EXCEPTIONAL ORE SORTING RESULTS AT TALLEBUNG TIN PROJECT

- Ore sorting has increased the tin grade in a bulk volume test feed from **0.29%** tin to **0.89%** tin with a **98%** recovery of tin in the sorted product.
- The sorted product was less than 1/3 of the total mass sorted, indicating > 50% reduction of the total mass requiring further processing to produce a saleable concentrate.
- This substantial mass reduction at high tin recoveries implies a significant size reduction in a processing plant, and the associated reduction in capital and operating cost of any future mining and processing operations at Tallebung.
- Further metallurgical testwork on the favourable coarse cassiterite (tin-oxide) mineralisation at Tallebung is progressing quickly. Results are expected in the coming weeks for a bulk testwork program to trial a simple gravity flow sheet to produce a saleable concentrate from the ore sorting product.
- Further RC drilling is being fast tracked to continue to expand the bulk tonnage potential tin resource at Tallebung. Drilling is expected to start within 2 weeks.

DORADILLA TIN PROJECT

- The large RC drilling campaign at the 3KEL Target has now been completed successfully extending the strike of the 3KEL target to over 2.8km – Assays are anticipated to be received over the coming weeks for this program.

SKY CEO Oliver Davies commented, *"The results from the bulk ore sorting testwork at Tallebung are exceptional. The Tallebung mineralisation has been demonstrated to be ideal for the ore sorting process. The outstanding results show the tin grades triple with a 98% tin recovery. This is an excellent and unique outcome in ore sorting, demonstrating the ideal nature of the Tallebung tin mineralisation for ore sorting and the great work conducted by TOMRA. As ore sorting significantly reduces the mass of the ore to be processed, it has the potential to substantially reduce the required capital and operating cost of a potential mining operation at Tallebung. SKY is also eager to recommence drilling at Tallebung in the next fortnight to continue to expand the bulk tonnage tin resource potential and continue to develop this promising project."*

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on the Tallebung Tin Project regarding the recent advances in the metallurgical testwork program and the latest RC drilling campaign at the Doradilla Tin Project.

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

TALLEBUNG TARGET – BULK ORE SORTING TESTWORK

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

Furthermore, these results show that ore sorting at Tallebung has the potential to reduce the total plant feed by over 50%, indicating a significant reduction in plant size and associated capital expenditure for any potential future mining at Tallebung. Additionally, ore sorting can substantially reduce operating costs as less than half of the material will be processed to produce a saleable tin concentrate. **Figure 1** shows a schematic of the TOMRA ore sorter in a theoretical tin processing circuit.

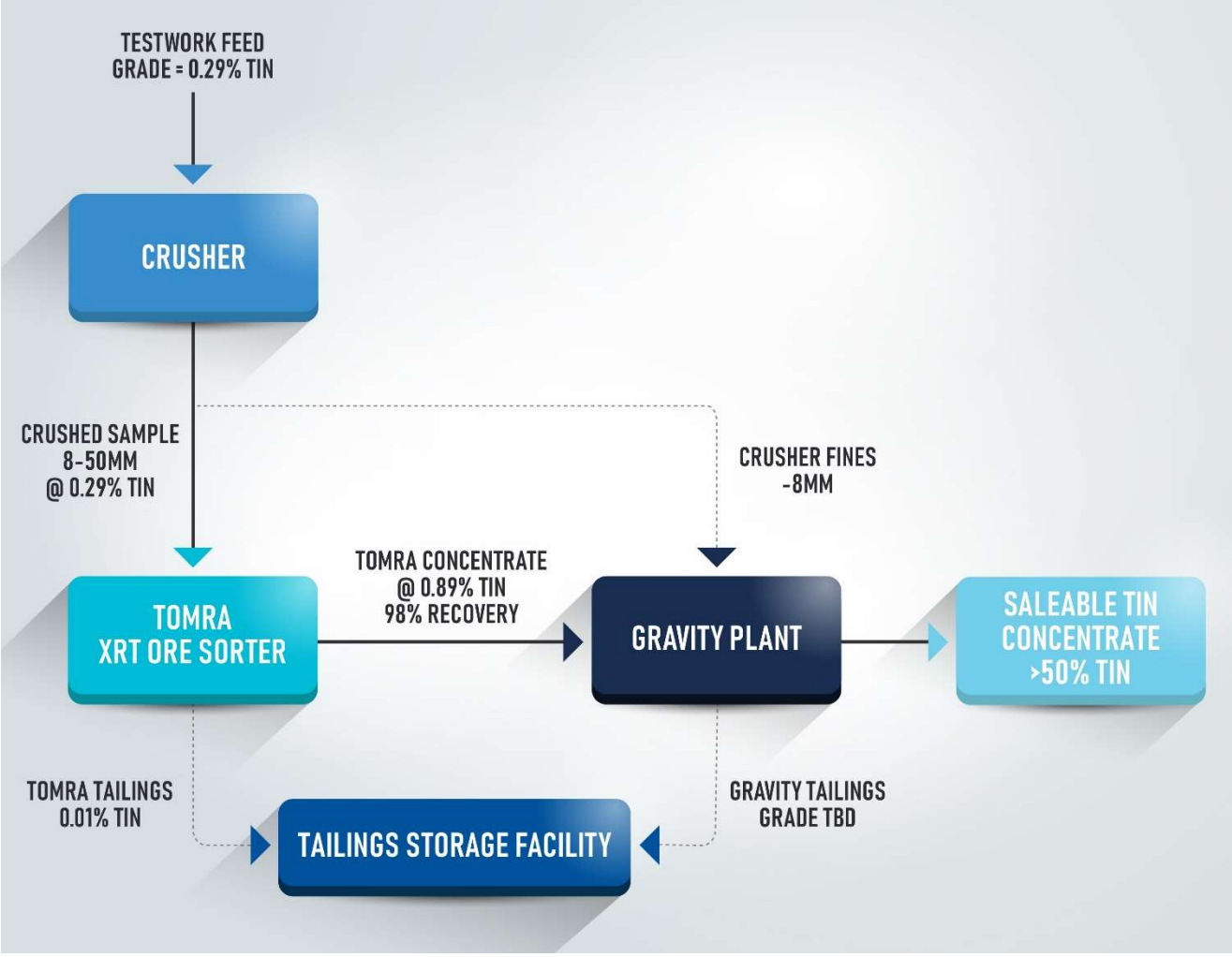

Figure 1: *Tallebung Target – Schematic flow sheet showing the potential role of the TOMRA XRT Ore Sorter to increase the tin grade and significantly reduce the total mass to undergo further processing.*

These results were generated from representative samples of the Tallebung tin mineralisation collected from the wide-diameter diamond drillhole **TBD002** (60.2m @ 0.54% tin from 12.8m) from 2m – 92m for a total 542kg. This sample was sent

to TOMRA Ore Sorting Solutions in Sydney and was crushed to down into -50mm grains. The sample was then split into 25-50mm and 8-25mm fractions for sorting and a <8mm fines fraction which was too fine to be sorted effectively.

The 25-50mm and 8-25mm fractions were then sorted with TOMRA's XRT ore sorter into a product and waste. (NB: TOMRA's XRT sensor measures the relative density of the samples, as tin is almost 3 times denser than the waste material, denser-tin-bearing sample is ejected as the product and less dense-tin-poor sample is the waste).

Assays have been received for this testwork and show a tripling of the grade with 98% recovery for tin (**Table 2**). These bulk testwork results are extremely encouraging for the application of ore sorting at Tallebung. Further work will be conducted with TOMRA to continue to build on these very exceptional results in the future.

Table 1 – Tallebung Tin Project, Tallebung Target. Summary results table for the TOMRA ore sorting bulk testwork showing significant 3 times increase in tin grade and 1/3 reduction in mass for 98% recovery of tin.

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

Tin mineralisation at Tallebung is hosted as coarse cassiterite (tin-oxide) indicating favourable concentration by traditional gravity methods, most likely to be after preconcentration via the ore sorting process shown above. A simple gravity flow sheet is being developed and tested at ALS Burnie using the products provided from the TOMRA ore sorting work. The results of this metallurgical testwork are anticipated to be received this month.

TALLEBUNG TARGET – RC DRILLING

An RC drilling program of 14 RC holes for a total of approximately 2100m is planned to commence in two weeks at the Tallebung tin Target to continue to extend and infill the consistent, strong results achieved in the previous programs. The planned program will primarily be focused on extending the Tallebung mineralisation to the south (**Figure 2**). Strong potential for extensions to the bulk tonnage tin mineralisation were shown, notably in **TBRC034**, results included:

TBRC034: 43m @ 0.20% tin from 5m, including;
6m @ 0.43% tin from 5m.

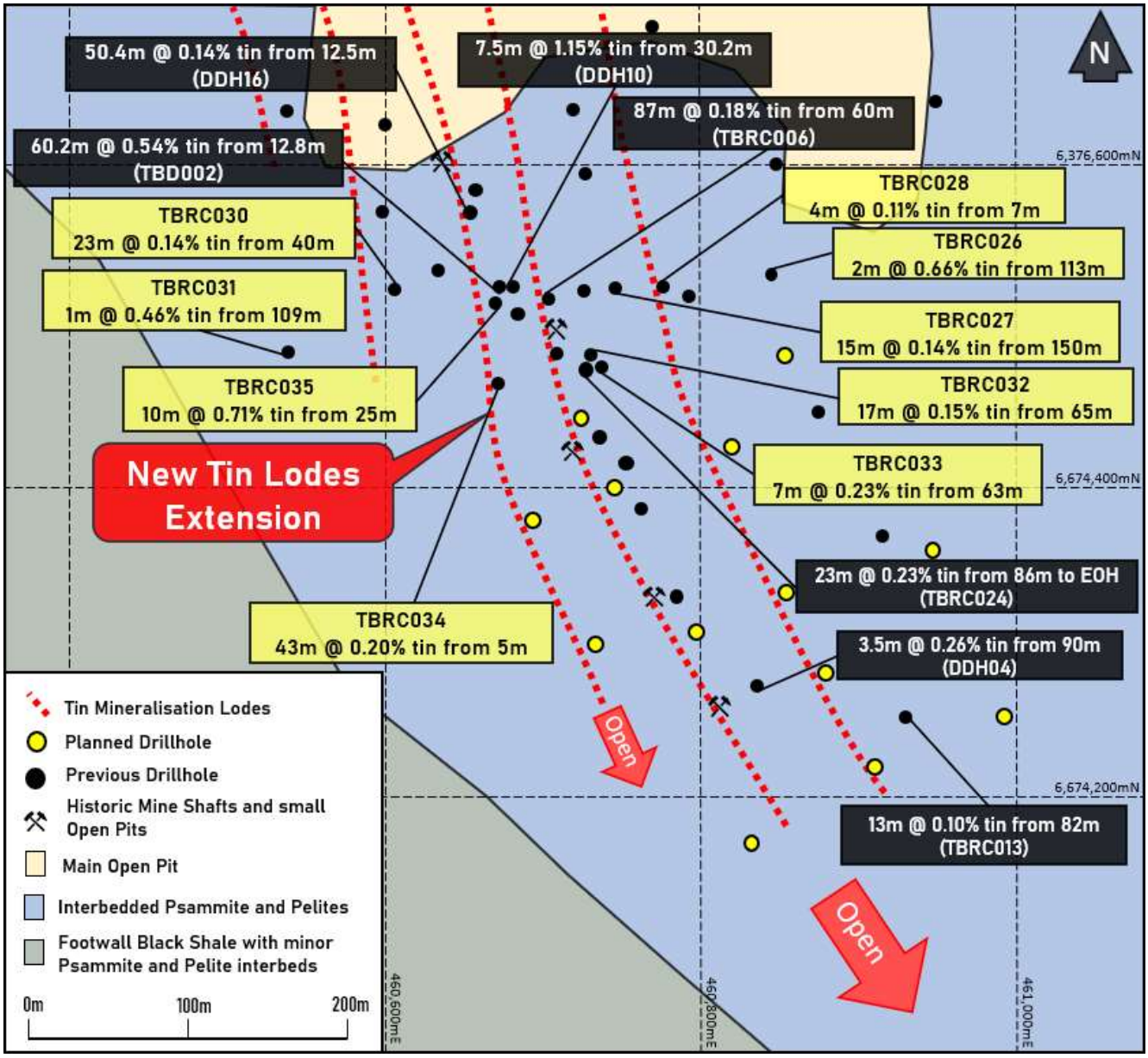

Figure 2: *Tallebung Target – Plan view of the showing the past drilling with the new planned RC drillholes in yellow overlaid on the geological map. Recent assay results are in the yellow boxes.*

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

3KEL TARGET – RC DRILLING

The large extension and infill RC drilling program has now been completed at 3KEL. The large RC drilling program of the 3KEL Target begun on the north-eastern end of the 3KEL Target before moving to the south-west, testing along a 2.8km strike.

The drill program has effectively extended the strike of the 3KEL target to approximately 2.8km with the target skarn horizon intercept in all completed holes and an over 300m strike extension added by the drilling on the north-eastern extent of the 3KEL target.

This RC program has extended to the potential strike of tin mineralisation and the zinc mineralisation and also test underneath the rock chips results from the large 200m x 150m undrilled gossanous area 200m further to the northeast of **3DKK013**. Rock chips from this gossanous area assayed up to 0.7% tin and represent a +700m extension of the 3KEL Target. The first assays are anticipated to be received for this program over the coming weeks.

Table 2 – Doradilla Tin-Polymetallic Project, 3KEL Target. Collar summary for drill holes.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	DIP	Azimuth (MGA)	Total Depth (m)	Comment
3KRC013	445381.44	6650079.35	128.28	-60	324.06	150	Completed
3KRC014	445314.64	6650029.73	128.31	-60	324.73	126	Abandoned due to excessive water
3KRC015	445545.87	6650132.05	129.75	-60	322.23	222	Abandoned due to hole collapse
3KRC016	445483.54	6650070.31	128.9	-60	325.05	174	Abandoned due to hole collapse
3KRC017	445215.61	6649895.01	129.09	-60	326.12	120	Completed
3KRC018	445127.56	6649876.17	129.84	-60	324.61	128	Abandoned due to cavity
3KRC019	445355.88	6650114.72	128.26	-60	324.61	162	Abandoned due to drilling difficulty
3KRC020	445064.36	6649827.79	130.13	-60	324.61	162	Completed
3KRC021	445021.87	6649752.74	130.57	-60	324.61	150	Completed
3KRC022	444880.02	6649683.41	130.85	-56	324.61	120	Completed
3KRC023	444942.7	6649725.83	130.8	-60	324.61	120	Completed. Excessive water
3KRC024	444991.01	6649649.83	130.87	-60	324.69	270	Completed
3KRC025	444815.21	6649615.65	131.34	-60	324.61	132	Completed
3KRC026	444760.47	6649578.95	131.4	-60	324.61	126	Completed
3KRC027	444590.14	6649411.62	132.33	-60	324.61	156	Completed
3KRC028	444641.42	6649463.43	131.7	-57	324.61	114	Abandoned due to water
3KRC029	444801.58	6649509.1	131.94	-57	324.61	186	Abandoned due to water
3KRC030	444458.79	6649311.33	132.27	-57	326.18	156	Completed
3KRC031	444509.65	6649367.19	131.83	-57	324.39	144	Completed
3KRC032	444394.78	6649259.12	132.58	-57	324.46	156	Completed
3KRC033	444107.96	6649102.95	139.18	-57	324.96	138	Completed
3KRC034	443584	6648737	133	-57	326.35	162	Completed
3KRC035	443445	6648659	133	-57	326.06	144	Completed
3KRC036	443381	6649615	133	-57	324.39	156	Completed
3KRC037	443312	6649577	133	-57	325.88	138	Completed
3KRC038	443910	6648969	133	-57	326.02	138	Abandoned due to water
3KRC039	443851	6648914	133	-57	324.61	144	Completed

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 and is considered prospective for lode and porphyry-style tin - tungsten mineralisation.

DORADILLA PROJECT (EL6258, 100% SKY)

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

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

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

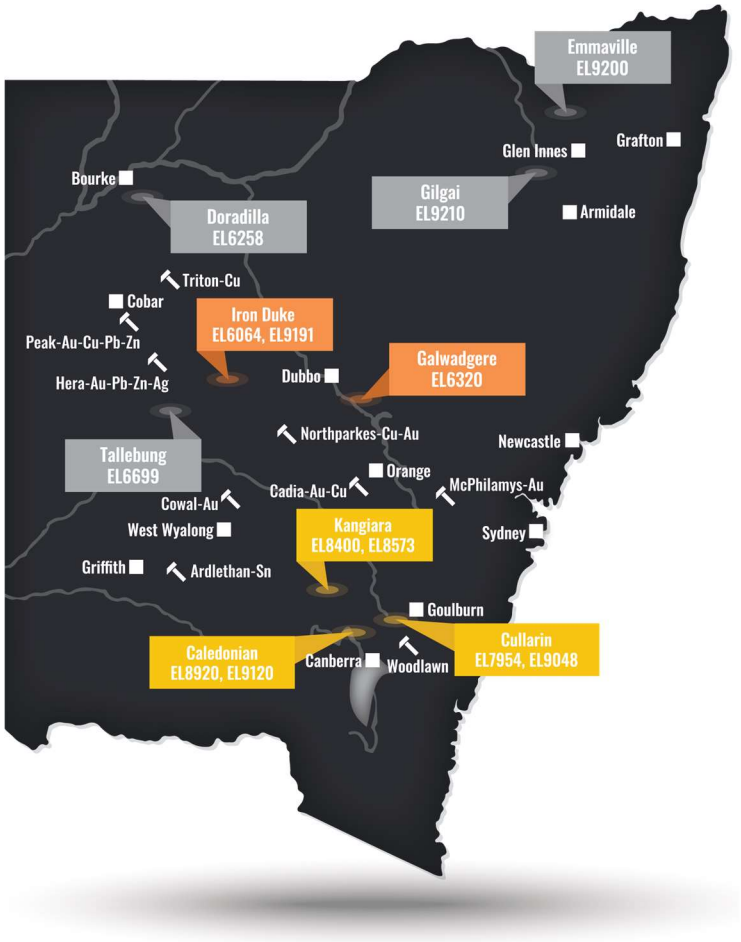

Figure 3: *SKY Tenement Location Map*

COPPER GOLD PROJECTS

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

The Iron Duke project is located ~10km south-east of Tottenham in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (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. High grade copper-gold mineralisation has been intersected by previous explorers (e.g. 47m @ 0.90% Cu & 1.58g/t Au) and the mineralisation is open along strike and at depth.

GOLD PROJECTS

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

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 include 148.4m @ 0.97 g/t Au (WL31) including 14.6m @ 5.1 g/t Au from 16.2m, & 142.1m @ 0.89 g/t Au (WL28) including 12m @ 4.4 g/t Au from 25.9m. 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. The distribution of multiple historic drill intersections indicates a potentially large gold zone with discrete high-grade zones, e.g. 6m @ 8g /t Au recorded from lode at historic Caledonian Mines (GSNSW). A strong, robust soil gold anomaly (600 x 100m @ +0.1ppm) occurs and most drillholes (depth ~25m) terminate in the mineralised zone.

COMPETENT PERSONS STATEMENT

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

PREVIOUSLY REPORTED INFORMATION

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

DISCLAIMER

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

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

JORC CODE, 2012 - TABLE 1

Section 1 Sampling Techniques and Data – TALLEBUNG PROJECT

(Criteria in this section apply to all succeeding sections)

Criteria	Explanation	Commentary
Sampling techniques	• *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.*	Drill core sampling is by sawn half core HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m. All RC chips were submitted to ALS Orange for preparation and assaying.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Assay standards or blanks are inserted at least every 30 samples for diamond drill core. All sample lab received weights show consistency with core recovery and interval length.
	• *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. 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.
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)*	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*	RC drilling - high capacity RC rig was used to enable dry samples collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples*	RC drilling - high capacity RC rig was used to enable dry samples collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination.
	• *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*	There is no known relationship between sample recovery and grade. Where samples recoveries are less than 95% there is no relationship observed between grade and sample recovery. Relationships between sample recovery and grade are not considered significant where recoveries exceeded 95% in fresh rock.

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*	Systematic geological and geotechnical logging was undertaken by NBH and their joint venture partners when the holes were originally drilled. Data collected includes: • 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.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*	Both qualitative and quantitative data is collected. RC chips are retained in trays for future reference.
	• *The total length and percentage of the relevant intersections logged*	RC drilling.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken*	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 riffle splitter on the rig into a separate calico at the time of drilling.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry*	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 riffle splitter on the rig into a separate calico at the time of drilling.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique*	For RC samples: 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.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples*	Certified Reference Material (CRM) and blanks were inserted at least every 50 samples to assess the accuracy and reproducibility of the drill core results. The results of the standards were to be within ±10% variance from known certified result. If greater than 10% variance the standard and up to 10 samples each side were re-assayed. ALS conducted internal check samples every 20 for multielement assay.
	• *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.*	Field duplicates were taken for RC samples with spear sampling of zones of visual mineralisation. Duplicates performed well. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled*	Sample sizes are industry standard and considered appropriate
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*	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). Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85) – considered

Criteria	Explanation	Commentary
		appropriate for these elements. XRF analysis was used for sample over 1% Sn or W.
	• *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*	Not applicable as no geophysical tools were used in the determination of assay results.
	• *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*	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.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Drill data is compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary. The intersection calculations were viewed by >1 geological personnel.
	• *The use of twinned holes.*	Twinned holes have been used at the early stage in exploration.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	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.
	• *Discuss any adjustment to assay data*	Assay data is not adjusted.
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.*	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. Conversion of the local grid co-ordinates has been undertaken by previous exploration companies and has been checked by SKY staff and contract surveyors to provide SKY with a +/-5m accuracy of historic drillhole collars. SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate them once completed and an initial handheld GPS (+/-3m) reading is used before holes are surveyed via DGPS.
	• *Specification of the grid system used*	All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
	• *Quality and adequacy of topographic control*	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate them and an initial handheld GPS (+/-3m) reading is used before holes are surveyed via DGPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results*	At this early exploration stage, the data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.

Criteria	Explanation	Commentary
	• *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*	Not Applicable as no JORC-2012 resource estimate has been completed.
	• *Whether sample compositing has been applied*	Sample compositing is not applied.
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*	Drilling was orientated to cross the mineralisation trend at moderate to high angles. The use of orientated core allows estimates of the true width and orientation of the mineralisation to be made. In the case of the hole for metallurgical sample, however, drilling was orientated to drill sub-parallel to mineralisation to maximise sample of the mineralisation to provide the largest sample possible for metallurgical test work.
	• *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*	No sample bias due to drilling orientation is known, however, the unique orientation of the metallurgical drillholes may introduce some sampling bias. The structural controls on mineralisation is considered well understood and consistent.
Sample security	• *The measures taken to ensure sample security*	Sample chain of custody has been managed by the employees of Sky Metals who commissioned the drilling and transport samples 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). The Company has in place protocols to ensure data security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary.

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.

Criteria	Explanation	Commentary
	• *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 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*	See body of announcement.

Criteria	Explanation	Commentary
	• *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.*	Not applicable as drill hole information is included.
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 reported, drilling results from the Doradilla and Tallebung Projects have been length weighted. Grades greater than 0.1% Sn or 2% Zn have been used to calculate intercepts. No high cut-off has been applied.
	• *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.*	Intercepts are length weighted with no cutting of grades. This may lead to elevation of intercept grades due to the presence of a narrow interval of high-grade material. Such high grade zones are reported as included intercepts inside the broader intercept.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated*	No metal equivalences quoted.
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.
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, and SKY ASX announcement 9 March 2020, 22 November 2018, SKY ASX announcement 4 September 2019, SKY ASX announcement 5 December 2019, SKY ASX Announcement 10 May 2022 and SKY ASX Announcement 27 June 2022.
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.*	N/A.
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. See body of announcement, and SKY ASX announcement 9 March 2020, ASX announcement, 22 November 2018, SKY ASX announcement 4 September 2019, SKY ASX announcement 5 December 2019, SKY ASX Announcement 10 May 2022 and SKY ASX Announcement 27 June 2022.
	• *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, 22 November 2018, SKY ASX announcement 4 September 2019, SKY ASX announcement 5 December 2019, SKY ASX Announcement 10 May 2022 and SKY ASX Announcement 27 June 2022.