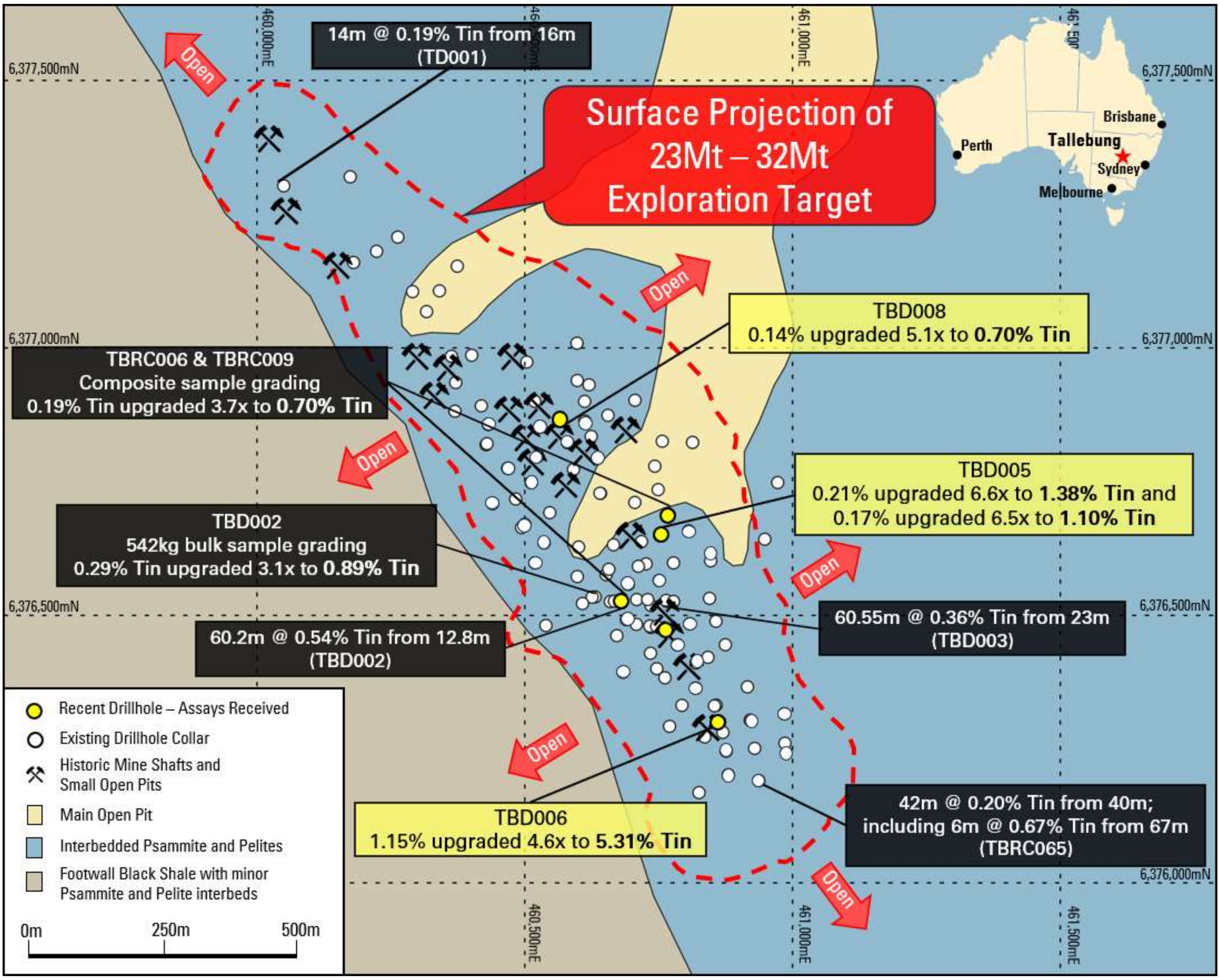

Figure 1: *Tallebung Tin Project – Plan showing extent of the current Exploration Target along with the drillholes sampled for the TOMRA variability study testwork shown in yellow. TOMRA ore sorting shows a consistent 3-6x upgrade across the entire deposit, significantly increasing average grade from 0.15% Tin to over 0.70% Tin.*

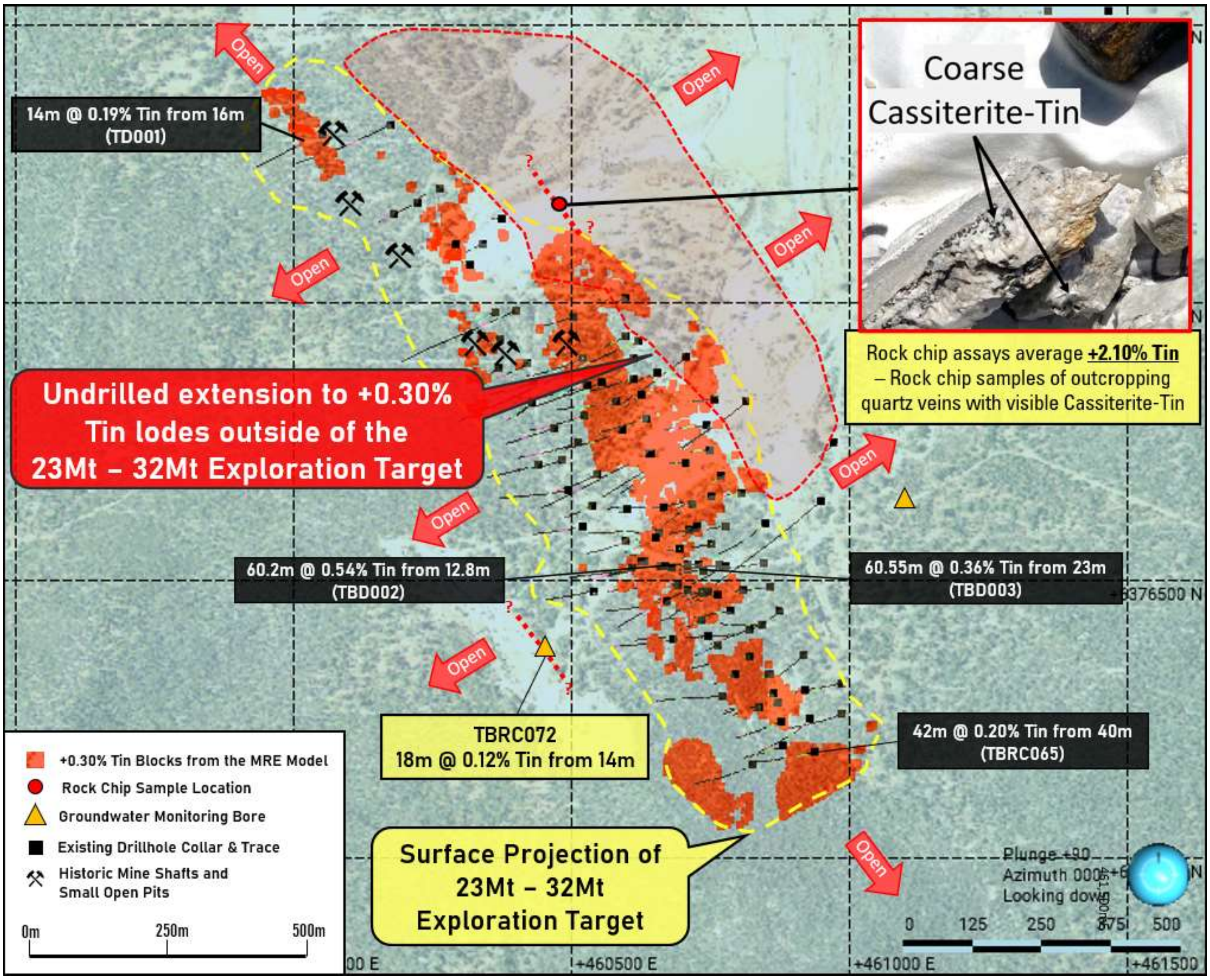

Figure 2: Tallebung Tin Project – Plan showing extent of the current Exploration Target along with the identified extensions to the mineralisation with the tin intercepted by the groundwater monitoring bore and the location of the outcropping tin veins which substantially broaden the tin mineralisation footprint, overlaid on the geological map. New results are in yellow.

TOMRA ORE SORTING UPGRADE

Excellent and consistent results have been received for the variability testing of TOMRA Ore Sorting, further demonstrated the extremely amenable nature of the Tallebung tin mineralisation for ore sorting. The results show that the product was upgraded on average over **5x** across the entire deposit. An average of only 18% of the sorted mass was in the product, leaving 82% of the mass to be rejected. The sorting product consistently contained approximately 99% of the tin with **no tin detected in the waste** for all but one sample (**Table 2**).

Crucially, TOMRA ore sorting not only increases the tin grade but also **greatly reduces the tonnes to be processed to produce a saleable tin concentrate**. There are a number of significant advantages of this reduction in mass for any potential mining operation.

The sorted mass is reduced to only one fifth of the mass on average, with a much higher tin grade, this means:

- Reduced Capex as only one fifth of sorted mass requires processing in a dedicated processing plant,
- Opex of any mining operation will also be a fraction of any operation without ore sorting,
- Excellent environmental outcomes including:
  - A small fraction of the water will be required to produce saleable tin concentrates,
  - A small fraction of the power will be required to produce saleable tin concentrates tin,
  - Reduced mine footprint including smaller waste emplacements such as tailings dams.

The samples selected for the ore sorting variability testwork were selected from a variety of lodes across the deposit, including near surface and at depth, as well as along the entire strike of the deposit (**Figure 1**). The purpose of the testwork was to identify if there were any areas within the Tallebung deposit that were either better suited to ore sorting or where ore sorting was found less be effective. All areas were discovered to be consistently and exceptionally amenable to ore sorting.

The results of the testwork are **consistent throughout the deposit**, demonstrating a strong upgrade in all cases with no tin detected in the ore sorting waste. As such, TOMRA ore sorting continues to demonstrate an exceptional potential to establish Tallebung strongly as a very low-cost potential tin mining operation.

Table 2: Tallebung Tin Project – Results table for the TOMRA ore sorting variability testwork showing significant **4.6 - 6.6 times** increase in tin grade and 1/5 reduction in mass for around 99% recovery of tin on average.

Sample	Feed Size	Mass Sorted	Product	Waste	Accepted Product	**Head Grade**	**Product Grade**	**Upgrade**	**Waste Grade**	**Tin Recovery**
	mm	kg	kg	kg	%	**% Tin**	**% Tin**	**x**	**% Tin**	**%**
TBD005: 206-232m	8-32	158	26	132	16%	**0.17**	**1.10**	**6.6**	**<0.01**	**99.1**
TBD008: 152-169m	8-32	100.3	19.3	81	19%	**0.14**	**0.70**	**5.1**	**<0.01**	**98.6**
TBD006: 25-35m	8-32	43.2	10.5	32.7	24%	**1.15**	**5.31**	**4.6**	**0.07**	**98.7**
TBD005: 2-22m	8-32	73.4	10.8	62.6	15%	**0.21**	**1.38**	**6.5**	**<0.01**	**99.3**

These results were from samples collected from four wide-diameter PQ diamond drillholes, namely **TBD005-TBD008**. The samples were then sent to TOMRA Ore Sorting Solutions in Sydney and crushed to down into -32mm grains. The sample was then split into 8-32mm fraction for sorting and a <8mm fines fraction which was too fine to be sorted effectively and retained as fines for follow up Dense Medium Separation (DMS) testwork.

The 8-32mm fraction was then sorted with TOMRA's XRT ore sorter into a product and waste. (NB: TOMRA's XRT sensor measures and sorts the samples based on the relative density of the samples. As tin is almost 3 times denser than the waste material, the denser-tin-bearing sample is ejected as the product while the less dense and, therefore, tin-poor sample, is the waste).

The TOMRA ore sorting results combined with the shallow, open pit Tallebung tin resource and simple gravity processing of the tin, all contribute to establish Tallebung as a potential low-cost tin mining operation.

RESOURCE EXTENSIONS

In addition to this substantial expansion of the Tallebung MRE, quartz veining with visible cassiterite nuggets has also been discovered in the base of the historic central lead open pit where alluvial tin resources were extracted in the 1960s - 1970s. Three rock chip samples, OD20231020-1 – OD20231020-3, were taken of these outcrops and assays have now been received (**Figure 3 & Table 3**).

The samples taken assay on **average over 2.10% Tin** which demonstrates the high-grade nature of the veins with viable coarse cassiterite, characteristic of the Tallebung Tin Deposit. These results show the potential for further extensions, outside of the already large **23 – 32 Mt Exploration Target** estimated above as these results represent a substantial increase in the tin mineralisation footprint at Tallebung (**Figure 2**).

***Table 3**: Tallebung Project – Rock Chip Samples.*

Sample Number	Easting	Northing	RL	Grid	Tin	Comment
	mE	mN	AHD		%	
OD20231020-1	460455	6377173	292	MGA94_55	**2.60**	Quartz veins outcropping with coarse cassiterite along margins of veining in base of central lead, west of the beginning of the trees before the main lead intersection with the central lead open pit.
OD20231020-2	460448	6377165	293	MGA94_55	**2.16**	Quartz veins outcropping with visible cassiterite and scheelite near mullock heap in base of central lead.
OD20231020-3	460456	6377172	291	MGA94_55	**1.55**	Quartz veins outcropping with coarse cassiterite in base of central lead, west of the beginning of the trees before the main lead intersection with the central lead.

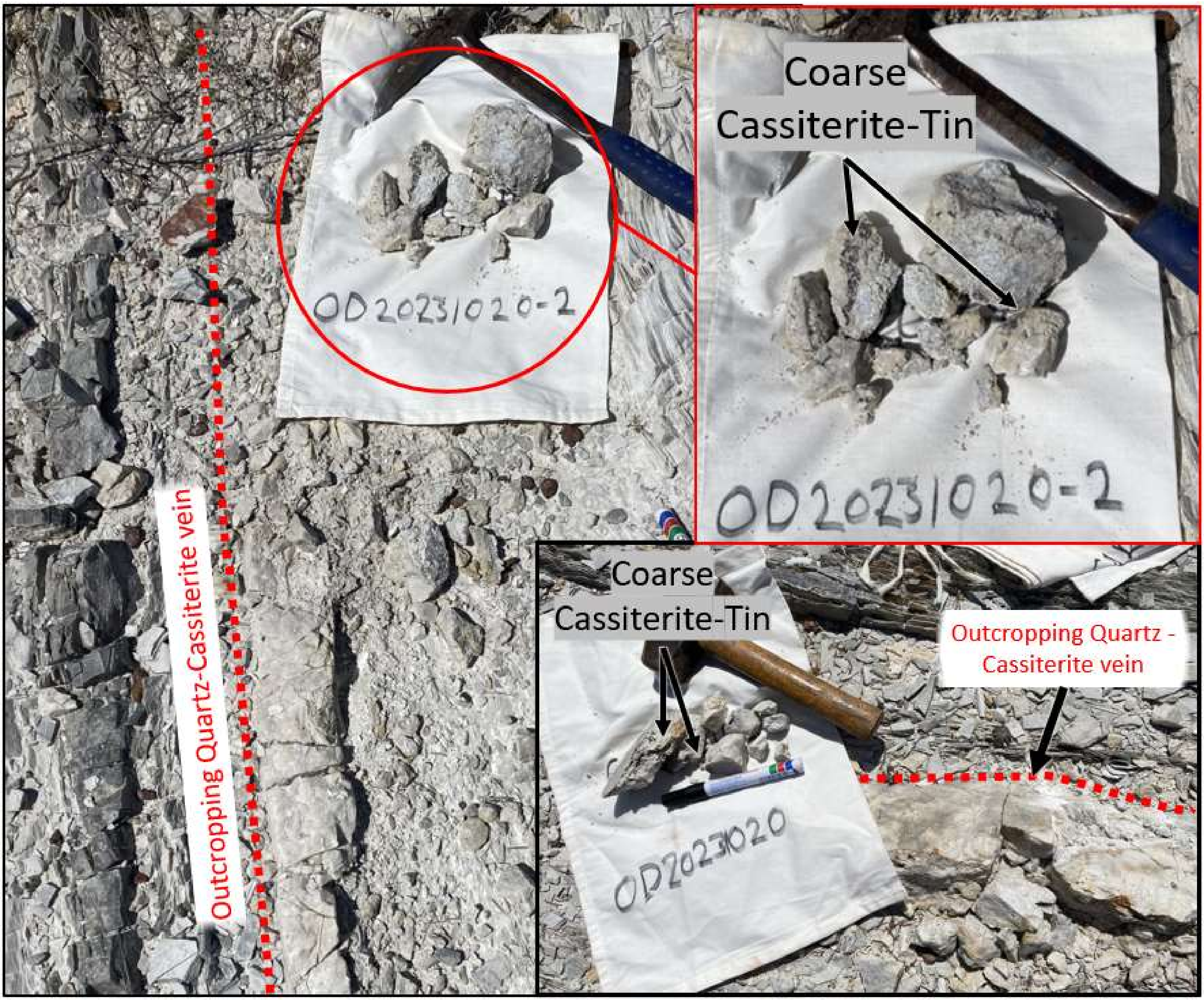

***Figure 3:** Tallebung Tin Project – Rock chip samples pictured next to the outcropping quartz veins sampled.*

MINERAL RESOURCE ESTIMATE – INFORMATION REQUIRED AS PER ASX LISTING RULE 5.8.1

As per ASX Listing Rule 5.8.1 and the 2012 JORC reporting guidelines, a summary of the material used to estimate the Mineral Resource is detailed below (also in Appendix 1: JORC Table 1, Sections 1-3).

GEOLOGY AND GEOLOGICAL INTERPRETATION

The Tallebung Tin Deposit lies within EL6699 within Girilambone-Wagga Anticlinoral Zone of the Lachlan Fold Belt. The zone comprises metamorphosed Ordovician aged sediments intruded by Silurian to Devonian granites. The Tallebung Tin Field is situated in the eastern foothills of the Black Range, a ridge of resistant quartzite and slates of the Tallebung Group which hosts the Tallebung Tin Deposit. Metamorphosed sediments of this group form the bedrock to the unconsolidated sediments which host the cassiterite (a tin mineral) bearing buried leads. The bedrock comprises metamorphosed siltstones and sandstones in altering bands, forming an irregular basement profile.

The Tallebung Group sediments in the Tallebung Tin Field area outcrop as a sequence of weakly metamorphosed shales, siltstones, carbonaceous mudstones, and minor quartz-rich sandstones. The rocks are tightly folded, striking NNW at around 330o with variable dips. The Tallebung Group has been variously subdivided into five mappable units by previous workers.

Several potential source granites are present in the region. The Erimeran Granite, a tourmaline and biotite rich granite crops out to the north and west of the tenement area and is part of an extensive suite of low Ca- high K granites. The Erimeran Granite is a composite evolved body with both foliated and massive phases and is considered the probable source of the tin-tungsten mineralised fluids at Tallebung. The Erimeran Granite has been dated at 419Ma, but it is likely that a range of Silurian ages are present, and that further work would subdivide the Erimeran granite into several phases. The massive Derrida Granite is the closest outcropping granite to Tallebung. This granite is a more mafic high Ca - low K variant that is unlikely to produce tin mineralisation. The Derrida Granite is thought to be Middle to Late Silurian in age (~420Ma).

The Tallebung Tin Field represents a site of significant tin and tungsten production from high grade, quartz lodes and their associated alluvial and deep lead deposits. The field has been worked sporadically from the discovery of lode tin in the 1890's, through to the large-scale open cut mining of alluvial tin by the Tullabong Tin Syndicate in the period 1963 to 1971, with mining finally concluding in the mid-1980s.

The tin (Sn) and tungsten (W) bearing quartz reefs on the Tallebung Tin deposit are located on the western edge of the worked out alluvial open cuts. The lodes form a well-developed quartz vein stock work zone extending for approximately 1.6km on a 330o trend and are open along strike. Thicker quartz lodes greater than 0.5m have been selectively exploited in historic shafts and shallow open cuts along the trend.

The meta-sediments are weakly to moderately 'bleach' altered with an alteration assemblage of silica-sericite-chlorite. Bleaching alteration is more strongly developed as selvages to strongly mineralised vein packages. Tin mineralisation occurs as cassiterite, hosted in mineralised quartz-sulphide veins including, in varying proportion: pyrite, pyrrhotite, arsenopyrite, sphalerite, galena, scheelite, cassiterite, chalcopyrite, bornite, wolframite.

The geological interpretation shows that tin bearing quartz vein structures occur as discrete moderate east dipping quartz vein 'packages' or 'lodes' interpretated to represent zones of structural dilation (**Figure 5**). The structural preparation and dilation of the host units is related to two, northeast striking fault structures, which are interpreted from regional aeromagnetic images.

The Tallebung tin mineralisation is hosted in quartz-cassiterite veining within a predominately homogeneous sequence of less than 1m thick interbeds of sand and siltstones of the Tallebung Group which have been deformed into tight isoclinal folds. Tin mineralisation is hosted in stockwork quartz veining or larger tensional quartz veins +/- cassiterite + pyrrhotite + sphalerite + arsenopyrite + scheelite + chalcopyrite + wolframite.

Within veining at Tallebung, the tin mineralisation occurs as cassiterite and is present as large, often 5-10mm wide 'nuggets'.

DRILLING TECHNIQUES AND DRILL HOLE SPACING

The Mineral Resource Estimate for Tallebung is based only on core samples from diamond drill (DD) holes and drill chip samples from reverse circulation (RC) percussion holes. Core/sample recovery has been recorded in many cases and efforts were made to maximise recovery and, therefore, sample representivity. Details of sampling procedures for earlier holes are limited but from inspection of the core at the W B Clarke Geoscience Centre where the original drillcore is stored it appears that 'industry standard' methods of the time were employed and the drilling is summarised in **Table 4** (further details can be found below in Appendix 1: JORC Code, 2012 - Table 1).

***Table 4** – Drill hole summary by year and company.*

Year	Company	Holes	Metres	Type	Sn Assays	W Assays
1968-1969	Dominion Mining Ltd	24	1,607.91	DD	1,101	1,101
2008	YTC Resources Ltd	7	2,269.4	DD	2,216	2,216
2019	Sky Metals Ltd.	16 + 1 wedge	4,401.8	RC/DD	4,010	4,010
2022	Sky Metals Ltd.	34	5,497.2	RC/DD	5,389	5,389
2023	Sky Metals Ltd.	33	6,456.7	RC/DD	6,382	6,382
Total		**115**	**20,233.01**		**19,098**	**19,098**

Generally, drill hole spacing varies from 25m to over 100m. Drill hole spacing is variable across the deposit as the data spacing has predominately focussed on geological mapping and identifying new zones of mineralisation during the exploration stage of the project. To increase the confidence of the resources in this updated MRE, some drilling has been completed to infill previous results to increase confidence, particularly in areas with high-grade intervals. Infill drilling has established continuity of the tin lode system, however, further infill drilling is required to increase the confidence for future resource estimations beyond the ~50 x 50m spacing completed to date.

SAMPLING, SUB-SAMPLING TECHNIQUES AND SAMPLE ANALYSIS METHOD

For the SKY drill core, sampling is by sawn half PQ & HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m. For RC Drilling, the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. Historical DD holes, from 1968-1969, were sampled by sawn half core NQ core at intervals up to 5 metres, although the average length was around 1m or 3 feet. Further sampling of these holes was completed by YTC to sample previously unsampled core in the historic holes via sawn half or quarter NQ core.

Diamond drill holes were drilled as NQ size core for older holes, with triple tube PQ/HQ/NQ for recent SKY and YTC holes. It is assumed that earlier DD holes were drilled with a standard core barrel. SKY and YTC completed core orientation where possible but older holes were not orientated. The Reflex core orientation tool was used for the SKY and YTC holes. All RC drilling were completed using face sampling hammers. RC holes were generally drilled with a diameter of 144 or 127mm (further details can be found in above **Table 4** and Appendix 1: JORC Code, 2012 - Table 1).

Samples from SKY's drilling in 2019, 2022 and a minority of samples from 2023 were sent to ALS Orange for preparation and assaying, included weighing sample (lab code: WEI-21), crushing (lab code: CRU-31) consisting of fine crush-70% <2mm. Sample was split (lab code: SPL-22) rotary splitter, and pulverised (lab code: PUL-23). Sn and W were assayed by a lithium borate fusion with an ICP-MS finish (lab code: ME-MS85). Over limits were assayed by respective ore grade oxidising fusion with a XRF finish analysis (lab codes: Sn-XRF15b/ME-XRF15b). Historic drilling samples and YTC samples were assayed for Sn and W via glass bead XRF fusion.

A majority of samples from SKY's drilling in 2023 were sent to SGS for preparation and assaying, included weighing sample, crushing consisting of fine crush-70% <2mm (lab code: G_CRU_KG). Sample was split and pulverised (lab code: G_PUL). Sn and W were assayed by a lithium borate fusion with ICP-MS finish (lab code: GE_IMS92A50,). Over limits were assayed by respective ore grade method (lab code:Sn-GE_ICP92A50 and W by lab code:GE_ICP92A50 by oxidising fusion with XRF finish). Historic drilling samples and YTC samples were assayed for Sn and W via glass bead XRF fusion.

For the SKY and YTC samples, Certified Reference Material (CRM) and blanks were inserted at least every 50 samples to assess the accuracy and reproducibility of the results. The results of the standards were to be within either ±10% variance from known certified results or certified 2 standard deviations depending on the CRM analysed. If greater than 10% variance or 2 standard deviations, the standard and up to 10 samples each side were re-assayed. Field duplicates were taken for RC samples and show strong repeatability. ALS and SGS conducted internal duplicate and check samples every 20 samples as part of their internal QAQC procedures. QAQC checks and results for standards and blanks are acceptable and demonstrate sufficient accuracy.

The density for the model was estimated using dry bulk density (DBD) measurements. These were calculated from weight of dry drillcore divided by the dry drillcore weight minus the submersed drillcore weight. This method is effective for fresh rock samples, however, where sample contained cavities or extensive clays which could be infiltrated by water, as such some samples were wrapped in thin plastic cling film to ensure a true volume was displaced when submersed in water to obtain a true DBD measurement. These samples used for DBD measurements were from pieces of representative whole diamond drillcore samples at least 100mm long. The DBD data was then used to allocate density for each assayed sample by way of a simple linear regression model; this compared the sum of Fe + S + Sn + W with raw DBD data.

ESTIMATION METHODOLOGY AND CLASSIFICATION CRITERIA

All relevant data were entered by H&SC into a Micromine database where basic validation checks were performed including duplicate entries, sample overlap, unusual assay values and missing data. This Micromine database was then used for wireframing, block model creation, grade and DBD interpolation, and resource reporting. Visual reviews of data were conducted by H&SC to confirm consistency with topography and hole collars, logging and drillhole trajectories. The drillhole database for Tallebung is satisfactory for resource estimation purposes; however, responsibility for quality control resides solely with SKY.

Block grade interpolation was completed using Ordinary Kriging, with a dynamic interpolation and sequential grade threshold techniques, on 1m composite data. The grade distribution for Sn and W are slightly skewed so OK with threshold/sequential top-cutting was considered to be an appropriate estimation method; there was an insufficient amount of data per Sn lodes to allow the use of multiple indicator kriging (MIK). Leapfrog was used by SKY to interpret and define the tin mineralisation lodes provided to HS&C. The wireframes and geological surfaces are based on Leapfrog models of the seven mineralisation lodes identified at Tallebung. H&SC further refined these lodes using Micromine mining software to ensure consistency, e.g. interpretations snapped to drill holes. These tin mineralisation wireframes were used to control the selection of sample composites and their subsequent use as the source data for the block model estimates.

***Table 5** – Samples contained in each mineralised lode at Tallebung.*

MRE Model	Lode	1	2	3	4	5	6	7	Total
Mar. 2023	Samples	562	1139	645	410	177	89	18	3083
Dec. 2023	Samples	983	1810	1164	774	333	193	40	5297

Geostatistical studies were undertaken for tin, tungsten and DBD within each of the seven lodes delineated at Tallebung to date. Drillhole spacing for Tallebung ranges from 50 to 100m to 200m along strike and 25 to 100m on section. Parent block sizes for Tallebung were 5m (X) by 10m (Y) by 5m(Z) and sub-blocked into eights in each direction for grade estimation. Micromine was used for block grade (tin and tungsten) and DBD interpolation (dynamic OK), and for block model reporting.

Sequential grade thresholds (sequential grade cutting) was applied as the grade distribution for Sn and W is slightly skewed so 'sequential grade thresholds' were applied. Sequential grade thresholds are applied at different search distances at the discretion of the competent person. Sn and W grade cuts were applied at the 99.0th, 99.3rd 99.5th and 99.9th grade percentile grade thresholds at respective search pass distances of 15, 30, 60 and 80%. Future work may need to re-evaluate this to either model by MIK or incorporate and continue to use sequential threshold top cutting.

Variography was moderately defined in a majority of the lodes, however, mainly due to a lack of drilling, particularly in the along strike, two of the lodes modelled were noted to have poor variography. As variography was noted to be similar between the lodes, the variograms developed for adjacent lodes with more data were used for two of the seven lodes which did not have sufficient data to calculate their own variography.

Four (4) estimation search passes were used for all lodes, each with an increasing search radius and decreasing number of data points. The 1st and 2nd passes were considered to demonstrate sufficient confidence in the estimation of grade, continuity and thickness that they were considered appropriate to be classified as an Indicated and Inferred resources respectively. The 3rd and 4th pass was used to provide a measure of exploration potential at Tallebung to evaluate an Exploration Target.

Table 6 *– Search Pass Parameters*

Pass	x	y	z	Max samples per sector	Min total Samples	Min Holes	Min per hole	Max per hole
1	20	50	50	7	8	3	1	12
2	20	75	75	6	7	2	1	12
3	20	75	75	6	4	1	1	12
4	30	150	150	6	4	1	1	12

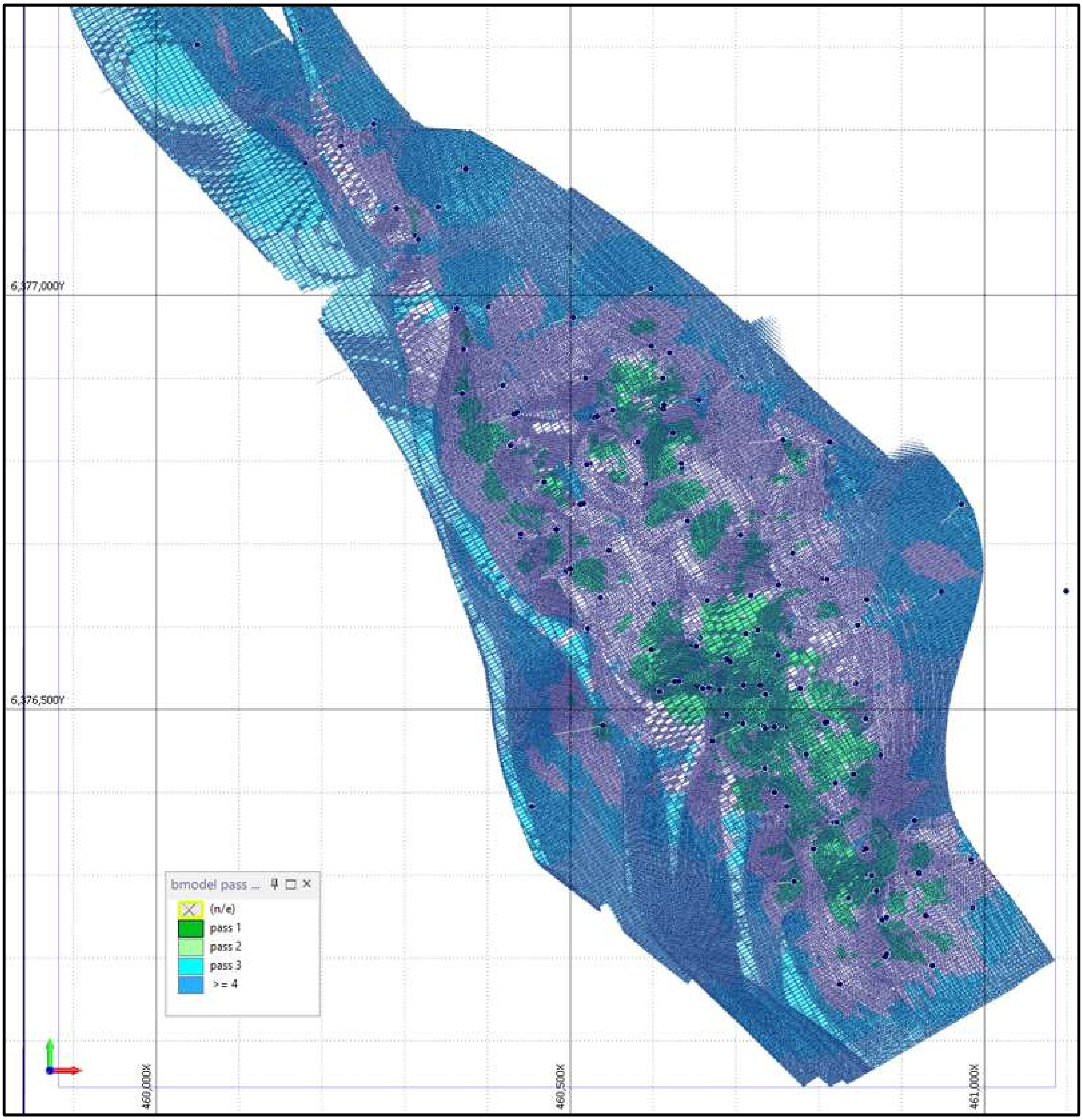

Figure 4: *Tallebung Project – Plan view of the Tallebung Tin Deposit coloured by search passes.*

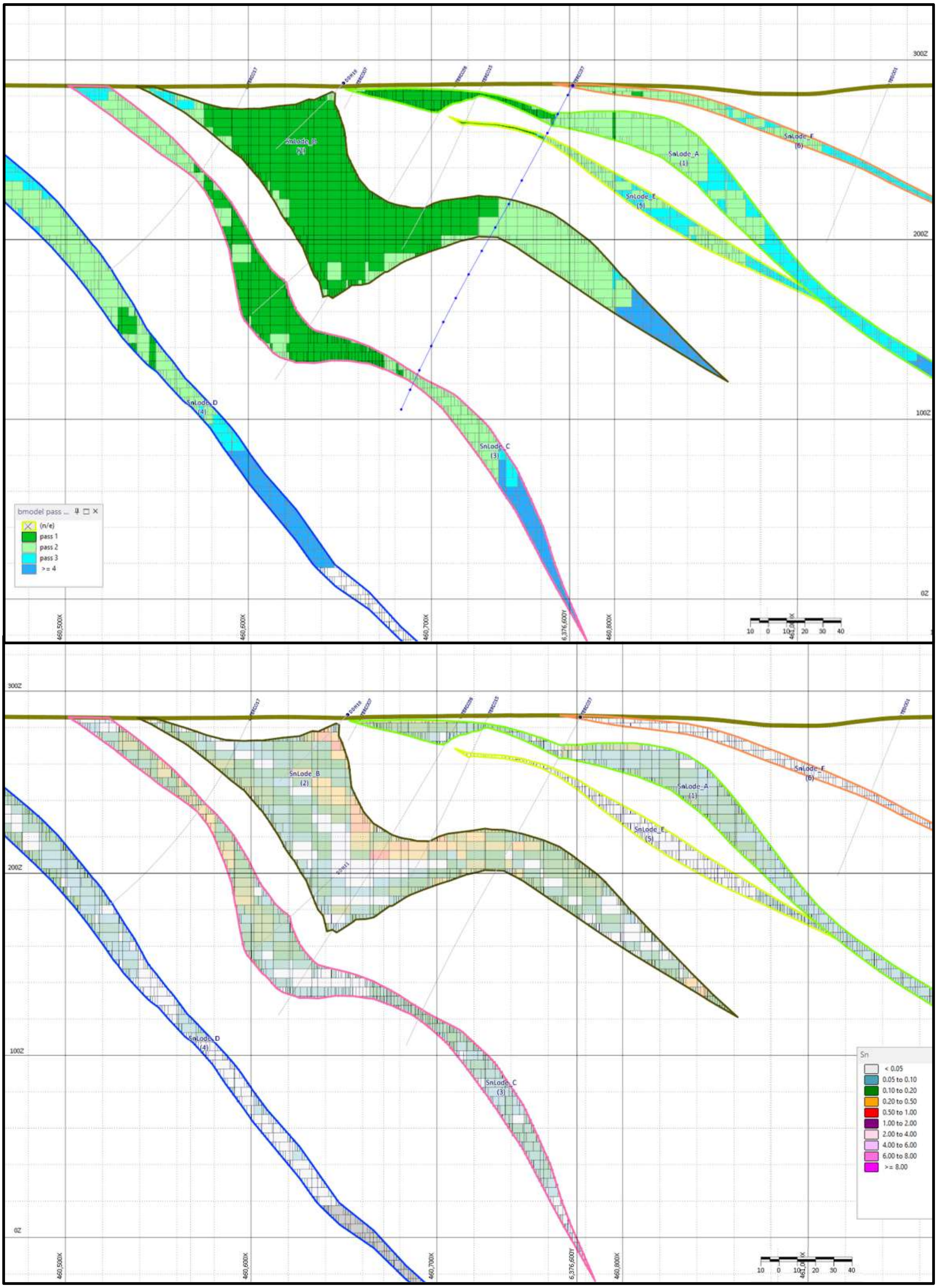

Figure 5: *Tallebung Project – Cross-section of the Tallebung Tin Deposit in the vicinity of hole TBRC037 showing the shallow dipping lodes delineated and modelled for Pass 1-4 of the MRE model -* ***Top:*** *blocks are coloured by search pass;* ***Bottom:*** *blocks are coloured by Sn grade for Pass 1-4 of the MRE.*

Search parameters are summarised in **Table 6** The last passes were used to delineate exploration potential, establish the range between the 3rd and 4th passes to be used for the range of the Exploration Target with a +/- 10% on the estimated grades as both the sequential top cut grade and uncut grade estimates of these two passes were estimated to be very similar in modelling.

Search ellipses were locally aligned (via the dynamic interpolation method) to mimic the strike and dip of lodes. This is done by using the dip and dip direction of the median plane/surface between the hanging wall and footwall surfaces (created from the mineralisation solid/wireframe).

Model validation has consisted of visual comparison of block grades and composite values and indicated a reasonable match. Comparison of summary statistics for block grades for both a sequentially top cut and uncut model show only a 7-11% variation between the two estimates and comparison to sectional estimates completed by SKY staff indicate that both the inferred and indicated resource estimate and the exploration target are in line with SKY's internal estimates.

The classification of the resource estimates is derived from the data point distribution (i.e. the drillhole spacing) associated with the mineral wireframes with due consideration to other factors like grade continuity (variography), geological understanding and continuity, drilling method and recovery, QAQC and density data. H&SC has been advised by SKY that the deposits will be mined by open pit methods. SKY also advised H&SC of the cut off grades to be used to report the resource estimates.

CUT-OFF GRADES AND MINING AND METALLURGICAL PARAMETERS

Tin resources recently estimated in NSW for open pit mining have used a 0.05% tin cut-off grade. Due to the early level of economic evaluations completed on Tallebung at this stage, SKY considers a 0.08% cut-off grade to be conservative based on the shallow nature of the resources, likely low-strip ratio, and low-cost processing available based on the exceptionally favourable metallurgy of the deposit.

Regarding the exceptionally favourable metallurgy, SKY has conducted extensive metallurgical testwork including the application of TOMRA Ore Sorting and Dense Medium Separation (DMS). These have shown to significantly upgrade the tin mineralisation by at least 3-4 times or more as shown in this announcement and previous SKY ASX announcements (please see SKY ASX Announcement 24 October 2022 and 6 December 2022).

The substantial increase in tin grade and reduction of the mass for intensive processing via inexpensive and simple gravity methods by at least 75% has the strong potential to make Tallebung tin very economic to process. SKY has also conducted gravity concentration testwork which has demonstrated a saleable +60% tin concentrate can be cheaply and cost-effectively produced from the Tallebung tin mineralisation (SKY ASX Announcement 24 October 2022 and 6 December 2022).

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 a 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.

NEW ENGLAND PROJECT (EL9200, 100% SKY)

The exploration licence in the New England Orogen covers areas of significant historical tin production.

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

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

Figure 6: *SKY Tenement Location Map*

Competent Persons Statement

The information in this report that relates to the Mineral Resource Estimate was prepared by Luke Burlet, who is a Member and Chartered Professional (Geology) of the Australasian Institute of Geoscientists. Luke Burlet is a Director of H & S Consultants 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 Burlet consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves JORC Code 2012.

JORC CODE, 2012 - TABLE 1

Section 1 Sampling Techniques and Data – TALLEBUNG PROJECT
(Criteria in this section apply to all succeeding sections)

<table>
<tr><th>Criteria</th><th>Explanation</th><th>Commentary</th></tr>
<tr><td rowspan="2">Sampling techniques</td><td>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</td><td>The Tallebung deposit has been explored over a period of more than fifty years by a number of companies including Sky Metals Limited (SKY), Alkane Exploration Ltd (Alkane), Veltox Pty Ltd (Veltox), Compass Resources NL (Compass), Newmont Holdings Pty Ltd (Newmont), Woodsreef Mines Limited (Woodsreef), K.R. Besley, Hastings Exploration NL and Placer Prospecting (Aust) Pty Ltd (Placer).
A summary of holes used in the Mineral Resource Estimate is tabulated below by year, company and hole type:
<table>
<tr><th>Year</th><th>Company</th><th>Holes</th><th>Metres</th><th>Type</th></tr>
<tr><td>1968-9</td><td>Tullabong Tin Ltd</td><td>24</td><td>1,607.91</td><td>DD</td></tr>
<tr><td>2008</td><td>YTC Resources Ltd</td><td>7</td><td>2,269.4</td><td>DD</td></tr>
<tr><td>2019</td><td>Sky Metal Ltd</td><td>16+ 1 wedge</td><td>4,401.8</td><td>RC/DD</td></tr>
<tr><td>2022</td><td>Sky Metal Ltd</td><td>34</td><td>5,497.2</td><td>RC/DD</td></tr>
<tr><td>2023</td><td>Sky Metal Ltd</td><td>33</td><td>6,456.7</td><td>RC/DD</td></tr>
<tr><td></td><td>Total</td><td>115</td><td>20,233.01</td><td></td></tr>
</table>
The Mineral Resource Estimate for Tallebung is based only on core samples from diamond drill (DD) holes and drill chip samples from reverse circulation (RC) percussion holes.
Core/sample recovery has been recorded in many cases efforts were made to maximise recovery and therefore sample representivity.
Sky Metals:
Drill core sampling is by sawn half core PQ & HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m.
RC Drilling – the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. Though the Permian overlying sequence, composite spear samples of 3m were taken.
Rock chips and grab samples taken with a geological hammer and collected into labelled calico bags. Samples were submitted to ALS Orange for preparation and assaying. </td></tr>
<tr><td>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</td><td>Details of sampling procedures for earlier holes are limited but it is assumed that ‘industry standard’ methods of the time were employed. Available details are reported in subsequent sections.
YTC Resources resampled and assayed a number of intervals of Tullabong Tin Ltd core and sampled and assayed previous unassayed intervals available in the Londonderry Drillcore Library, part of the W B Clarke Geoscience Centre western Sydney.
For rock chip samples, lab standards and blanks were relied upon. </td></tr>
</table>

Criteria	Explanation	Commentary
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Each sample was dried, crushed and pulverised as per standard industry practice. RC Drilling – the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. Though the Permian overlying sequence, composite spear samples of 3m were taken. Rock chip samples were dried, crushed and pulverised to 90% passing 75 microns for assay at ALS Orange. ALS Orange assaying: Forty-eight elements including Ag, As, Cu, Fe, In, Pb, S, Zn are digested by four-acid digest then analysed by ICPMS (method ME-MS61). Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85) – considered appropriate for these elements and by XRF fusion for +1% ore grade assays. SGS - The primary metal of interest, tin (Sn) and also tungsten (W) were determined by lithium borate fusion XRF (method GE_IMS92A50 and GE_ICP92A50) – considered appropriate for these elements. Multielement assaying was completed for 48 elements by 0.25g four-acid digest with ICPMS determination (method GE_IMS40Q20 and GE_ICP40Q20).
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc)*	DD holes were typically drilled as NQ/BQ size core for older holes, with triple tube PQ/HQ for recent SKY and HQ/NQ for YTC holes. It is assumed that earlier DD holes were drilled with a standard core barrel. SKY completed core orientation where possible but there are no records of core orientation for older holes. The Reflex core orientation tool was used for the SKY holes. Reverse circulation (RC) drilling using 110mm rods, 144mm face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material*	Sky Metals: • Diamond drill core recovery recorded against intervals drilled as part of geotechnical logging to determine sample recovery. Recoveries are generally greater than 95% once in fresh rock. The average core recovery for the recent SKY DD holes is 99.55%, with 98% of intervals with recovery greater than 90%. • RC samples for SKY holes were weighed for each metre and assessed for recovery, contamination and effect of water if present. Sample quality is assessed by the sampler by visual approximation of sample recovery and if the sample is dry, damp or wet. A high capacity RC rig was used to enable dry samples to be collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination. Sample split weights were provided for two SKY RC holes. Average RC sample weight is 3.65 kg, which equates to 70% recovery for a 1/8th split in fresh rock. • There is no obvious evidence of a bias in copper or gold grades due to low core recovery in the data provided. Earlier Holes: • Core recovery data is available for a number of the older DD holes, inspection of this data suggests that core recovery was generally reasonable, although some intervals of poor recovery were noted.

Criteria	Explanation	Commentary

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*
	
	• *The total length and percentage of the relevant intersections logged*
		Sky Metals:
		
		• Systematic geological logging was undertaken, with data collected including:
		  ○ Nature and extent of lithologies.
		  ○ Relationship between lithologies.
		  ○ Amount and mode of occurrence of ore minerals.
		  ○ Location, extent, and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core.
		  ○ Geotechnical data such as recovery, RQD, fracture frequency, qualitative IRS, microfractures, veinlets and number of defect sets. For some geotechnical holes the orientation, nature of defects and defect fill are recorded.
		• Both qualitative and quantitative data is collected.
		• Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference. A representative sample of each one metre RC interval is retained in chip trays for future reference.
		• All core was geologically and geotechnically logged and all RC chips were geologically logged.
		• Core photography exists from the SKY and Alkane holes, and photos were taken of 13 of the historic G Series DDH from 1971 that were reviewed at Londonderry. No chip tray photos exist for any of the RC holes.
		
		Earlier Holes:
		
		• All of the historic information was converted to SKY's scheme of logging.
		  • All holes used in the Mineral Resource Estimate have been logged in their entirety.
		
		Rock Chip samples were geologically described at the time of collection. The descriptions were of sufficient detail to support the current work. Both qualitative and quantitative data is collected. All rock chips were digitally photographed.

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled*	Sky Metals: • Diamond drilling - core was sawn with half core (HQ) or quarter core (PQ) submitted for assay, generally in down hole intervals of 1m, however, intervals can range from 0.3-2.0m. Sampling was consistently on one side of the orientation line so that the same part of the core is sent for assay. This is considered representative of the in-situ material. • Core samples were dried crushed and pulverised to 90% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques. • No field duplicates are taken for core samples. • RC drilling - the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. • RC samples were dried, crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques. • Field duplicates are taken for RC samples. • Sample sizes are industry standard and considered appropriate.

Criteria	Explanation	Commentary
		Earlier DD Holes: • No details of sub-sampling techniques and sample preparation are available for the earlier DD holes drilled at Tallebung. It is assumed that 'industry standard' procedures of the time were applied. No field duplicates are taken for the rock chip samples. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established	Sky Metals: • Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Forty-eight elements including Ag, As, Cu, Fe, Pb, S, Zn are digested by four-acid digest then analysed by ICPMS (method ME-MS61 or GE_IMS92A50 and GE_ICP92A50 for ALS and SGS respectively). • Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85 or method GE_IMS40Q20 and GE_ICP40Q20 for ALS and SGS respectively) – considered appropriate for these elements. XRF analysis was used for sample over 1% Sn or W. • Not applicable as no geophysical tools were used in the determination of assay results. • Certified reference material or blanks were inserted at least every 30 samples. Standards are purchased from Certified Reference Material manufacture companies: Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade, low grade, and trace ranges of elements, with a primary focus on Sn and Cu. Earlier DD holes: • Fusion XRF was used for the earlier DD holes and is considered best practice for assaying of Sn and W. • Few details are available for the assay procedures for the historic holes, however, inspection of the drillcore aligns with the assays received. • No results from geophysical tools, spectrometers, handheld XRF instruments, etc, have been used in the Mineral Resource Estimate. Rock chip samples: Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Multielement assaying was completed for 48 elements by 0.25g four-acid digest with ICPMS determination (method ME-ICP61). Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85 ALS) – considered appropriate for these elements. XRF analysis was used for sample over 1% Sn or W. Internal laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results.

Criteria	Explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data*	Sky Metals & YTC Resources: • Drill data is compiled, collated and reviewed by senior staff. External consultants do not routinely verify exploration data. The intersection calculations were viewed by >1 geological personnel. • Twinned holes have not been used in the drilling. • Drill hole data including meta data, any gear left in the drill hole, lithological, mineral, survey, sampling, magnetic susceptibility was collected and stored as physical and electronic copies or entered directly into an excel spread sheet using drop down codes. When complete, the spreadsheet was combined into a master excel spreadsheet as the drill hole database. • Assay data was provided by ALS via .csv spreadsheets. The data was validated using the results received from the known certified reference material. Hard copies of the assay certificates were stored with drill hole data such as drillers plods, invoices, and hole planning documents. • Assay data is not adjusted. Earlier holes: • There is no documentation available relating to the verification of significant intersections by either independent or alternative company personnel. However, it seems unlikely that significant intersections were not verified by alternative personnel at the time. • All primary data was sourced from historical records, either physical or electronic. Records of historical data entry procedures, data verification and data protocols are lacking. • There is no evidence of any adjustments to historical assay data. Rock chip sample data is compiled, collated and reviewed by senior staff. The assay data were viewed by >1 geological personnel.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control*	• SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate drillholes once completed and an initial handheld GPS (+/-3m) reading is used before holes are surveyed via DGPS. • All coordinates are based on Map Grid Australia Zone 55S, Geodetic Datum of Australia 1994. • Most Historic holes have been located and surveyed using DGPS accurately to +/-0.1m. • Only 6 historic holes have not been located with DGPS, these are DDH01, DDH05, DDH06, DDH07, DDH08 and DDH09, evidence of which were likely destroyed when the alluvial open pits were mined at Tallebung. Estimates to +/-5m have been made using historic reports. SKY has used handheld GPS to locate rock chip locations (nominal accuracy ± 5m). All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *Data spacing for reporting of Exploration Results Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied* • *Whether sample compositing has been applied*	• Hole spacing varies from around 40 by 40 m and locally closer in central portions of the deposit to more than 100 by 100 m in peripheral areas. • The data spacing and distribution establishes geological and grade continuity adequately for the current Inferred and Indicated Mineral Resource Estimate and Exploration Target. Samples were composited to nominal 1.0m intervals for the Mineral Resource Estimate and Exploration Target. For Rock chip samples, the data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.

Criteria	Explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced sampling bias, this should be assessed and reported if material*	• Drilling was designed to intersect the mineralisation trend as close to perpendicular as practicable, oriented to achieve unbiased sampling of possible structures to the extent to which this is known, considering the deposit type. • The relationship between the orientation of drilling and the key mineralised structures is not considered to have introduced a sampling bias.
Sample security	• *The measures taken to ensure sample security*	• SKY has protocols in place to ensure data security. Sample chain of custody has been managed by the employees of SKY who commissioned the drilling from the drilling rig to assay laboratory. All samples are bagged in tied numbered calico bags, grouped into larger tied polyweave bags, or placed in a stillage box and transported to ALS in Orange by SKY personnel. All sample submissions are documented via ALS tracking system and all assays are reported via email. Sample pulps are returned to site and stored for an appropriate length of time (minimum 3 years). • Sample security measures for earlier drilling programs are not documented, but it is assumed that 'industry standard' procedures of the time were applied.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• SKY does not routinely have external consultants verify exploration data. • There is no documentation of the results of any audits or reviews of sampling techniques and data for historical drilling.

Section 2 Reporting of Exploration Results – TALLEBUNG PROJECT
(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Tallebung Project is described by NSW Exploration Licence 6699 The tenement is 100% owned by Stannum Pty Ltd, a 100% owned subsidiary of Big Sky Metals Pty Ltd and Sky Metals Ltd. The Tallebung tenement is overlain by Native Title Determination Application No NC12/1 (Federal Court No NSD 415/12). A determination of extinguished native title was received over a portion of the Tallebung Tin Field.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area*	Stannum Pty Ltd have previously commence a Right to Negotiate Process (RTN) with the claimant group with respect to Application No NC12/1 (Federal Court No NSD 415/12). These negotiations did not conclude. Stannum Pty Ltd has recently (June 2018) resubmitted a Native Title Clearance report to the NSW Dept of Planning. A determination of extinguished native title was received over a portion of the

Criteria	Explanation	Commentary
		Tallebung Tin Field.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties*	The Tallebung Project area was subject to a large, modern scale alluvial/colluvial mining by the Tullebong Tin Syndicate in the period 1963-1972. The Tullebong Syndicate completed a programme of 24 short diamond holes in 1968-69 designed to test the lode mineralisation at Tallebung. Pruessag completed a large-scale assessment of the alluvial tin deposits in 1984-85, including RC drilling, identifying the potential for a large, low grade alluvial deep lead. In recent exploration, YTC Resources (now Aurelia Metals Ltd) completed trenching, diamond drilling, aircore drilling of tailings, and resistivity geophysics (EH4) at the Tallebung tin field. YTC recognised the continued potential for both shallow high grade, and large scale low-grade porphyry-style- tin mineralisation.
Geology	• *Deposit type, geological setting and style of mineralisation*	The Ordovician aged Tallebung Group sediments in the Tallebung Tin Field area outcrop as a sequence of weakly metamorphosed shales, siltstones, carbonaceous mudstones and minor quartz-rich sandstones. The rocks are tightly folded, striking NNW at around 330o with variable dips. The tin mineralisation is thought to be sourced from the Silurian-aged Erimeran granite, which outcrops 2km south of the Tallebung Tin Field. The Tallebung Tin Field represents a site of significant tin and tungsten production from high grade, quartz lodes and their associated alluvial and deep lead deposits. The field has been worked sporadically from the discovery of lode tin in the 1890's, through to the large-scale open cut mining of alluvial tin by the Tullabong Tin Syndicate in the period 1963 to 1971. The Tallebung Tin Field contains significant, tin bearing, unconsolidated sediments which are alluvial to elluvial in nature, poorly sorted and contain coarse bedrock fragments up to 15cm in a matrix of sandy/silty clay with some iron oxides and cemented layers. Sediment thickness varies from 5m to 36 metres. The east-trending, tin bearing leads and deep leads draining the Tallebung lode deposits are the dominant source of historic tin production from the field. The Tallebung site is now a large-scale derelict mining environment with approximate 1.2km strike of shallow open cuts, large scale tailings dam and decaying mine site housing and infrastructure. The tin and tungsten bearing quartz reefs are located on the western edge of the worked out alluvial open pits. The lodes form a well-developed quartz vein stock work zone extending for approximately 1.2km on a 330o trend. Thicker quartz lodes >0.5m have been selectively exploited in historic shafts and shallow open cuts along the trend.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* - *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level–elevation above sea level in metres) of the drill hole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	See body of announcement.

Criteria	Explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated*	See body of announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results-* - *if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *if it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	At Tallebung, orientated drill core has been used to allow determination of orientation of structures and mineralisation. Lode orientation of the Tallebung is well constrained by previous drilling and outcrop.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See body of announcement, and SKY ASX announcement 9 March 2020, SKY ASX announcement 22 September 2021, SKY ASX announcement 25 October 2021 SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022 and SKY ASX Announcement 27 June 2022, SKY ASX announcement 24 October 2022, SKY ASX Announcement 1 November 2022, SKY ASX Announcement 6 December 2022 and SKY ASX Announcement 22 March 2023.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	See body of announcement. The Competent person has reviewed this information and believes it is consistent with their observations and knowledge of the project.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples–size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	See body of announcement and SKY ASX announcement 5 September 2022, SKY ASX announcement 24 October 2022, SKY ASX Announcement 1 November 2022, SKY ASX Announcement 6 December 2022 and SKY ASX Announcement 22 March 2023.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further work is imminent to continue exploring the tenement and to further expand the MRE in this report. See body of announcement, and SKY ASX Announcement 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023, SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023 and SKY ASX Announcement 1 November 2023.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	See body of announcement, and ASX announcement, SKY ASX Announcement 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023, SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023 and SKY ASX Announcement 1 November 2023.

Section 3 Estimation and Reporting of Mineral Resources – TALLEBUNG PROJECT
(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The drilling database was provided to H&SC as a set of Excel spreadsheets, which were exported from SKY Minerals' MSAccess database. • Basic checks are performed by H&SC prior to resource estimation to ensure data consistency, including checks for duplicate or overlapping intervals, potentially excessive down hole deviation, and extreme or unusual assay values. Collar coordinates were checked against topography, and assays were compared to adjacent holes to ensure consistency. A small number of errors were identified and rectified. • One hole, TBRCD003A, was removed from data set for resource estimation as it represented the RC precollar for hole TBRCD003. Samples for the latter hole had better quality core samples. • The database used for the Mineral Resource Estimate (MRE) contains 115 holes (73 RC, 42 DDH) for a total of 22,285.92 metres drilled.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Site visits have been undertaken by the SKY Metals' Competent Person. • Site visit was undertaken by the H&SC Competent Person responsible for the MRE.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Sn and W mineralisation at Tallebung has been interpreted by SKY as comprising quartz-cassiterite veins (+pyrrhotite + sphalerite + arsenopyrite + scheelite + chalcopyrite + wolframite) hosted by homogenous sequence of bedded sand and siltstones which have been deformed into tight isoclinal folds. SKY has interpreted up to seven main 'Sn lodes' each of which comprise between one to several Sn veins per lode. The lodes contain a mixture of mineralised and unmineralised veins, and interbedded sand and siltstones. The Sn lodes have a dip direction of ~60 to 65° with a dip of between ~16°and 53°. The seven Sn lodes, as currently defined by drilling have varying sizes and range between 1 to 50m thick; they have drilled strike lengths of between ~120m to ~1,400m and a down dip extent between ~60 to ~540m. • The MRE is based on a total 115 drill holes, with 24 historical DDH holes from 1968-1970 with the balance of holes drilled in 2008 and 2019-23. • The specific correlation of the Sn lodes between drill hole has been assumed. Alternative interpretations could correlate the Sn lodes differently from hole to hole, but this is unlikely to have a substantial impact on the estimate. • The MRE is guided and controlled by stratigraphy, which is the major control on the continuity of both grade and geology.

Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The MRE has the following approximate extent:
		  ○ 190m in the northwest-southeast direction (dip direction of ~64 to 80°) with a dip of between ~18° and 50° (seven lodes with varying dips)
		  ○ 1 to 50m thick in thickness,
		  ○ a down dip extent of between ~60 to ~540m,
		  ○ outcrops at surface, locally with a very thin overlying layer of barren colluvium

Criteria	Explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* - *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Sn and W grades were estimated with nominal 1.0m sample composites using the ordinary kriging (OK) technique in Micromine software. Seven (7) mineralised domains were defined to limit the potentially mineralised 'Sn lodes'. The grade distribution for Sn and W are slightly skewed so OK with threshold/sequential top-cutting was considered to be an appropriate estimation method; there was an insufficient amount of data per Sn lodes to allow that use of multiple indicator kriging (MIK). • Initial search radii for the MRE were 20x50x50m, then expanded to 20x75x75 m. All Mineral Resources are confined to within ~250m of surface, with at least 2 holes and 7 samples required to inform these blocks. Stratigraphic control was achieved by using a dynamic search that followed the orientation of each mineralised lode (median plane of the 3d wireframe solid). • The MRE was limited to blocks within ~50-75m of holes, which is the maximum distance of extrapolation. • This MRE is in-line with the maiden MRE, representing an increase in total tonnes as drilling quantity has increased. • No assumptions were made regarding recovery of by-products. • No deleterious elements or other non-grade variables of economic significance were estimated. • The model block size is 5x10x5m (XYZ), which is approximately one half to one third of the average sample spacing in the better drilled area, which is around 15-20m. The initial horizontal search radii are around 5 times the block size. The model is sub-blocked to 8x8x8 in order to accommodate the thinner part of the lodes, thus the smallest blocks possible are 0.625 x 1.25 x 0.625. • No specific assumptions were made regarding selective mining units (SMUs), so the model block size is effectively the SMU. • Due to limited density measurements, the correlation between the sum of Fe+S+Sn+W and measured density was used to assign a 'calculated by regression' density to each sample composite so that density could also be estimated for each block. All samples used this calculated density. • The geological interpretation was used to control the resource estimates through stratigraphic constraints imposed via the narrow downdip radius and dynamic search strategy. • The grade distribution for Sn and W is slightly skewed so 'sequential/threshold' grade cutting was applied. Sequential/threshold grade cuts are applied at different search distances at the discretion of the competent person. Sn and W grade cuts were applied at the 99.0th, 99.3rd 99.5th and 99.9th grade percentile grade thresholds at respective search pass distances of 15,30,60,80%. Future work may need to re-evaluate this to either model by MIK or incorporate continue to use sequential/threshold top cutting. • The estimates were validated in a number of ways – visual and statistical comparisons of block and drill hole grades, examination of grade-tonnage data and comparison with previous MRE model. The comparisons of model and drill hole data show that the estimates appear reasonable. No reconciliation data is available because the deposit remains unmined.

Criteria	Explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages were estimated on a dry weight basis; moisture was determined by comparison of dry and wet sample weights.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The adopted cut-off grade of 0.08% Sn has been adopted in line with other open pit tin resources calculated in NSW (See 1SN LSE Announcement 14 September 2023) and given the mineralisation is at surface, has a shallow-moderate dip to provide a low stripping ratio and metallurgical test work has demonstrated that the mineralisation is amenable to significant beneficiation via ore sorting and DMS all demonstrates strong advantages for economic extraction at 0.08% Sn cut-off.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.*	• The mining method is currently assumed to be open pit extraction. The estimates include an allowance for internal mining dilution within the blocks, which currently define minimum mining dimensions. • The resource estimates do not include potential external mining dilution arising from factors such as blast movement, mixing of materials during blasting and digging, or misallocation of ore and waste. • Assumptions regarding mining are conceptual at this stage of the project.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.*	• Sn and W at Tallebung occurs within quartz veined, isoclinally folded sand and siltstones. • SKY, through consultant metallurgists, have completed multistage metallurgical testing on PQ sized core derived from the Tallebung deposit and have demonstrated the mineralisation is suited to traditional gravity recovery processes after beneficiation via ore sorting and Dense Medium Separation (DMS). This over tripling of grade and removal of approximately 3 quarters of the mined mass before downstream processing strongly increases the economic case for extraction of the Sn mineralisation. • Metallurgical test work completed by SKY has shown beneficiation via TOMRA XRT ore sorting and DMS can reduce the mass for gravity processing by at least 3 quarters. A simple gravity circuit has subsequently demonstrated a saleable +60% Sn concentrate can be easily produced with WHIMS and sulphide floatation dressing. This metallurgical work has demonstrated that a saleable tin concentrate can easily be produced from the Tallebung ore given the nuggety cassiterite host of the tin mineralisation. • Concentration to a saleable +60% Sn concentrate has been demonstrate with 73% recoveries which is standard for these very simple and cost effective gravity concentration processing flowsheets.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* •	• At this stage of the project, limited environmental baseline studies have been conducted and no environmental assumptions have been made beyond that a conventional open-pit mine and processing facilities should be possible. • It is assumed that all necessary environmental approvals will be in place when mining commences. All waste and process residues will be disposed of in a responsible manner and in accordance with the mining license conditions.

Criteria	Explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• Dry bulk density (DBD) for the MRE was estimated using a regression between density and Fe+S+Sn+W grade, based on measurements taken on 981 sections of DD core from 40 holes. These holes represent all drill campaigns, spanning 1968 to 2023, with the density samples taken from DDH core and measured by SKY between 2008 and 2023. The water immersion method was used where sample is weighed in air and weighed immersed in water was used; samples were not wax coated as they were not visibly porous. The density sample intervals aligned to lie within assay sample intervals. The DBD was assigned to each sample composite the regression. • The bulk density was measured by a method that adequately accounts for void spaces (vughs, porosity, etc), moisture and differences between rock zones within the deposit. • The bulk density formula was applied to sample composites within the mineralised lodes.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The MRE was classified using the estimation search passes and additional criteria. Indicated and Inferred Mineral Resources were defined using the first two search radii (20x50x50m and 20x75x75m, respectively). All Mineral Resources are confined to within ~250m of surface, with at least 2 holes and 7 samples required to inform these blocks. • Appropriate account has been taken of all relevant factors, including relative confidence in tonnage/grade estimates, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. • The reported MRE appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No independent audits or reviews have been undertaken to date; the MRE has been subjected to internal peer review within H&SC.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated JORC Mineral Resource category. This has been determined on a qualitative, rather than quantitative, basis and is based on the Competent Person's experience with similar deposits. Factors that could affect the relative accuracy and confidence of the estimate include: • The correlation of the Sn lodes or sub-lodes within it, • The continuity of higher grade samples, • The down dip continuity of mineralisation. • The estimates are local, in the sense that they are localised to model blocks of a size considered appropriate for local grade estimation. The Inferred Mineral Resources could be relevant to technical and economic analysis at the level of a Scoping Study, At this time there are no Indicated or Measured Resources • No production data is available as the deposit remains unmined.