# TALLEBUNG TIN PROJECT IN NSW ADVANCING ON MULTIPLE FRONTS

## TRENCHING, DRILLING AND METALLURGICAL TESTWORK TO DRIVE PROJECT FORWARD

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### TRENCHING INTERSECTS MULTIPLE ZONES OF VISUAL TIN MINERALISATION

- All six trenches completed late 2024 intercepted visual tin mineralisation[1] at surface and across the entire project area. The program comprised six trenches for 201m of trenching.
- Trenches have been channel sampled, with results expected in the next fortnight.
- Following receipt of these results, 3-4 zones will be selected to extract **bulk samples for a total of between 50-80 tonnes** of mineralisation to give SKY an outstanding opportunity to:
    - **Optimise the entire metallurgical flowsheet in a pilot-scale plant**;
    - **Produce tin concentrate for ongoing marketing and end-user engagement;**
    - **Increase confidence in Resource estimation** with tin produced from the bulk samples to be reconciled with the grade estimate to validate the MRE model.

### EXCELLENT METALLURGICAL TESTWORK RESULTS SHOW INCREASED TIN RECOVERY:

- Exceptional results were received last year from TOMRA ore sorting testwork utilising more aggressive and higher rejection sorting, with results including:
    - **0.10% tin** sample **upgraded to 4.42% tin (44x upgrade) and 342g/t silver** with 83% recovery of tin achieved, representing a 98.1% reduction in the mass after sorting.
- Heavy Liquid Separation (HLS) testwork in late 2024 showed that a **1.50% tin product** can be concentrated via HLS to **recover 75% of the tin in the waste** from aggressive ore sorting waste.
- Results highlight the exceptional amenability of the Tallebung tin to simple, **low-cost pre-concentration at high tin recoveries and large mass rejection**, prior to downstream processing, leading to **further substantial reductions in potential project CapEx and OpEx**.

### DIAMOND DRILLING PROGRAM COMMENCES:

- Diamond drilling to commence this week with five holes planned for a total of ~1,000m.
- This diamond drilling program is designed to provide high-quality data to further improve the Company's geological understanding of the deposit, vital to upgrade the MRE at Tallebung and provide the basis for ongoing mining and development studies.
- Large-scale RC drilling program planned to follow this program to significantly expand the recently identified higher-grade areas and increase the MRE in size, confidence and grade.

[1]In relation to the disclosure of visible mineralisation, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company will update the market when laboratory analytical results become available, expected from late-January 2025.

SKY Managing Director & CEO Oliver Davies commented: *"The fact that all six trenches excavated in late 2024 intercepted tin mineralisation at surface is a very encouraging result and gets the Company off to an excellent start in 2025. The success of the trenching program demonstrates the shallow nature of the tin mineralisation at Tallebung and also support SKY's geological and resource modelling process. We are looking forward to receiving assay results from channel sampling completed within the trenches, which should be available later this month.*

*"Additionally, the latest metallurgical test results bolster the already terrific results achieved to-date and will now be further evaluated as a part of the pilot-scale plant testwork in the imminent bulk sampling program.*

*"This is all part of the large work program that SKY is undertaking this year, starting with the diamond drilling program beginning this week and continuing into the bulk sampling and metallurgical testwork program and culminating in a large resource expansion drilling program over the coming months. This exciting work program is building towards mining and development studies to show the potential project economics of the Tallebung Tin Project, expected to be released following the results of this ongoing work program, around the middle of this year."*

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Sky Metals Ltd (ASX: SKY) ('SKY' or the 'Company') is pleased to advise that multiple workstreams are gathering momentum to advance its flagship 100%-owned **Tallebung Tin Project** in central NSW towards development.

The Company has successfully completed the trenching sampling program announced before Christmas in preparation for bulk metallurgical testwork and MRE validation, with assays from channel sampling awaited. SKY is also pleased to provide an update on the progress of metallurgical studies and the imminent commencement of a diamond drilling program.

## TALLEBUNG PROJECT (EL 6699, SKY 100%)

### TRENCHING AND BULK SAMPLING PROGRAM

Six (6) trenches were completed for total of approximately 201m of trenching. The trenching sites were selected to traverse zones across the entire footprint of the currently defined extent of the Tallebung tin mineralisation.

All six trenches intercepted quartz veining hosting tin mineralisation (observed in the tin mineral cassiterite). The sites where trenching was completed are shown in Figure 1 and Figure 2 shows an example of the trenching, observed tin mineralisation (detailed in table 3 & 4) and sampling.

Trenches were excavated to a depth of between 0.5m to 1m to provide excellent exposures for geological logging, mapping and sampling, while also ensuring the removal of any transport material that may variably obscure the shallow tin mineralisation. Once the trenches were excavated, they were cleaned to further improve the exposure before then being channel sampled in 1m intervals or extended intervals where the geology determined that was more appropriate.

The sites were selected where previous drilling at Tallebung intersected mineralisation coming close to the surface, and the trenches were completed in an east-southeast – west-northwest orientation to run perpendicular to the strike of the mineralisation.

All trenches have been geologically logged, mapped and channel sampled. All samples have been submitted to the assay lab to obtain trench assays which will continue to increase the geological understanding at Tallebung.

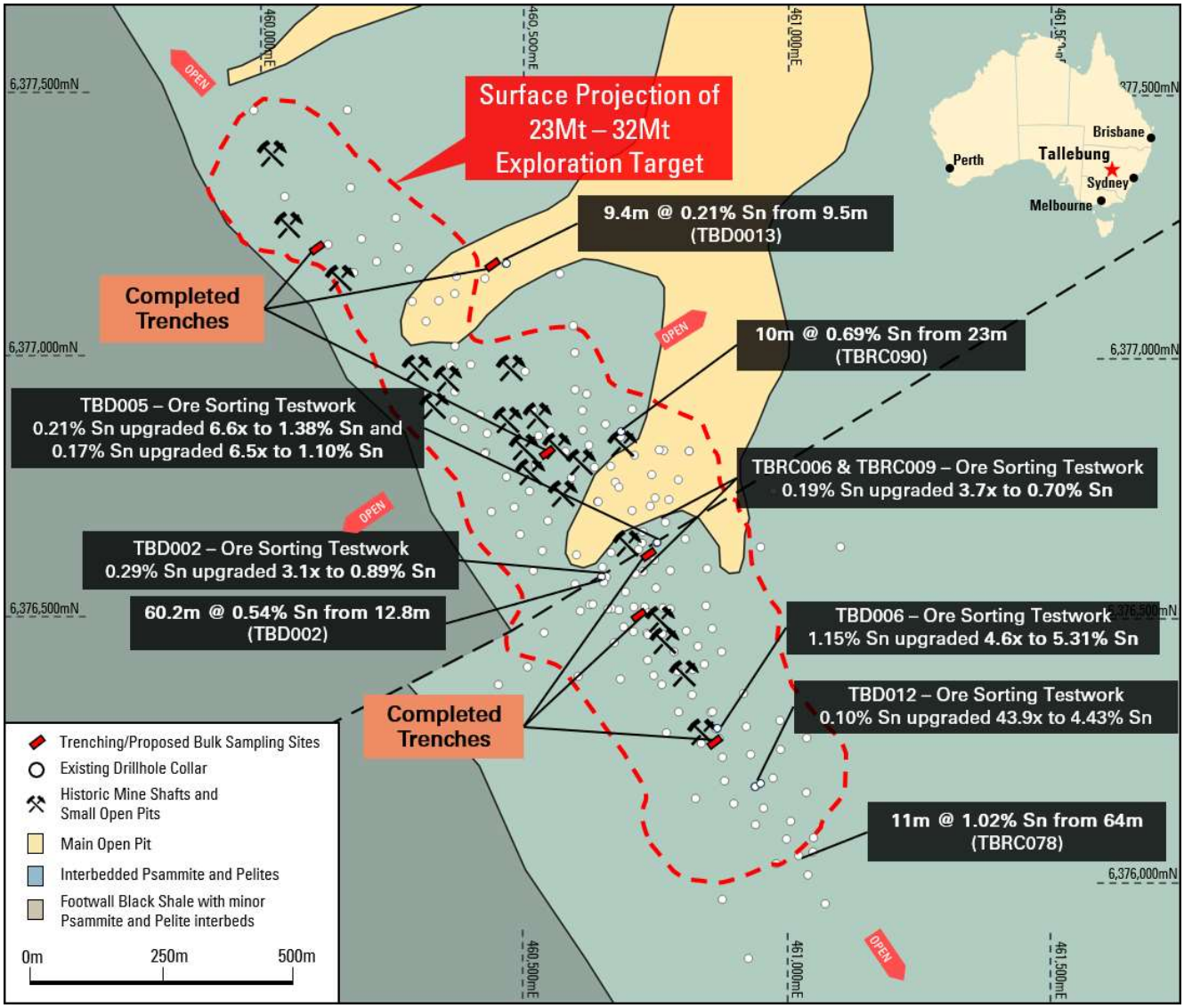


***Figure 1:*** *Plan showing the current boundary of the Tallebung MRE with proposed costean/trenching sites indicated in red.*

Following receipt of the assay results, the Company will incorporate these into the geological model to increase both the size and confidence in the MRE and 3-4 zones will be selected for bulk sampling.

To mimic mining, the bulk samples will be taken from below these trenches, in a deeper cut underneath and also perpendicular to the strike of the mineralisation to give representative bulk samples of the Tallebung tin mineralisation for metallurgical testwork.

Following sampling, the bulk samples will be crushed and sorted via XRT ore sorting at the full-scale ore sorter at the TOMRA Ore Sorting Test Facility in Sydney. The sorted samples will then be sent to ALS Burnie in Tasmania for grinding and processing in a pilot-scale gravity plant to produce a tin concentrate.

The tin concentrate from this program will provide sample concentrate to use for marketing purposes and customer engagement for the tin concentrate to be produced at Tallebung. Given the favourable nature of the tin mineralisation at Tallebung, it is anticipated that the tin concentrate will be very desirable for downstream markets.

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Assay results for the trenching channel sampling are anticipate in the next fortnight.

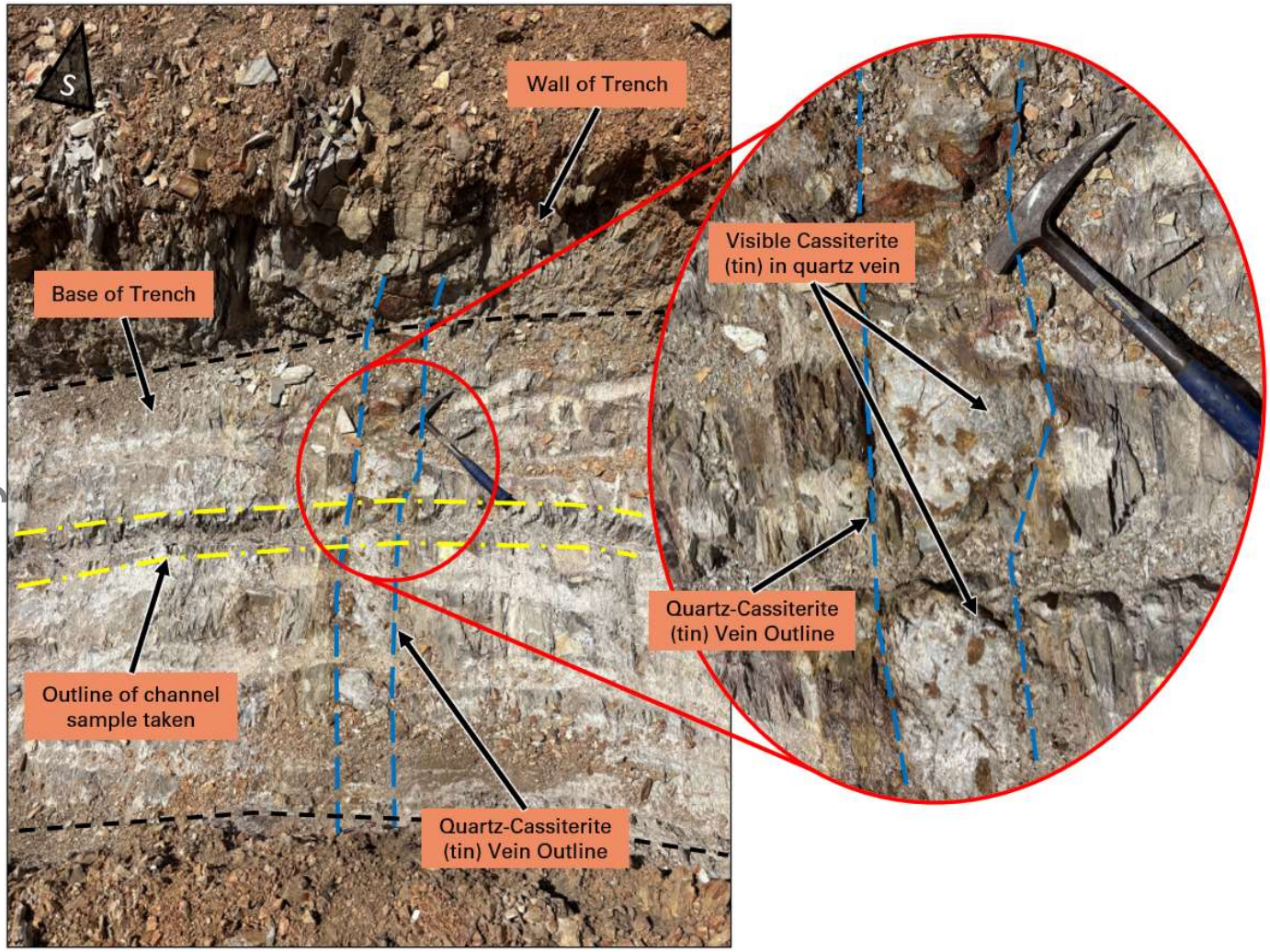


***Figure 2:*** *LHS: photo looking down and south-southwest across trench T4, which was completed above drill-hole TBRC034. The trench is approximately 0.5m deep and 1-1.5m wide. The margins of the trench are demarcated, along with the channel made for the channel sample and a quartz-cassiterite (tin) vein cross-cutting the trench. RHS insert shows a closer image of the quartz-cassiterite (tin) vein with the visible cassiterite (tin) being the black/grey zones within the vein (further details are provided in table 3 & 4).*

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In relation to the disclosure of visible mineralisation, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company will update the market when laboratory analytical results become available, expected from late-January 2025.

**METALLUGICAL TESTWORK – DMS TRIAL**

Last year, ore sorting testwork completed by TOMRA Ore Sorting solutions demonstrate an exceptional result using an aggressive ore sorting method where a substantial increase in tin grade with reasonable recovery of tin was achieved in less than 2% of the original mass. This showed that most of the tin could be recovered while rejecting 98% of the sorted mass (Table 1).

While this result shows the potential for greater tin pre-concentration upgrade and mass reduction from TOMRA ore sorting, the payoff between upgrade and tin recovery requires further optimisation.

***Table 1:*** *Results for the TOMRA ore sorting testwork. Silver (Ag) shows a strong upgrade and reasonable recovery with the tin (Sn) in the sorted products, however tungsten (W) appears to be largely upgraded in the 'Fines' fraction. NB: The 'High Recovery' product includes the 'High Upgrade' sorted sample.*

| Sample | Sn Grade | Sn Recovery | Sn Upgrade | Ag Grade | Ag Recovery | Ag Upgrade | W Grade | W Recovery |
|---|---|---|---|---|---|---|---|---|
| | % | % | x | g/t | g/t | x | % | % |
| Head Sample before sorting | 0.10 | 100 | - | 10.7 | 100 | - | 0.45 | 100 |
| 8-32mm High Upgrade Sort | **4.42** | **82.9** | **43.9** | **342** | **55.3** | **29.3** | 0.01 | 0.0 |
| 8-32mm High Recovery Sort | 0.65 | 91.5 | 6.4 | 57.2 | 76.0 | 6.4 | 0.01 | 0.2 |
| 8-32mm 1st Sorting Waste | 0.01 | 8.5 | 0.1 | 3.0 | 8.5 | 0.1 | 0.07 | 11.0 |
| <8mm Fines (unsorted) | 0.14 | - | - | 8.0 | - | - | 2.04 | 88.7 |

To investigate better tin recovery processes with the aggressive ore sorting, a successful Heavy Liquid Separation (HLS) was completed, which mimics Dense Medium Separation (DMS). This was aimed at providing a solution to recover the tin lost in the aggressive ore sorting process while still substantially reducing the mass for further processing. Results are detailed in **Table 2** for this testwork and show **75% of the tin** lost in the aggressive ore sorting process can be recovered in **5.7% of the original waste mass** in a **1.50% Sn pre-concentrate, rejecting over 94% of the waste mass.**

***Table 2:*** *Results for Heavy Liquid trial to mimic DMS to recover tin from the TOMRA ore sorting testwork. Silver (Ag) again shows a strong upgrade and recovery with the tin (Sn) with poor recovery of tungsten (W).*

| Sample | Mass | Sn Grade | Sn Recovery | Sn Upgrade | Ag Grade | Ag Recovery | Ag Upgrade | W Grade | W Recovery |
|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | x | g/t | g/t | x | % | % |
| 8-32mm Sorting Waste | 100 | 0.11 | 100 | - | 19 | 100 | - | 0.12 | 100 |
| DMS Product | **5.7** | **1.50** | **74.5** | **13.6** | **167** | **50.0** | **8.8** | **0.33** | **15.3** |
| DMS Waste | 94.3 | 0.03 | 25.5 | 0.3 | 9.3 | 50.0 | 0.5 | 0.11 | 84.7 |

This result represents an excellent solution to recovering the tin lost during the aggressive ore sorting process while still maintaining a large +90% mass rejection of the total feed. This will be further reviewed and optimised in the upcoming bulk sampling and metallurgical testwork over the coming months.

In addition to delivering a much higher tin grade, the benefits of ore sorting and mass reduction include:

- **Reduced CapEx** as only a fraction of the sorted mass requires processing and therefore a significantly smaller and lower cost processing plant can be considered to support any future mining operation;
- **Reduced Opex** through reduced mill throughput, lower processing costs and lower cost bulk-mining techniques;
- **Excellent environmental outcomes** including:
  - A small fraction of the water will be required to produce saleable tin concentrates;
  - A small fraction of the power will be required to produce saleable tin concentrates; and
  - Reduced mine footprint including smaller waste emplacements such as tailings dams.

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This sample was from drill-hole TBD012 between 42-92m of PQ half core for a total of 289.2kg which was sent to TOMRA Ore Sorting Solutions test facility in Castle Hill, Sydney, NSW in July last year. The sample was crushed to -40mm and sized with -8mm fraction retained separately as a fines sample. The 8-32mm sample was then sorted via XRT ore sorting to obtain a high tin recovery sorting setting.

The product (tin-bearing) fraction was then sorted again for a high tin upgrade sort, with the goal of recovering as much tin as possible in as little mass as possible. The waste from this second sort is what has been trialled in the DMS testwork program, the results of which are detailed above.

**DIAMOND DRILLING PROGRAM COMMENCES**

A diamond drilling program comprising five holes for a total of approximately 1,000m is due to commence this week. Diamond drilling is designed to increase the geological understanding of the deposit and to improve geological models and increase confidence in future upgrades of both the MRE and the Exploration Target.

The program will be completed with orientated HQ core.

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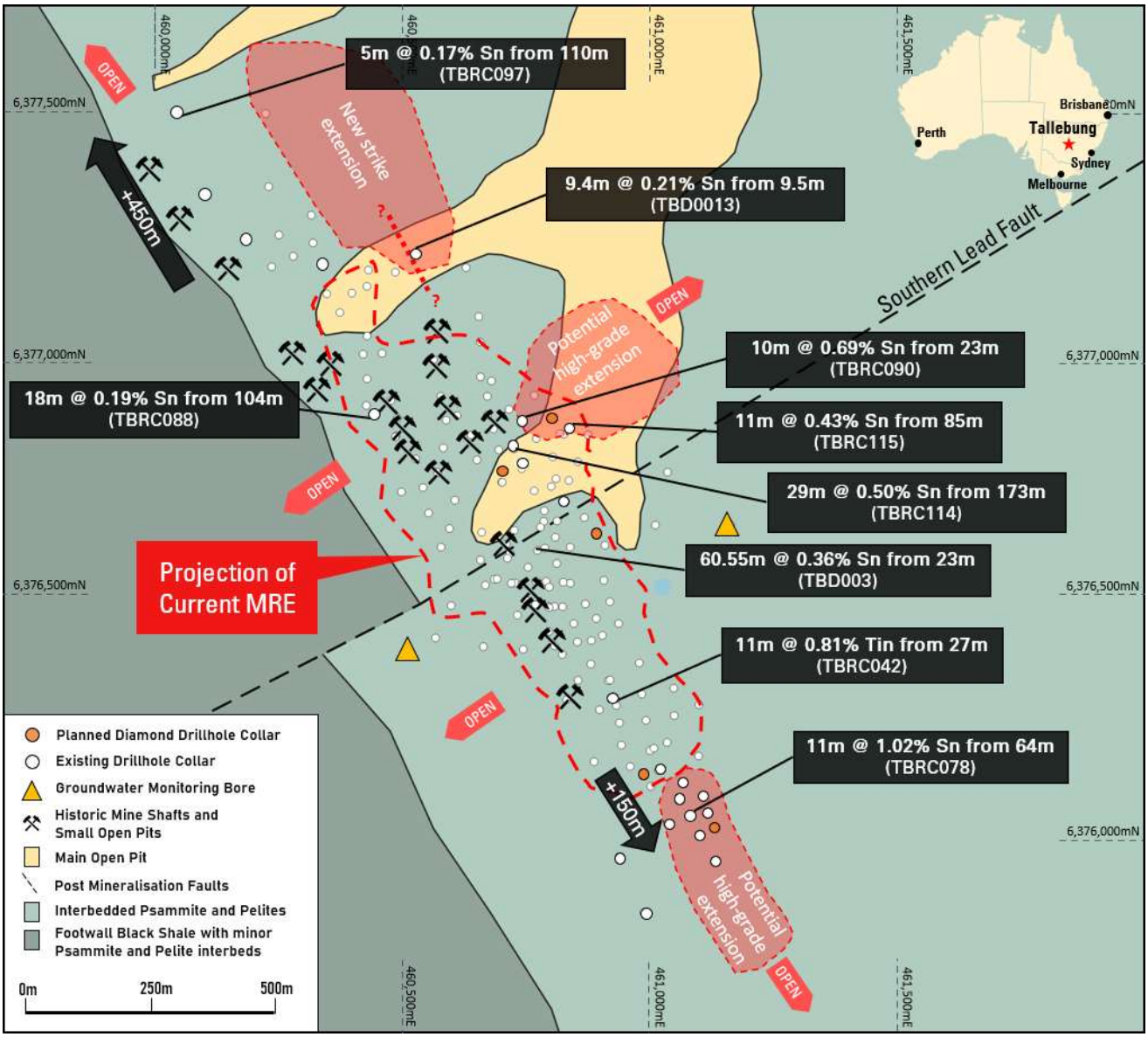


**Figure 3:** Plan showing the current boundary of the existing Tallebung MRE with proposed diamond drillholes indicated in orange and the current MRE outlines in red as well as the newly discovered higher-grade, shallow MRE extension zones.

Dilling will target areas where higher-grade zones have been discovered on the margins of the latest MRE and where geological models can be tested to improve confidence prior to the large-scale, resource expansion RC drilling program planned, which is planned to commence in the coming months.

This announcement is authorised for release by the Board of Sky Metals Limited.

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## About the Tallebung Tin Project - (100% SKY)

Tallebung stands as an open-pit, technology enabled, near-term tin development project. Tallebung is uniquely placed to provide secure tin supply, to feed irreplaceable and rapidly expanding tin demand, essential in semi-conductors, electronics and solar PV technologies.

The Tallebung Tin Project is located at the site of large-scale historical tin mining in central Western NSW where tin was first discovered in the 1890s. SKY is progressively defining a large-scale hardrock tin resource with recent higher-grade tin zones discovered on the margins of the known deposit and exceptional metallurgical performance demonstrated across the entire known deposit.

The shallow, open-pit tin veins combined with the ideal nature of the tin, hosted as large, discrete grains of simple tin-oxide (cassiterite minerals), all ideally lends itself to low-cost tin production advantages, including exceptional X-ray based ore sorting performance, demonstrated to upgrade the tin up to **44x,** prior to low-cost gravity separation to produce a saleable tin concentrate.

## 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 and 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. Davies 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.

***Table 3**: Trench coordinates (MGA94 Zone 55) with start and end with name and length of trench.*

| TRENCH ID | START | | | END | | | LENGTH | COMMENTS |
|---|---|---|---|---|---|---|---|---|
| | EASTING | NORTHING | RL | EASTING | NORTHING | RL | | |
| T4 | 460832 | 6376278 | 294 | 460855 | 6376288 | 292 | 25 | |
| T5 | 460726 | 6376641 | 283 | 460760 | 6376653 | 281 | 36 | |
| T6 | 460617 | 6376449 | 289 | 460672 | 6376461 | 291 | 56 | |
| T7 | 460440 | 6377163 | 266 | 460466 | 6377175 | 265 | 28 | |
| T8 | 460500 | 6376841 | 287 | 460529 | 6376856 | 288 | 32 | |
| T9 | 460112 | 6377204 | 295 | 460133 | 6377211 | 294 | 24 | |

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***Table 4:*** *Trench logs for image shown in Figure 2 of trench T6. Mineralisation is vein hosted, and logging is therefore split into logging of vein volume, number, and minerals for each interval along with any comments. Logging codes are as follows: Q – Quartz, FEOX – Iron Oxide, CST – Cassiterite. SLST & SDST – Sandstone and Siltstone, respectively.*

| HOLE ID | FROM (m) | TO (m) | INTERVAL (m) | TOTAL VOLUME % VEINS | TOTAL NUMBER VEINS | VEIN MIN1 | VEIN MIN1 % | VEIN MIN2 | VEIN MIN2 % | VEIN MIN3 | VEIN MIN3 % | COMMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| T6 | 0 | 4 | 4 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 4 | 5 | 1 | 20 | 1 | Q | 20 | CST | 0.2 | | | Interbedded SLST & SDST |
| T6 | 5 | 6 | 1 | 10 | 1 | Q | 10 | | | | | Interbedded SLST & SDST |
| T6 | 6 | 7 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 7 | 8 | 1 | 2 | 1 | Q | 2 | | | | | Interbedded SLST & SDST |
| T6 | 8 | 9 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 9 | 10 | 1 | 2 | 1 | Q | 2 | | | | | Interbedded SLST & SDST |
| T6 | 10 | 11 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 11 | 12 | 1 | 2 | 1 | Q | 2 | | | | | Interbedded SLST & SDST |
| T6 | 12 | 13 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 13 | 14 | 1 | 2 | 2 | Q | 2 | | | | | Interbedded SLST & SDST |
| T6 | 14 | 34 | 20 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 34 | 35 | 1 | 5 | 1 | Q | 4 | FEOX | 1 | | | SDST hosted qtz feox vein, in fracts in SDST. SDST steep East dip |
| T6 | 35 | 36 | 1 | 5 | 3 | Q | 4 | FEOX | 1 | | | SDST hosted qtz feox vein, in fracts in SDST. Large SDST bed possibly folded core of antlform |
| T6 | 36 | 36.5 | 0.5 | 5 | 2 | Q | 4 | FEOX | 1 | | | Part of above |
| T6 | 36.5 | 39.5 | 3 | 0.2 | 3 | Q | 0.1 | FEOX | 0.1 | | | Fault zone, minor qtz vein in SDST beds |
| T6 | 39.5 | 40 | 0.5 | 5 | 2 | Q | 3 | CST | 1 | FEOX | 1 | Thick SDST bed at fract fill qtz cst feox vein |
| T6 | 40 | 41 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 41 | 42 | 1 | 8 | 3 | Q | 6 | CST | 1 | FEOX | 1 | Interbedded SLST & SDST, fract fill qtz cst feox vein in SDST |
| T6 | 42 | 43 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 43 | 44 | 1 | 3 | 1 | Q | 2 | FEOX | 1 | | | Interbedded SLST & SDST, fract fill qtz cst feox vein in SDST |
| T6 | 44 | 45 | 1 | 3 | 1 | Q | 2 | FEOX | 1 | | | Interbedded SLST & SDST, fract fill qtz cst feox vein in SDST |
| T6 | 45 | 46 | 1 | 3 | 1 | Q | 2 | FEOX | 1 | | | Interbedded SLST & SDST, fract fill qtz cst feox vein in SDST |
| T6 | 46 | 47 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 47 | 48 | 1 | 2 | 1 | Q | 1 | FEOX | 0.8 | CST | 0.2 | gray SLST-SDST with thick 30cm SDST bed with fract fill qtz-cst-feox vein |
| T6 | 48 | 49 | 1 | 2 | 1 | Q | 1 | FEOX | 0.8 | CST | 0.2 | gray SLST-SDST with thick 30cm SDST bed with fract fill qtz-cst-feox vein |
| T6 | 49 | 50 | 1 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 50 | 51 | 1 | 2 | 1 | Q | 1 | FEOX | 1 | | | interbedded SLST & SDST, minor qtz-feox vein |
| T6 | 51 | 54 | 3 | | | | | | | | | Interbedded SLST & SDST |
| T6 | 54 | 55 | 1 | 2 | 1 | Q | 1 | FEOX | 1 | | | interbedded SLST & SDST, minor qtz vn in SDST |
| T6 | 55 | 56 | 1 | 2 | 1 | Q | 1 | FEOX | 1 | | | interbedded SLST & SDST, minor qtz vn in SDST |

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# JORC CODE, 2012 - TABLE 1

## Section 1 Sampling Techniques and Data – TALLEBUNG 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.* | Drill core sampling is by sawn quarter core PQ & half core HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m.<br>All samples were submitted to ALS Burnie for preparation and assaying. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | For diamond drilling standards are insert every 30-50 samples.<br>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.<br>Diamond drilling - core samples were taken at nominally 1m, but with a range between 0.3-2m. PQ core samples are cut in quarters with ¾ retained for reference and metallurgical test work and ¼ submitted for assay - dried, crushed and pulverised to 90% passing 75 microns.<br>ALS Burnie - XRF fusion for Sn, Fe, Si, S, W & Ag as appropriate |
| ***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)* | Diamond Drilling completed by drilling PQ.<br>PQ core was orientated. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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* | Sample weights are recorded for each sample. Recoveries were generally excellent and consistent, however, if samples were wet the recoveries were less consistent.<br>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. Relationships between sample recovery and grade are not considered significant where recoveries exceeded 95% in fresh rock. |
| ***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*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*<br>• *The total length and percentage of the relevant intersections logged* | Systematic geological and geotechnical logging was undertaken when the holes were originally drilled. Data collected includes:<br>• Nature and extent of lithologies.<br>• Relationship between lithologies.<br>• Amount and mode of occurrence of ore minerals.<br>• Location, extent, and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core.<br>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. |

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| Criteria | Explanation | Commentary |
|---|---|---|
| | | Both qualitative and quantitative data is collected.<br>1/4 core (PQ) samples are retained in trays for future reference. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled* | ½ PQ core was sued for testwork.<br>Samples were split and subsequently crushed and milled to p100 -3350um before conducting testwork. |
| ***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<br>• 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<br>• 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 | Standard assay procedures performed by a reputable assay lab, ALS Brunie - XRF fusion for Sn, Fe, Si, S, W & Ag as appropriate.<br>No geophysical tools were used in the determination of assay results.<br>Certified reference material or blanks were inserted at least every 50 samples in drillng. 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 Sn and W. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data* | Drill data is compiled and collated and reviewed by senior staff and external consultants. The calculations were viewed by >1 personnel.<br>Twinned holes have been used by past explorers to validate the results achieved and have confirmed these historic results.<br>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.<br>Assay data was provided by ALS Burnie via 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.<br>Assay data is not adjusted. |
| ***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.*<br>• *Specification of the grid system used*<br>• *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. Conversion of the local grid co-ordinates has been undertaken by previous exploration companies. SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate them.<br>All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.<br>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, or handheld GPS (+/-3m). Where handheld GPS has been used SKY will DGPS them at a later date. |

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| Criteria | Explanation | Commentary |
|---|---|---|
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results*<br>• *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*<br>• *Whether sample compositing has been applied* | At this stage, drilling of the MRE area of the project has been drilled to at least approximately 80m x 80m down to 40m x 40m for inferred and indicated resources respectively. Outside of the MRE are, data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.<br><br>The maiden MRE was estimated to inferred and indicated and increases in resource confidence will require tighter spaced drilling, such as some of the drilling completed in this program.<br><br>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*<br>• *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* | 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.<br><br>No sample bias due to drilling orientation is known. 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 test facilities.<br><br>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 has external consultants to verify the metallurgical testwork and exploration data for the resource estimation process. Further details for the MREs can be found in SKY ASX Announcement 22 Match 2023 and SKY ASX Announcement 23 January 2024. |

**Section 2 Reporting of Exploration Results – TALLEBUNG 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 Tallebung Project is described by NSW Exploration Licence 6699<br>The tenement is 100% owned by Stannum Pty Ltd, a 100% owned subsidiary of Big Sky Metals Pty Ltd and a 100% owned subsidiary of Sky Metals Ltd.<br>The Tallebung tenement is overlain by Native Title Determination Application No NC12/1 (Federal Court No NSD 415/12). A determination of extinguished native title was received over a portion of the Tallebung Tin Field.<br>An agreement between for the remainder of the tenement where Native Title has not been extinguished, an agreement has been reached between Stannum and the Native Titla Applicant to allow access to the remainder of the tenement. |

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| Criteria | Explanation | Commentary |
|---|---|---|
| | • *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* | Stannum Pty Ltd have previously Commenced a Right to Negotiate Process (RTN) with the claimant group with respect to Application No NC12/1 (Federal Court No NSD 415/12). These negotiations have resulted in a land access agreement to be sign with Stannum Pty Ltd. A determination of extinguished native title was received over a major portion of the Tallebung Tin Field and Stannum has also signed an access agreement with the Native Title Applicant for access to the entire lease. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties* | The Tallebung Project area was subject to a modern, large-scale alluvial/colluvial mining by the Tullebong Tin Syndicate in the period 1963-1972. The Tullebong Syndicate Completed a program of 24 short diamond holes in 1968-69 designed to test the lode mineralisation at Tallebung.<br><br>Pruessag Completed a large-scale assessment of the alluvial tin deposits in 1984-85, including RC drilling, identifying the potential for a large, low grade alluvial deep lead.<br><br>In recent exploration, YTC Resources (now Aurelia Metals Ltd) Completed trenching, diamond drilling, aircore drilling of tailings, and resistivity geophysics (EH4) at the Tallebung tin field. YTC recognised the continued potential for both shallow high grade, and large scale low-grade porphyry-style- tin mineralisation. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation* | The Ordovician aged Tallebung Group sediments in the Tallebung Tin Field area outcrop as a sequence of weakly metamorphosed shales, siltstones, carbonaceous mudstones and minor quartz-rich sandstones. The rocks are tightly folded, striking NNW at around 330o with variable dips. The tin mineralisation is thought to be sourced from the Silurian-aged Erimeran granite, which outcrops 2km south of the Tallebung Tin Field. The Tallebung Tin Field represents a site of significant tin and tungsten production from high grade, quartz lodes and their associated alluvial and deep lead deposits. The field has been worked sporadically from the discovery of lode tin in the 1890's, through to the large-scale open cut mining of alluvial tin by the Tullabong Tin Syndicate in the period 1963 to 1971. The Tallebung Tin Field contains significant, tin bearing, unconsolidated sediments which are alluvial to elluvial in nature, poorly sorted and contain coarse bedrock fragments up to 15cm in a matrix of sandy/silty clay with some iron oxides and cemented layers. Sediment thickness varies from 5m to 36 metres. The east-trending, tin bearing leads and deep leads draining the Tallebung lode deposits are the dominant source of historic tin production from the field. The Tallebung site is now a large-scale derelict mining environment with approximate at least 1.6km strike of shallow open cuts, large scale tailings dam and decaying mine site housing and infrastructure.<br>The tin and tungsten bearing quartz reefs are located on the western edge of the worked out alluvial open pits. The lodes form a well-developed quartz vein stock work zone extending for approximately at least 1.6km on a 330º trend. Thicker quartz lodes >0.5m have been selectively exploited in historic shafts and shallow open cuts along the trend. |

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| Criteria | Explanation | Commentary |
|---|---|---|
| ***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:*<br>- *easting and northing of the drill hole collar*<br>- *elevation or RL (Reduced Level–elevation above sea level in metres) of the drill hole collar*<br>- *dip and azimuth of the hole*<br>- *down hole length and interception depth*<br>- *hole length*<br>• *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.* | See body of announcement. |
| ***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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated* | Where reported, drilling results from the Tallebung Project have been length weighted. Grades greater than 500ppm Tin have been used to calculate intercepts. No high cut-off has been applied for exploration data, however, a top cut is used for resource calculations (please see SKY ASX Announcement 22 Match 2023 and SKY ASX Announcement 23 January 2024 for further details).<br><br>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.<br><br>No metal equivalences quoted. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results-*<br>- *if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>- *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').* | At Tallebung, orientated drill core has been used to allow determination of orientation of structures and mineralisation. Lode orientation of the Tallebung is well constrained by previous drilling and outcrop. Drilling intercepts lodes at or very close to perpendicular and reported intercepts are therefore estimated true thickness. |
| ***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 SKY ASX Announcement 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023 and SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023, SKY ASX Announcement 1 November 2023, SKY ASX Announcement 15 November 2023, SKY ASX Announcement 23 January 2024, SKY ASX Announcement 5 June 2024, SKY ASX Announcement 25 June 2024 and SKY ASX Announcement 17 July 2024. |
| ***Balanced reporting*** | • *Where Comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grade and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | See body of announcements and previous releases on Tallebung. |
| ***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.* | See body of announcement SKY ASX Announcement 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023 and SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023, SKY ASX Announcement 1 November 2023, SKY ASX Announcement 15 November 2023, SKY ASX Announcement 23 January 2024, SKY ASX Announcement 5 June 2024, SKY ASX Announcement 25 June 2024 and SKY ASX Announcement 17 July 2024. |

| Criteria | Explanation | Commentary |
|---|---|---|
| ***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 and to further expand the MRE. See body of announcement, and SKY ASX Announcement 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023 and SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023, SKY ASX Announcement 1 November 2023, SKY ASX Announcement 15 November 2023, SKY ASX Announcement 23 January 2024, SKY ASX Announcement 5 June 2024, SKY ASX Announcement 25 June 2024 and SKY ASX Announcement 17 July 2024. |
| | • *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 22 March 2023, SKY ASX Announcement 22 June 2023, SKY ASX Announcement 21 August 2023 and SKY ASX Announcement 4 October 2023, SKY ASX Announcement 24 October 2023, SKY ASX Announcement 30 October 2023, SKY ASX Announcement 1 November 2023, SKY ASX Announcement 15 November 2023, SKY ASX Announcement 23 January 2024, SKY ASX Announcement 5 June 2024, SKY ASX Announcement 25 June 2024 and SKY ASX Announcement 17 July 2024. |

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