SKY METALS

ASX ANNOUNCEMENT

28 April 2023

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2023

HIGHLIGHTS

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TALLEBUNG TIN PROJECT

- Maiden JORC-2012 Inferred Mineral Resource Estimate (MRE) for Tallebung, estimated at:

  10.2Mt @ 0.18% Tin for 18.4kt of contained Tin at a 0.10% Tin cut-off grade.*

- An Exploration Target has also been defined and demonstrates the substantial opportunity for potential growth of the maiden MRE at Tallebung.
- TOMRA XRT Ore Sorting has shown that the tin grade can be initially upgraded over 3x.
- Exceptional results from the first of two diamond holes completed last quarter were received. Results include:

  TBD003: **60.55m @ 0.36% Tin from 23m, including;**

  0.65m @ 15.35% Tin from 47.1m.

- This result is outside of the maiden inferred MRE, beginning SKY's plan to grow the MRE with more drilling over the coming months.
- SKY plans to commence scoping studies in the coming quarter to continue progressing the Tallebung Project towards development.

DORADILLA TIN PROJECT

- SKY 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.

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

- An aircore drilling program has commenced to test the broad 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 higher TREO grades and the best metallurgy is likely closer to the Midway Granite.

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

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 March 2023 quarter.

JUNE 2023 QUARTER – PROPOSED WORK PROGRAM

- Mine Concept and Scoping Studies to assess the economic potential at Tallebung.
- Diamond and RC drilling at Tallebung, aiming to significantly grow the maiden MRE and convert the Exploration Target into resources.
- Aircore drilling and reassaying of previous drilling to further explore the REE mineralisation discovered at Doradilla.
- REE mineral characterisation and metallurgical testwork to find potential extraction pathways for the tin and REE mineralisation at Doradilla.

TALLEBUNG PROJECT (EL 6699, SKY 100%)

EXPLORATION TARGET

An Exploration Target at Tallebung of approximately **16 – 21 Mt at a grade ranging between 0.16 - 0.20 % tin** has been defined from the drilling completed to date. The potential quantity and grade referred to above as the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. SKY will commence further drilling of this exploration target in the next three months with at least 10-20 RC holes and further diamond drilling with the aim to expand the Inferred Mineral Resource Estimate below and grow confidence in this estimated Exploration Target. Supporting report and further details on the Inferred Mineral Resource Estimate and the estimation of the Exploration Target can be found in SKY ASX Announcement 22 March 2023.

MAIDEN MINERAL RESOURCE ESTIMATE

Independent geological consultants, H&S Consultants Pty Ltd (H&SC), was retained to provide a maiden Inferred Mineral Resource Estimate (MRE) for the Tallebung Tin Project. H&SC compiled the 81 holes drilled at Tallebung to date, including 51 holes drilled by SKY since 2019, for approximately 12,716 assays in total, to produce the MRE. The MRE has been reported in accordance with the 2012 JORC Guidelines and the maiden Inferred MRE is shown in **Table 1** and further details found in SKY ASX Announcement 22 March 2023.

Table 1 – Tallebung MRE showing total tonnage, grade and contained metals at a 0.10% Tin cut-off grade.

Classification	Tonnage (Mt)	Grade		Contained Metal	
		Tin (%)	Tungsten (%)	Tin (kt)	Tungsten (kt)
Inferred MRE	**10.2**	**0.18**	0.03	**18**	2.7

SKY is very encouraged by this maiden Inferred MRE, which is only limited in size by the amount of drilling completed to date. SKY is planning follow up drilling programs to continue to expand this promising maiden MRE to continue to grow this large-scale tin deposit.

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NEXT STEPS

This maiden MRE and Exploration Target demonstrate the large-scale tin system that SKY is exploring at Tallebung. Follow up work will focus on expanding on these initial estimates to continue to grow this large target. SKY is planning drilling to infill and, ultimately, upgrade and expand this maiden MRE and Exploration Target in the following months to continue to develop the Tallebung Tin Project.

Additionally, a gravity geophysical survey completed in 2019 showed that a positive gravity anomaly is coincident with the tin mineralisation and extends well beyond the current extent of drilling, indicating that the Exploration Target and Inferred MRE remain open over more than 2km, significantly more than the current 1.6km strike drilled to date.

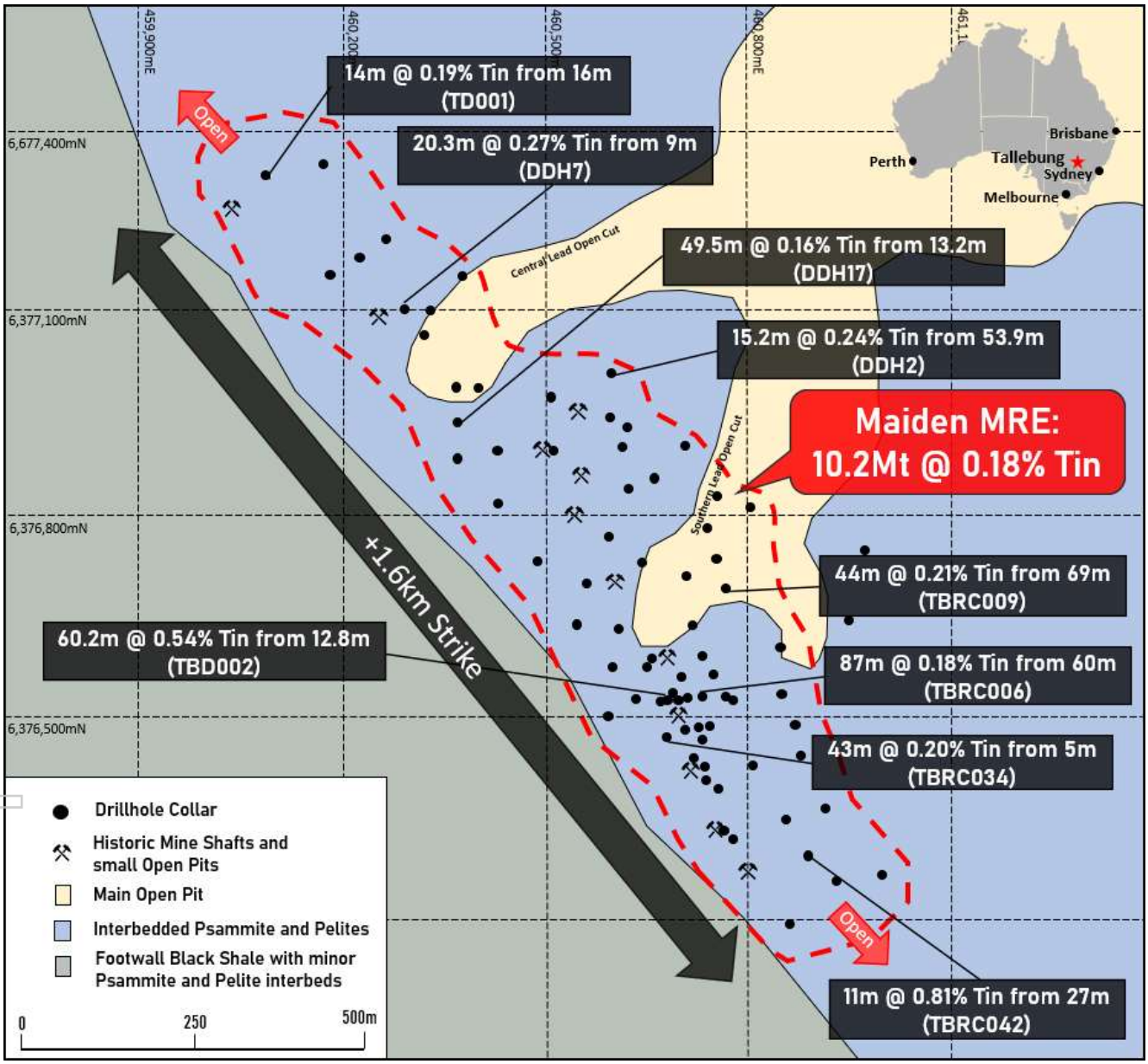

Figure 1: Tallebung Project – Plan view showing geological map of the Tallebung Tin Target overlaid with significant drill intercepts and indicative MRE area.

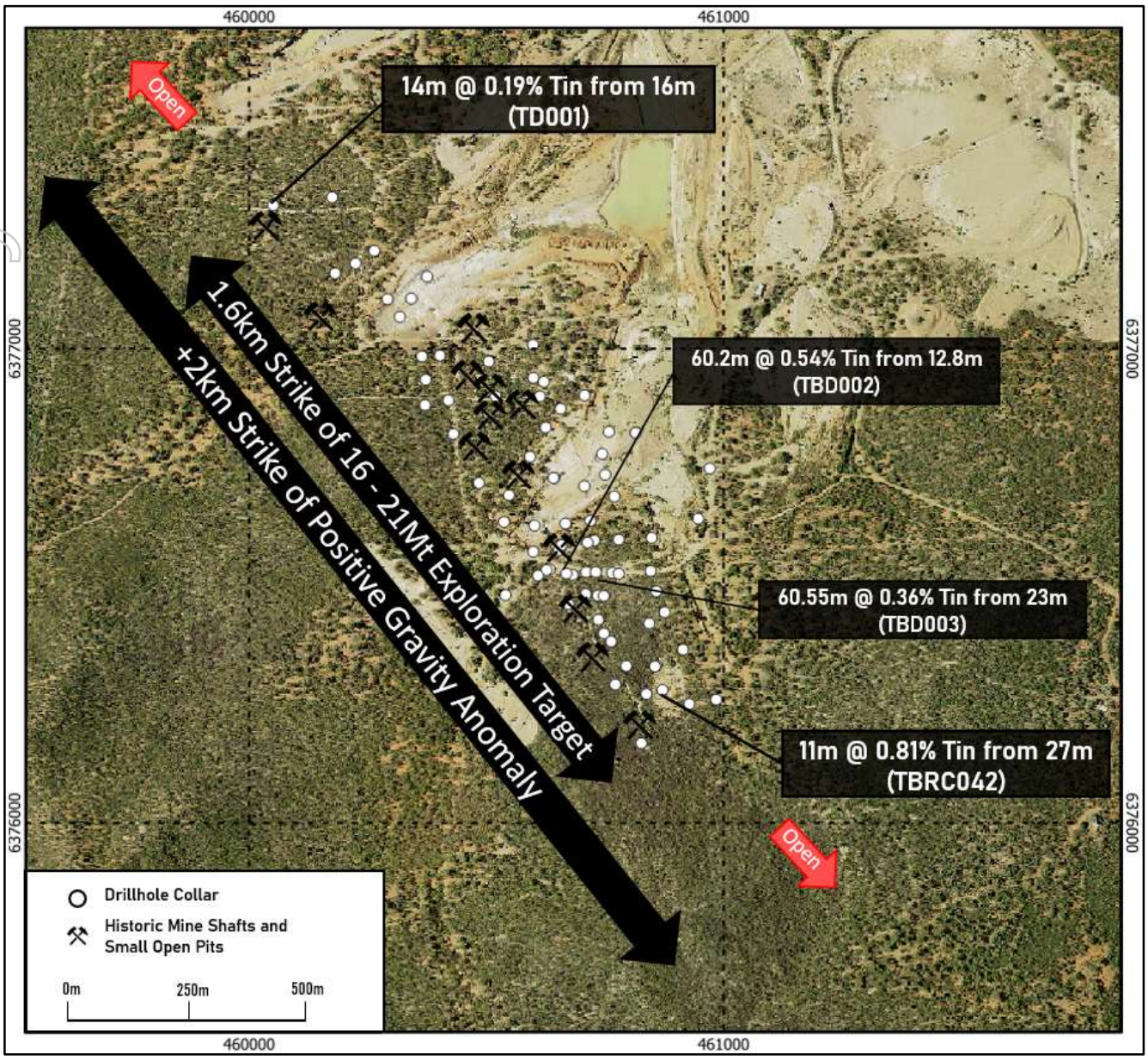

Figure 2: *Tallebung Project – Plan view showing an aerial photo of the Tallebung Tin Target and the drill hole intercepts at the margins of the maiden MRE and Exploration Target. The +2km positive gravity anomaly indicates that there is significant extensions to the current MRE and Exploration Target at Tallebung that require further drilling.*

TALLEBUNG TARGET – DIAMOND DRILLING

A diamond drilling program of 2 holes, **TBD003** and **TBD004**, for a total of 449.9m were completed at the Tallebung Tin Target in late December 2022. The aim of this program was to increase the scale and grade of the Tallebung Tin Deposit and increase SKY's understanding of the structural controls to the distribution of tin mineralisation at Tallebung with orientated core.

Both holes were drilled to over 200m with wide PQ core drilled to approximately 150m. The larger PQ core has assisted in accounting for the 'nugget' effect caused by the coarse nature of cassiterite tin at Tallebung, the holes were then cased down to HQ to EOH. Both holes were drilled in a 'top-to-tail' plan to overlap vertically near **TBRC006** and **TBD002**, where the highest grade and widest tin mineralisation has been intercepted at Tallebung to date.

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TBD003 intercepted significant tin mineralisation as abundant coarse cassiterite (tin-oxide) in consistent and large quartz veining (**Figure 3** and 4). Results included:

TBD003: **60.55m @ 0.36% Tin from 23m**, including;
0.95m @ 3.42% Tin from 24.5m, and;
1.65m @ 7.28% Tin from 46.1m, including;
0.65m @ 15.35% Tin from 47.1m.

The excellent intercepts in **TBD003** will add to the already large maiden MRE defined at Tallebung and represents the commencement of SKY's aim to multiply the maiden MRE over the coming months with further drilling.

The drilling of orientated core and the location of **TBD003** and **TBD004** will provide SKY's geologists with vital data to strength the geological understanding of the tin mineralisation. Growing geological knowledge at Tallebung will to not only be vital in further estimates of the quantity and grade of the tin mineralisation, but it will also be invaluable in discovering further strong tin mineralisation at Tallebung over the coming months.

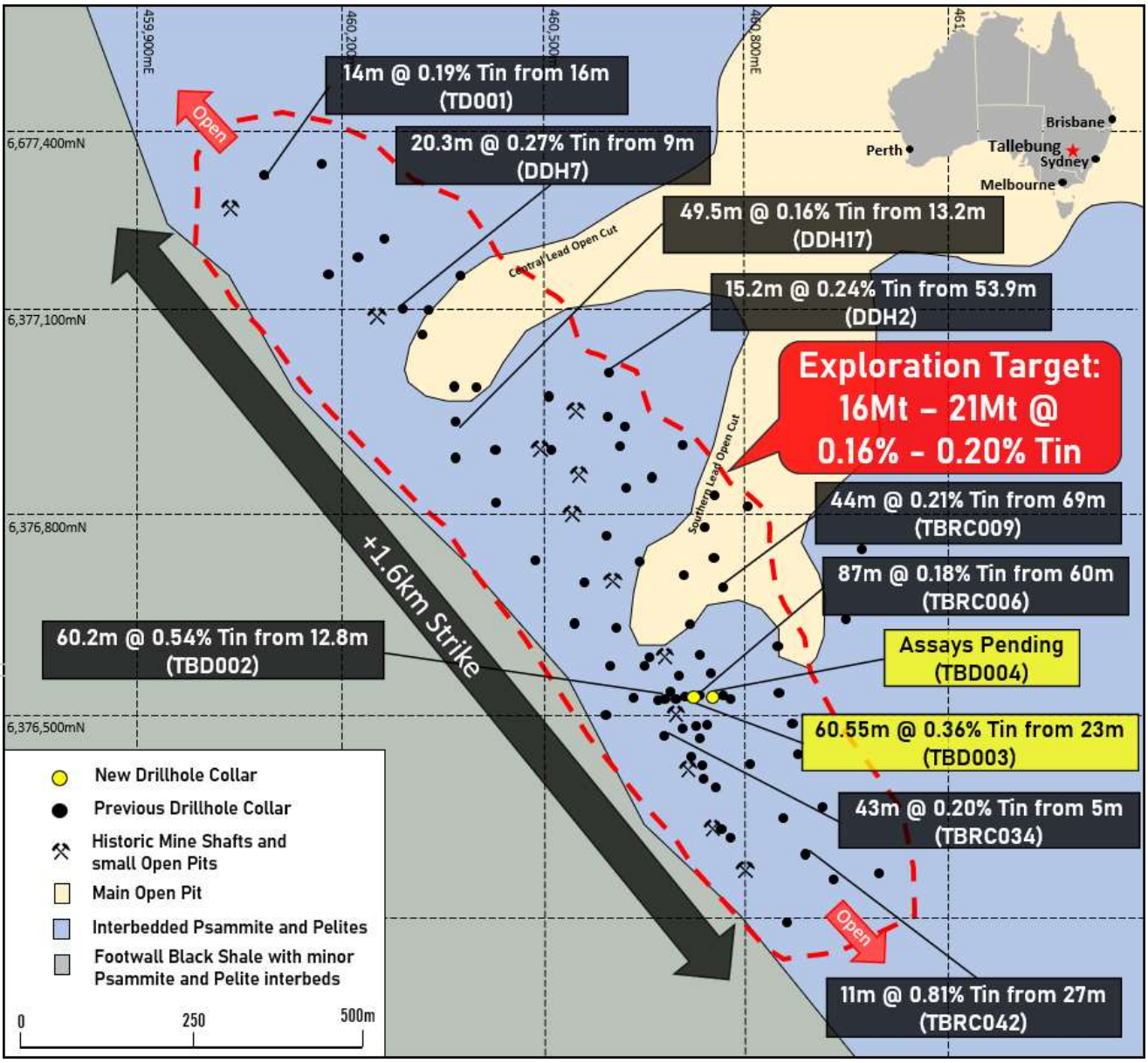

Figure 3: *Tallebung Project – Plan view showing geological map of the Tallebung Tin Target overlaid with significant drill intercepts, indicative MRE area and the Exploration Target shown. New results are in the yellow boxes.*

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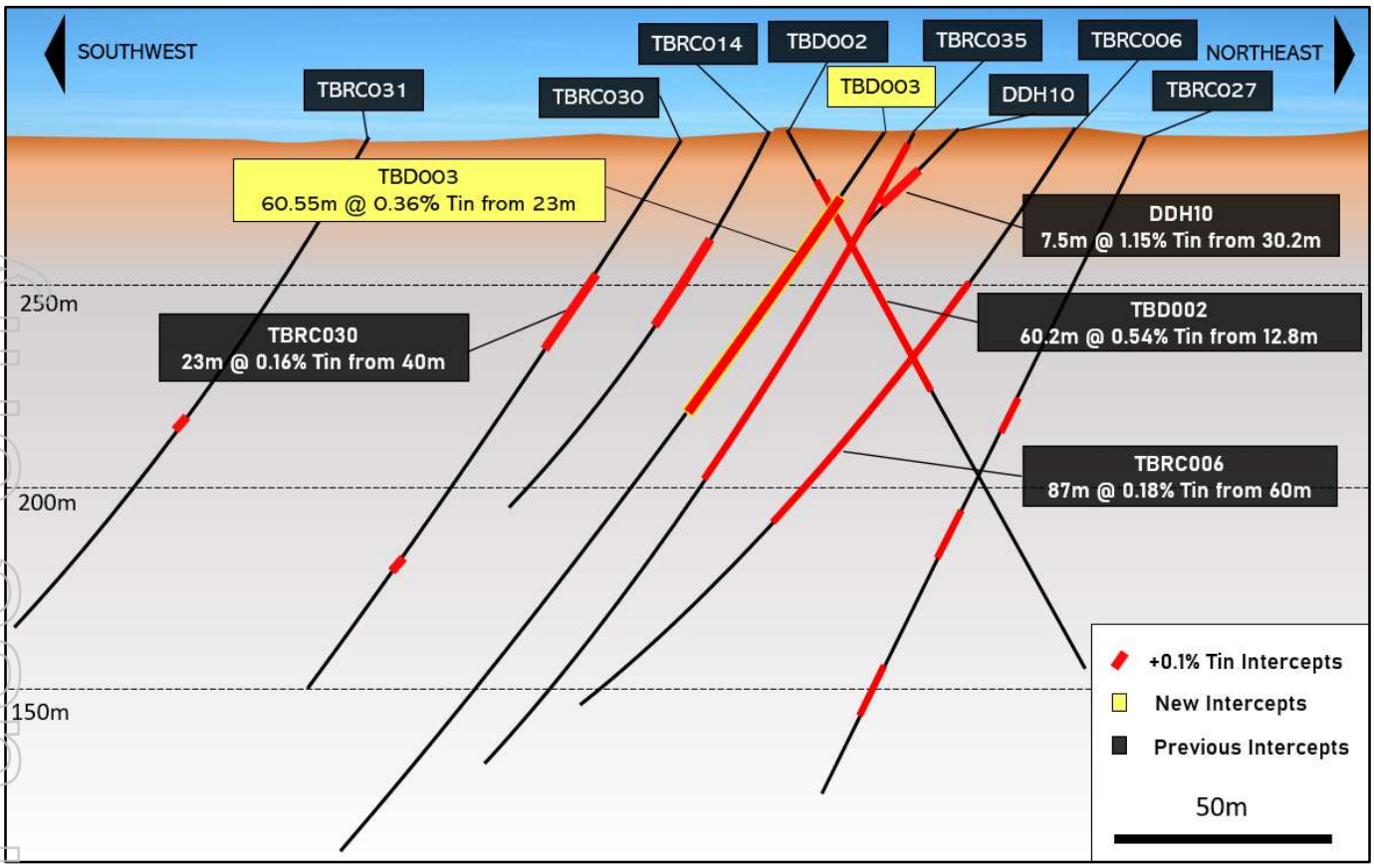

Figure 4: *Tallebung Project – Cross-section through **TBD003** showing the past drilling on the section. New results are in the yellow boxes.*

Table21 – Tallebung Tin Project, Tallebung Target. Collar summary for drill holes.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	DIP	Azimuth (MGA)	Total Depth (m)	Comment
TBD003	460659.8	6376525.7	287.8	-55	260.4	222.4	Completed
TBD004	460735.8	6376518.3	288.3	-55	265.4	227.5	Completed

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

Hole ID	From	To	Interval	Sn	W	Ag	Cu	Zn	Comment
	(m)	(m)	(m)	%	%	g/t	%	%	
TBD003	23	83.55	60.55	0.36	0.01	-	-	-	
including	24.5	25.45	0.95	3.42	0.09	-	-	-	
	46.1	47.75	1.64	7.28	0.04	-	-	-	
including	47.1	47.75	0.65	15.35	0.02	-	-	-	

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DORADILLA PROJECT (EL 6258, SKY 100%)

'DMK' LINE TARGETS – RARE EARTH ELEMENT MINERALISATION

Assaying historic drill samples for REE at the beginning of the March quarter at Doradilla discovered widespread REE mineralisation (SKY ASX Announcement 25 January 2023). 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.

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 has commenced with the aircore drilling program testing the Midway Granite.

MIDWAY GRANITE REE TARGET – AIRCORE DRILLING

An aircore drilling rig has commenced drilling at Doradilla. Aircore is being 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 40 aircore holes for approximately 4,000m of drilling.

As shown in **Figure 5**, the program will traverse over the outcropping area of the Midway Granite to test for REE mineralisation hosted in the weathered clays of 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.

The Midway Granite outcrops at surface, as shown on **Figure 5**. 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.

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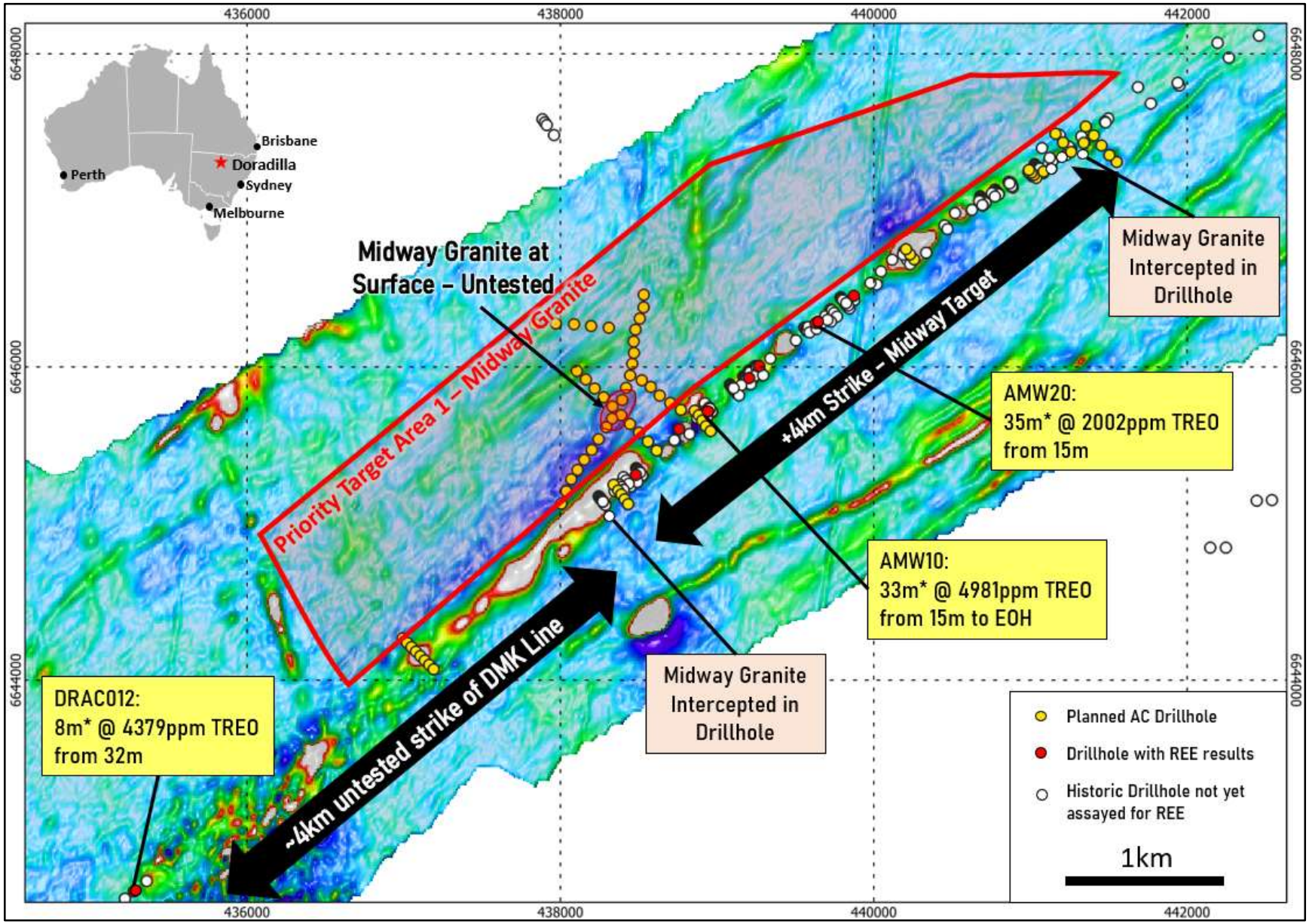

Figure 5: *Doradilla Project – Plan view showing the area with the Midway Granite outcropping at surface or shallow and the DMK Line overlaid on the 1st vertical derivative magnetics image. The drillhole collars to test the Midway Granite in the ongoing drilling program are shown in yellow, granite is interpreted to be shallow over potentially multiple square kilometres.*

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NARRIAH PROJECT (EL 9524, SKY 100%)

The Narriah Project (EL9524) was granted to SKY this quarter. The tenement covers numerous historic tin and tungsten workings in the greisenised roof of the Erigolia Granite intruding the sediments of the Clements Formation (**Figure 6**).

The Narriah 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.

At the Restdown Prospect, historic mine workings and a small alluvial tin resource has been delineated, and significant historic workings and limited drilling indicate that the area may be host to a large-scale tin-tungsten mineral system. Historic channel sampling in the historic workings found 8m @ 0.81% Tin over the width of the historic workings (**Figure 7**).

Furthermore, previous exploration identified anomalous lithium grades in rock and soil sampling. Lithium anomalism appears offset to the historic tin workings and in the vicinity of the Restdown mining field. At this stage, no lithium bearing minerals are identified in samples from the tenement, however, multiple pegmatites were mapped by geologists in the 1970s and 1980s. Further work to understand the distribution of lithium and the lithium-bearing minerals along with potential drill testing is planned to further evaluate the significance of these results.

SKY plans to conduct a detailed literature review of previous exploration and follow up field work as required, including geological mapping, potential surface sampling and geophysical surveys with drilling of any targets identified.

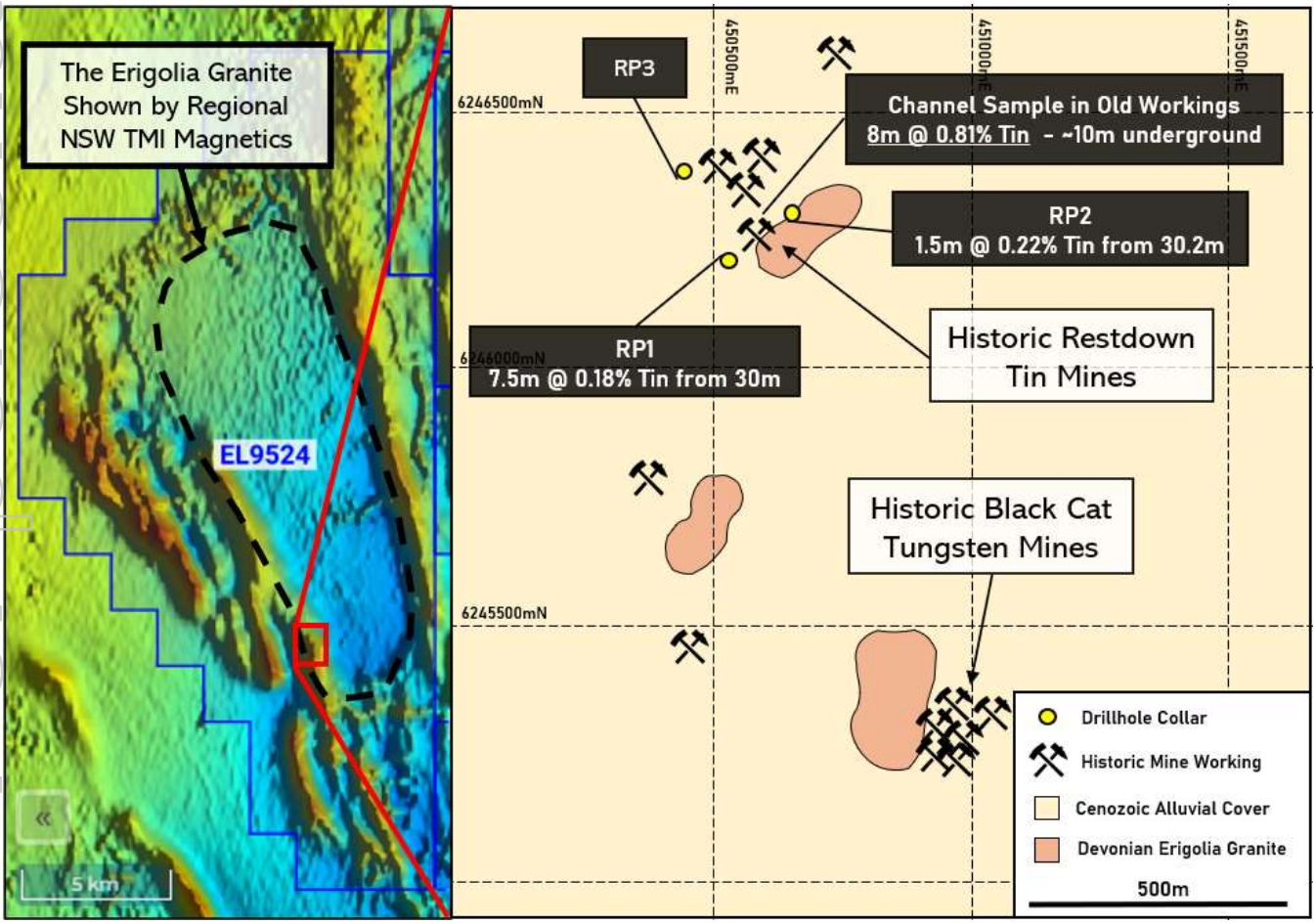

Figure 6: Narriah Project – LHS – Map taken from MinView showing the new Narriah tenement EL9524 over the regional state-wide TMI magnetics, clearly visible is the Erigolia Granite marked by the dashed black line and the red box shows the position of the Restdown Workings. RHS – Restdown Workings map enlarged from the area of the red box on the LHS.

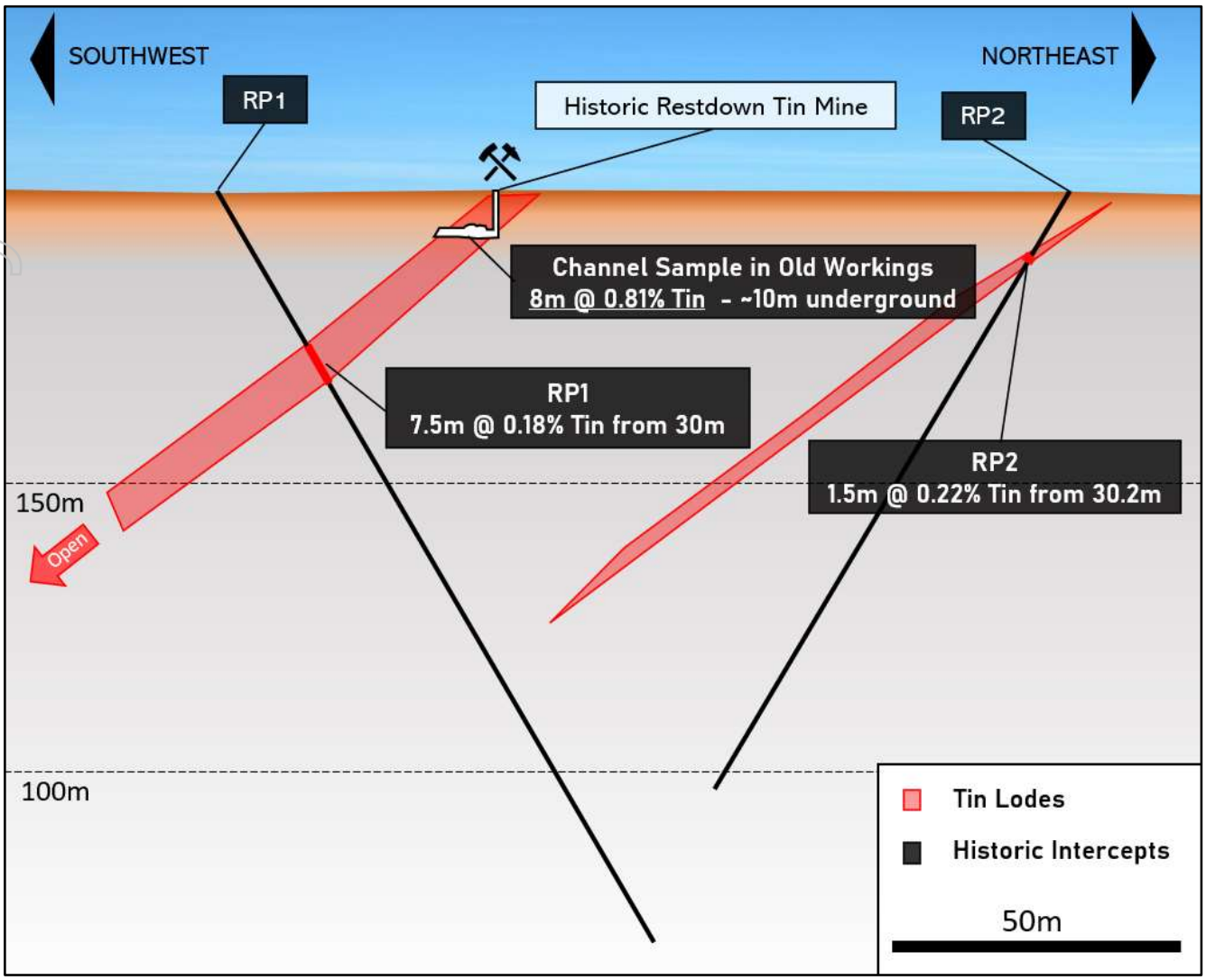

*Figure 7: Narriah Project – Cross-section through **RP1** and **RP2**, two of the three holes drilled to test the Restdown Working at depth. The outline of the historic workings and channel sampling are shown as well.*

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 in 2021 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. This quarter, SKY drilled a follow-up hole to these promising results by re-entering **HUD030** and drilling deeper to intercept the Hume Structure approximately 100m below **HUD031.** This tested extensions of the high-grade mineralisation in **HUD031** and for any other potential mineralisation by using the hole as a platform for a DHEM survey.

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HUD030 was drilled to 303.6m in 2021 to test for extensions to the strong base metal mineralisation intercepted in **HUD005** (6m @ 1.28% Cu & 12.44% Pb+Zn). This hole was left open and, early this quarter, SKY re-entered the hole and drilled on to 702.4m to intercept the Hume Structure at depth (**Figures 8** and **9**). The extension of **HUD030** intercepted multiple zones of strong base metal mineralisation and intense sericite-silica-pyrite alteration in strongly foliated rhyolitic volcaniclastics characteristic of the Hume Target.

Gold mineralisation at Hume is often associated with base metal mineralisation. Two broad zones of strong base metal mineralisation were noted in **HUD030**. The first zone intercepted comprised of three 2-3m intercepts of strong base metal mineralisation spaced approximately 20m apart between approximately 400-460m down hole with associated faulting evident in the drillcore. This is interpreted to be related to the Eastern Fault and may be a significant structure for additional mineralisation at Hume. The second base metal zone intercepted was between 590-630m is interpreted to be associated with the Hume Structure. SKY anticipates the assays for this drilling to be received in the June quarter.

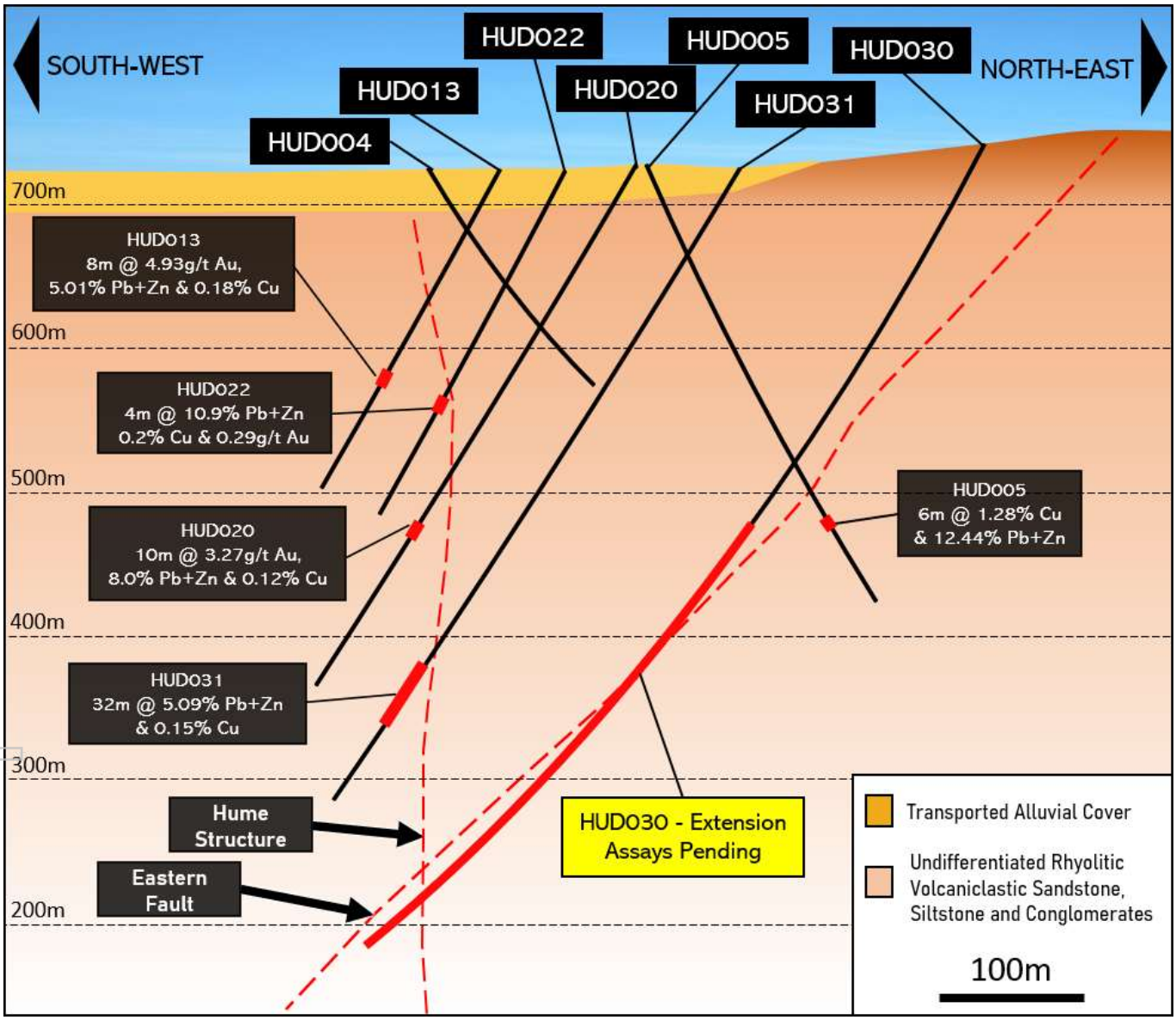

***Figure 8**: Hume Target – Cross-section of **HUD030** showing the trace in red of the extension of the hole to test the Hume Structure at depth and provide a platform for DHEM – Assays are pending for the extended hole interval shown in red.*

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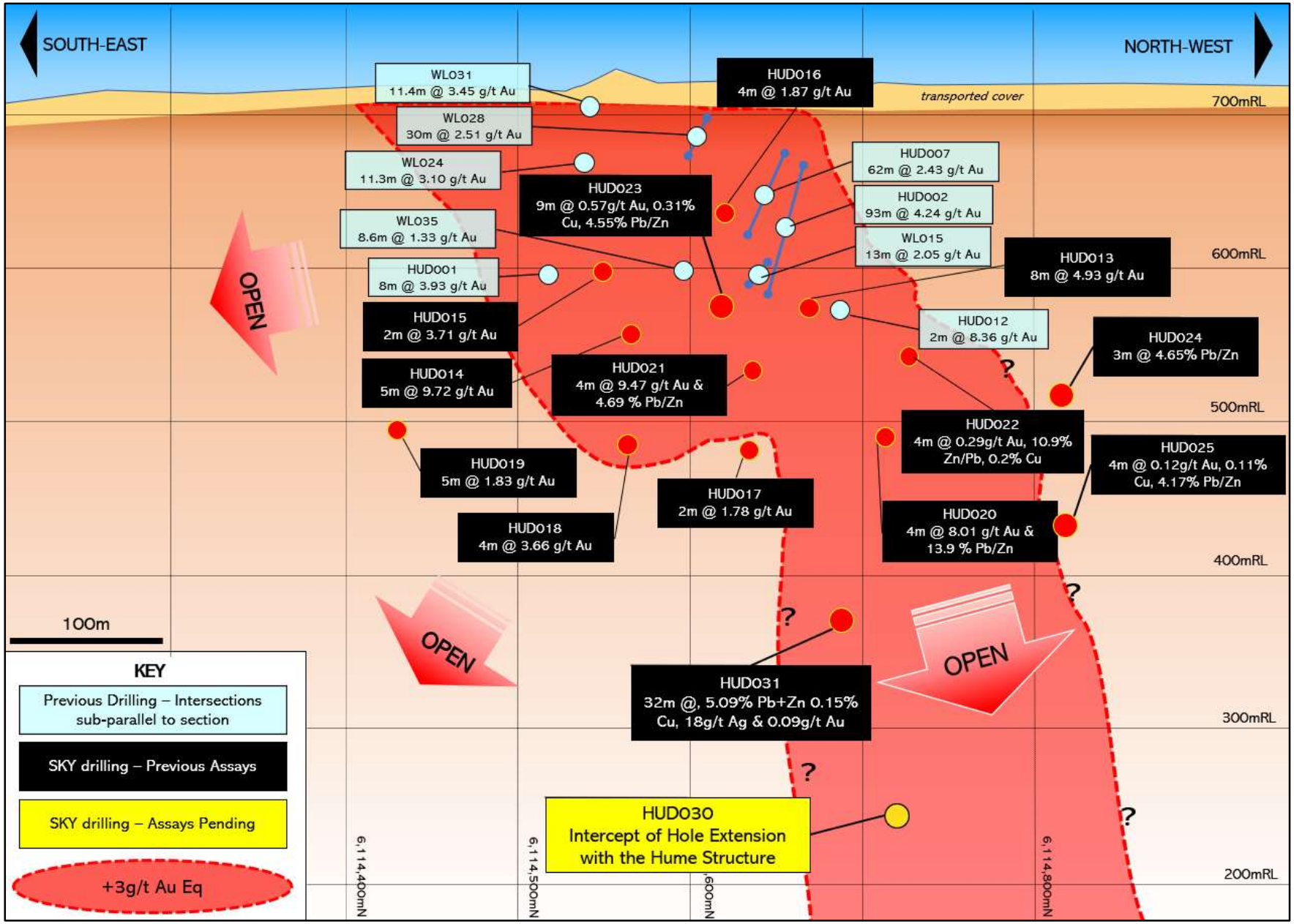

Figure 9: Hume Target – Schematic long-section with significant intercepts.

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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 2nd 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 costeaning. Dure 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 has delineated a gold soil anomaly which SKY plans to follow up in the June quarter pending ongoing negotiations with the Solar Farm developers.

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. Additionally, recent reviews of the geochemistry of the intrusions in the licence area have identified significant potential for REE mineralisation to have developed in some suitable geological settings. 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.

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CORPORATE

During the quarter $429k was spent on the exploration activities outlined in this report.

No mining production and development activities undertaken for the quarter.

SKY was granted Narriah ELA 6486 as EL9425 early in the March quarter.

During the quarter $28k 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^2	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km^2	Kangiara Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2023	17	48 km^2	Kangiara Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km^2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km^2	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km^2	Tirrana Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km^2	Galwadgere Project
Balmain Minerals Pty Ltd	Option to Purchase 100%	EL6064	21-3-2003	20-3-2028	5	15 km^2	Iron Duke Project
Gradient Energy Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2021	60	174 km^2	Iron Duke Project
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km^2	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km^2	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km^2	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9210	01-07-2021	01-07-2027	82	244 km^2	Gilgai Project
Stannum Pty Ltd (SKY sub)	100%	EL9425	08-02-2023	08-02-2029	92	262 km^2	Narriah Project – Granted

Table 4: Tenement Summary.

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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 where SKY has now defined a maiden MRE of 10.2Mt @ 0.18% Tin. SKY plans to advance the Tallebung Tin Target by increasing the resource and development for future mining.

DORADILLA PROJECT (EL6258, 100% SKY)

The Doradilla Project is located ~ 30km south of Bourke in north-western NSW and represents a large and strategic REE and tin project with excellent potential for associated polymetallic mineralisation (tin, tungsten, copper, bismuth, indium, nickel, cobalt).

NARRIAH PROJECT (EL9524, 100% SKY)

The Narriah Project is located ~70km west of West Wyalong in western NSW and represents a large tin project with multiple historic workings prospective for tin, tungsten and lithium mineralisation with limited drill testing completed to date.

NEW ENGLAND PROJECT (EL9200 & 9210, 100% SKY)

Two exploration licences in the New England Orogen covering areas of significant historical tin production (Emmaville & Gilgai).

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 and covers at least 4 significant historic copper-gold mines. High grade copper-gold mineralisation 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. An open MRE of 3.6Mt @ 0.78% Cu and 0.28g/t Au defined at Galwadgere with numerous targets with limited drilling testing adjacent to the MRE.

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. 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.

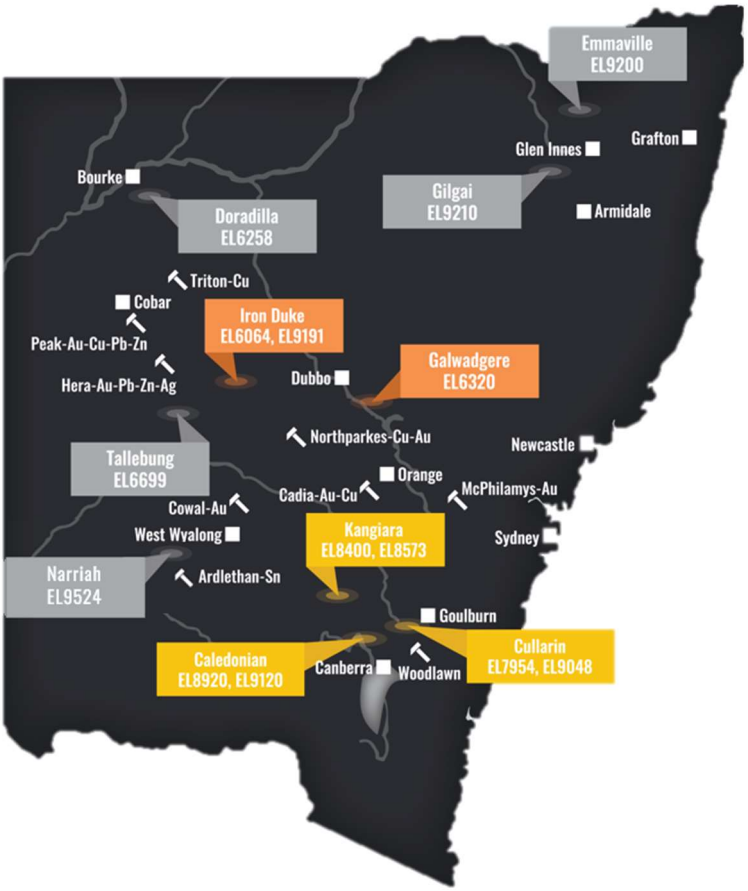

Figure 10: SKY Tenement Location Map

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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.

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.

SKY ASX releases released during the March 2023 Quarter or referenced in the announcement are listed below:

25 January 2023 – SKY ASX Announcement 'Large-Scale Rare Earth Element Mineralisation at Doradilla'
14 February 2023 – SKY ASX Announcement 'Extensive REE Potential Identified at Doradilla'
22 March 2023 – SKY ASX Announcement 'Tallebung Tin Maiden MRE and Exploration Target'
5 April 2023 – SKY ASX Announcement 'Additional REE Mineralisation at Doradilla'
19 April 2023 – SKY ASX Announcement 'Exploration Update'

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.