

S K Y M E T A L S

**DEVELOPING LARGE SCALE
TIN DEPOSITS IN NSW –**

**TO FEED GLOBAL
ELECTRIFICATION**

MAY 2023



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.

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

The information in this report that relates to the Mineral Resource Estimate was prepared by Luke Bulet, who is a Member and Chartered Professional (Geology) of the Australasian Institute of Geoscientists. Luke Bulet is a Director of H & S Consultants and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Bulet consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 Evolution Mining's significant expansion of the Lake Cowal gold resource and Alkane's exploration success at Tomingley and Boda.

EXPERT GUIDANCE | SKY's Consultants

Tallebung Metallurgy – **Gunn Metallurgy**, **TOMRA Ore Sorting Solutions** and **ALS Burnie** engaged to conduct metallurgical testwork.
Tallebung Resource Estimation – **H&S Consultants** modelled and estimated the maiden Inferred MRE and Exploration Target and advising on upcoming drilling.
Doradilla Tin and REE Metallurgy – **ANSTO** and **UNSW** conducting testwork utilising their expertise in hydrometallurgical processes and REE deposits.

CAPITAL STRUCTURE

Shares on issue	376.8M
Options & Performance Rights	39.4M
Share price (close 10 May 2023)	~\$0.05
Market capitalisation	~\$18.8M
Cash (31 Mar 2023)	~\$1.3M
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	50.0%

TIN: THE FORGOTTEN ELECTRIFICATION METAL – GLOBAL SUPPLY CONSTRAINTS

Inelastic tin price driven by irreplaceable demand in electronics sector and global electrification.

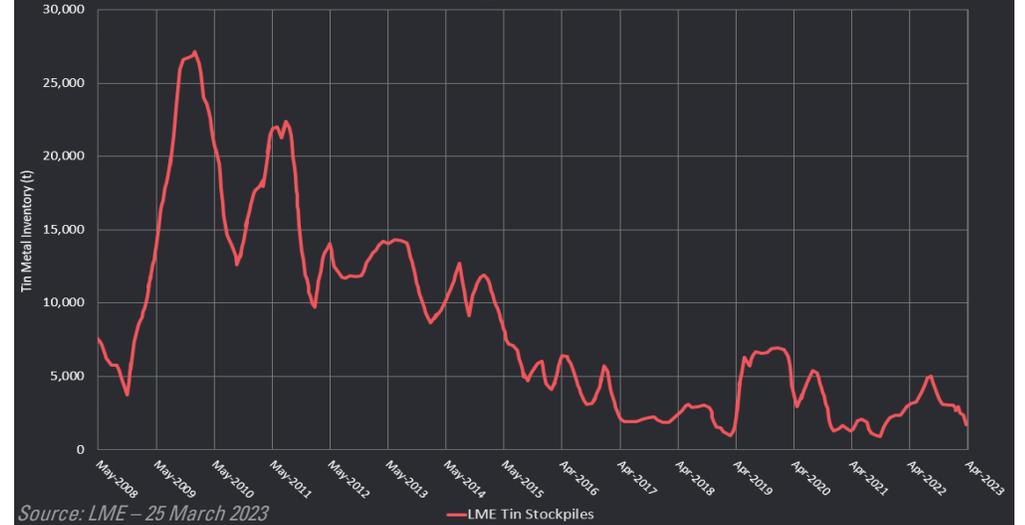
Record low stockpiles – US strategic stockpile depleted, Chinese stockpiling is ongoing, currently less than 2-3 days tin supply stock on LME.

Myanmar recently announced suspending tin mining – 4th largest supplier producing 10% of world tin supply.

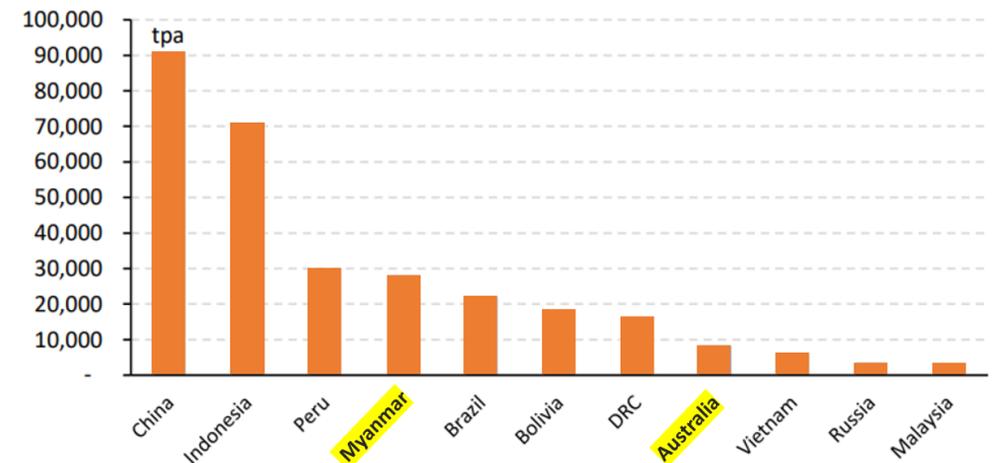
+30 year under investment in tin supply, metal shortages looking inevitable, growing tin price.

Limited ethical and reliable sources.

Visible Global Tin Stockpiles

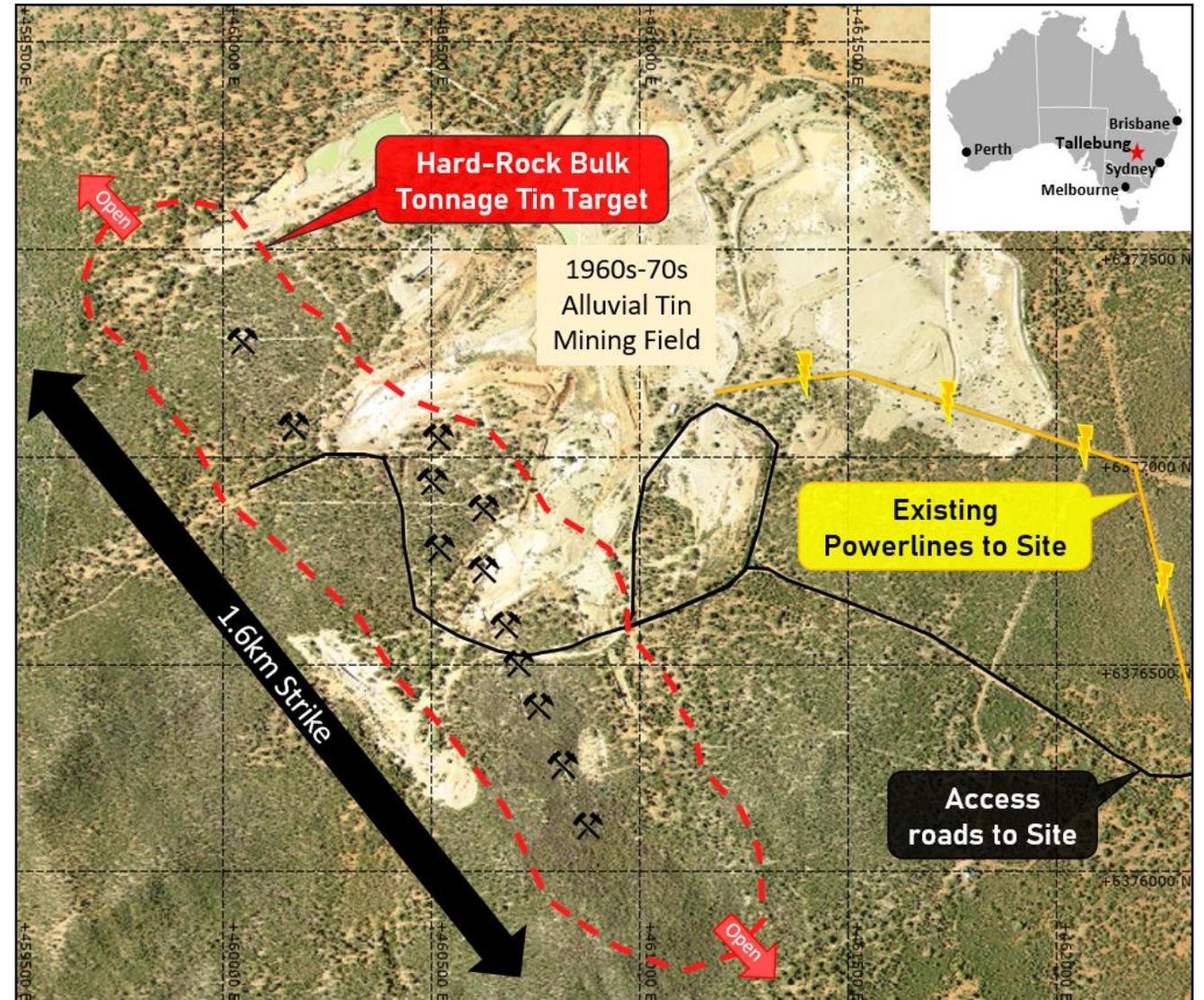


Global Tin Supply by Country (tpa)



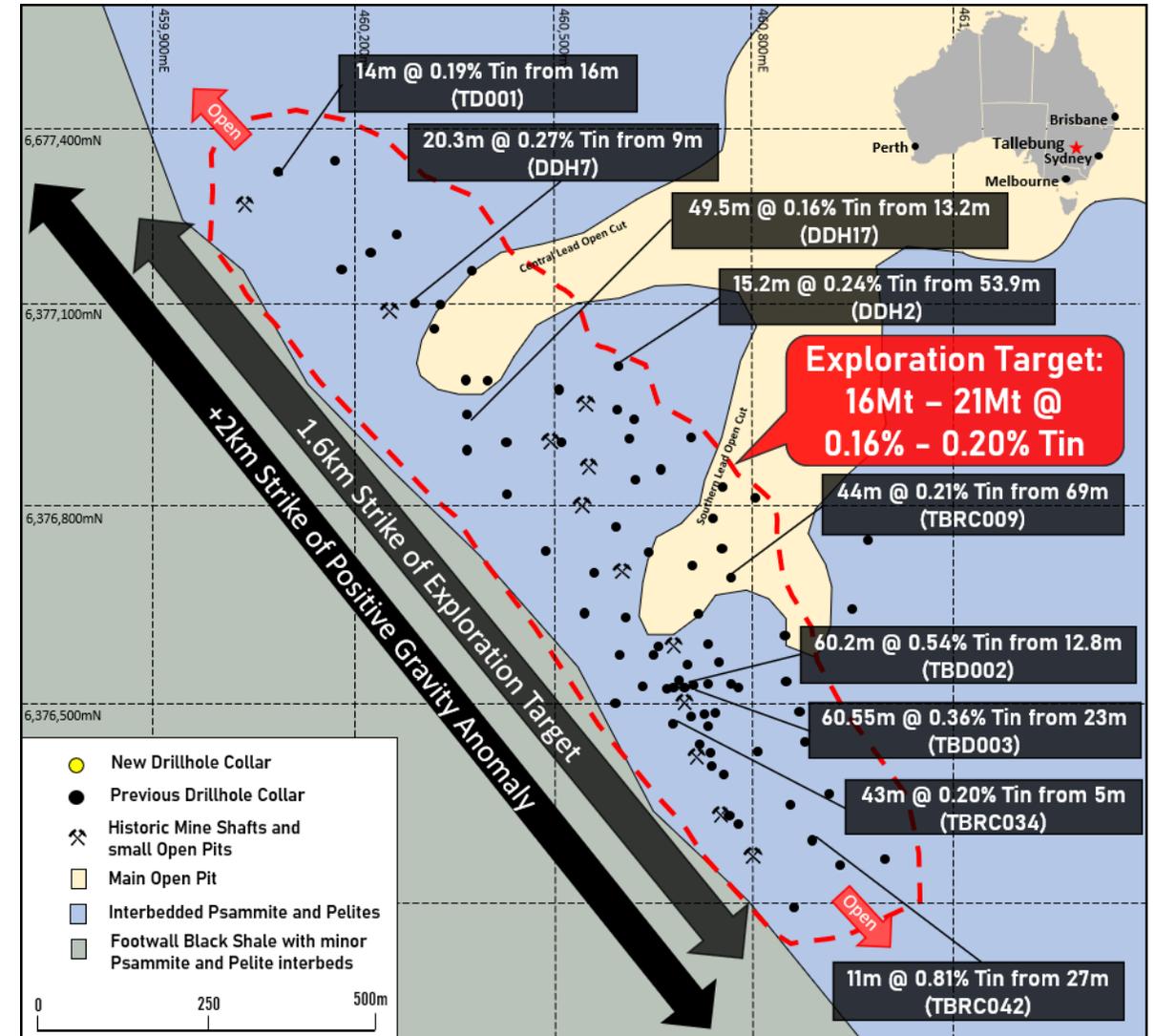
MAJOR HISTORIC TIN OPERATION

- Tin discovered in the 1890s and mined into the mid-1980s.
- Small shafts and open pits mined hardrock tin veins until large scale alluvial mining production in the 1960s-70s.
- Infrastructure already in place from previous mining includes:
 - Powerlines to Site.
 - Haul roads constructed to site.
- Large scale, hardrock tin deposit still in place and only minor selective mining historically.



LARGE HARDROCK TIN RESOURCE

- Maiden MRE completed, March 2023:
10.2 Mt @ 0.18% Tin for 18kt of contained Tin.
- Initial Exploration Target estimate:
16 – 21 Mt @ 0.16 – 0.20% Tin
- Tin mineralisation highly amenable to 3x upgrade using TOMRA Ore Sorting.
- 1.6km strike of Exploration Target; +2km strike potential of tin mineralisation shown in gravity survey, showing significant growth potential.
- MRE and Exploration Target open along strike and both up and down dip – only limited by drilling.
- High impact resource expansion campaign imminent.



Schematic Plan View - Tallebung Tin Mine

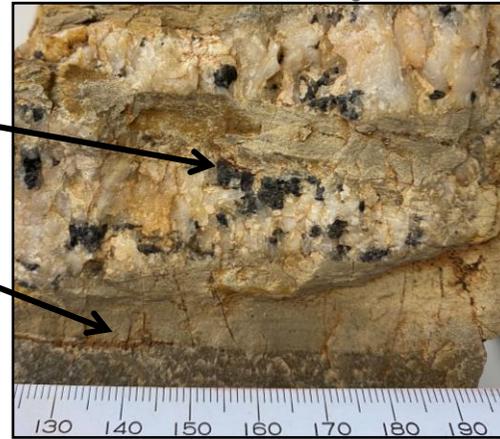
ASX: SKY TALLEBUNG TIN PROJECT



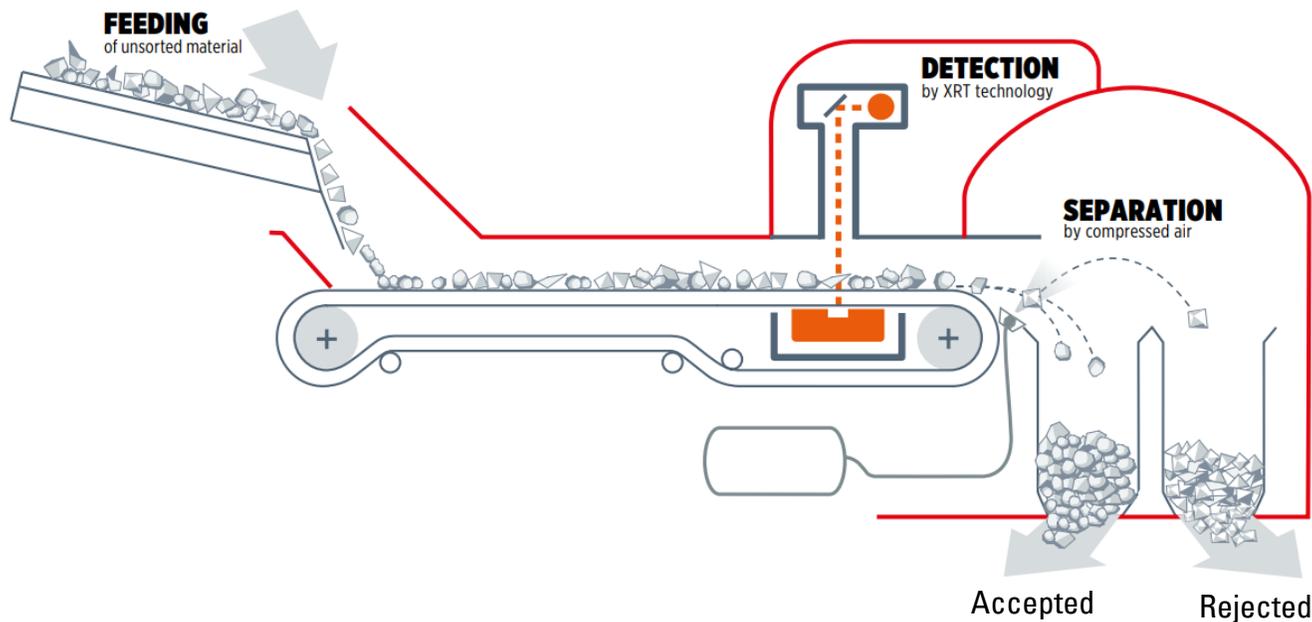
Cassiterite Ore from Tallebung – Scale in mm

Black Tin – cassiterite “nuggets”
detected by ore sorter and accepted

Host rock and quartz vein without tin
are rejected by ore sorter



Schematic of a TOMRA XRT Ore Sorter



TOMRA – GAME CHANGER

- TOMRA Ore Sorting more than **triples grade.**
- Grade increases from 0.18% Tin x 3 = over 0.5% Tin with +98% tin recovery
- +67% of mined mass rejected upfront.
- Reduced mass means smaller, lower plant costs to produce the same quantity of saleable tin concentrate.



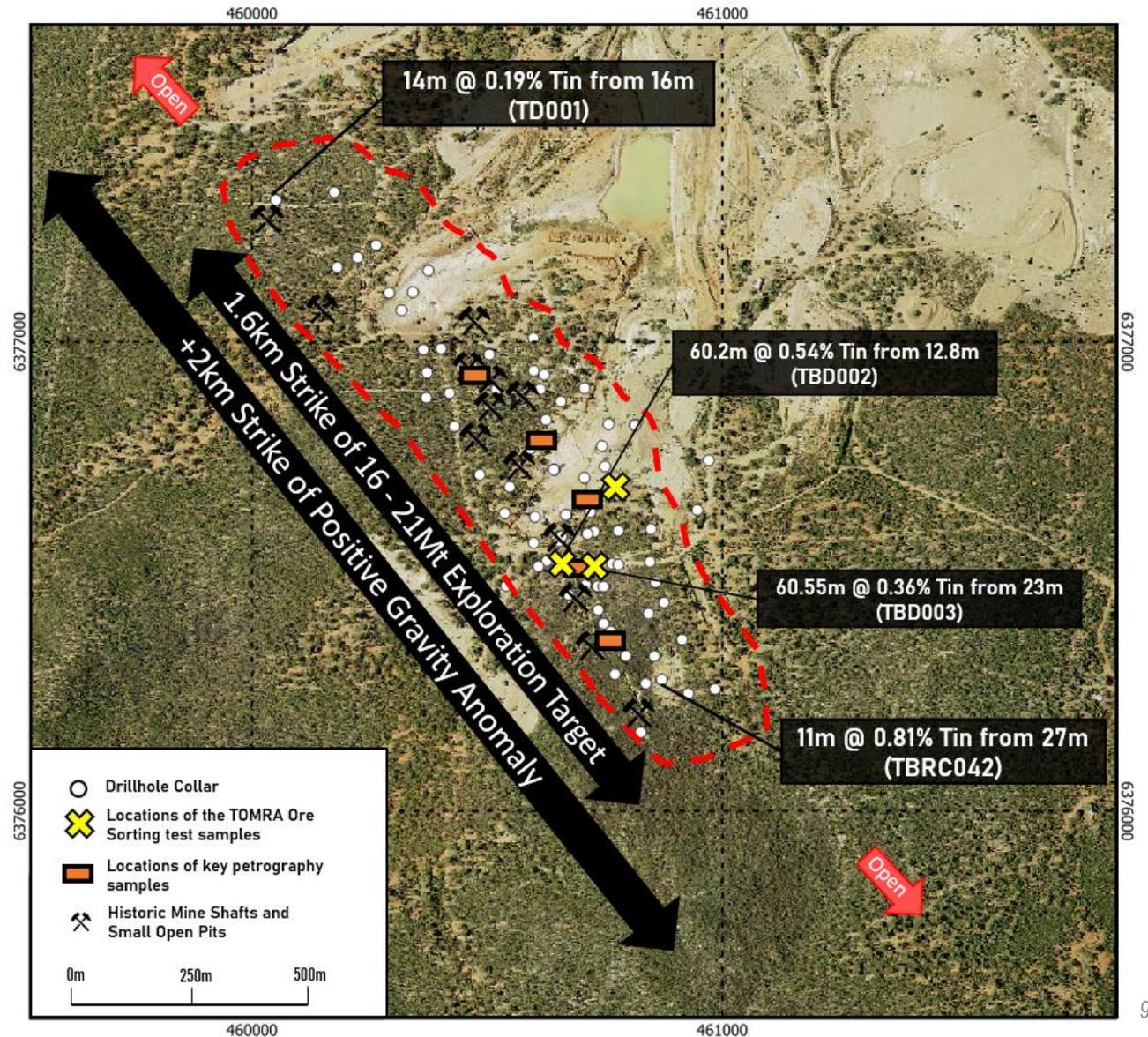
TOMRA Ore Sorters in operation at the Renison Tin Mine, Tas.

TOMRA – PROVEN TECHNOLOGY

- Renison Tin Mine, Australia's largest operating tin mine, uses TOMRA ore sorters to increase tin grade and decrease mass for processing.
- TOMRA Ore Sorters commissioned 5 years ago at Renison in 2018 and operate 24/7, all year round, processing a 1Mtpa ROM.
- Sorting started with rejecting 10-15% of mass, increasing to 20-25% of mass after the first year of operation showed strong results.
- Ore Sorting at Renison allows a mining rate of up to 1Mtpa while still using the existing 750ktpa plant.

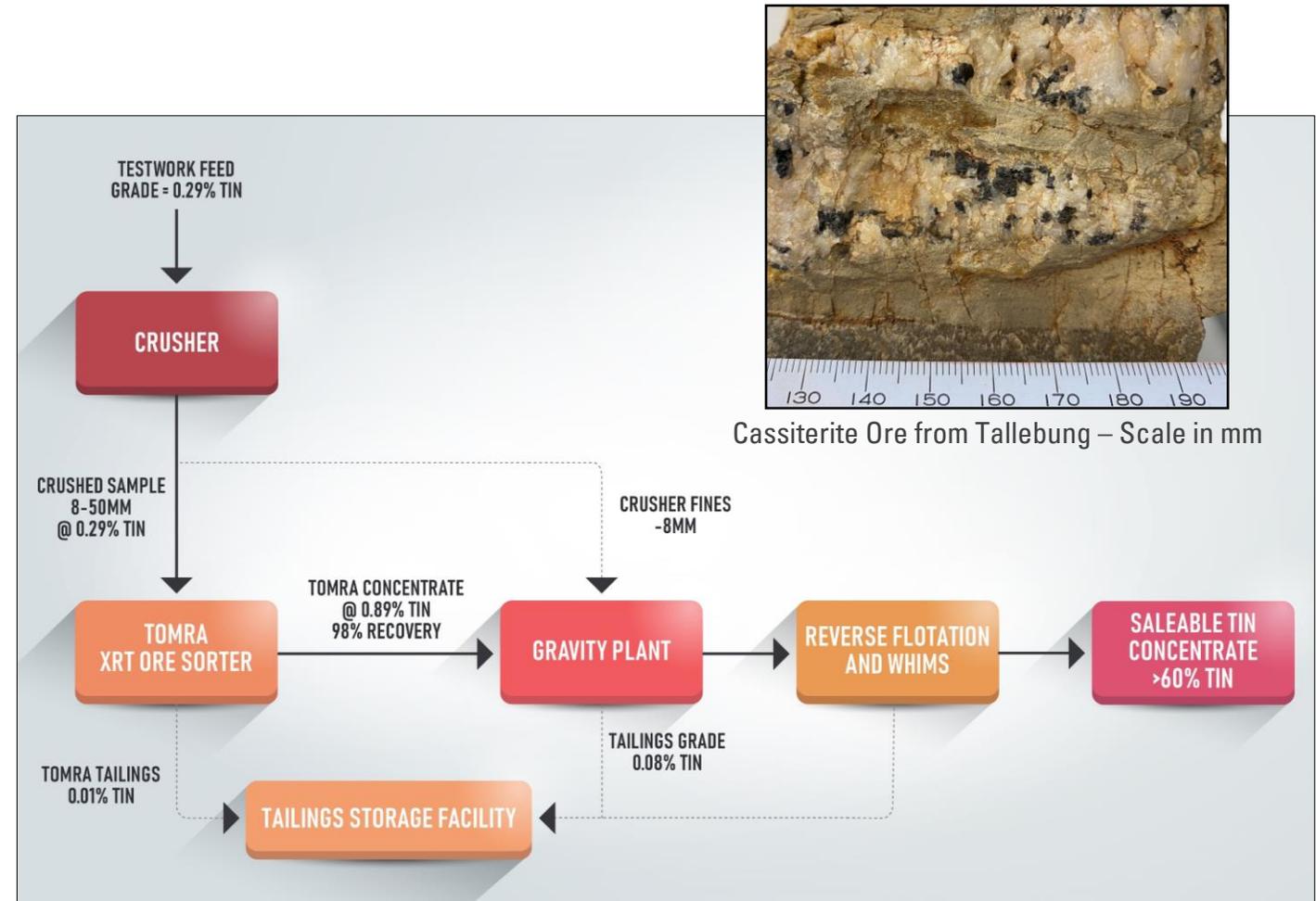
EXCEPTIONAL, CONSISTENT TOMRA ORE SORTING RESULTS

- TOMRA Ore Sorting first tested on drill chips, demonstrated:
 - Successful upgrading of 0.19% tin to 0.70% tin
 - +96% recovery of tin
 - 74% mass reduction.
- Bulk testwork repeated these exceptional results, showing:
 - 0.29% tin upgraded to 0.89% tin
 - +98% recovery of tin from a 542kg bulk sample
 - 67% mass reduction.
- Repeatability of TOMRA ore sorting results, combined with historic mining records and petrographic studies, all show consistent nature of coarse cassiterite-hosted tin at Tallebung.



SIMPLE METALLURGY – LOW-COST PROCESSING

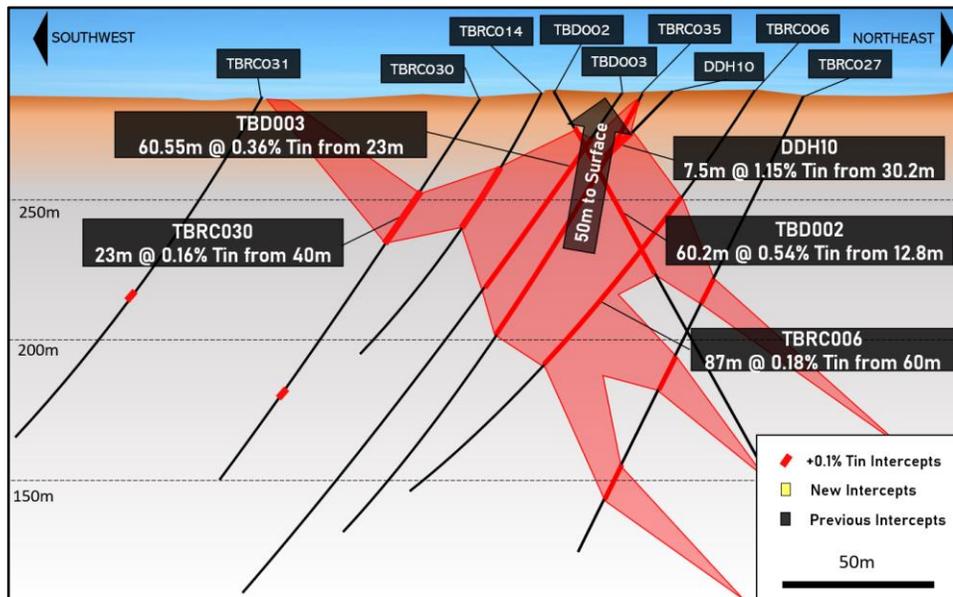
- Simple gravity circuit produces a desirable +60% tin concentrate for sale.
- With TOMRA and DMS, only a quarter of mined mass require downstream processing with over +95% of the tin recovered in ore sorting upgrade.
- Environmentally best practice, only water is need for the gravity concentration and no chemicals or water required for TOMRA Ore Sorting.
- Significant reduction in CapEx and OpEx from ore sorting mass reduction and simple processing.
- Dense Medium Separation (DMS) reduces fines mass by over 91% with +95% total recovery of tin.



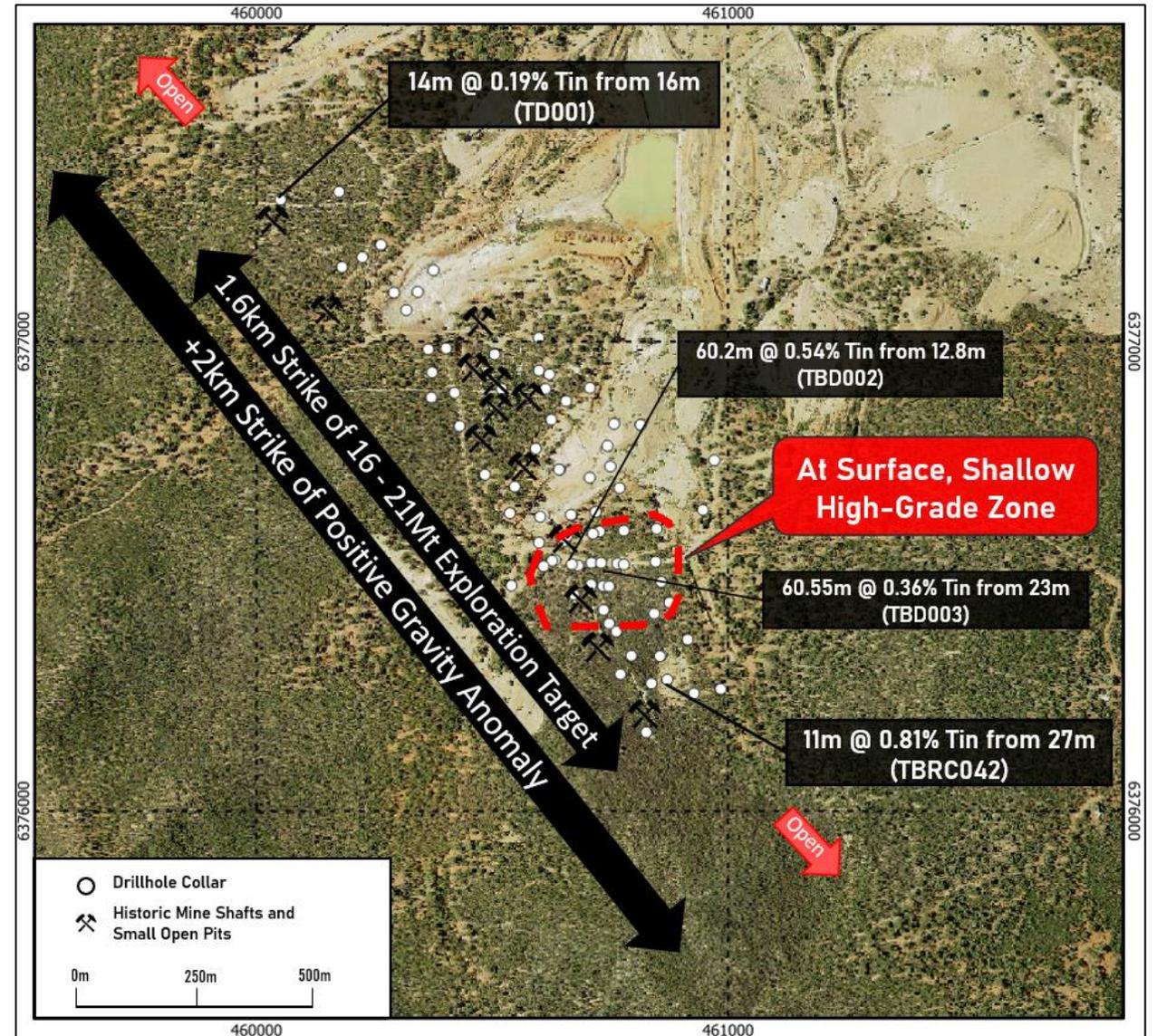
Simplified Schematic Processing Flowsheet

RESOURCE GROWTH POTENTIAL AND SHALLOW HIGH-GRADE START UP

- Gravity anomaly coincident with tin mineralisation extends well beyond current extent of drilling.
- Shallow, at surface high-grade tin zone identified for fast payback potential at commencement of mining.



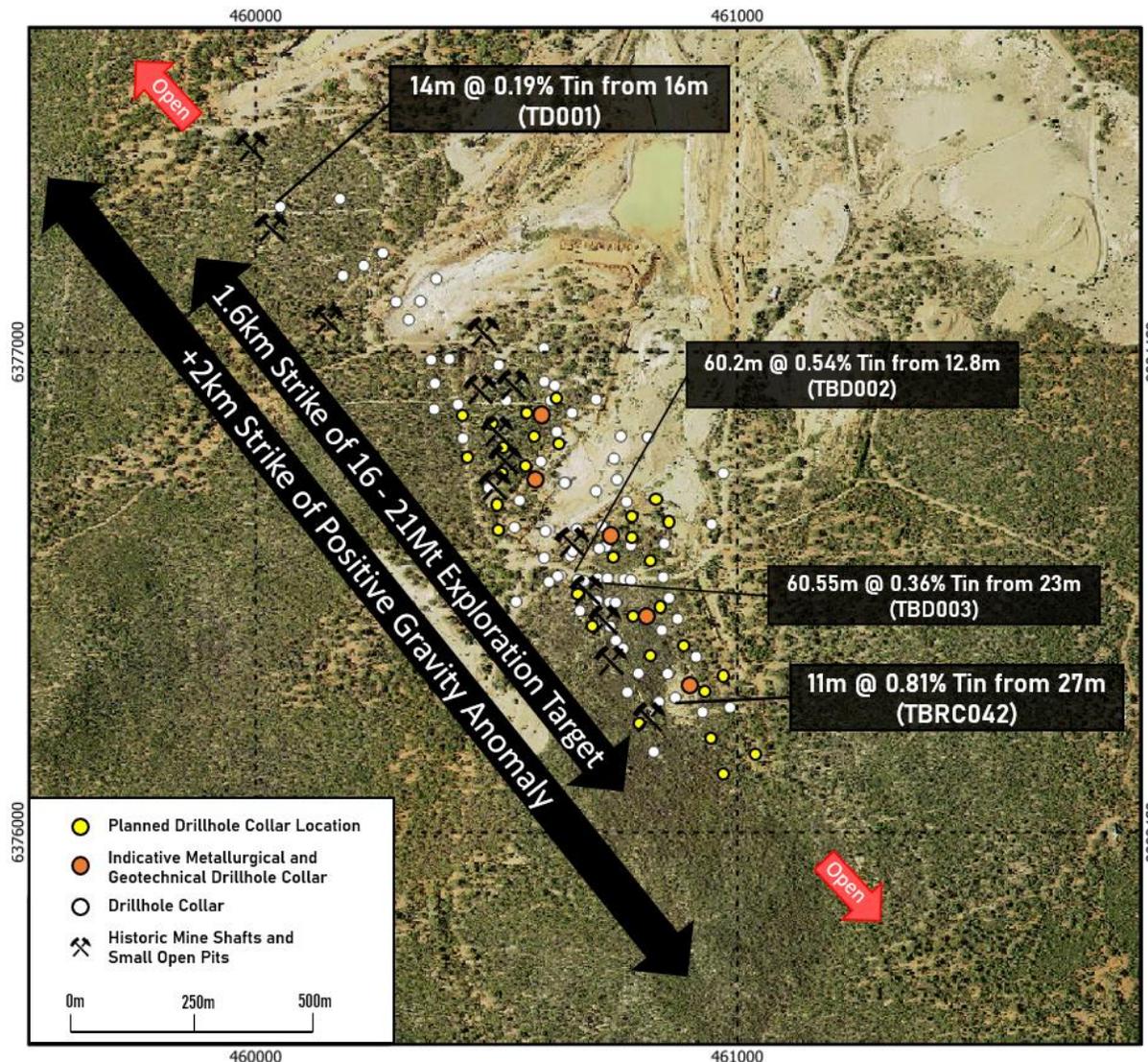
Schematic Cross-Section of Shallow High-Grade Zone



Plan View Aerial Image of the Tallebung Project

UPCOMING DRILLING PROGRAM: INCREASING CONFIDENCE

- Drilling program aimed to increase Inferred Resource and potential Indicated Resource categories.
- Infill drilling will target areas for highest impact and under significant historic workings.
- Resource extension drilling south along strike will target recent high-grade tin intercepted, including:
TBRC042: 11m @ 0.81% Tin from 27m.
- Diamond drilling planned for geotechnical studies and for further bulk ore sorting and metallurgical testwork across the deposit.
- Resource geologists consulted to ensure the program delivers highest impact on resource.



Plan View Aerial Image of the Tallebung Project

NEXT STEPS

Expand the maiden MRE and convert +20Mt Exploration Target.

Drill high-grade tin zones and grow an Indicated Resource for Mine Scoping Studies.

Bulk sampling across the deposit, growing confidence in low cost sorting upgrade and metallurgy.

Release Mine Scoping Studies.



Drone Photo of the Tallebung Tin Mining Field

UPCOMING WORK PROGRAM

- Assess the mining economics at Tallebung once Indicated Resources have been defined.
- Expand the Tallebung Resource and convert the Exploration Target into Resources.
- Commence baseline environmental studies at Tallebung.
- Assess Doradilla to host economic Tin and REE deposits.
- Metallurgical testwork on Tin and REE extraction at Doradilla.

Indicative Work Program Timeline

Project	Activities	FY2023	FY2024	
		Q4	Q1	Q2
Tallebung	Resource Infill and Extension Drilling Program			
Tallebung	Mine Concept Studies			
Tallebung	Second Resource Estimate			
Tallebung	Mine Scoping Studies			
Tallebung	Baseline Environmental Studies			
Tallebung	Resource Extension Drilling Program			

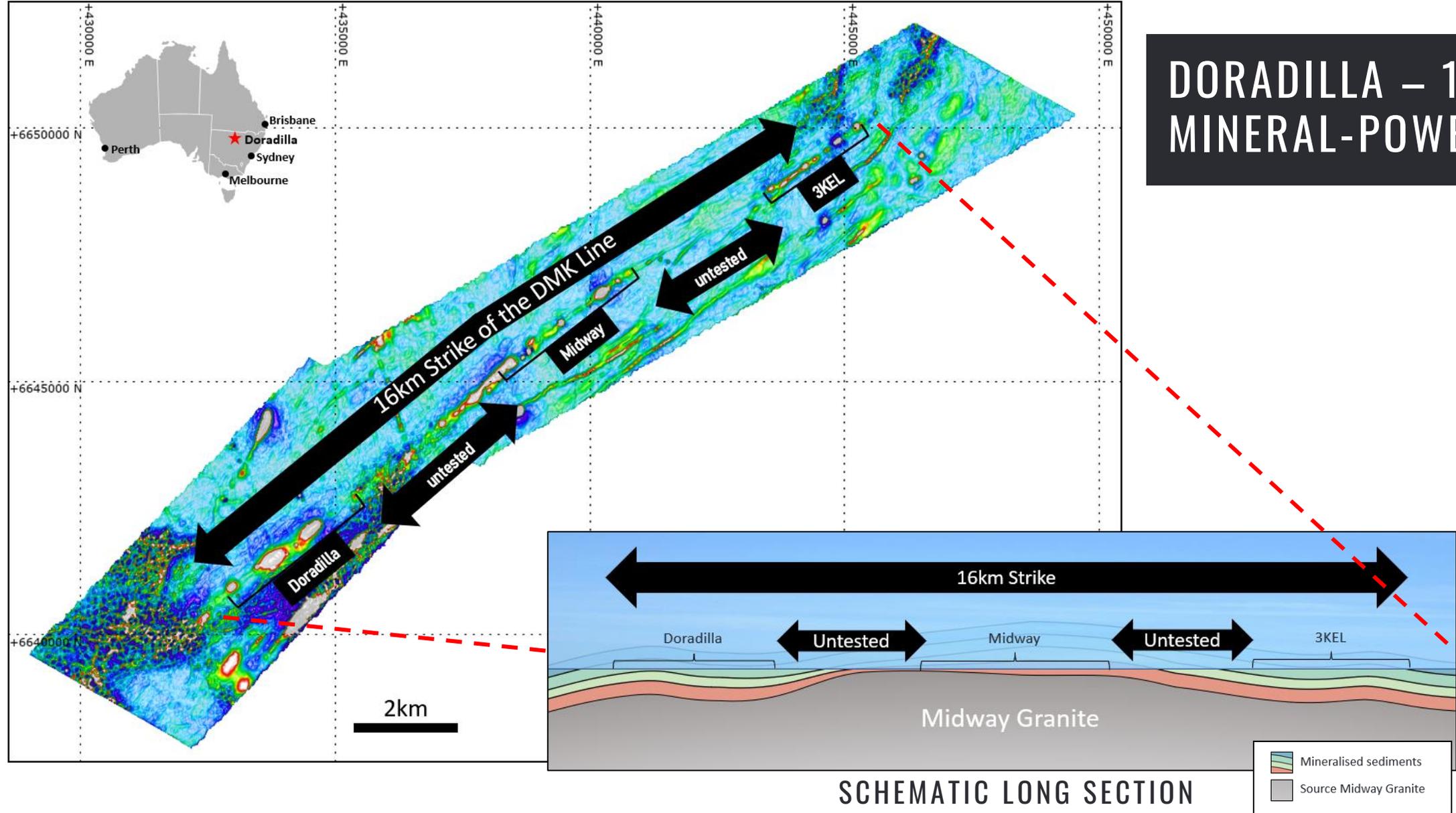
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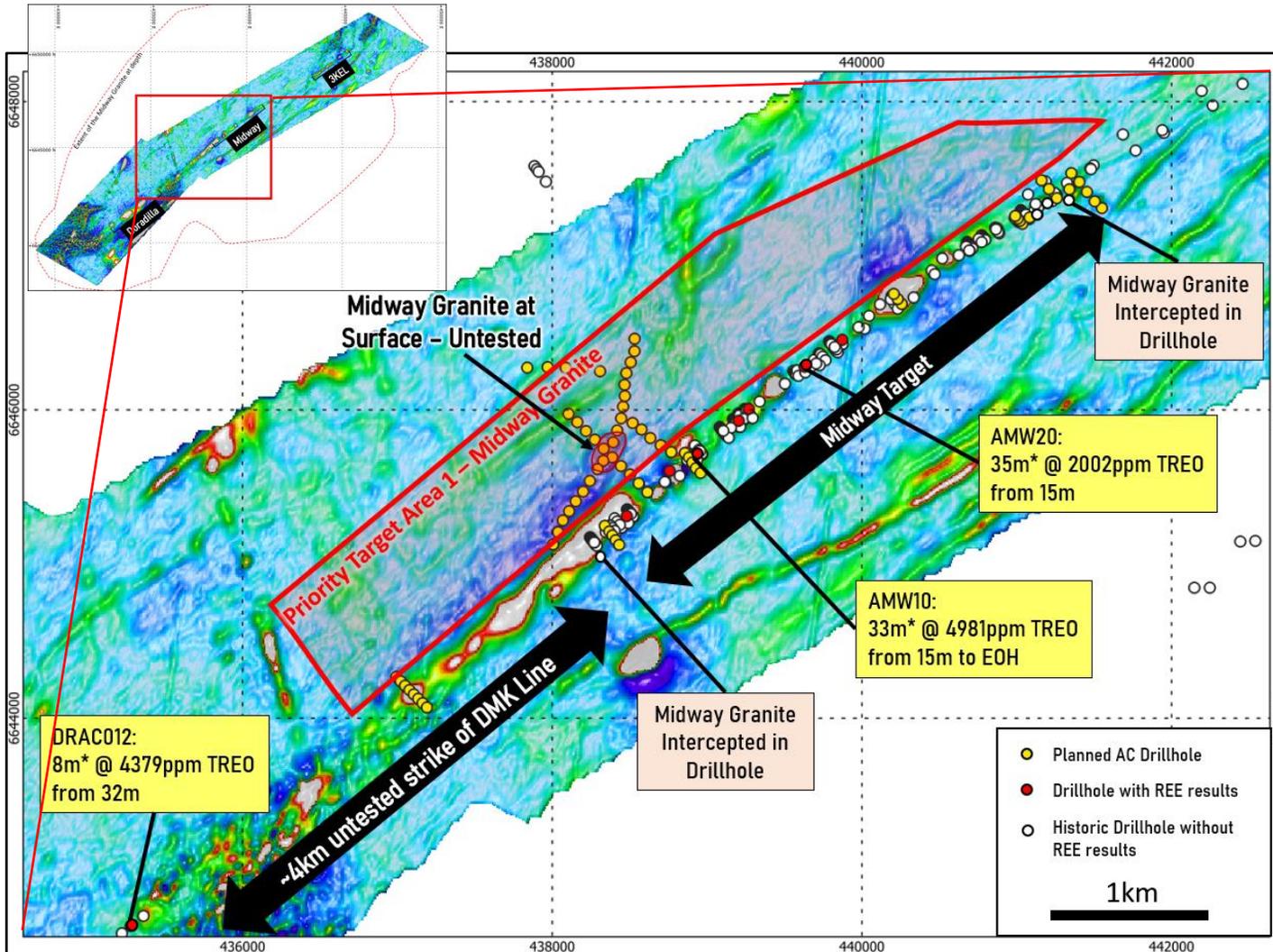
S K Y M E T A L S





**DORADILLA – 16km
MINERAL-POWERHOUSE**

SCHEMATIC LONG SECTION



TIN AND REE POTENTIAL

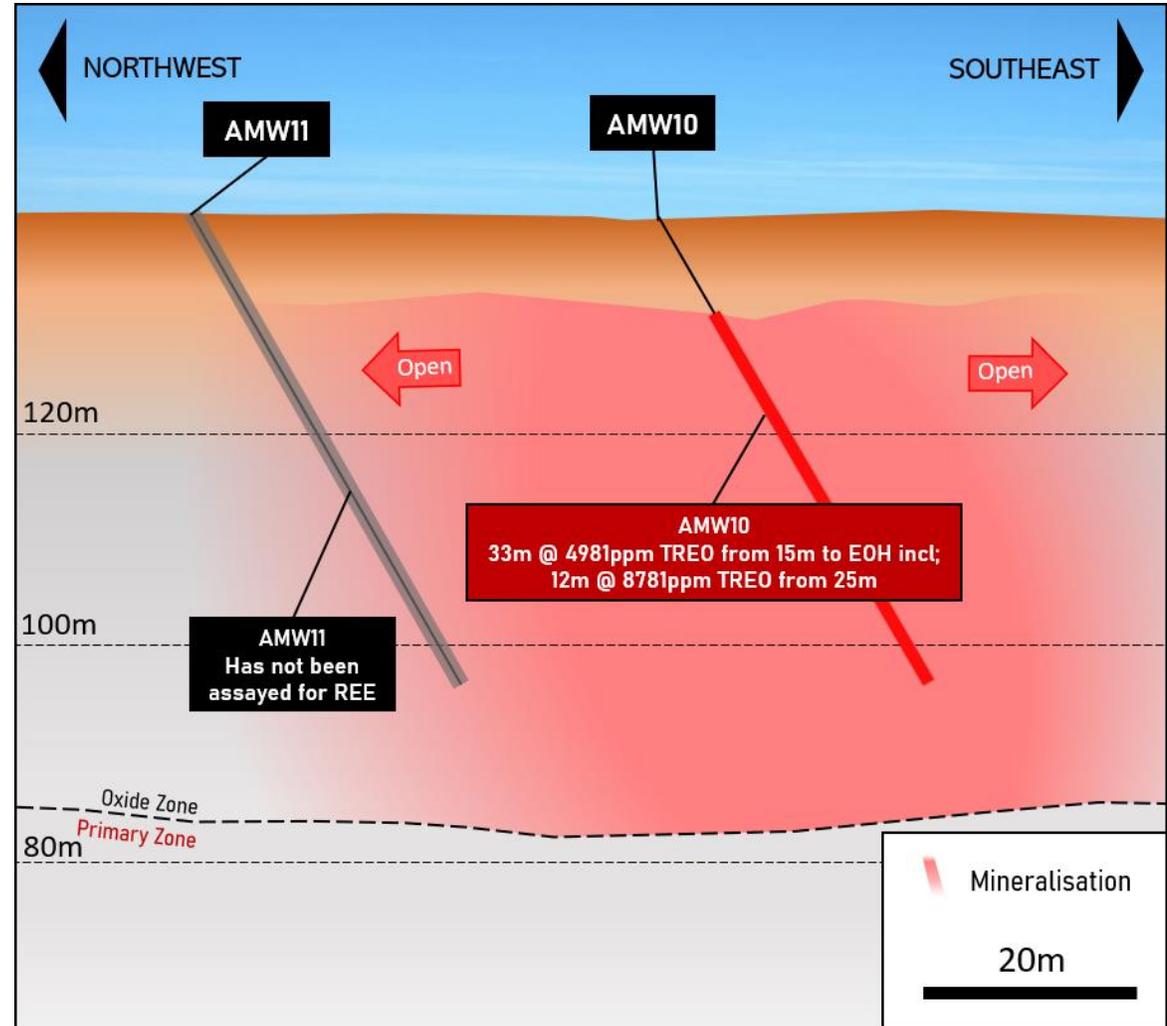
- Three tin deposits previously discovered in the 1970s, namely Doradilla, Midway and 3KEL, the 16km strike of these is named the 'DMK' Line.
- SKY has discovered REE within the tin deposits in all three deposits on the 'DMK' Line.
- Best mineralisation to date is at the Midway deposit, which is closest to the source of the mineralisation – the underlying 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.

NEXT STEPS

Further assaying of previous historic drilling for REE – 100s of holes drilled for tin along the DMK Line, SKY has only assayed 46 holes for REE so far.

Drilling program planned to test Midway Granite targets and to infill between Midway-Doradilla.

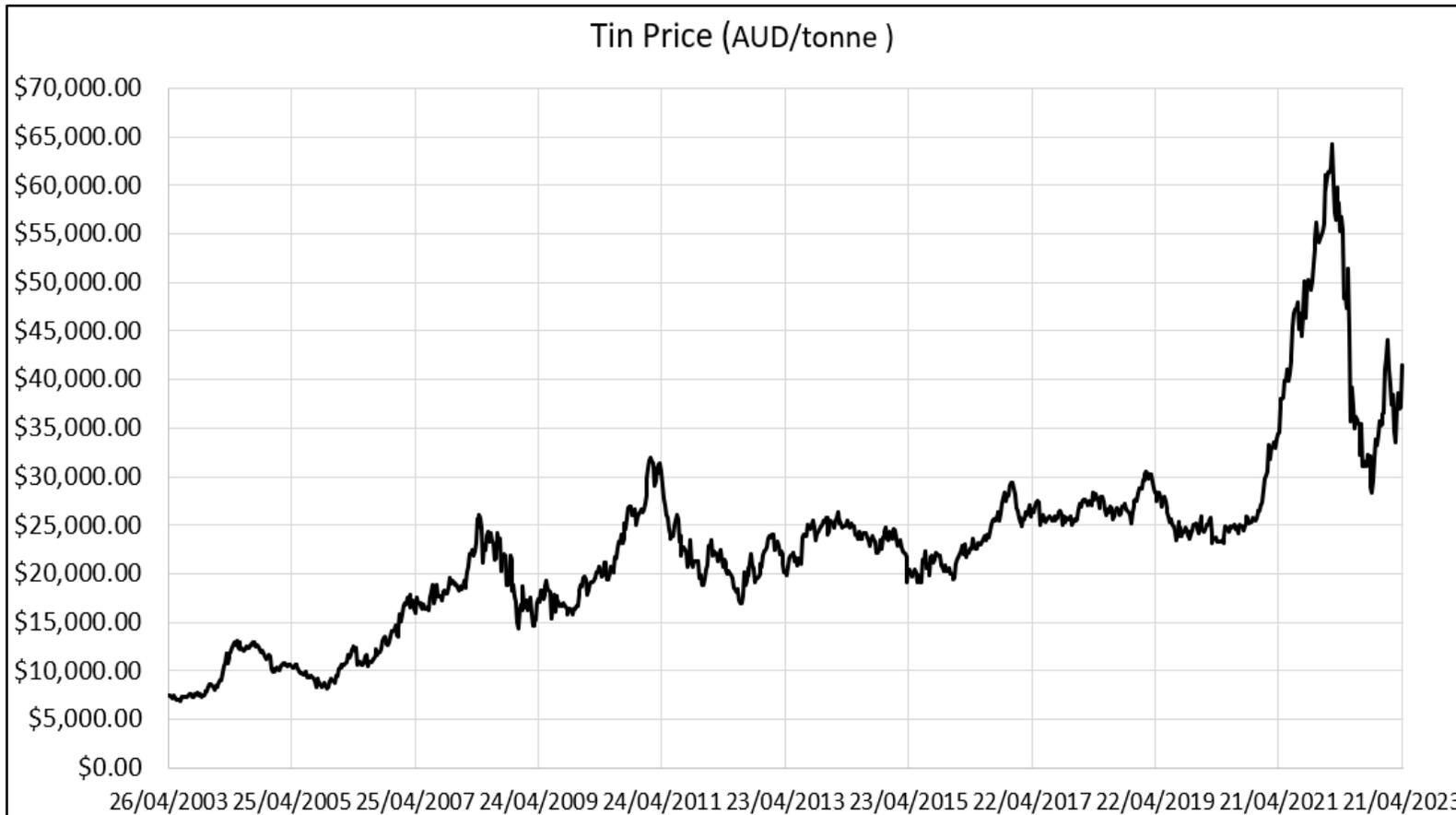
REE mineralisation characterisation to begin metallurgical testwork, ANSTO to commence metallurgical testing on samples and identify pathways to process the large tin resources.



Cross-Section of AMW 10 hole at Midway.

TIN: THE FORGOTTEN ELECTRIFICATION METAL

Inelastic tin price driven by irreplaceable demand in electronics sector



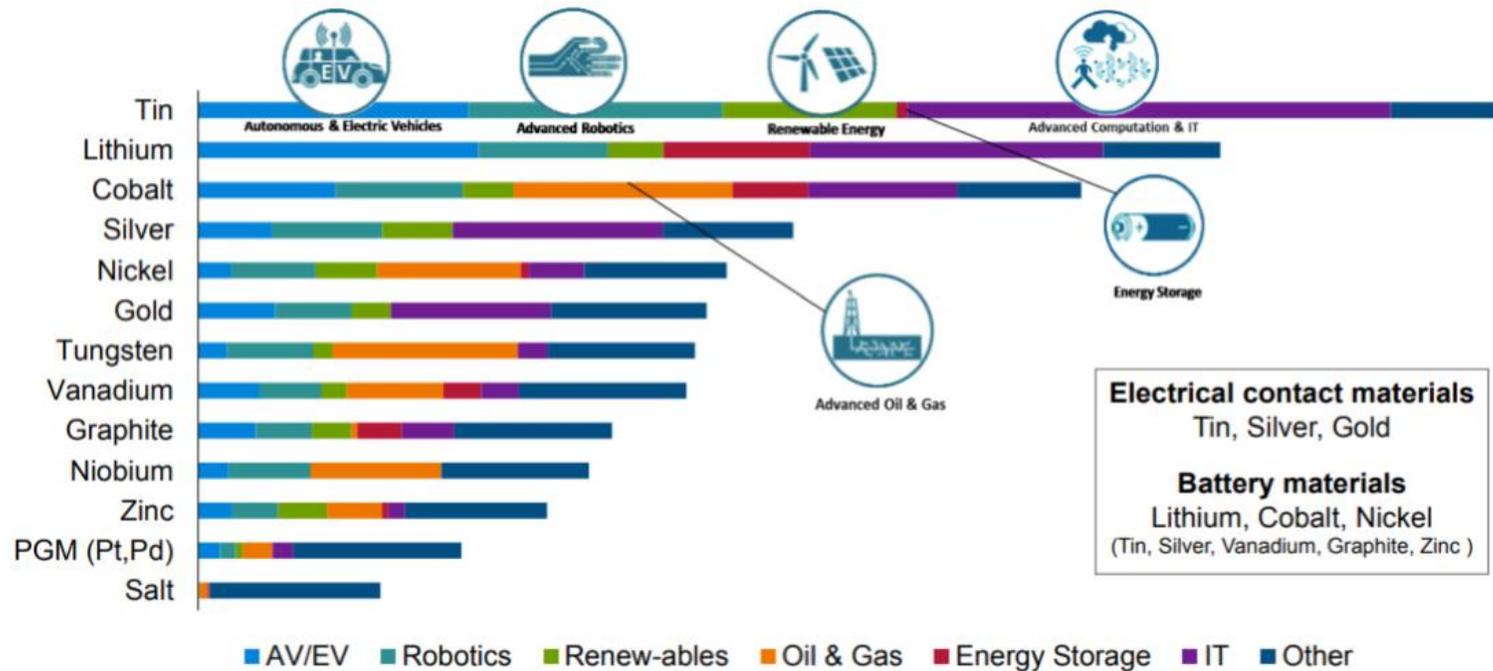
20-year 3M tin price (AUD/tonne) (source: LME).



TIN: KEY TECHNOLOGY METAL

Supply crunch driven by 30+ year under investment & growing demand for tin primarily within EVs, Renewable Energy and all electronic goods.

Demand Increase with Emerging Technologies



Electrical contact materials
Tin, Silver, Gold

Battery materials
Lithium, Cobalt, Nickel
(Tin, Silver, Vanadium, Graphite, Zinc)

