

S K Y M E T A L S

EXPLORING LARGE SCALE MINERAL SYSTEMS IN NSW

JANUARY 2023



ASX: SKY

DISCLAIMER - IMPORTANT INFORMATION



Disclaimer

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including risks associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of gold, copper and base metals, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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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.

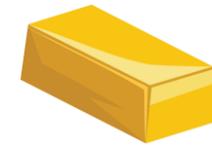


ADVANCED EXPLORATION PORTFOLIO



TIN

- Doradilla Project (100% SKY)
- Tallebung Project (100% SKY)
- Emmaville Project (100% SKY)
- Gilgai Project (100% SKY)



GOLD

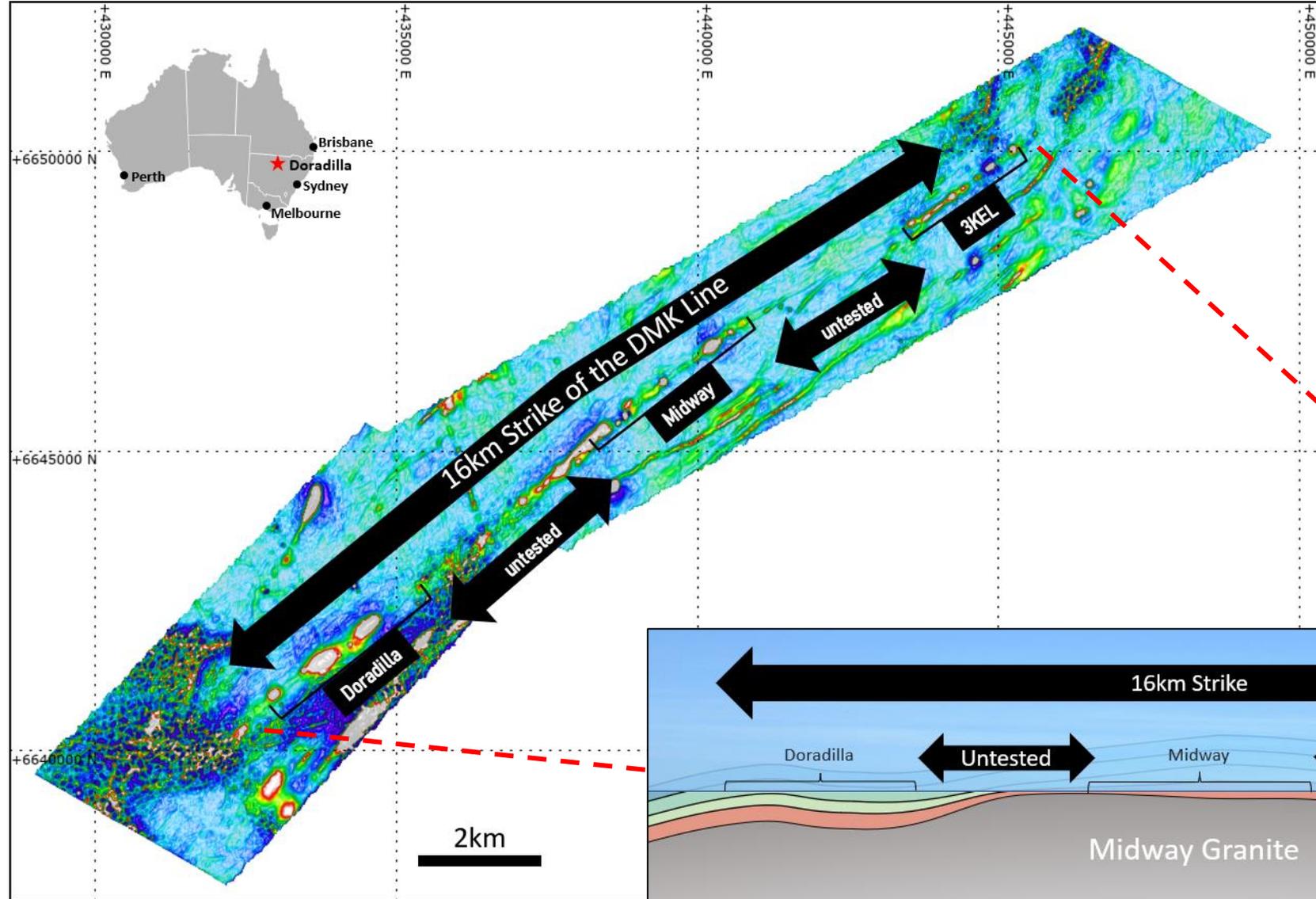
- Cullarin Project (80% SKY:DVP JV)
- Kangiarra Project (80% SKY:DVP JV)
- Caledonian Project (100% SKY)



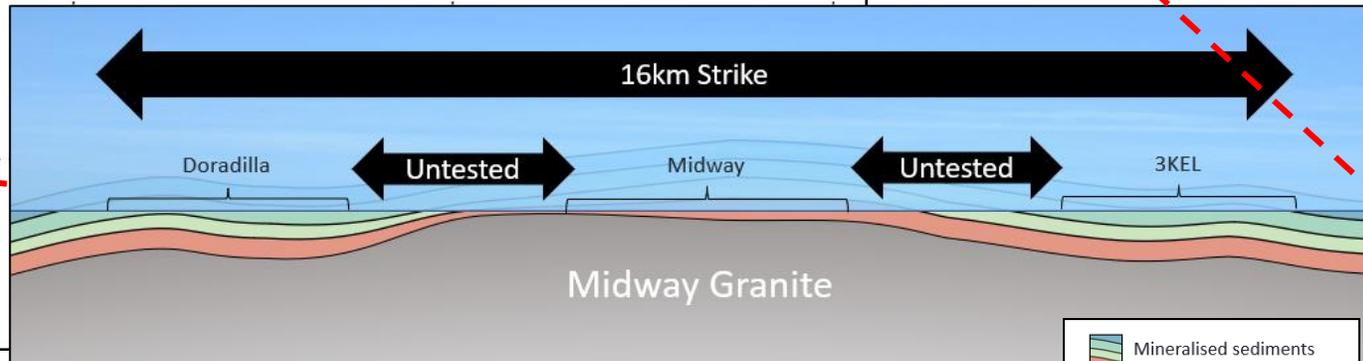
COPPER-GOLD

- Iron Duke Project (Balmain Option)
- Galwadgere Project (100% SKY)

ASX: SKY
DORADILLA PROJECT



**DORADILLA – 16km
MINERAL SYSTEM**

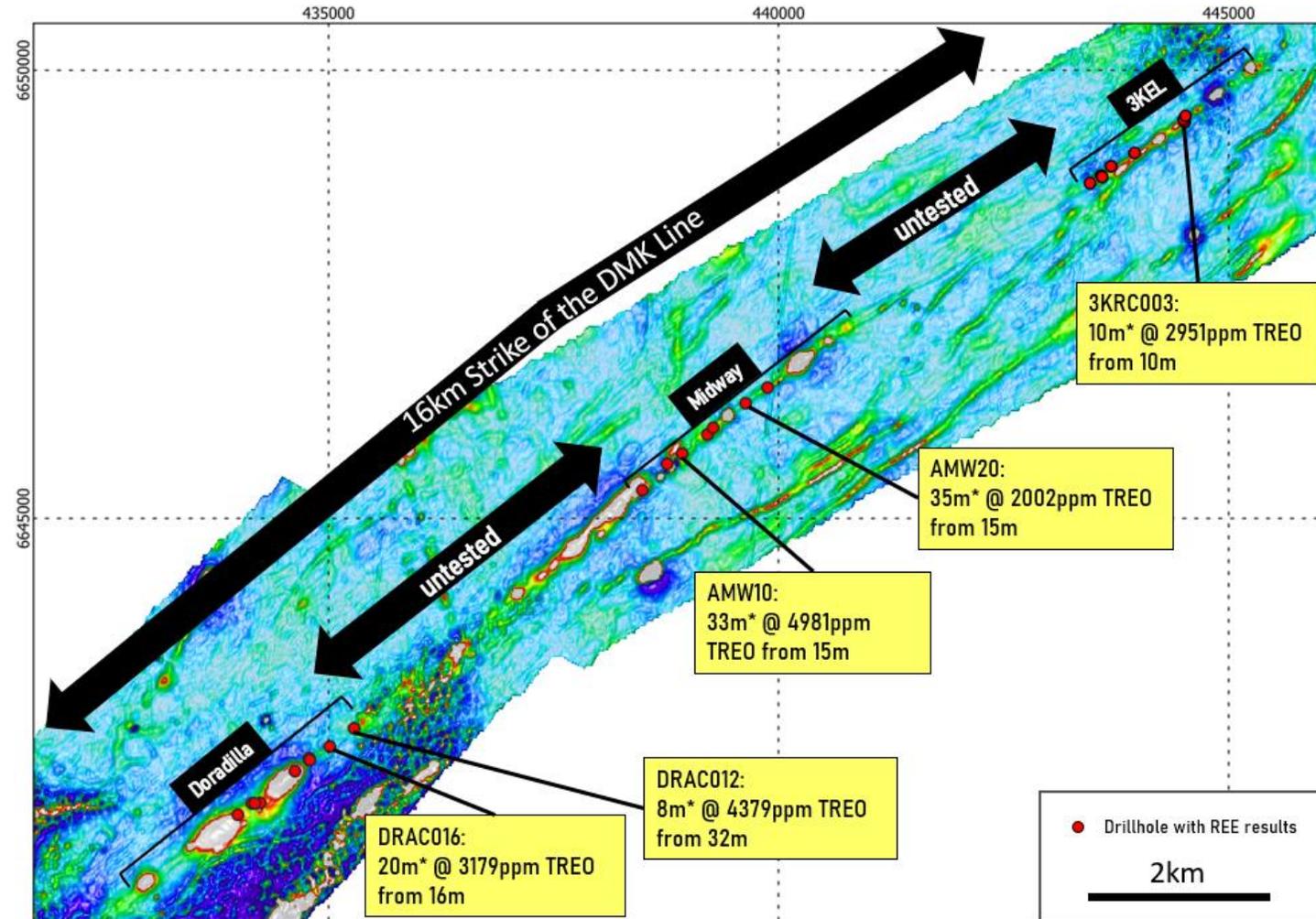


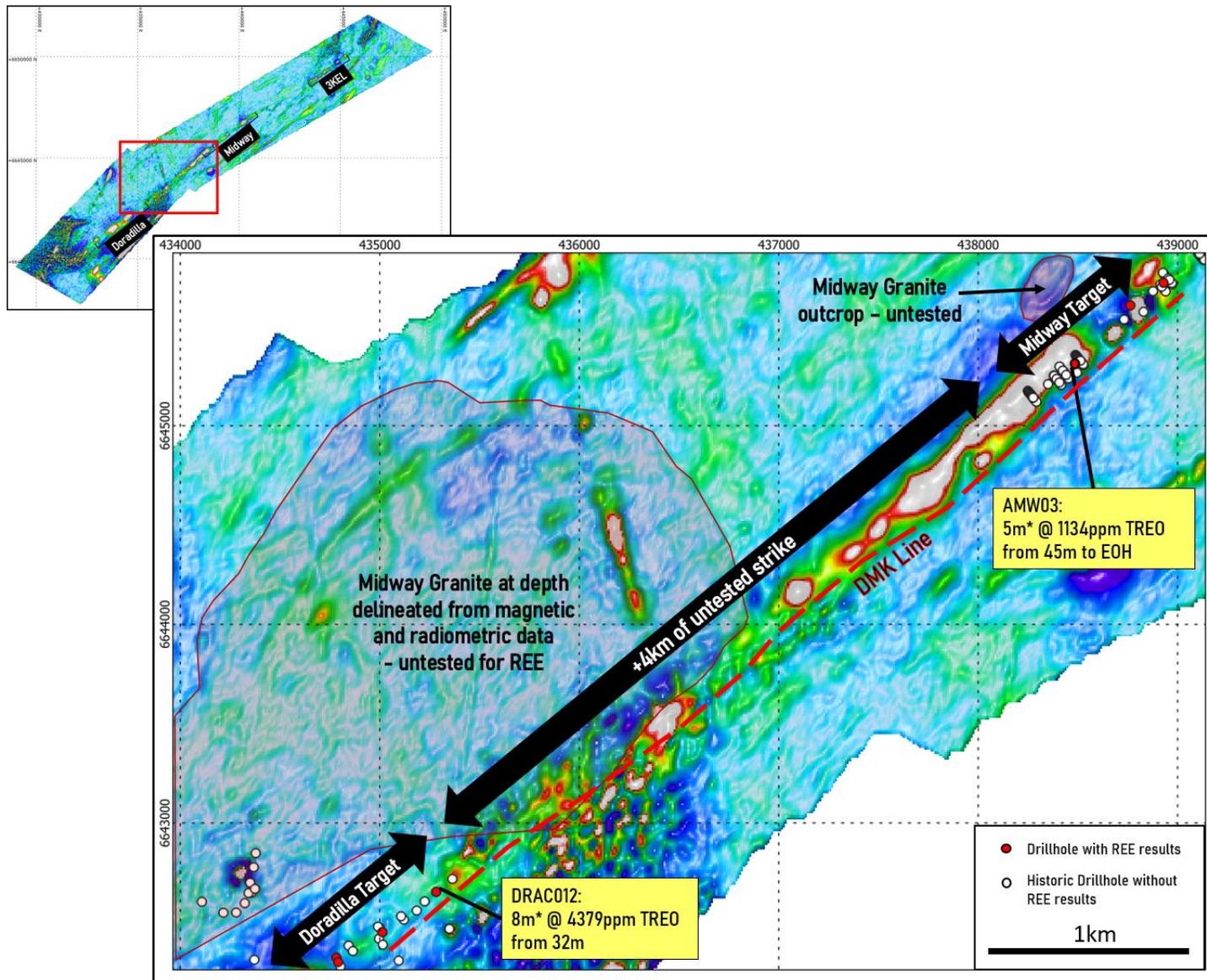
SCHEMATIC LONG SECTION

	Mineralised sediments
	Source Midway Granite

LARGE-SCALE REE SYSTEM DISCOVERED

- Three tin deposits previously discovered in the 1970s, namely Doradilla, Midway and 3KEL, the 16km strike is named the 'DMK' Line.
- SKY has discovered REE mineralisation in all three deposits on the 'DMK' Line.
- Best mineralisation to date is at the Midway deposit, which is closest to the source Midway Granite.
- REE Mineralisation is hosted in the +60m thick clays over the DMK Line.
- TREO intercepts average over 20% Nd + Pr + Dy + Tb with some intercepts over 40% Nd + Pr + Dy + Tb, particularly high at Midway.



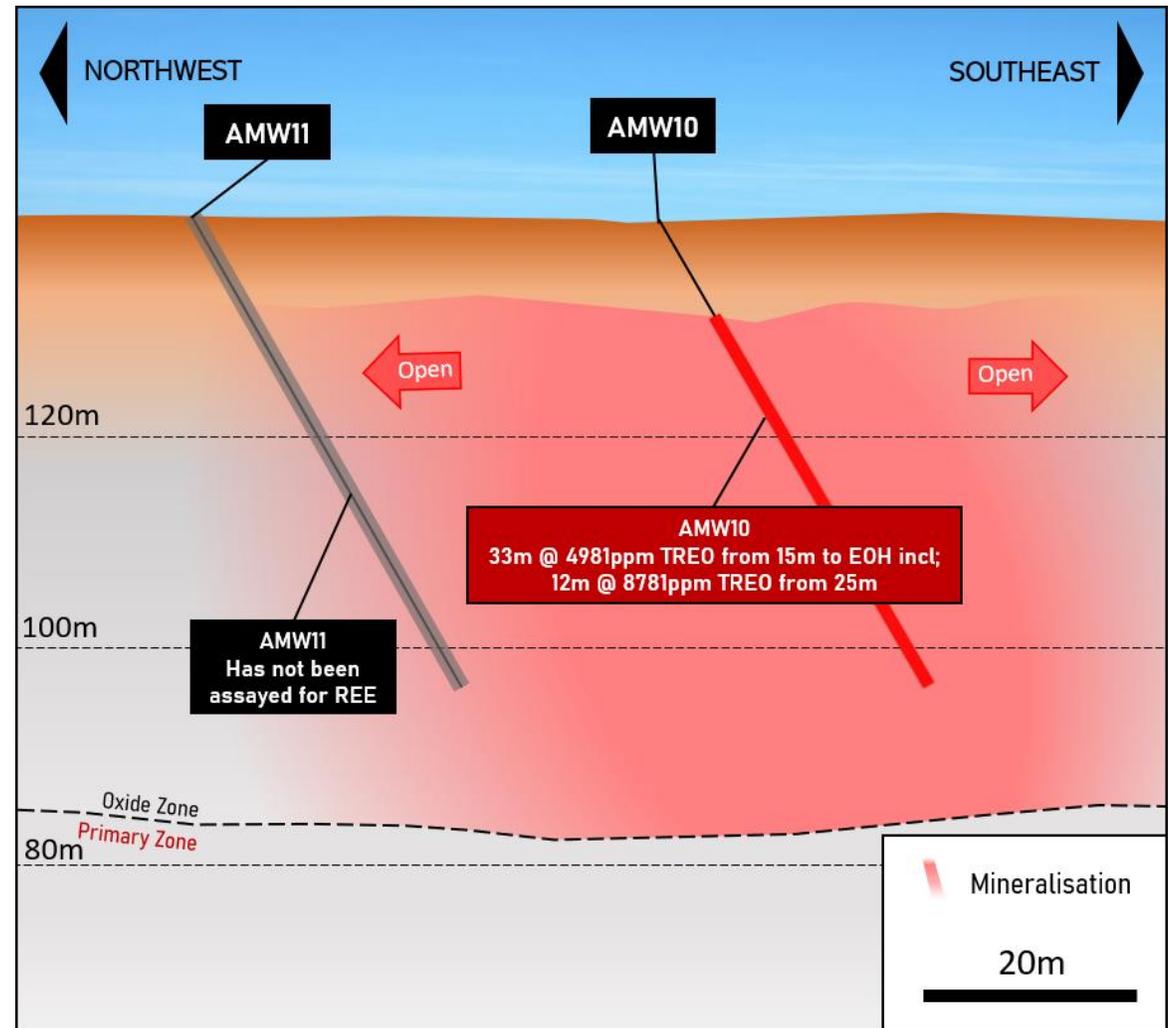


REE EXPLORATION POTENTIAL

- Previous historic exploration focussed on the DMK Line exploring for tin.
- Multiple kilometres of the DMK Line are untested, undrilled and no REE assays.
- The Midway Granite and surround have not been drilled as not prospective for tin and theoretically are very prospective for REE mineralisation.
- Radiometric and magnetic geophysical data indicated that the Midway Granite is shallowly at depth over multiple square kilometres.

NEXT STEPS

- Further assaying of previous historic drilling for REE – 100s of holes drilled for tin along the DMK Line, SKY has only assayed 25 holes for REE to date.
- Drilling program planned to test Midway Granite targets and to infill between Midway-Doradilla and Midway-3KEL.
- REE mineralisation characterisation to begin metallurgical testwork, ANSTO to commence metallurgical testing on Midway samples.

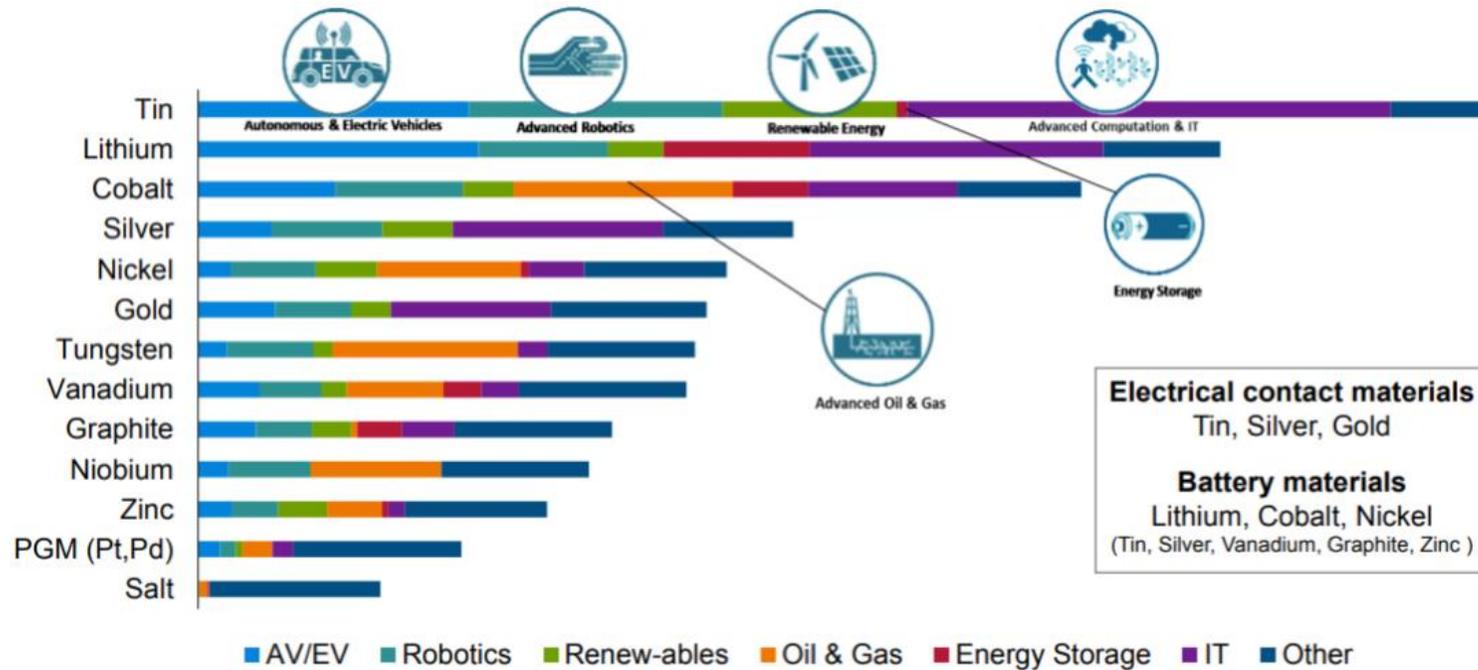


Cross-Section of AMW 10 hole at Midway.

TIN MARKET: KEY TECHNOLOGY METAL

Tin market driven by electronic sector demand and supply crunch driven by 30+ year under investment – 52-week high tin price of USD 47,000/t

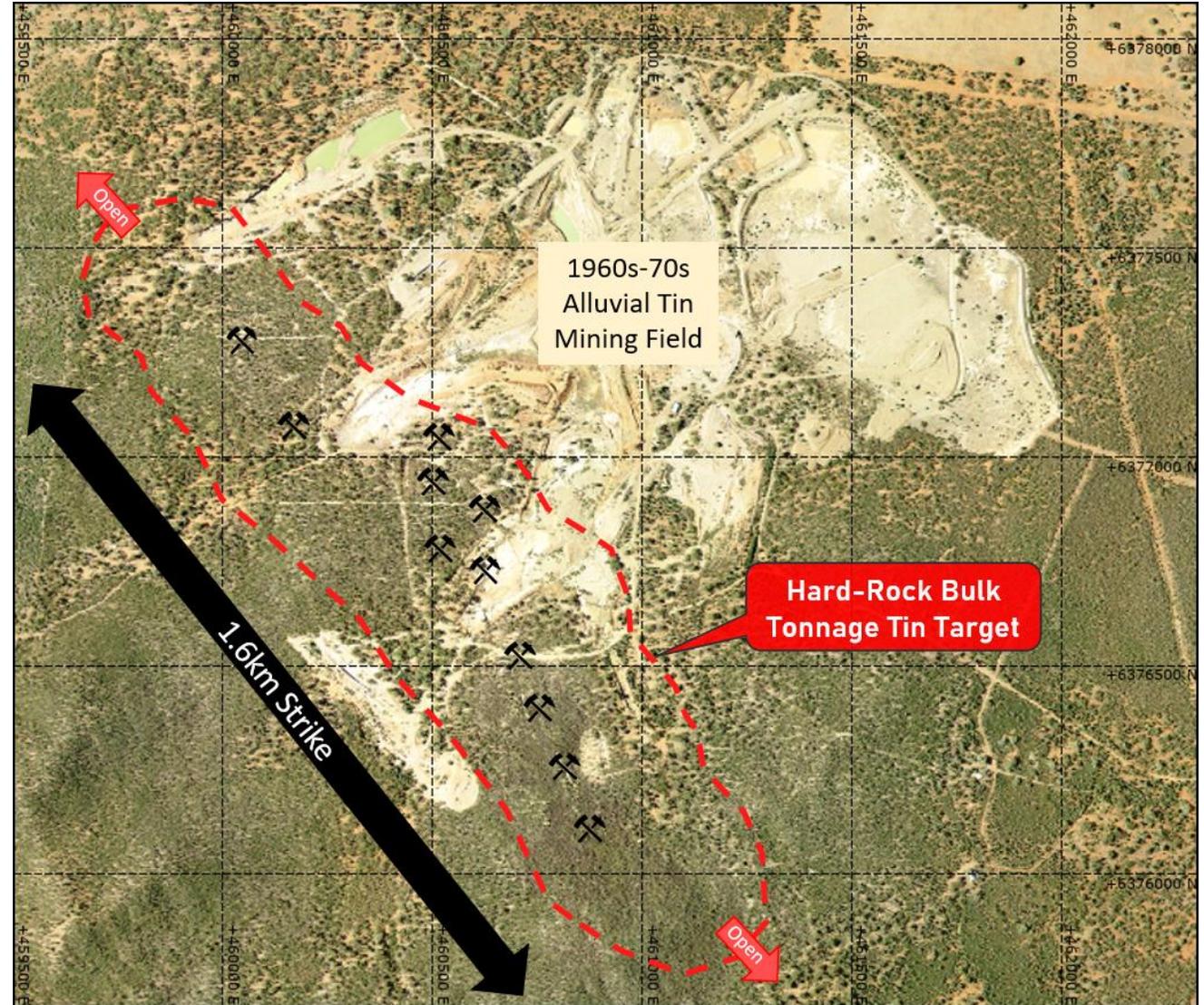
Demand Increase with Emerging Technologies



ASX: SKY TALLEBUNG TIN PROJECT



TALLEBUNG TARGET: BULK TONNAGE TIN



TALLEBUNG TARGET: POTENTIAL BULK TONNAGE TIN RESOURCE

- Site of large-scale tin mining activity over 100 years from the 1880s to 1980s.
- 2019 drilling by SKY targeting high-grade lodes; re-assessed to show significant bulk tonnage potential:

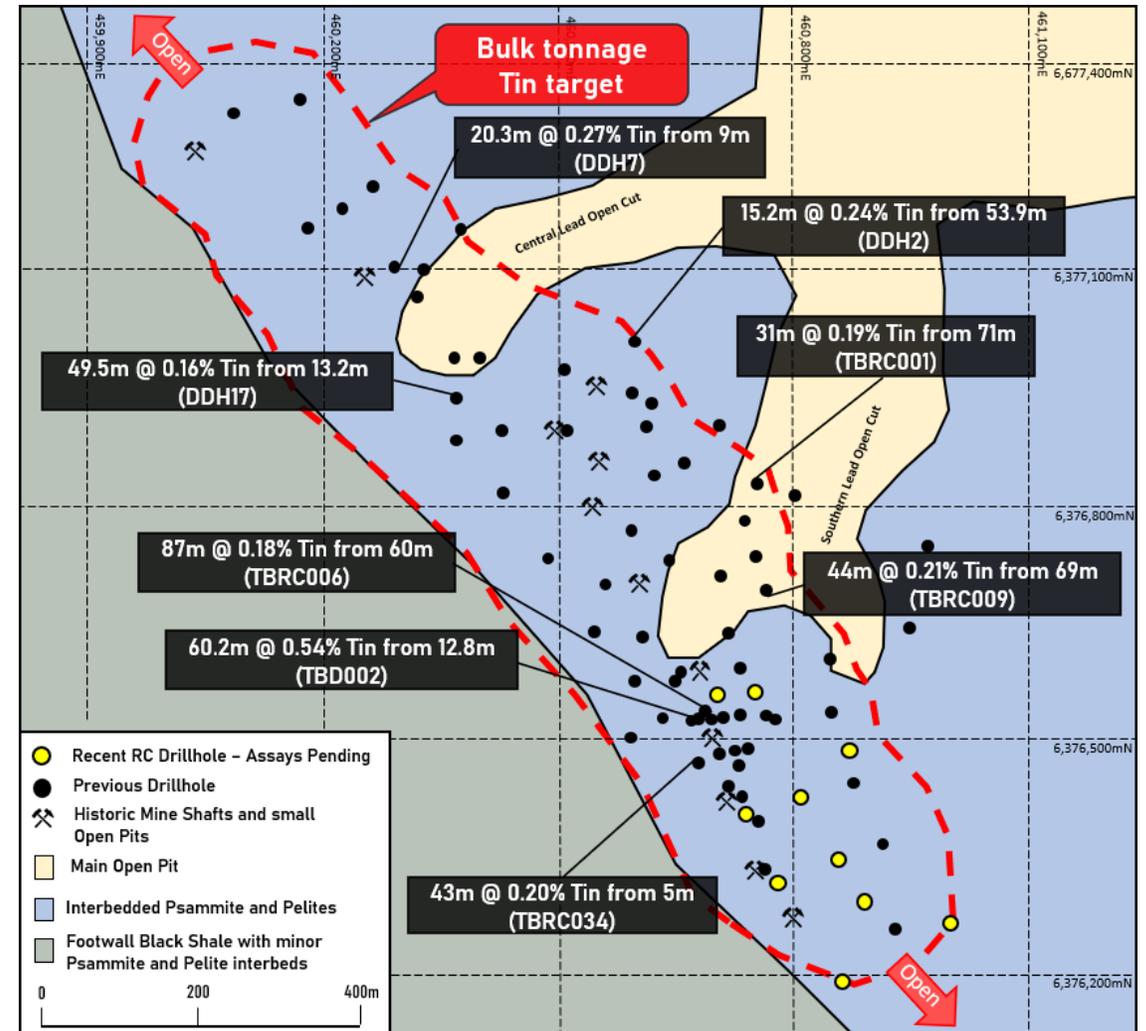
TBRC006: 87m @ 0.18% tin from 60m, including;
1m @ 5.83% tin & 0.36% tungsten from 60m and;
3m @ 0.92% tin from 69m

TBRC009: 44m @ 0.21% tin from 69m, including;
5m @ 1.33% tin from 69m

- 2022 drilling by SKY intercepted further strong tin:

TBD002: 60m @ 0.54% tin from 12.8m, including;
15m @ 1.17% tin from 58m

- Open along strike and both up and down dip.



Schematic Plan View - Tallebung Tin Mine
Highlight Intercepts



Old Crusher from the Tallebung Tin Mine



Cassiterite Ore from Tallebung
Scale in mm

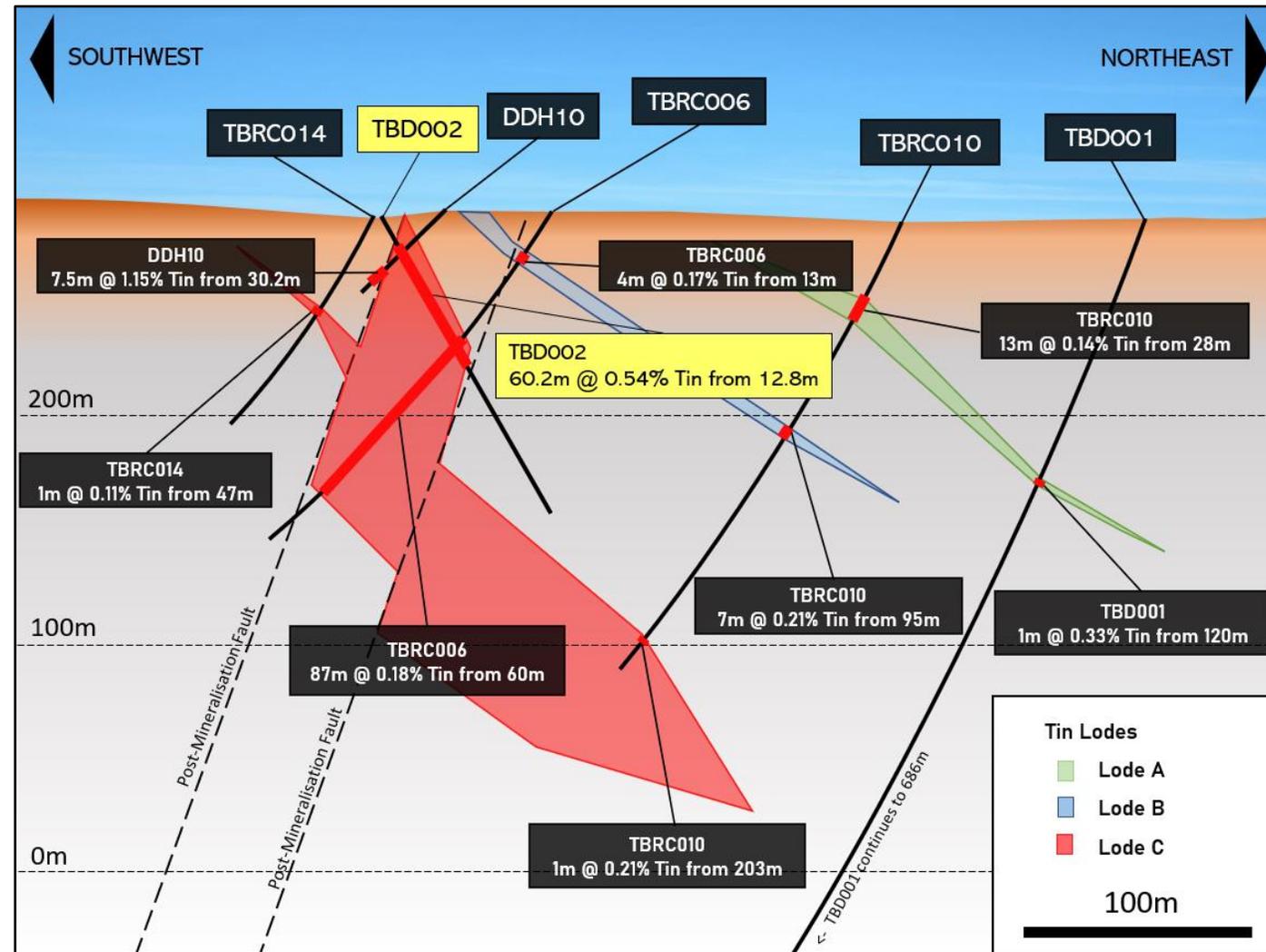
INFRASTRUCTURE ALREADY CONNECTED

Infrastructure is already in place from previous mining including:

- Powerlines to site.
- Established past water supply.
- Sealed and unsealed roads constructed to site.
- Use of historic tailings dam, only 1/3 full.
- Extensive previous drilling – over 70 holes already completed.

TALLEBUNG TARGET: DRILLING

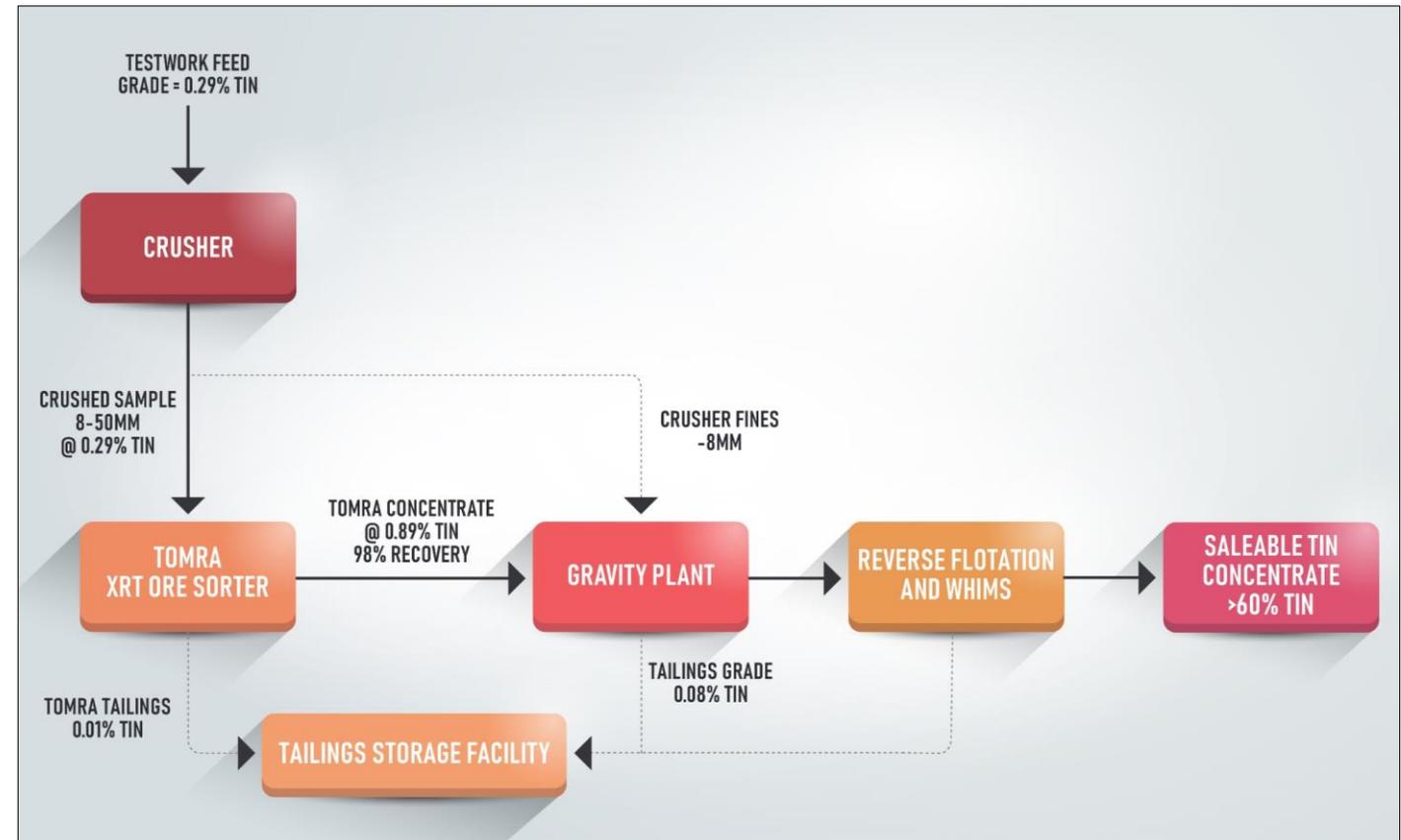
- Extensive historic mining and drilling.
- Recent drilling has continued to expand the scale of the deposit.
- No boundary to the tin mineralisation, mineralisation is open in all directions.
- Tin hosted in cassiterite (tin-oxide) indicating favourable concentration by gravity methods.
- Potential to advance project quickly.



Schematic Cross Section

TALLEBUNG TARGET: EXCEPTIONAL METALLUGY

- Simple gravity circuit has produced a desirable +60% tin concentrate for sale.
- Exceptional TOMRA ore sorting results reduce plant feed by over 50% for 98% recovery of tin.
- Dense medium separation reduces mass of ore sorting fines by over 91% with +95% total recovery of tin.
- Only a quarter of mined mass will require downstream processing – 75% of mined mass will be removed via TOMRA ore sorting and DMS with the loss of less than 5% of the tin.
- Significant reduction in capex and opex.



Simplified Schematic Processing Flowsheet

TALLEBUNG TARGET: NEXT STEPS

Produce an Exploration Target from recent drilling.

Continue improvements to metallurgical processing.

Further drilling to develop an inferred resource and start scoping studies.



Drone Photo of the Tallebung Tin Mining Field

EXPERIENCED AND PROVEN MANAGEMENT



NORMAN SECKOLD | Chairman

30+ years in the full-time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Ltd, Valdora Minerals NL, Palmarejo Silver, Kings Minerals NL, Mogul Mining NL and Gold Corp. Currently Chairman of Santana Minerals Ltd and Alpha HPA Ltd and Deputy Chairman of Nickel Industries Ltd.



RICHARD HILL | Non-Executive Director

25+ years experience in the mineral resources sector as a geologist and solicitor. Mr. Hill has a successful track record of guiding ASX listed mining companies from the exploration and discovery phase through to development in a range of commodities. These have included past roles as founding Director for Aurelia Metals Ltd, Strandline Resources Ltd and as Chairman of Genesis Minerals Ltd as well as current Chairman of New World Resources.



RIMAS KAIRAITIS | Non-Executive Director

25+ years experience in minerals exploration and resource development in gold, base metals and industrial minerals. In his most recent role, Mr. Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer. Mr. Kairaitis is also the Managing Director of Alpha HPA Limited.



OLIVER DAVIES | CEO

Geologist with SKY since listing in 2019. Previously in exploration and operational roles with Evolution Mining and Alkane Resources in NSW and Qld. Mr. Davies has worked closely on several successful NSW exploration projects including the Evolution Mining's significant expansion of the Lake Cowal gold resource and with Alkane's exploration success at Tomingley and Boda.

CAPITAL STRUCTURE

Shares on issue	376.8M
Options & Performance Rights	39.4M
Share price (close 30 Nov 2022)	~\$0.065
Market capitalisation	~\$24.5M
Cash (31 Dec 2022)	~\$2.0M
Debt	Nil

BOARD AND MANAGEMENT

Norm Seckold	Chairman
Richard Hill	Non-Executive Director
Rimas Kairaitis	Non-Executive Director
Richard Willson	Company Secretary
Oliver Davies	Chief Executive Officer

SHAREHOLDERS

Aurelia Metals	6%
Board and Management	10%
Top 20 holders	49.9%

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