For personal use only

ADDITIONAL RARE EARTH ELEMENT MINERALISATION AND DRILLING IMMINENT AT DORADILLA

- SKY has received the results of additional historic drill samples assayed for REE, the new total rare earth oxide (TREO) results and extended intercepts include:

  DRAC016: **20*m @ 3179ppm (0.31%) TREO from 16m, including;**
  2m @ 5657ppm (0.57%) TREO from 18m.

  DRAC020: **10m @ 2894ppm (0.29%) TREO from 38m, including;**
  4m @ 6023ppm (0.60%) TREO from 44m.

  DRAC023: **24*m @ 2628ppm (0.26%) TREO from 18m, including;**
  4m @ 3731ppm (0.37%) TREO from 22m.

  AMW23: **26*m @ 2329ppm (0.23%) TREO from 10m, including;**
  10m @ 3407ppm (0.34%) TREO from 15m.

  ***Intercept is either open up hole, open down hole, or open in both directions.**

- Results confirm the widespread discovery of REE mineralisation along the 16km DMK line – remarkably high grades and on average +20% of the TREO are the valuable Nd+Pr+Tb+Dy.
- An aircore drilling program will commence in the next fortnight to test the surface outcrop and shallow extent of the mineralising Midway Granite for REE mineralisation.
- TREO grades increase with proximity to the Midway Granite and geological studies indicate TREO grades are likely to be highest closer to the weathered Midway Granite.
- Preliminary metallurgical testwork is continuing with ANSTO and the University of NSW with the aim to develop a flowsheet to extract the REE mineralisation from the clays at Doradilla.

SKY CEO Oliver Davies commented: *"SKY is eager to progress the large-scale REE discovery at Doradilla with the upcoming drilling program and these latest results. The imminent drilling program to test the Midway Granite represents an excellent opportunity to discover easily extractable REE mineralisation developed adjacent to and within the Midway Granite.*

Additionally, the new REE results confirm the continuity of the REE mineralisation along the DMK line. The REE grades at the Doradilla Project are significantly higher compared to other clay hosted REE discoveries and maintain an average of over 20% Nd+Pr+Tb+Dy within the intercepts. This shows the valuable nature of the discovery which is being made at Doradilla. SKY is continuing to test extraction pathways for the DMK line REE mineralisation and will move quickly to test extraction techniques on the drill samples from the upcoming Midway Granite drilling program."

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on the development of the discovery of strong and widespread REE mineralisation over the three (3) targets, Doradilla, Midway and 3KEL, on the DMK line and the imminent commencement of drilling the shallow and outcropping Midway Granite at the Doradilla Project.

DORADILLA PROJECT (EL 6258, SKY 100%)

'DMK' LINE TARGETS – RARE EARTH ELEMENT MINERALISATION

Following the discovery of widespread REE mineralisation at Doradilla (SKY ASX Announcement 25 January 2023) from assaying historic drill samples for REE, SKY has now assayed additional samples available from historic drilling from 1979 and 2007 to grow the Doradilla target and confirm the continuity of the REE mineralisation.

The recent samples were taken from a total of 20 holes available from historic drilling and returned consistent intercepts of over +0.1% TREO. These results successfully confirm strong REE mineralisation over multiple kilometres, further demonstrating that there is very large scale REE mineralisation present at Doradilla. Furthermore, the results continue to show the most valuable Nd + Pr + Dy + Tb represent on average over 20% of the TREO (**Table 2**).

All holes tested for REE are open in all directions with a majority of the REE intercepts also open either up hole, down hole or open both up hole and down the hole. Importantly, none of the holes assayed for REE were drilled to specifically target REE mineralisation. The first program designed specifically to target REE mineralisation will commence in the next fortnight with the aircore drilling program testing the Midway Granite.

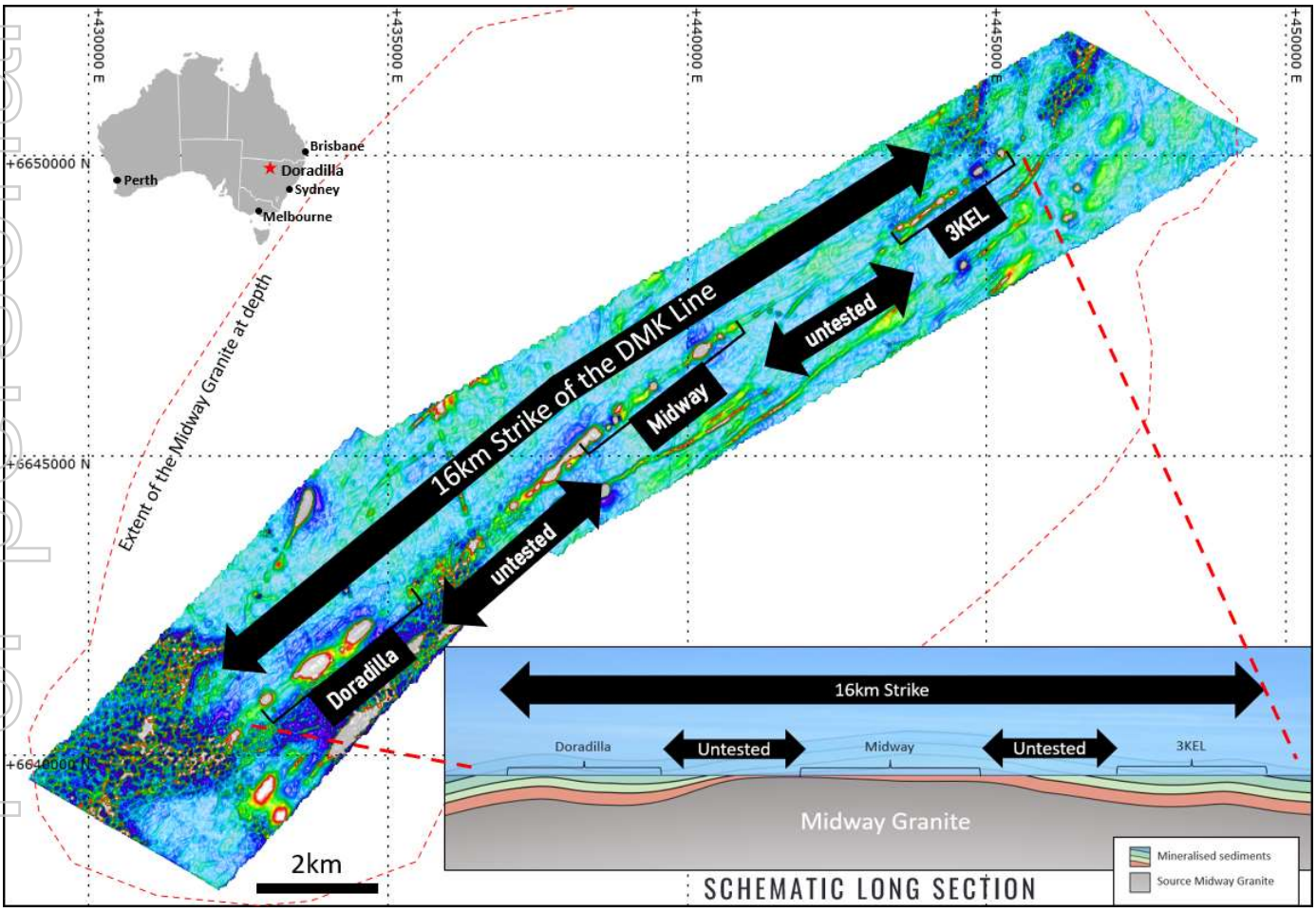

Figure 1: Doradilla Project – Plan view showing the DMK Line overlaid on the 1st vertical derivative magnetics image and a schematic long section of the DMK Line showing the underlying Midway Granite. The strike of the three 'DMK' targets, Doradilla, Midway and 3KEL, are labelled and there are large untested areas (kilometres) between each target.

For personal use only

For personal use only

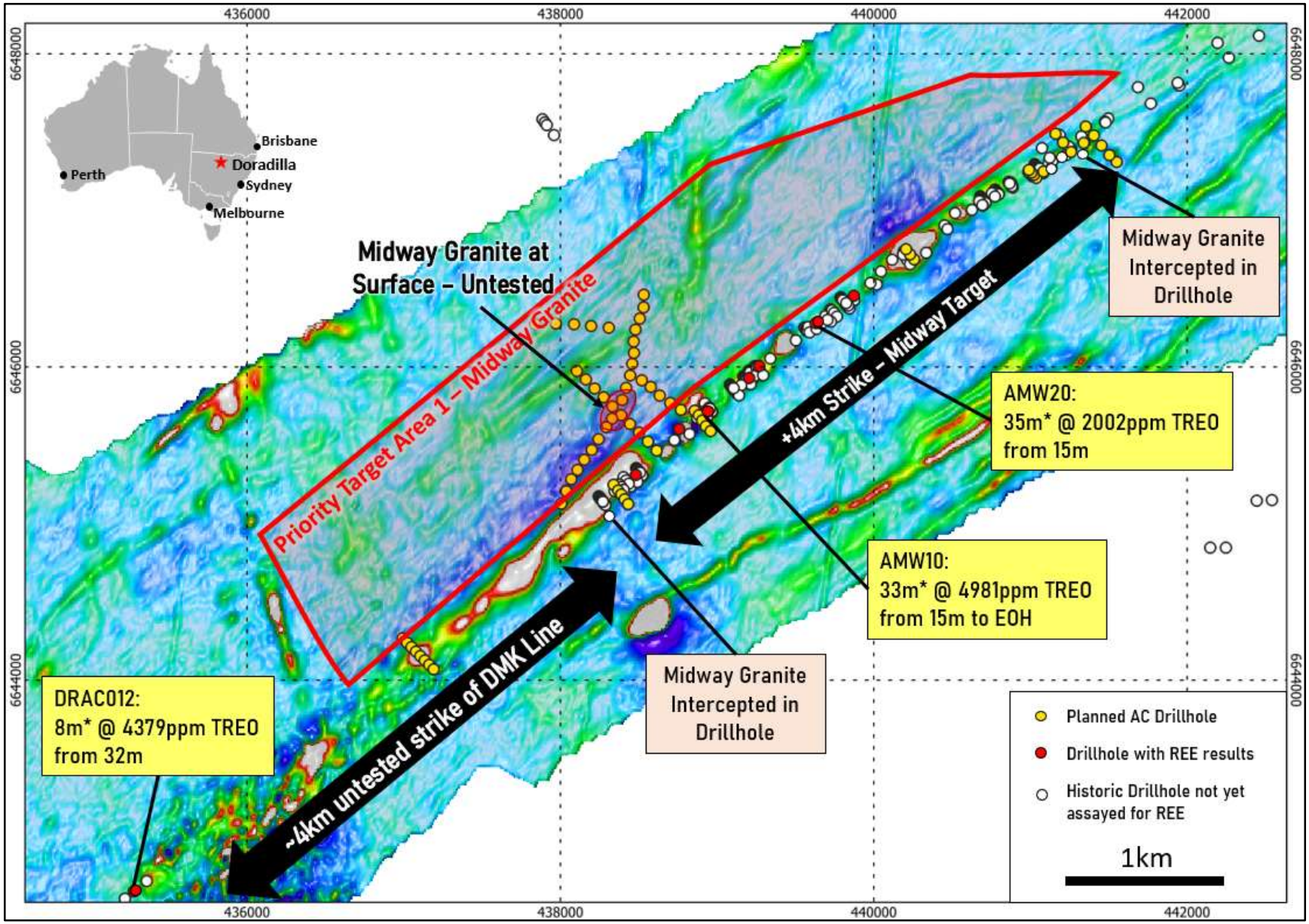

Figure 2: *Doradilla Project – Plan view showing the area with the Midway Granite outcropping at surface or shallow and the DMK Line overlaid on the 1st vertical derivative magnetics image. The drillhole collars in the upcoming drilling program are shown in yellow to test the Midway Granite, interpreted to be shallow over potentially multiple square kilometres, as shown above.*

For personal use only

PRIORITY TARGET AREA - MIDWAY GRANITE

The Midway Granite outcrops at surface, as shown on **Figure 2**. This has been discovered through geological mapping as well as radiometric and magnetic geophysical data. The area where the granite outcrops also has a wide area around the outcrop where the granite is either more deeply weathered or is under a thin cover sequence, as indicated from the magnetic geophysical data. Therefore, this entire area of multiple square kilometres is prospective for REE mineralisation.

The weathered Midway Granite shows strong geological similarities to the clay hosted REE mineralisation successfully mined for REE over the last few decades in China. The REE mineralogy and, therefore, metallurgy, is more likely to be similar to these systems due to these geological similarities and, as such, is a very attractive target for easily extractable REE mineralisation.

In addition to these possible advantages, the work to date at Doradilla shows TREO grades increase the closer samples are to the Midway Granite. If this relationship continues, then it is possible that higher TREO grades will be discovered in the vicinity of this target area as it is within or immediately adjacent to the Midway Granite.

NEXT STEPS – MIDWAY GRANITE DRILLING PROGRAM

An aircore drilling rig is scheduled to commence drilling at Doradilla in the next fortnight. Aircore will be used as it can cheaply test the +60m vertically thick clay zone which host the REE mineralisation and overlies the fresh rock at Doradilla. This program is planned to include drilling at least 60 aircore holes for approximately 4,000m of drilling.

As shown in **Figure 2**, the program will traverse over the outcropping area of the Midway Granite to test for REE mineralisation hosted in the weathered clays produced from the granite as well as REE mineralisation in the area adjacent to the granite. Samples will be assayed for REE and a multielement suite to establish the presence of REE mineralisation and characterise the granite phases to aid in vectoring to further mineralisation. On the potential discovery of REE mineralisation, samples will be sent to ANSTO to test for extraction of REE.

DORADILLA AND MIDWAY TARGETS – RARE EARTH ELEMENT MINERALISATION

The discovery of REE mineralisation at the Doradilla and Midway targets via reassaying of historic drilling has prompted further reassaying of available historic drill samples. Nine (9) historic holes from the Doradilla Target and eleven (11) holes from the Midway Target for a combined 197 samples were assayed for REE. This assaying has expanded and confirmed the continuity of the REE mineralisation along the DMK Line. As only select intervals were tested previously, these new results have widened some intercepts as well as discovered new REE intercepts where holes had not been assayed for REE previously (**Figure 2 and Table 1 and 2**).

Highlight TREO results at Doradilla from this work include:

DRAC016: **20*m @ 3179ppm (0.31%) TREO from 16m, including;**
2m @ 5657ppm (0.57%) TREO from 18m.

DRAC020: **10m @ 2894ppm (0.29%) TREO from 38m, including;**
4m @ 6023ppm (0.60%) TREO from 44m.

DRAC023: **24*m @ 2628ppm (0.26%) TREO from 18m, including;**
4m @ 3731ppm (0.37%) TREO from 22m.

AMW23: **26*m @ 2329ppm (0.23%) TREO from 10m, including;**
10m @ 3407ppm (0.34%) TREO from 15m.

*Intercept is either open up hole, open down hole, or open in both directions.

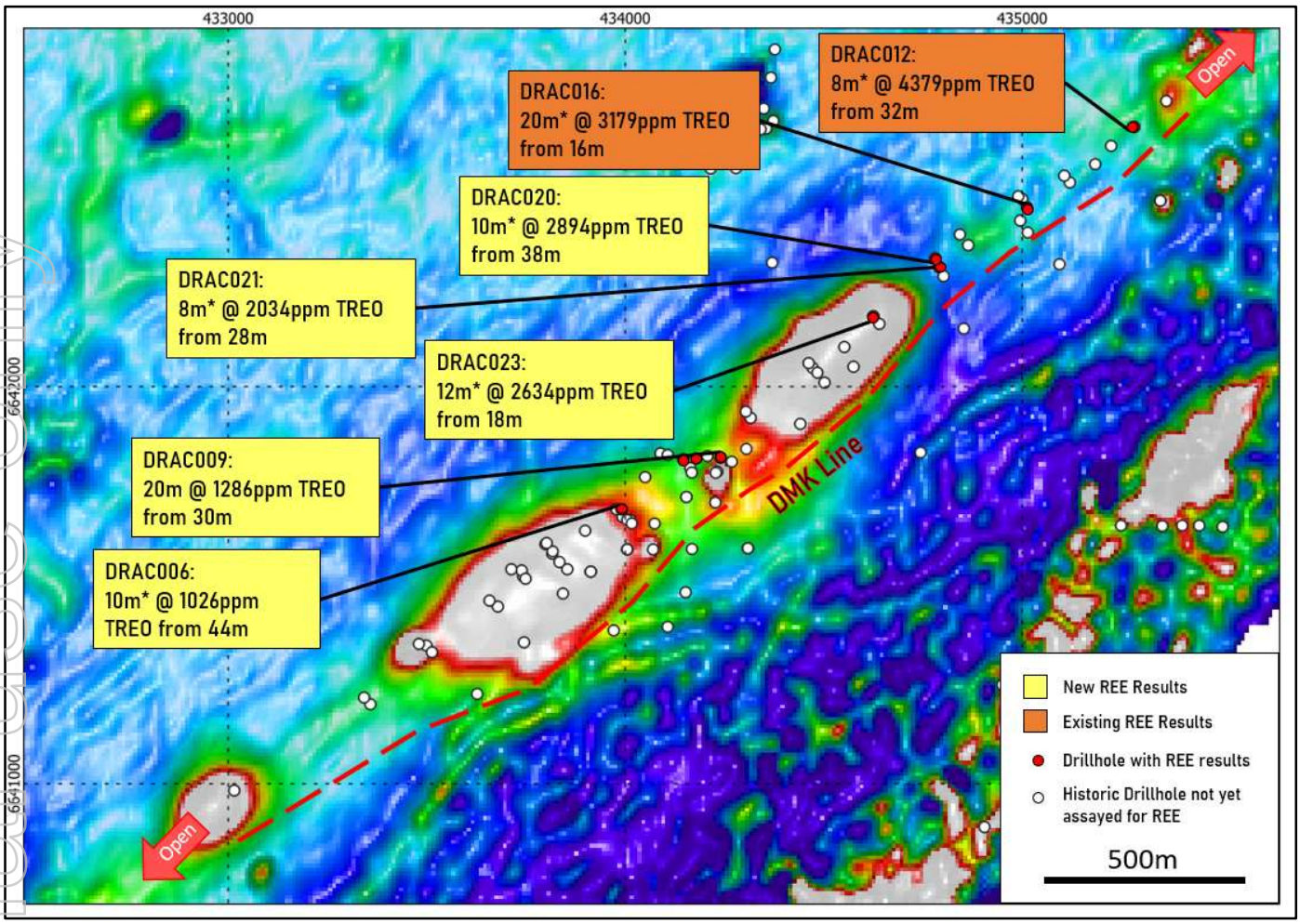

*Figure 3: Doradilla Target – New and existing REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

DORADILLA REE MINERALISATION – METALLURGICAL TESTING

SKY is continuing to progress the preliminary work on the nature and potential metallurgical pathways for the extraction of the REE mineralisation at Doradilla. REE mineralisation characterisation work is being completed at ANSTO and UNSW to begin investigating potential metallurgical pathways. A first pass trial of ammonium sulphate (AS) leaching at a solution pH of 4 and pH of 3 by ANSTO for samples from the DMK Line has not shown promise for economic extraction of REE. It is likely that a number of other extraction pathways will be available given the strong grades present at the project and SKY will continue to work with ANSTO along with other experts to further test other methods to economically extract the REE on the DMK Line.

However, the Midway Granite possibly represents a discrete type of REE mineralisation and, therefore, different chemistry from the DMK Line samples tested for REE extraction via AS leaching to date. Samples from the upcoming aircore drilling program will be promptly sent to ANSTO for testing extraction of the REE via AS leaching and will be investigated with other extraction methods, if required.

For personal use only

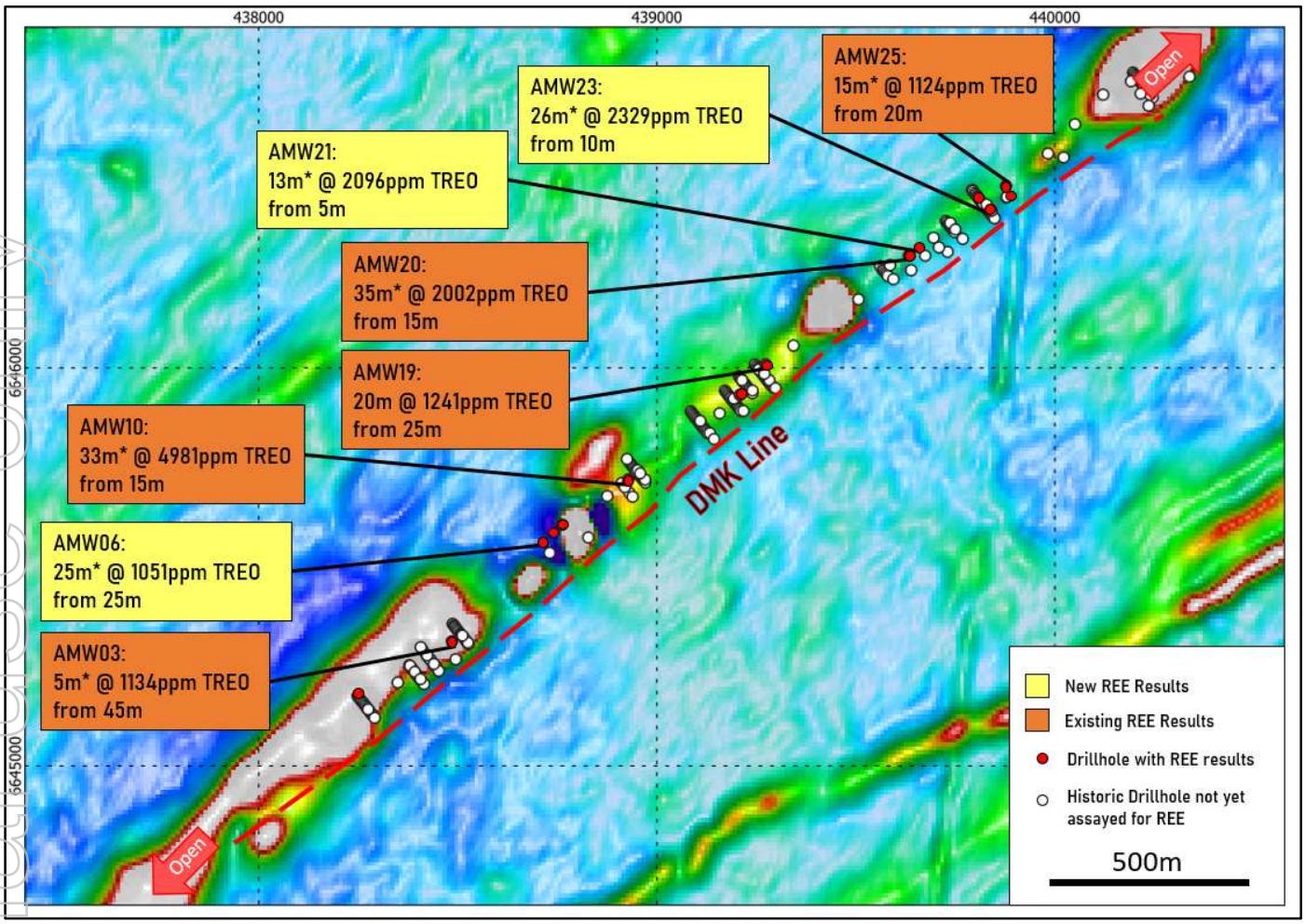

Figure 4: *Midway Target – New and existing REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

Table 1: *Doradilla Project – Drillhole Collar Details.*

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	DIP	Azimuth (MGA)	Total Depth (m)	Year Drilled	Comments
AMW01	444509	6649424	132	-60	319	102	2019	Samples secured from W B Clarke Geoscience Centre
AMW04	444426	6649385	135	-75	132	168.5	2022	Samples secured from W B Clarke Geoscience Centre
AMW05	438484	6645314	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW06	438761	6645607	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW07	438927	6645721	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW09	439207	6645933	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW13	439272	6646010	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW21	439632	6646283	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW23	439876	6646458	140	-60	142	50	1979	Samples secured from W B Clarke Geoscience Centre
AMW24	444511	6649422	136	-90	0	45	2007	Samples secured from W B Clarke Geoscience Centre
AMW26	444498	6649451	130	-90	0	55	2007	Samples secured from W B Clarke Geoscience Centre
DRAC006	444519	6649490	136	-60	145	50	2007	Samples from YTC Resources drilling
DRAC009	443954	6649077	132	-90	0	45	2007	Samples from YTC Resources drilling
DRAC012	443692	6648928	132	-60	145	50	2007	Samples from YTC Resources drilling
DRAC016	443582	6648825	135	-90	0	52	2007	Samples from YTC Resources drilling
DRAC020	443594	6648809	140	-60	145	80	2007	Samples from YTC Resources drilling
DRAC021	443458	6648739	142	-90	0	69	2007	Samples from YTC Resources drilling

For personal use only

For personal use only

Table 2: *Doradilla Project – Significant Drillhole Intercepts – NB: * on the interval demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts, and the intercepts may be significantly larger than reported below.*

Hole ID	From	To	Interval	La2O3	CeO2	Nd2O3	Pr6O11	Sm2O3	Eu2O3	Gd2O3	Tb4O7	Dy2O3	Ho2O3	Er2O3	Tm2O3	Lu2O3	Yb2O3	Y	**TREO**	Nd+Pr+Tb+Dy	Nd+Pr+Tb+Dy /TREO
	(m)	(m)	(m)	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	**ppm**	ppm	%
AMW06	25	50	25*	85	793	74	21	12.8	2.5	8.7	1.28	7.3	1.43	4.3	0.65	0.67	4	34	1051	104	10
AMW21	5	18	13	605	341	515	154	88.5	16.7	57.2	7.60	41.6	7.81	21.1	3.14	2.86	19	216	2096	719	34
AMW23	10	36	26*	469	774	480	132	90.8	17.9	67.1	9.23	49.4	8.39	22.4	3.14	2.49	19	185	2329	670	29
AMW23	15	20	5	720	1480	760	216	140	26	88	12	60	9	23	3	2	17	174	3792	1048	28
AMW24	30	50	20*	161	855	133	39	23.9	5.0	17.0	2.39	13.7	2.36	6.5	0.95	0.82	6	45	1312	188	14
DRAC006	44	51	7*	130	761	44	17	7.8	1.4	5.8	0.84	4.9	0.96	2.8	0.44	0.46	19	3	999	66	7
DRAC009	30	48	18*	171	758	194	54	38.7	6.6	28.0	4.68	30.9	6.03	19.2	2.99	3.02	136	21	1474	284	19
including	44	48	4	239	1293	301	83	63.7	11.3	48.4	8.63	59.7	11.78	38.5	6.10	6.16	269	44	2482	452	18
	76	90	14	227	743	199	64	30.3	7.2	21.9	3.35	20.1	3.65	11.0	1.74	1.94	69	13	1416	286	20
DRAC012	32	40	8*	788	1800	700	181	138.8	27.1	114.7	16.15	94.5	15.85	44.5	5.96	5.04	412	36	4379	992	23
DRAC016	16	36	20*	510	1010	550	132	115.2	24.8	109.6	15.78	96.3	17.20	47.8	6.43	5.54	500	38	3179	794	25
including	18	20	2	103	5196	131	34	28.5	5.8	22.4	4.03	24.0	4.14	12.2	1.85	1.75	75	14	5657	192	3
DRAC020	38	48	10	753	587	693	188	130.6	21.4	90.4	11.73	62.0	11.06	30.3	4.02	3.25	285	23	2894	955	33
including	44	48	4	1418	1127	1523	397	293.1	48.5	207.5	26.96	142.5	25.60	70.2	9.31	7.32	674	53	6023	2089	35
DRAC021	28	36	8	352	761	395	106	78.0	14.2	54.6	7.68	42.4	7.24	19.6	2.60	2.19	174	16	2034	552	27
including	32	34	2	882	1560	1012	260	201.2	37.7	141.2	19.91	110.4	17.98	47.6	6.16	4.94	430	38	4769	1402	29
	52	70	18*	181	822	274	65	58.1	10.7	43.8	6.23	35.5	5.88	16.4	2.48	2.09	118	15	1656	381	23
DRAC023	18	30	12*	274	1990	226	74	24.7	3.3	9.1	1.25	6.3	1.06	3.1	0.46	0.52	18	4	2634	307	12
DRAC031	28	36	8	99	1240	115	32	20.9	3.2	11.3	1.59	8.2	1.48	4.3	0.63	0.63	27	4	1569	157	10

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, REE).

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.

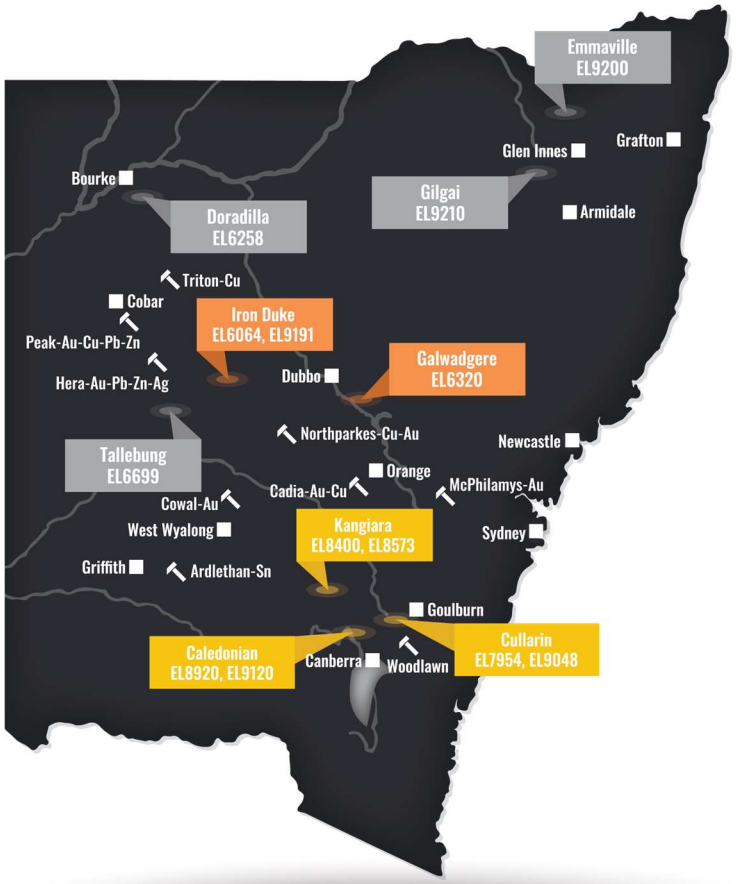

Figure 5: SKY Tenement Location Map

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.

For personal use only

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.

For personal use only

For personal use only

JORC CODE, 2012 - TABLE 1

Section 1 Sampling Techniques and Data – DORADILLA 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.*	All pulps, RC chips and drill cores were submitted to ALS Orange for preparation and assaying. Drill core sampling is by sawn half core HQ core or quarter PQ core. Nominal sample intervals are 1m with a range from 0.3m to up 10.0m composite samples.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	For RC and diamond drilling and reassaying, assay standards or blanks are inserted at least every 30 samples. 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. Diamond drilling - core samples were taken at nominally 1m, but with a range between 0.3-2m. Core samples are cut in half, dried, crushed and pulverised to 90% passing 75 microns. Pulps were also pulverised to ensure the sample is homogenised. REE (principally: La, Ce, Nd, Pr, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Lu, Yb Y) are analysed at ALS via ME-MS81h by lithium meta-borate fusion and ICP-MS. Overlimit samples are analysed via ME-XRF30 fusion.
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, drag bit air drilling or RAB drilling was completed for the AWM-series of holes at the Midway Target. The 2007 and 2012 aircore drilling by YTC Resources were completed with a Mole Pioneer and KD150 drill rig, respectively, with 76mm rods and bit. Diamond Drilling completed by drilling PQ through the top weathered portion of the hole until fresh rock is reached and then HQ coring begins from the base of the PQ. For the hole for metallurgical test work sample, PQ was drilled to EOH to produce the largest sample. Core orientation was completed where possible for the any HQ drill core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed*	Sample quality is assessed by the sampler by visual approximation of sample recovery and if the sample is dry, damp or wet. Diamond drill core recovery recorded against intervals drilled as part of geotechnical logging to determine recovery. Recoveries are generally greater than 95% once in fresh rock. Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core recovery.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples*	Drill cyclone and sample buckets are cleaned between rod changes and after each hole to minimise cross-hole contamination and all sampling instruments are cleaned thoroughly minimise any possibility of contamination. 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.

For personal use only

Criteria	Explanation	Commentary
	• *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 no sample has been recovered within the intercepts, intercepts have been calculate assuming 0ppm TREO grade for the interval.
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, YTC Resources and SKY 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. Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference.
	• *The total length and percentage of the relevant intersections logged*	All core was geologically and geotechnically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken*	Diamond drilling - core was sawn with half core (HQ) or quarter core (PQ) submitted for assay. Sampling was consistently on one side of the orientation line so that the same part of the core is sent for assay.
	• *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. YTC aircore – Spear samples were taken as composites for 2m, 3m, 4m composite samples in calico bags.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique*	Samples were dried crushed and pulverised to 85% passing 75 microns. Core samples were dried crushed and pulverised to 90% 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 30-50 samples to assess the accuracy and reproducibility of the 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 every 50 samples, previously assayed samples were also reassayed to compare with recent assaying. Duplicates performed well. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.

Criteria	Explanation	Commentary
	• *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. REE are analysed at ALS via ME-MS81h by lithium meta-borate fusion and ICP-MS. Overlimit samples are analysed via ME-XRF30 fusion.
	• *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 REE.
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.

For personal use only

For personal use only

Criteria	Explanation	Commentary
	• *Discuss any adjustment to assay data*	Assay data is adjusted to reflect oxide values by multiplication of the raw assay values for each element by the factors of equivalent chemical oxide weight in the table below:

Element	Oxide	Factor
Ce	CeO2	1.228
Dy	Dy2O3	1.148
Er	Er2O3	1.143
Eu	Eu2O3	1.158
Gd	Gd2O3	1.153
Ho	Ho2O3	1.146
La	La2O3	1.173
Lu	Lu2O3	1.137
Nd	Nd2O3	1.166
Pr	Pr6O11	1.208
Sm	Sm2O3	1.160
Tb	Tb4O7	1.151
Tm	Tm2O3	1.142
Y	Y	1
Yb	Yb2O3	1.139

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.
	• *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 referenced.

For personal use only

Criteria	Explanation	Commentary
	• *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 – DORADILLA 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 Doradilla Project is described by NSW Exploration Licence 6258 The tenement is 100% owned by Stannum Pty Ltd, a 100% owned subsidiary of Big Sky Metals Pty Ltd and Sky Metals Ltd.
	• *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*	The conditions of the license for the Doradilla Project require the prior written consent from NSW Minister for Planning (Minister) before any change in effective control of the licence holder or foreign acquisition of substantial control of the licence holder. No impediments known.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties*	The Doradilla Project area has an extensive exploration history, with the tenement area subject to extensive past exploration within 22 previous exploration licences. The main DMK line skarn zone was discovered by North Broken Hill Ltd in 1972. Between 1972 and 1984 several companies, (North Broken Hill Ltd, Renison Ltd, Aberfoyle Exploration Pty Ltd, Metals Exploration Ltd, and Preussag Australia Pty

For personal use only

Criteria	Explanation	Commentary
		Ltd), drilled multiple diamond, percussion and auger drill holes on the prospect, defining a stratigraphically persistent, low grade, tin-bearing calc-silicate skarn. Significant exploration efforts were also completed by Shell Minerals, Cleveland Tin, Aberfoyle, Eastmet and Metals Exploration. More recent exploration was completed by Goldminco Corporation and YTC Resources (now Aurelia Metals), who completed aircore drilling programmes on 3KEL, the Doradilla deposit, as well as aircore and diamond core holes across a number of ultramafic serpentinite bodies, exploring for Avebury-style related nickel mineralisation.
Geology	• *Deposit type, geological setting and style of mineralisation*	The bedrock geology of EL6258 comprises units of low to moderate metamorphic grade phyllite, schist, slate, siltstone, and conglomerate that have been previously interpreted to be part of the Ordovician Girilambone Group. The mineralisation at Doradilla is mainly skarn/replacement tin/tungsten mineralisation hosted with the DMK Line. The DMK Line is a belt of calc-silicate skarns after limestone and marl that is up to 100m thick. This unit is considered to be a conformable part of the Devonian stratigraphy. Other calc silicates have been located at Doradilla Trig, Wednesday Shaft and Northern Shaft. Post-dating deformation and regional metamorphism is the emplacement of a large fractioned A-type granite batholith with an evolved suite of quartz porphyry dykes (the Midway Granite), interpreted to be the source of mineralising fluids at Doradilla. Recent dating has demonstrated a Triassic age for these intrusions. Mineralisation appears to be related to emplacement of this batholith.
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.
	• *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 Project have been length weighted. Grades greater than 500ppm TREO 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').*	Orientated drill core used to allow determination of orientation of structures and mineralisation. Lode orientation of the 3KEL mineralisation is well constrained by previous drilling, outcrop and orientated drillcore measurements.

Criteria	Explanation	Commentary
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, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 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, 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, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 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, SKY ASX announcement 25 October 2021, SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 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 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, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 2022.

For personal use only