



TALLEBUNG TIN PROJECT

DRILLING COMMENCED ON RESOURCE EXPANSION PROGRAM

- A drilling program of approximately 40 RC drillholes and 5 diamond drillholes for total of ~8,000m has commenced at the Tallebung Tin Project.
- Drilling is designed to:
 - Expand the maiden Inferred MRE of **10.2Mt @ 0.18% Tin*** towards the larger Exploration Target.
 - Increase the confidence in the maiden MRE and convert substantial sections of the resource from Inferred to Indicated status.
 - Provide further bulk samples to confirm, and potentially improve, the over 3x upgrade of tin mineralisation from ~0.18% Tin to **+0.5% Tin** achieved with TOMRA Ore Sorting.
 - Geotechnical and metallurgical testwork for further mining studies
- This program is aiming to show a 'critical mass' Resource for upcoming mine scoping studies to be completed.



Figure 1: Tallebung Tin Project – RC drilling rig onsite at the Tallebung Tin Project.

SKY CEO Oliver Davies commented: *"This is an exciting program commencing for SKY. The program is targeted to both significantly increase the mineral resources while also increasing confidence in the large resources defined at Tallebung. Building the size and confidence in the tin resources at Tallebung will then allow SKY to launch into mine scoping studies following the completion of this current drilling campaign and subsequent updated mineral resource estimate. This will position SKY strongly to further develop the exceptional bulk tonnage tin mining potential at Tallebung."*

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

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on the commencement of resource expansion and infill drilling at the Tallebung Project to build a critical mass for mine scoping studies and potential future mining.

TALLEBUNG PROJECT (EL 6699, SKY 100%)

TALLEBUNG PROJECT – RESOURCE EXTENSION AND INFILL DRILLING

The RC and diamond drilling is designed to grow SKY's maiden MRE of 10.2Mt @ 0.18% Tin for 18.4kt at a 0.10% Tin cut-off grade and convert the estimated Exploration Target of **16 – 21Mt at a grade ranging between 0.16 - 0.20 % tin** at 0.1% Tin cut-off, into additional resources (SKY ASX Announcement 22 March 2023). This program will also increase the confidence in the resource at Tallebung, aiming to convert a significant portion of inferred resources into indicated resources.

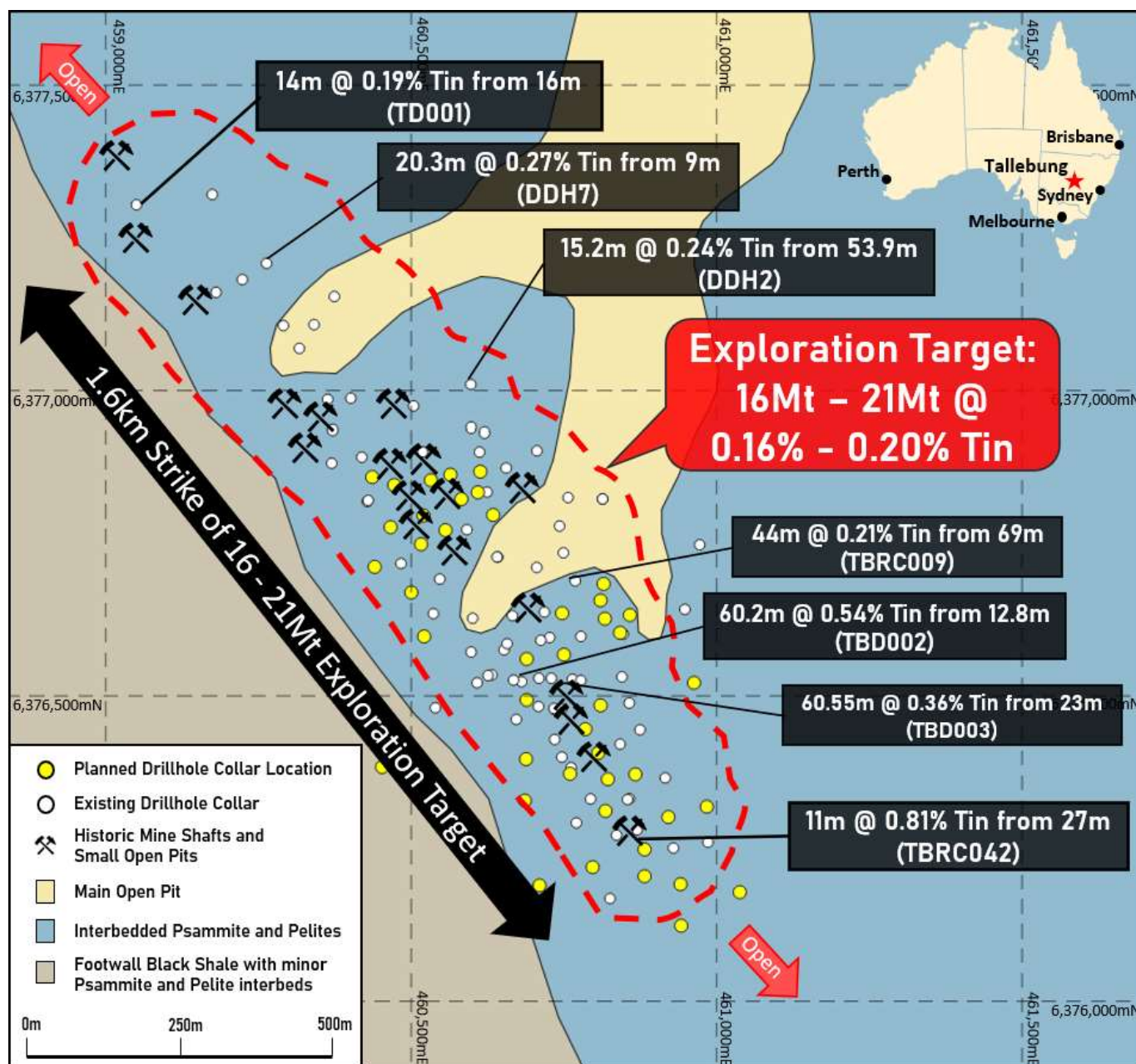


Figure 2: Tallebung Tin Project – Plan view showing the past drilling with highlighted intercepts, the extent of the current Exploration Target and maiden MRE, along with the locations of the planned drillholes in the resource expansion and infill drilling program now commenced overlaid on the geology.

This program is targeted on the southern and centre area of the historic Tallebung Tin Mining Field where the majority of the historic hardrock workings are located (**Figure 1**). This program will focus on converting a 'critical mass' into inferred and indicated resources. This critical mass, once defined, will then allow for mine scoping studies to commence on the Tallebung Tin Project to evaluate the project economics.

The diamond drilling included in this program will be completed across the entire strike of the area to be developed into further resources in this program. The holes will provide SKY with a further opportunity to complete geotechnical studies to aid in future mine planning and mine open pit designs for any future mining excavation.

These diamond drillholes will be drilled with wide diameter PQ drill core to over 150m downhole to provide material for a bulk sample for further representative metallurgical testing. This work will aim to improve on the current simple processing methods and provide further representative samples for TOMRA Ore Sorting testwork to confirm and possibly improve on the excellent results achieved to date.

This program of ~8,000m of RC and diamond drilling at Tallebung is estimated to take approximately 2 months with the first assay results of the drilling expected to be received in the next 6 weeks. Once all assay results have been received for this program, it is anticipated that the data will be used to complete another mineral resource estimate for the Tallebung Tin Project to be used for further mine scoping studies to be released in the ensuing months.

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 SKY has now defined a maiden MRE of 10.2Mt @ 0.18% Tin and an exploration Target of 16-21Mt @ 0.16-0.20% Tin (for details see: SKY ASX Announcement 22 March 2023).

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, REE).

New England Project (EL9200/9210, 100% SKY)

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

COPPER GOLD PROJECTS

Iron Duke (EL6064, 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).

Galwagere (EL6320, 100% SKY)

The Galwagere project is located ~15km south-east of Wellington in central NSW. High grade copper-gold mineralisation has been intersected by 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, 80% SKY / 20% DVP Joint Venture)

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.



Figure 3: SKY Tenement 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). 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.