



# QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2022

## HIGHLIGHTS

### TALLEBUNG TIN PROJECT

- An 11 RC hole program for a total of 1,913m at the Tallebung Tin Target commenced at the end of the quarter, aiming to continue to grow the potential bulk tonnage tin resource and infill extensions identified in the previous programs.
- The remaining assays were received during the quarter for the 12 RC hole program in the June quarter for a total of 2,213m. Results received this quarter included:

**TBRC035: 98m @ 0.10% tin from 3m, including;  
10m @ 0.71% tin & 30g/t silver from 58m**

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

These results have continued to significantly expand the potential of Tallebung as a bulk tonnage tin resource.

- Exceptional testwork results from TOMRA ore sorting showed a 3x upgrade in tin grade for a 98% recovery of tin in a bulk testwork program.
- A saleable +60% tin concentrate has subsequently been produced from this sorted sample from a simple gravity flowsheet.

### DORADILLA TIN PROJECT

- Large RC drilling campaign at the 3KEL Target was completed during the quarter with 30 holes drilled for a total of 4,532m – Intercepting strong mineralisation.
- Assay results for 17 of the 30 holes were received during the quarter, results included:

**3KRC026: 17m @ 0.50% tin & 0.52% copper from 84m, including;  
6m @ 1.09% tin, 1.33% copper & 47.8g/t silver from 85m.**

- The strong tin-polymetallic intercepts successfully demonstrate that the 3KEL Target remains open over a 2.8km strike length.

### SKY METALS LIMITED

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide a Quarterly Activities Report outlining SKY's exploration program during the September 2022 quarter.

## DECEMBER 2022 QUARTER – PROPOSED WORK PROGRAM

- RC and diamond drilling at the Tallebung Tin Project targeting further shallow bulk tonnage tin resources
- Further metallurgical work on the Tallebung Target and 3KEL Target
- Development of an exploration target at the Tallebung Tin Project

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

### TALLEBUNG TARGET – RC DRILLING

Twelve RC drillholes were drilled in the June quarter, **TBRC020-21** and **TBRC026-29**, for a total of 2,213m were completed at Tallebung. These holes were to infill the large extensions to the tin mineralisation intercepted by the RC program in the March 2022 quarter and to explore for further extensions to the tin mineralisation. Results were reported previously for **TBRC021** in the June quarter and results were received for the remaining eleven holes, **TBRC020** and **TBRC026-35** (Tables 1 & 2) in the September quarter.

**TBRC020** was drilled to infill mineralisation at Tallebung first intercepted in the previous drilling program by SKY in February 2022. **TBRC020** successfully intercepted and significantly extended this mineralisation over 100m down plunge and intercepted multiple lodes. Results included:

**TBRC020:** 15m @ 0.14% tin from 25m, including;  
2m @ 0.71% tin from 37m;  
13m @ 0.16% tin from 112m including;  
1m @ 1.02% tin from 124m;

**TBRC026-28** were drilled down dip and under **TBRC006** to extend the mineralisation down dip and identify any further mineralised subparallel tin lodes (Figures 1 & 2). All holes intercepted tin mineralisation with **TBRC027** and **TBRC028** intercepting multiple tin lodes, results included:

**TBRC026:** 2m @ 0.66% tin from 113m.  
**TBRC027:** 9m @ 0.14% tin from 76m;  
15m @ 0.17% tin from 106 including;  
2m @ 0.71% tin from 115m;  
15m @ 0.14% tin & 19.8g/t silver from 150m;  
**TBRC028:** 4m @ 0.11% tin from 7m;  
3m @ 0.96% tin from 150m including;  
1m @ 2.06% tin from 112m;

**TBRC029** was drilled to extend the mineralisation intercepted in **TBRC021** and **TBRC020** down dip. However, due to poor drilling conditions the hole was abandoned before reaching target depth. **TBRC029** still intercepted multiple lodes of tin mineralisation, results included:

**TBRC029:** 9m @ 0.12% tin & 26.8g/t silver from 9m;  
2m @ 0.48% tin & 28.5g/t silver from 16m;  
7m @ 0.23% tin & 18.8g/t silver from 48m including;  
1m @ 0.87% tin from 53m;

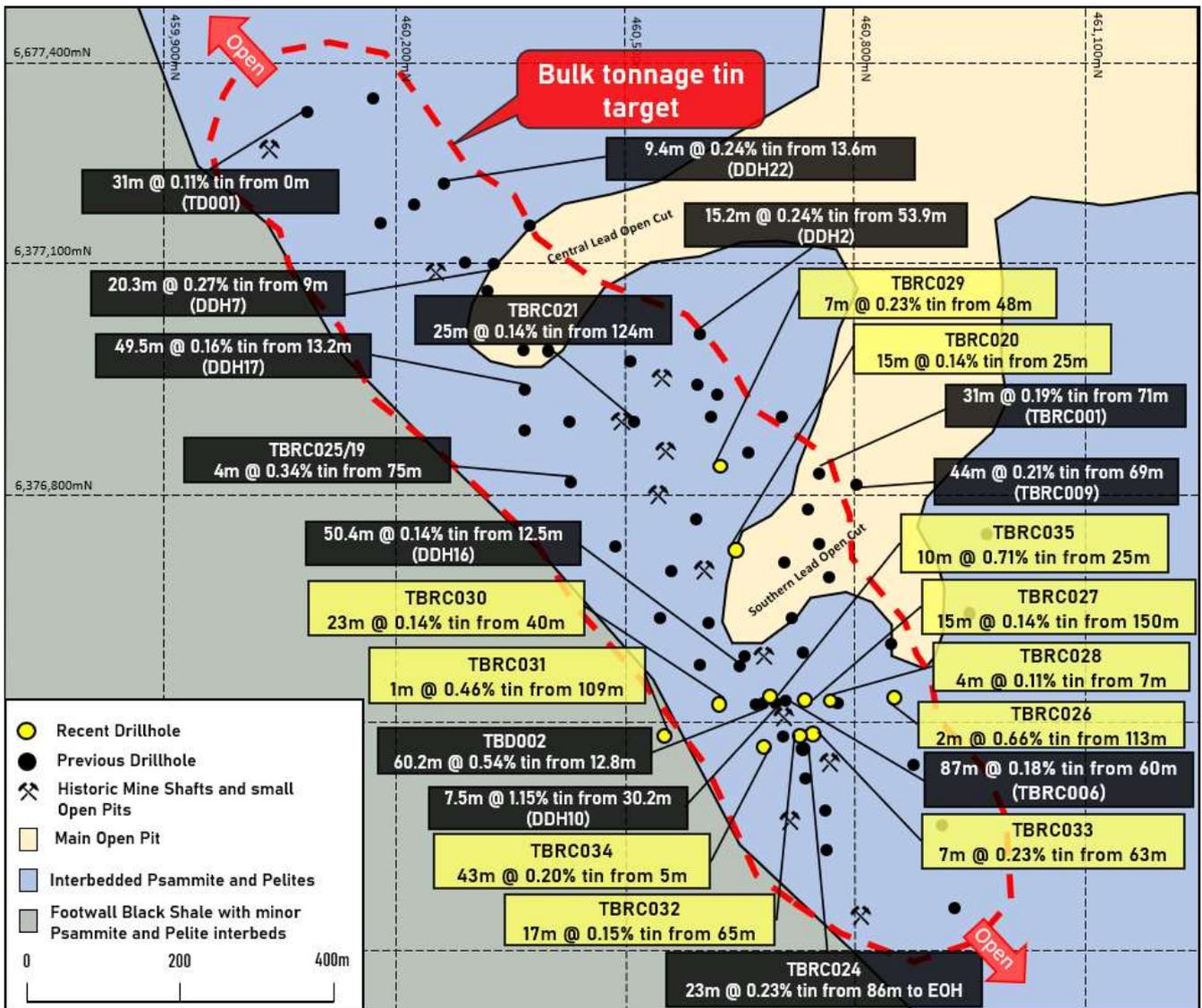


Figure 1: Tallebung Target – Plan view with drill hole collars and significant intercepts. Recent RC holes and intercepts are in yellow.

TBRC030 collared west of previous drilling by SKY near TBRC006 to test further mineralisation up dip and for any lodes below those previously identified. Multiple lodes were intercepted and represents a significant extension of additional mineralisation, results included:

**TBRC030:** 23m @ 0.16% tin from 40m including;  
 1m @ 1.18% tin from 45m and;  
 1m @ 0.93% tin from 50m;  
 9m @ 0.10% tin from 145m;

TBRC031 was collared even further to the west and similar to TBRC030 was drilled to target further mineralisation up dip and for any lodes below those previously identified. Only narrow mineralisation was intercepted indicating that the tin mineralisation is decreasing in the footwall to the southwest of the current bulk tonnage mineralisation at Tallebung. Results included:

**TBRC031:** 1m @ 0.46% tin & 15.4g/t silver from 109m.

Two holes were collared from the same pad as TBRC024, these were TBRC032 and TBRC033. These holes were drilled on different azimuths and dips than TBRC024 to test the extent and continuation of the strong tin mineralisation in TBRC024. Both Holes intercepted multiple zones of strong mineralisation, results included:

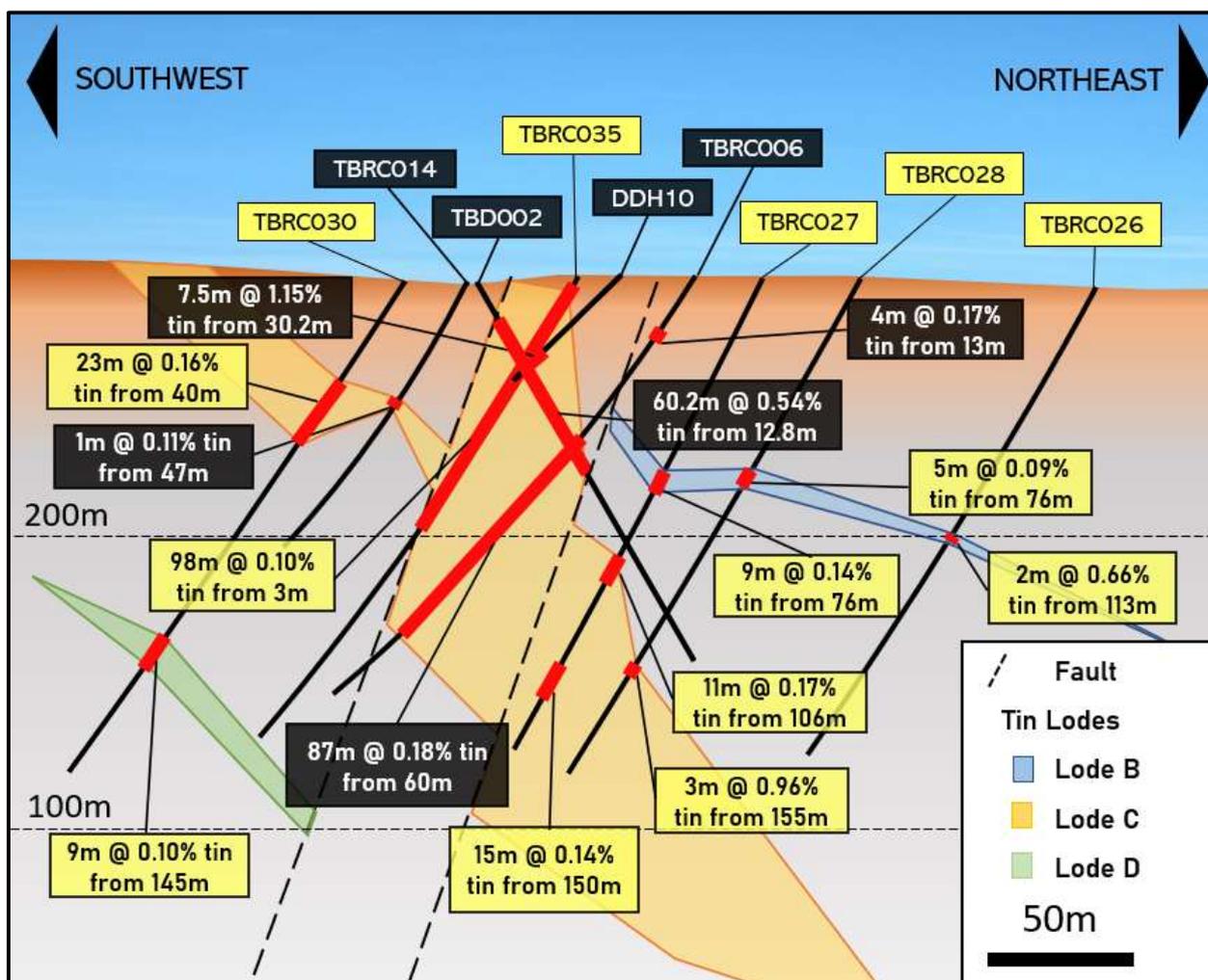


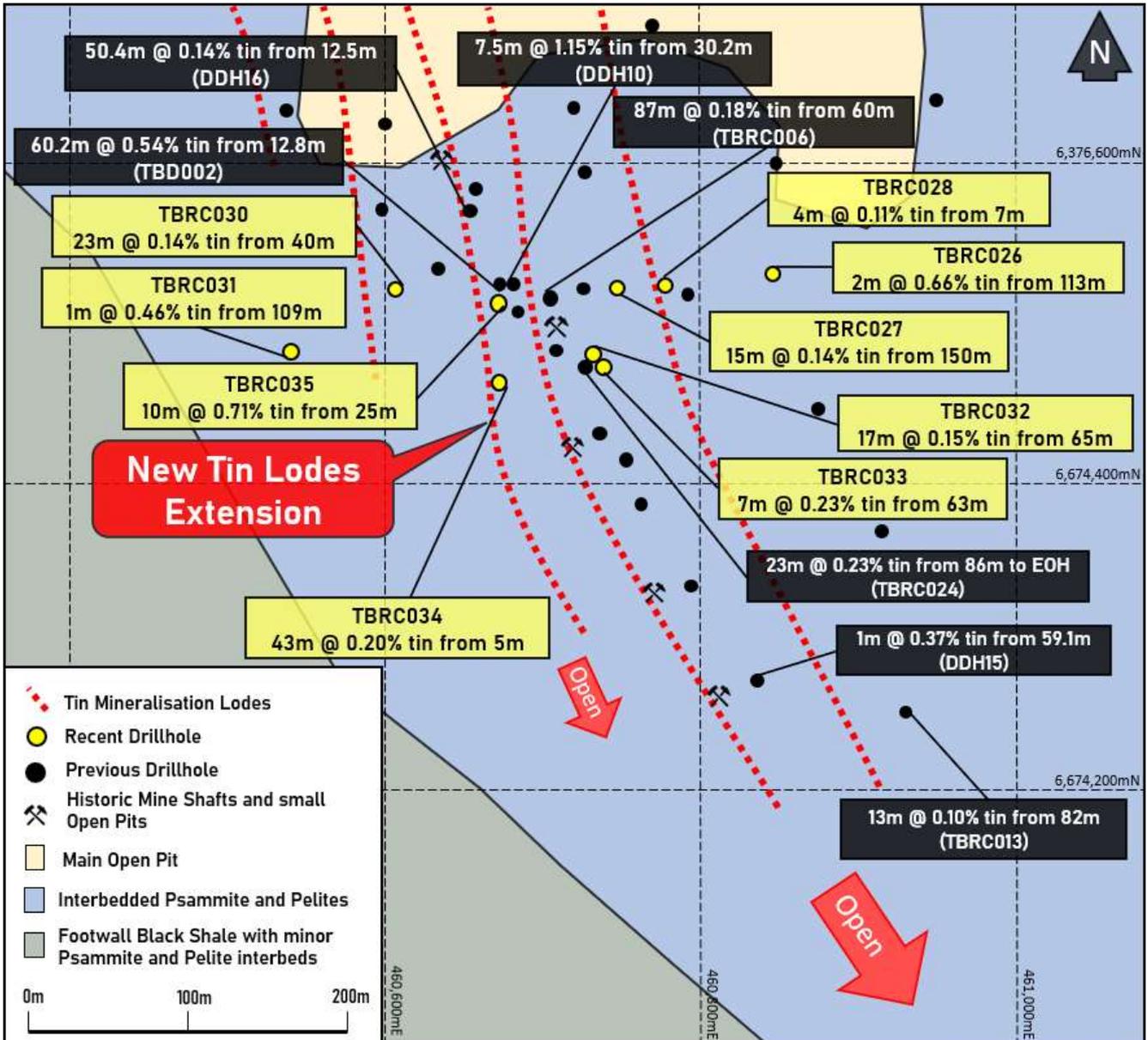
Figure 2: Tallebung Target - Cross-section of TBRC0026-28, 30 and 35 and significant intercepts. Recent holes are in yellow.

TBRC032: 17m @ 0.15% tin from 65m, including;  
 1m @ 1.20% tin from 80m;  
 11m @ 0.16% tin from 109m;  
 5m @ 0.12% tin from 136m;

TBRC033: 3m @ 0.81% tin from 19m, including;  
 1m @ 2.00% tin from 19m;  
 7m @ 0.23% tin from 63m including;  
 2m @ 0.36% tin & 0.10% tungsten from 68m;

To explore for further extensions to mineralisation, TBRC034 was drilled to the southeast of TBRC024 to continue to extend mineralisation up dip and along strike at Tallebung (Figure 3). Strong tin mineralisation was intercepted, significantly extending the mineralisation to the south, results included:

TBRC034: 43m @ 0.20% tin from 5m, including;  
 6m @ 0.43% tin from 5m including;  
 1m @ 1.80% tin from 10m and;  
 2m @ 0.112% tin & 0.10% tungsten from 29m and;  
 1m @ 0.96% tin from 42m;



*Figure 3: Tallebung Target - Plan view of the southern area of the Tallebung Target showing the new lode extended by new hole TBRC034, adding significant new tin mineralisation to the Tallebung Target. Recent holes are in yellow*

The final hole in this last round of drilling, TBRC035, was drilled to extend the strong broad mineralisation in TBRC006 and TBD002 up dip on section. Multiple zones of tin mineralisation were intercepted including a very significant, broad mineralised lode with a high-grade interval towards the hanging wall of the lode (Figure 2), results included:

- TBRC035:** 98m @ 0.10% tin from 3m, including;  
 10m @ 0.71% tin & 30.1g/t silver from 3m including;  
 1m @ 3.13% tin, 69.8g/t silver & 0.30% tungsten from 25m and;  
 1m @ 1.64% tin & 73.4g/t silver from 29m and;  
 1m @ 1.59% tin, 78.0g/t silver & 0.14% tungsten from 34m;

SKY has commenced an 11 hole RC drilling program at Tallebung to follow up these consistent and encouraging results. This will include RC drilling to explore further extensions to those which have been discovered in the most recent round of drilling, such as in TBRC034, along with a diamond drilling program to provide orientated core to assist in understanding structural controls on the tin mineralisation at Tallebung.

## TALLEBUNG TARGET – BULK ORE SORTING TESTWORK

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

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

The 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 1**). 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.

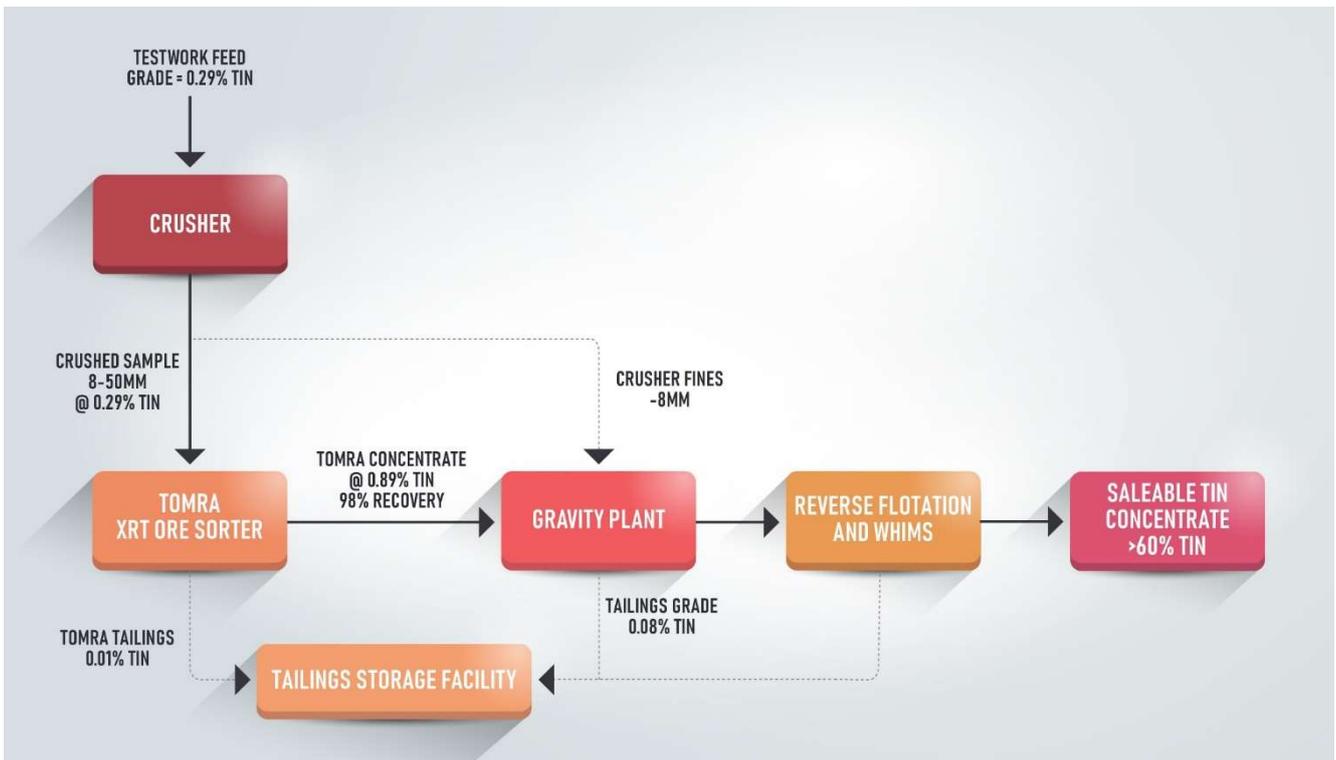
**Table 1** – Tallebung Tin Project, Tallebung Target. Summary results table for the TOMRA ore sorting bulk testwork showing significant 3 times increase in tin grade and 1/3 reduction in mass for 98% recovery of tin.

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
<b>Sorted Total (8-50mm)</b>	<b>Product</b>	136 kg	51.5%	32.8%	<b>0.89%</b>	<b>98%</b>	76%	3.07
	<b>Waste</b>	279 kg	25.1%	67.2%	<b>0.01%</b>	<b>2%</b>	2%	0.03
-8mm	Fines	2.98	23.4%	-	0.28%	-	22%	-

## TALLEBUNG TARGET – BULK METALLURGICAL TESTWORK

To build on the exceptional ore sorting results, the ore sorting products were sent for metallurgical testing to produce a saleable tin concentrate at ALS Metallurgy. This testwork successfully yielded a saleable tin concentrate.

The testwork showed a tin concentrate from the Tallebung tin mineralisation can be achieved through concentration via a simple gravity circuit with gravity concentrate dressing via reverse sulphide flotation and wet high intensity magnetic separation (WHIMS) to produce a >60% tin concentrate (**Figure 4**).



**Figure 4:** Tallebung Target – Simplified schematic flowsheet starting with the TOMRA XRT Ore Sorter to increase the tin grade and significantly reduce the total mass to undergo further processing. The TOMRA concentrate then gets further upgraded in the gravity plant before reverse flotation and WHIMS dressing to produce the saleable tin concentrate.

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

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

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

**Table 2** – Tallebung Tin-Tungsten Project, Tallebung Target. Collar summary for drill holes.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
TBRC020	460590.99	6376772.85	281.69	-60	239.4	204	Completed
TBRC021	460518.57	6376900.06	289.74	-60	246.6	210	Completed
TBRC026	460845.01	6376531.68	286.86	-60	260.4	192	Completed
TBRC027	460729.43	6376529.45	288.79	-60	260.4	186	Completed
TBRC028	460763.91	6376527.83	288.79	-60	260.4	198	Completed
TBRC029	460655.32	6376873.9	281.86	-60	246.4	120	Abandoned due to strong ground water
TBRC030	460607.78	6376522.02	286.69	-58	260.4	204	Completed
TBRC031	460539.37	6376480.99	286.59	-60	260.4	150	Completed
TBRC032	460733.57	6376479.91	291.07	-55	255.4	198	Completed
TBRC033	460746.35	6376479.35	290.82	-62	230.4	156	Completed
TBRC034	460671.92	6376461.98	293.10	-60	255.4	203	Completed
TBRC035	460667.42	6376526.42	288.48	-60	260.4	192	Completed
TBD002	460631.23	6376534.37	286.96	-60	83.7	150.2	Completed

**Table 3** – Tallebung Tin-Tungsten Project, Tallebung Target. Significant drillhole intersections.

Hole ID	From (m)	To (m)	Interval (m)	Sn (%)	W (%)	Ag (g/t)	Cu (%)	Zn (%)	Comment
TBRC020	25	40	15	0.14	0.07	5.99			
including	37	39	2	0.71	0.01	3.03			
	52	53	1	0.40	0.07	5.25			
	112	125	13	0.16	0.02	2.04			
including	124	125	1	1.02	0.09	1.92			
TBRC026	113	115	2	0.66	0.02	28.0	-	0.19	
TBRC027	76	85	9	0.14	0.02				
including	76	77	1	0.73	0.03	3.0			
and	83	84	1	0.48	0.09	1.88		0.11	
	106	117	11	0.17	0.01	4.86		0.33	
including	115	117	2	0.71		6.45		0.96	
	150	165	15	0.14		19.8	-	0.27	
including	150	152	2	0.34		19.5			
and	159	160	1	0.77	0.01	2.18			
and	164	165	1	0.46		6.59		3.14	
TBRC028	7	11	4	0.11	0.02	8.78			
	76	81	5	0.09	0.03				
including	80	81	1	0.31	0.15				
	155	158	3	0.96		7.98		0.71	
including	156	157	1	2.06		6.89		0.76	
TBRC029	9	18	9	0.12	0.02	26.8			
including	16	18	2	0.48	0.04	28.5			
	48	55	7	0.23	0.04	18.8			

Hole ID	From	To	Interval	Sn	W	Ag	Cu	Zn	Comment
	(m)	(m)	(m)	%	%	g/t	%	%	
including	53	54	1	0.87	0.14	89.3	0.12		Hole abandoned due to cavity
TBRC030	9	11	2	0.24	0.01	1.92			
	40	63	23	0.16		5.2			
including	45	46	1	1.18		2.66			
and	50	51	1	0.93		2.17			
	145	154	9	0.10	0.02	7.35		0.21	
including	153	154	1	0.39	0.01	7.34		0.94	
	196	197	1	0.20	0.02	5.65			
TBRC031	82	83	1	0.17		17.3			
	92	93	1		0.21	4.79		0.40	
	109	110	1	0.46	0.02	15.4		0.72	
TBRC032	0	2	2	0.25	0.01	2.38			
	10	11	1	0.20	0.02	5.85			
	44	48	4	0.12	0.06	4.22			
	65	82	17	0.15	0.01	2.29			
including	66	67	1	1.20	0.02	3.88			
and	80	81	1	0.90	0.01	1.07			
	89	91	2	0.23	0.06	30.5			
	95	96	1	0.10	0.41	2.88			
	101	103	2	0.21	0.08	14.4		0.63	
	109	120	11	0.16	0.01	3.80		0.47	
including	109	110	1	0.63	0.01	26.6		0.25	
and	119	120	1	0.74	0.03	2.67		1.05	
	136	141	5	0.12	0.01	4.58		0.44	
TBRC033	19	22	3	0.81	0.02	6.48			
including	19	20	1	2.00	0.03	13.2		-	
	63	70	7	0.23	0.04	4.21			
including	63	64	1	0.80	0.05	15.3			
and	68	70	2	0.36	0.10	4.92			
	102	104	2	0.35	0.03	9.01		0.81	
	118	122	4	0.11	0.01	1.53		0.10	
	142	143	1	0.49	0.01	33.5		1.23	
TBRC034	5	48	43	0.20	0.01	3.69			
including	5	11	6	0.43	0.02	2.93			
including	10	11	1	1.80	0.04	3.25			
and	29	31	2	1.12	0.02	2.93			
and	39	40	1	0.61	0.01	1.35			
and	42	43	1	0.96	0.02	1.38			
TBRC035	3	101	98	0.10	0.02	4.97			
including	25	35	10	0.71	0.06	30.1			
including	25	26	1	3.13	0.30	69.8			
and	29	30	1	1.64	0.03	73.4			
and	34	35	1	1.59	0.14	78.0		0.25	

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

### 3KEL TARGET – RC DRILLING

The large extension and infill RC drilling program completed at 3KEL this quarter. The program began on the north-eastern end of the 3KEL Target before stepping to the south-west, testing along a 2.8km strike. Thirty holes were drilled in this program for a total of 4,532m with assay results received for the first 17 of the 30 holes during the quarter (Figure 2).

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

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

Follow up exploration work is planned to build on these strong results. Promising mineralisation was intercepted in all of these north-eastern RC holes (Figure 3), results included:

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

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

- 3KRC020:** 13m @ 0.09% tin & 0.61% zinc from 93m, including;  
4m @ 0.09% tin & 1.62% zinc from 95m.
- 3KRC021:** 3m @ 0.08% tin & 0.12% copper from 13m,  
17m @ 0.11% tin from 133m.
- 3KRC022:** 96m @ 0.18% tin from 2m, including;  
69m @ 0.22% tin & 32.7g/t Indium from 29m.  
9m @ 0.36% tin, 0.10% copper & 73.1g/t Indium from 58m
- 3KRC023:** 26m @ 0.17% tin, 0.14% copper & 32.7g/t Indium from 71m, including;

8m @ 0.26% tin, 0.31% copper and 55.1g/t Indium from 80m.

3KRC024: 14m @ 0.31% tin & 0.05% copper from 213m, including;  
3m @ 0.63% tin, 0.21% copper & 28.5g/t Indium from 222m.

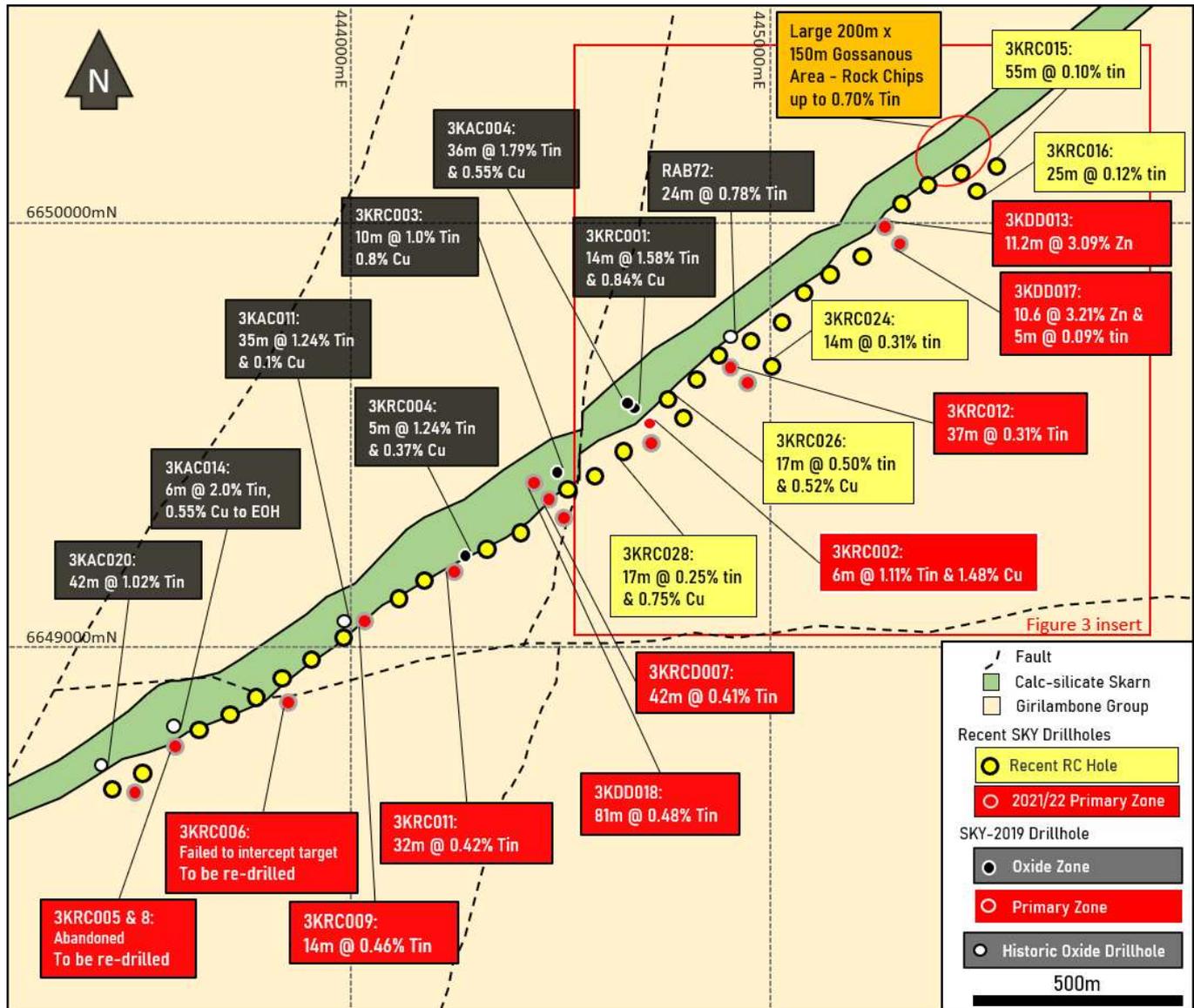


Figure 5: 3KEL Target - Plan view showing the past drilling with the recent RC drillholes. Recent results are in yellow, past results in red and black for oxide and primary intercepts, respectively.

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

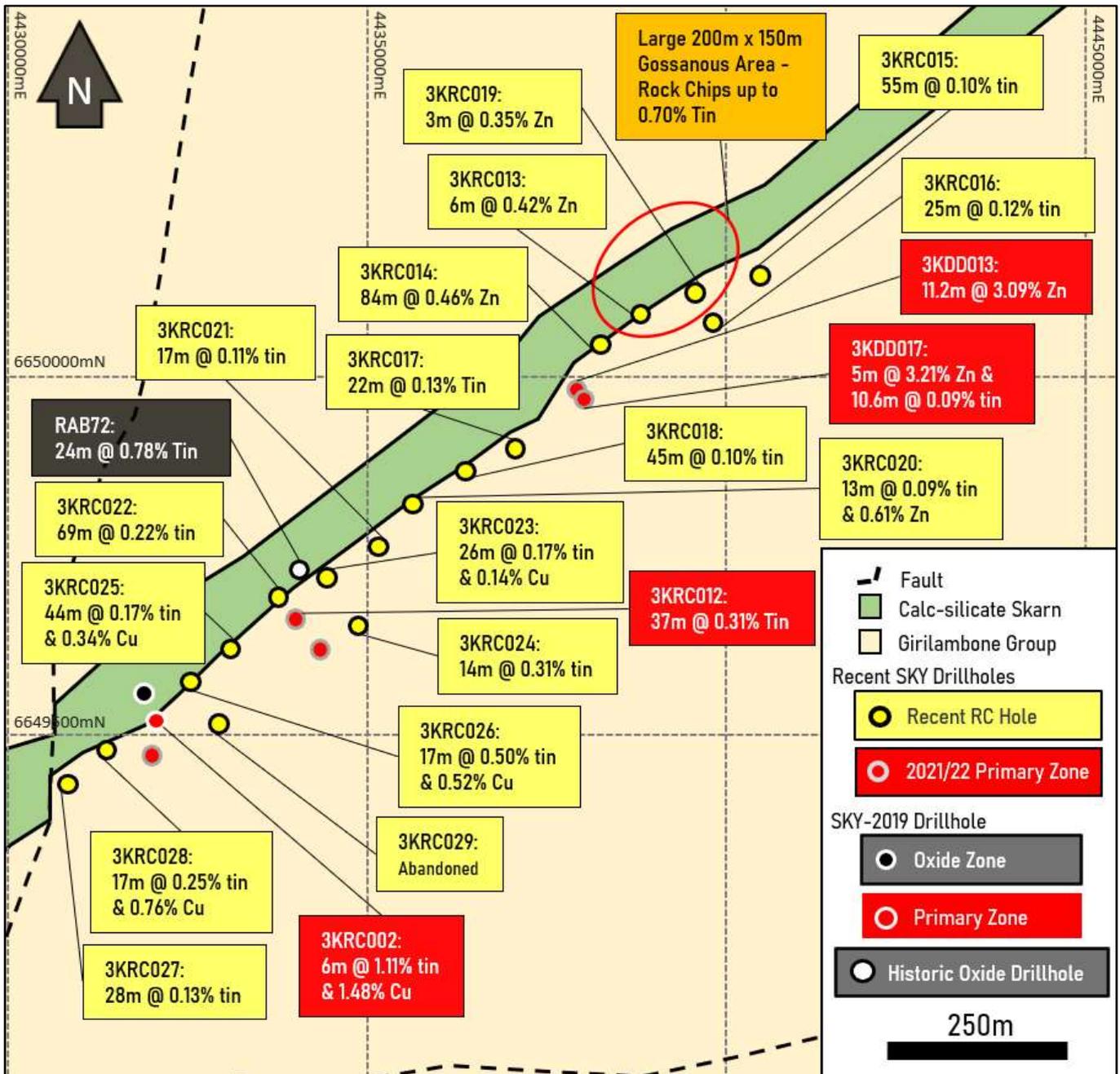
3KRC025: 44m @ 0.17% tin, 0.34% copper & 9.62g/t silver from 76m, including;  
7m @ 0.55% tin, 1.65% copper, 26.8g/t Indium & 50.2g/t silver from 96m.  
3m @ 0.99% tin, 3.29% copper, 36g/t Indium & 105g/t silver from 99m.

3KRC026: 15m @ 0.13% tin, 0.42% copper, 15.3g/t Indium & 20.3g/t silver from 57m, including;  
6m @ 0.17% tin, 0.84% copper, 18.1g/t Indium & 43.9g/t silver from 60m.

17m @ 0.50% tin, 0.52% copper, 27.7g/t Indium & 19.1/t silver from 84m.  
 6m @ 1.09% tin, 1.33% copper, 56.7g/t Indium & 47.8g/t silver from 85m.

**3KRC027:** 11m @ 0.14% tin & 15.9g/t Indium from 87m, including;  
 28m @ 0.13% tin & 12.3g/t Indium from 114m.  
 13m @ 0.19% tin & 16.6/t Indium from 114m.  
 5m @ 0.32% tin & 22.0g/t Indium from 118m.

**3KRC028:** 17m @ 0.25% tin 0.76% copper, 14.6g/t Indium & 30.7/t silver from 87m, including;  
 5m @ 0.60% tin, 2.52% copper, 26.5g/t Indium & 103g/t silver from 88m.  
 1m @ 0.88% tin, 10.9% copper, 53.6g/t Indium & 437g/t silver from 89m.



**Figure 6:** 3KEL Target – Plan view showing the past drilling with the recent RC drillholes. Recent results are in yellow, past results in red and black for oxide and primary intercepts, respectively.

The RC program continued stepping to the southwest with another 13 holes drilled to infill along the rest of the 3KEL strike between 3KRC029 to 3KRC007 (Figure 2). Assays were pending for these holes at the end of the quarter, however, visual logging of these holes indicates that all holes have intercepted the calc-silicate skarn, the host of the tin mineralisation at 3KEL.

This drill program has effectively extended the strike of the 3KEL target to approximately 2.8km and remains open in all directions with the target skarn horizon intercepted in all completed holes and over 300 metres of strike extension added by the drilling on the north-eastern extent of the 3KEL target.

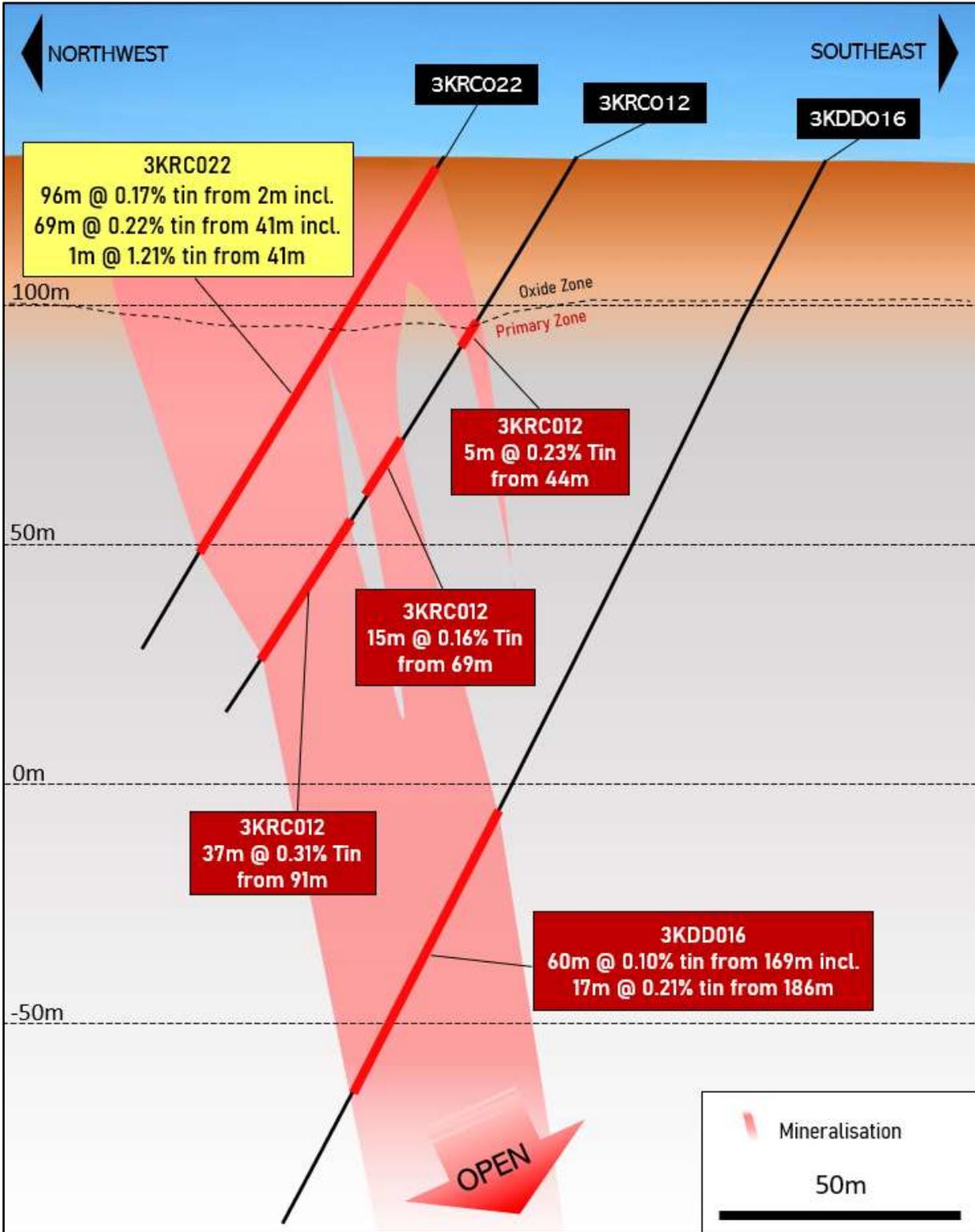


Figure 7: 3KEL Target - Cross section of 3KRC012, 3KDD016 and recent hole 3KRC022, recent results are in yellow.

**Table 1 – 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	443585.2	6648737.59	135	-57	326.35	162	Completed
3KRC035	443446.49	6648657.29	135.2	-57	326.06	144	Completed
3KRC036	443382.61	6648613.23	135.61	-57	324.39	156	Completed
3KRC037	443310.11	6648574.72	135.77	-57	325.88	138	Completed
3KRC038	443909.84	6648964.77	133.94	-57	326.02	138	Abandoned due to water
3KRC039	443845.83	6648914.12	133.78	-57	324.61	144	Completed
3KRC040	443711.57	6648830.84	134.53	-57	324.61	150	Completed
3KRC041	443779.98	6648875.44	134.13	-57	324.61	150	Completed
3KRC042	443965.78	6649006.38	133.59	-57	324.61	138	Completed

**Table 2 – Doradilla Tin-Polymetallic Project, 3KEL Target. Significant drillhole intersections.**

Hole ID	From (m)	To (m)	Interval (m)	Sn (%)	Cu (%)	Zn (%)	In (g/t)	Ag (g/t)	Comment
3KRC013	131	137	6	-	-	0.42	-	-	
3KRC014	32	116	84	-	-	0.46	-	-	
	102	107	5	-	-	1.04	-	-	
	117	126	9	-	-	0.20	-	-	
3KRC015	6	8	2	0.35	-	-	7.98	-	
	16	71	55	0.10	-	-	17.8	-	
including	19	23	4	0.21	-	-	29.2	-	
	146	149	3	0.41	-	0.18	56.9	-	
3KRC016	47	72	25	0.12	-	-	12.2	-	
	103	174	71	-	-	0.25	-	-	
3KRC017	0	22	22	0.13	-	-	6.82	-	
	68	71	3	0.15	0.17	0.12	21.8	-	
	81	83	2	0.06	0.34	-	30.9	-	
	109	110	1	0.05	0.26	-	26.8	-	

Hole ID	From (m)	To (m)	Interval (m)	Sn %	Cu %	Zn %	In g/t	Ag g/t	Comment
3KRC018	83	128	45	0.10	-	0.12	10.1	-	
including	116	123	7	0.28	0.05	-	21.9	-	
including	119	120	1	0.81	0.25	0.1	20.1	6.21	
3KRC019	85	95	10	-	-	0.19	-	-	
	114	117	3	-	-	0.35	-	-	
	120	124	4	-	-	0.25	-	-	
3KRC020	93	106	13	0.09	-	0.61	19.8	-	
including	95	99	4	0.09	-	1.62	28.5	-	
and	101	102	1	0.09	0.01	0.94	14.35	37.7	0.61% Pb
3KRC021	43	46	3	0.08	0.12	0.1	22.0	-	
	133	150	17	0.11	-	-	-	-	
3KRC022	2	98	96	0.18	-	-	-	-	
including	29	98	69	0.22	-	-	32.7	-	
including	29	37	8	0.20	0.12	-	19.0	-	
including	41	42	1	1.21	0.07	-	45.0	-	
including	58	67	9	0.36	0.10	-	73.1	-	
	118	119	1	0.21	-	-	-	-	
3KRC023	11	14	3	0.13	-	-	-	-	
	51	55	4	0.22	0.08	-	23.5	-	
	58	61	3	0.05	-	0.32	-	-	
	71	97	26	0.17	0.14	-	32.7	-	0.06% W
including	80	88	8	0.26	0.31	0.11	55.1	8.05	
3KRC024	213	227	14	0.31	0.05	-	20.9	-	
including	222	225	3	0.63	0.21	-	28.5	-	
3KRC025	76	120	44	0.17	0.34	-	15.7	9.62	
including	96	103	7	0.55	1.65	-	26.8	50.2	
including	99	102	3	0.99	3.29	-	36	105	
3KRC026	57	72	15	0.13	0.42	-	15.3	20.3	
including	60	66	6	0.17	0.84	-	18.1	43.9	
	84	101	17	0.5	0.52	-	27.7	19.1	
including	85	91	6	1.09	1.33	-	56.7	47.8	
3KRC027	87	98	11	0.14	-	-	15.9	-	
	114	142	28	0.13	-	-	12.3	-	
including	114	127	13	0.19	-	-	16.6	-	
including	118	123	5	0.32	-	-	22.0	-	
3KRC028	87	104	17	0.25	0.76	-	14.6	30.7	
including	88	93	5	0.60	2.52	-	26.5	103	
including	89	90	1	0.88	10.9	-	53.6	437	
3KRC029	173	175	2	0.08	-	-	11.0	-	Hole abandoned due to groundwater

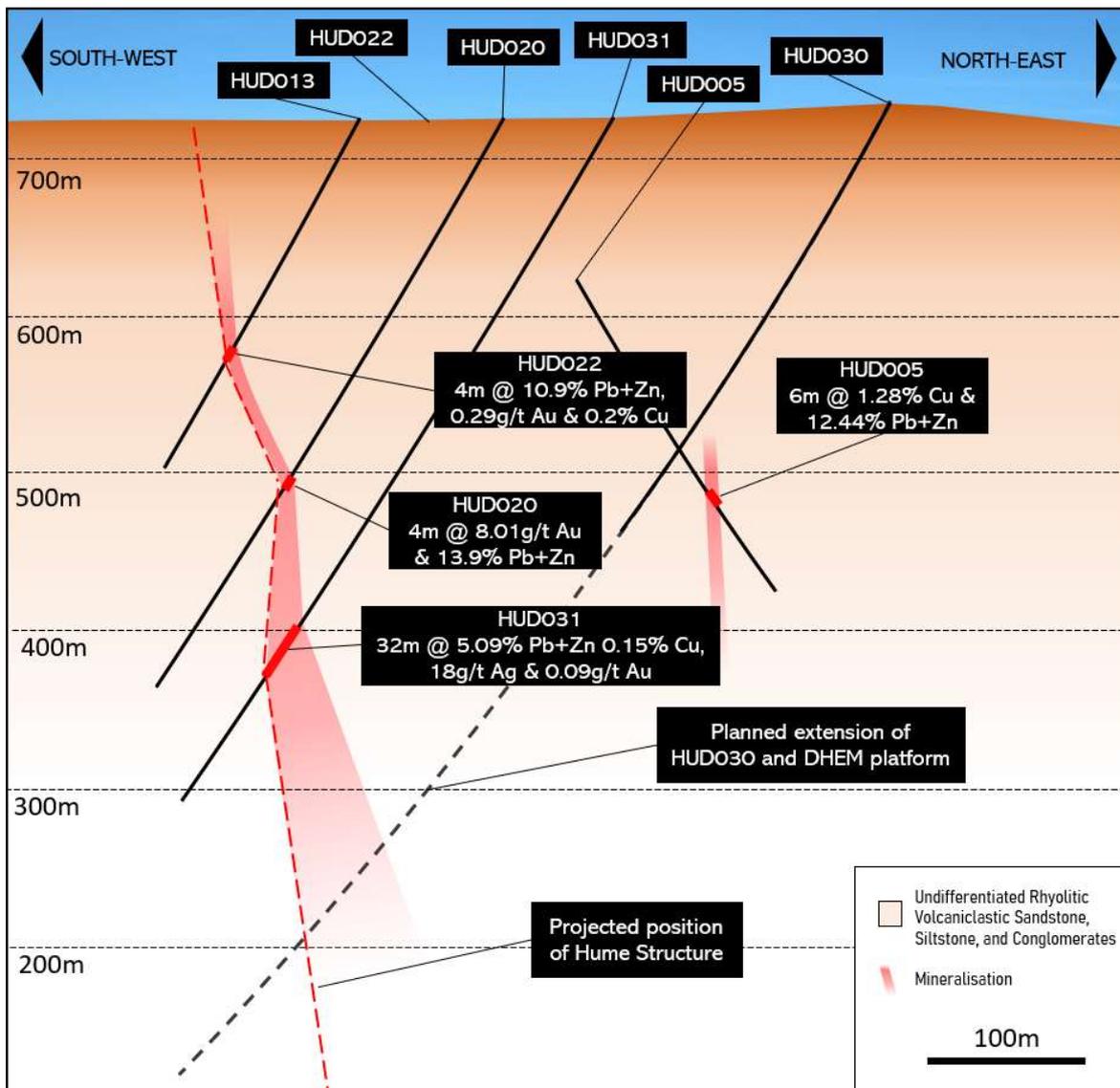
## CULLARIN PROJECT: GOLD-LEAD-ZINC-COPPER (EL 7954, SKY 80%; DVP JV)

### HUME TARGET – DIAMOND DRILLING AND DHEM

Diamond drilling completed at the Hume Target last year highlighted the potential of the high-grade, gold-lead-zinc-copper mineralisation at depth at Hume. **HUD031** intercepted intervals of massive sulphides and strong base metal mineralisation, extending the known mineralisation by over 80m down plunge, deeper than any previous drilling at Hume. Assays received from **HUD031** show broad intervals of base metal mineralisation at depth (**Figures 8 and 9**). Results included:

**HUD031:** 32m @ 5.09% Pb+Zn, 0.15% Cu, 6g/t Ag from 420m including;  
6m @ 8.93% Pb+Zn, 0.51% Cu, 18g/t Ag, 0.13g/t Au from 446m

SKY is encouraged by these thicker intervals of mineralisation at the Hume Target and the high content of conductive sulphides intercepted in this mineralisation indicate it may be detected effectively by a downhole electromagnetic (DHEM) survey. SKY intends to follow-up these promising results by re-entering **HUD030** and drilling deeper to intercept the Hume Structure approximately 130m below **HUD031**. This will test further extensions of the high-grade mineralisation in **HUD031** and test for any other potential mineralisation by using the hole as a platform for a DHEM survey. Currently wet ground conditions have prevented drilling at the Hume Target this quarter and SKY plans to complete this work once ground conditions allow.



**Figure 8:** Hume Target – Cross-section of **HUD030** showing the trace in a dotted line of the planned extension of the hole to test the Hume Structure at depth and provide a platform for DHEM.

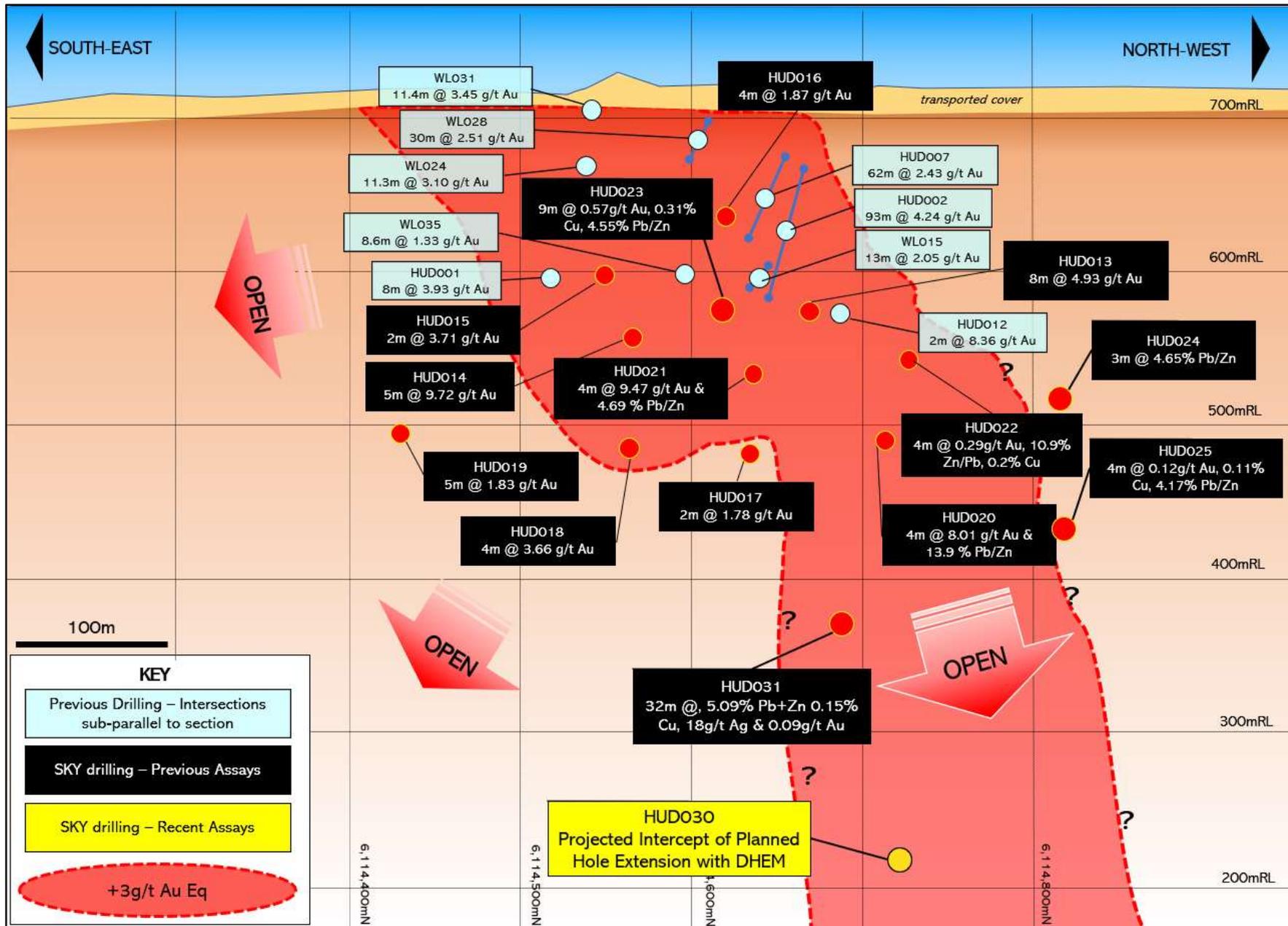


Figure 9: Hume Target – Schematic long-section with significant intercepts.

## IRON DUKE PROJECT: COPPER-GOLD

### BALMAIN OPTION 100% (EL6064), SKY 100% (9191)

The Iron Duke Project covers the Iron Duke Shear Zone which is at least 4km in strike and open to the south. Several historic copper mines occur along the Iron Duke Shear Zone including the Iron Duke, Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines, along with several unnamed copper workings and shafts. In the June 2021 quarter, SKY completed a maiden drilling program at the Iron Duke Mine, in conjunction with a VTEM survey and DHEM, to identify extensions to the high-grade copper-gold mineralisation along the Iron Duke Shear Zone (SKY:ASX Announcement 2<sup>nd</sup> June 2021).

An RC and diamond drilling program is planned to test for further extensions to the Iron Duke mine and test the previously undrilled historic mines at the Christmas Gift Workings (comprising of the Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines). However, this program has been delayed due to extremely wet ground condition preventing access to the area. Currently, this program is planned for the following quarters after a detailed review of the geophysics, mining records, historic data and previous drilling to develop robust targets for further drill testing and expansion of the Iron Duke mineralisation.

## CALEDONIAN PROJECT: GOLD

### 100% SKY (EL8920 & EL9020)

SKY has now completed a soil sampling program, a phase of AC drilling, two phases of RC drilling and two diamond drill holes at the Caledonian Target. A review of SKY's and historic results indicates the Caledonian gold mineralisation likely represents a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation developed over an oxidised skarn.

SKY completed a shallow aircore (AC) drilling program over the area consisting of 38 vertical AC holes for a total of 697m on 50-100m spacing over the 600m x 400m area of mineralisation defined by the previous drilling, soil sampling and costeaming. Due to significant ground waters intercepted by the AC drilling, preventing all but 4 of the 38 holes drilled from reaching refusal, SKY does not consider the target concept of a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation to have been effectively tested. These results will be evaluated, along with the previous drilling, to direct SKY to further shallow high-grade oxide gold mineralisation in the target area.

SKY has been informed of the proposed development of a solar farm on the northern area of EL8920. This area covers the Jerrawa Strike which is a trend of metallic occurrences that SKY interprets to be an exhalative horizon with strong potential to host gold-silver and base metal mineralisation. The solar farm developers have agreed to fund a soil sampling and geophysical program to ensure that the solar farm will not be developed over significant mineralisation. The work is anticipated to be completed in the December 2022 quarter.

## GALWADGERE PROJECT: COPPER-GOLD

### 100% SKY (EL6320)

In 2021 SKY announced the Galwadgere maiden JORC-2012 Inferred Resource of **3.6Mt at 0.82% Cu & 0.27g/t Au** prepared by H&S Consultants (H&SC). H&S were engaged by SKY to complete the maiden resource using drilling completed by SKY in 2020 and previous drilling completed by Alkane Resources (ALK) and other past explorers. A drilling program at the Galwadgere Target is planned for the next quarters to further expand on the maiden JORC-2012 resource.

Soil sampling undertaken along strike from the Galwadgere MRE has identified two copper-gold, multielement pathfinder soil anomalies. The northern soil sampling program has delineated a 200m x 100m soil anomaly which is coincident with the



McDowell's mine, several historic mine shafts and copper-carbonate bearing rocks discovered near these workings. Soil sampling south of the Galwadgere Target has identified another soil anomaly which appears similar in tenor to the anomaly identified at the McDowell's mine. These anomalies are within 3km of the Galwadgere resource and provide strong support for expanding the copper-gold resource at Galwadgere with along strike exploration. These are priority drill targets to be tested.

## **KANGIARA PROJECT: GOLD**

### **80% SKY (EL8400 & EL8573; DVP JV)**

The Kangiara Project (EL8400, EL8573) is located 30km northwest of Yass in the Southern Tablelands of New South Wales (Figure 10). The project contains volcanic/volcaniclastic rocks of the Silurian Douro Group considered prospective for gold and base metal (copper-zinc) mineralisation. The high grade Kangiara Mine operated during the early 1900s, with documented production of ~40,000 tonnes at 16% Pb, 3% Cu, 5% Zn, 280g/t Ag and 2g/t Au from narrow north-south trending sulphide veins (ASX PDM 18 June 2009). Previous work by Paradigm Metals led to the calculation of an Indicated and Inferred Mineral Resource at Kangiara. Further desktop studies and follow-up field investigations are planned for the following quarters.

## **TIRRANA PROJECT: GOLD**

### **100% SKY (EL9048)**

As part of a regional review of the Cullarin area for McPhillamys-style gold mineralisation, SKY identified an area of open ground to the south-east of the Cullarin project. A detailed desktop review of previous exploration covering Tirrana was completed in the December 2021 quarter. This review identified two key areas for follow up.

## **NEW ENGLAND PROJECT: TIN**

### **100% SKY (EL9200 & 9210)**

The New England Projects in the New England Orogen of NSW cover areas of significant historical tin production – Emmaville & Gilgai. These areas were selected as they were considered to have significant potential to host hardrock tin resources and limited modern day exploration has been conducted. A detailed desktop review of previous exploration covering these areas is proposed for the following quarters with field work planned to follow-up any prospective targets which are identified.

## **NARRAIH PROJECT: TIN**

### **100% SKY (ELA6486)**

The Narraih Project is prospective for tin, lithium and tungsten. Multiple historic mines and workings are present in the area including the Restdown and Erigolia tin mining fields. Historic records state that tin and tungsten were previously mined from both alluvial and hard rock sources. The tenement covers the Erigolia Granite intruding the sediments of the Clements Formation. Previous exploration identified anomalous lithium in rock and soil sampling. Lithium anomalism appears offset to the historic tin workings in the vicinity of the Restdown mining field. At this stage, no lithium bearing minerals are identified in samples from the tenement. Further work to understand the distribution of lithium and the lithium-bearing minerals is required upon grant of the tenement which is anticipated for the December quarter. Following the grant of this tenement, SKY will conduct a detailed literature review of previous exploration and field work as required, including geological mapping, potential surface sampling and drilling of any targets identified.



## CORPORATE

During the quarter \$1,349k was spent on the exploration activities outlined in this report.

No mining production and development activities undertaken for the quarter.

During the quarter \$25k was paid as Non-Executive Director fees.

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area	Comment
Tarago Exploration Pty Ltd (DVP sub)	80%	EL7954	19-6-2012	19-6-2022	51	144 km <sup>2</sup>	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km <sup>2</sup>	Kangiarra Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2023	17	48 km <sup>2</sup>	Kangiarra Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km <sup>2</sup>	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km <sup>2</sup>	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km <sup>2</sup>	Tirrana Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km <sup>2</sup>	Galwadgere Project
Balmain Minerals Pty Ltd	Option to Purchase 100%	EL6064	21-3-2003	20-3-2028	5	15 km <sup>2</sup>	Iron Duke Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2021	60	174 km <sup>2</sup>	Iron Duke Project
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km <sup>2</sup>	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km <sup>2</sup>	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km <sup>2</sup>	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9210	01-07-2021	01-07-2027	82	244 km <sup>2</sup>	Gilgai Project
Stannum Pty Ltd (SKY sub)	100%	ELA6486	-	-	92	262 km <sup>2</sup>	Narriah Project - application

**Table 1:** Tenement Summary.

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.

## GOLD PROJECTS

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

Under the HRR farm-in, SKY has now earned an 80% interest in the projects via the expenditure of \$2M (ASX: 9 October 2019). '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. The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. SKY's maiden drill program was very successful including core hole 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.

## COPPER GOLD PROJECTS

### 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.

### 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 including 13m @ 1.56% Cu & 4.48g/t Au.

## 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 were considered to have considerable potential to host hardrock tin resources and limited modern day exploration has been conducted.



Figure 10: SKY Location Map

## 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](http://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.

SKY ASX releases released during the June 2022 Quarter or referenced in the announcement are listed below:

9 August 2022 – SKY ASX Announcement 'Further Strong Tin Mineralisation at Tallebung'

5 September 2022 – SKY ASX Announcement 'Exceptional Ore Sorting Results at Tallebung Tin Project'

20 September 2022 – SKY ASX Announcement 'Drilling at Tallebung - Strong Tin at 3KEL-Doradilla'

24 October 2022 – SKY ASX Announcement 'Saleable Tin Concentrate Produced from Testwork'

## 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.