PFS CONFIRMS TALLEBUNG AS A LOW-COST, HIGH-MARGIN TIN-TUNGSTEN-SILVER PROJECT

STRONG CASHFLOWS, RAPID CAPITAL PAYBACK AND SIGNIFICANT EXPOSURE TO TIN, TUNGSTEN AND SILVER SUPPORT ACCELERATED DEVELOPMENT OF MAJOR NEW CRITICAL METALS PROJECT

- Pre-Feasibility Study (PFS) confirms Tallebung as a technically robust and economically attractive, near-term critical metals development opportunity.
- PFS based on a single, low strip 3Mtpa open-cut mining project, producing an average of 2,040t of tin, 31,700mtu of tungsten trioxide and 315koz of silver per year over an initial 7.3-year mine life, with only 66% of the global Mineral Resource Estimate included.
- PFS mine life constrained by current Measured and Indicated (M&I) Resources, with potential to extend mine life significantly by upgrading existing Inferred Resources to M&I category – drilling has already restarted to upgrade Resources and extend life-of-mine.
- **Compelling base case economics** using US$45,000/t Sn, US$1,500/mtu WO_3 & US$50g/t Ag[1]:
  - Pre-tax **IRR of 69%**
  - Life-of-mine average **annual EBITDA of more than A$115 million**
  - Pre-tax $NPV_{8\%}$ of approximately **A$438 million** for the initial 7.3-year mine life
  - Capital payback in **less than 17 months**
  - All-in sustaining cost (AISC) of **US$5,653/t tin produced** (net of co-products)
- **Spot commodity prices materially enhance project economics** – using spot prices of US$56,450/t Sn, US$3,075/mtu WO_3 & US$61.9/oz Ag[2] delivers:
  - Pre-tax **IRR of 130%**
  - Life-of-mine average **annual EBITDA of more than A$221 million**
  - Pre-tax $NPV_{8\%}$ of approximately **A$1.0 billion** for the initial 7.3 year mine life
  - Capital payback in **less than 9 months**
  - AISC of **negative (-) US$18,935/t tin produced** (net of co-products)
- Low pre-production capital requirement of A$138.8 million, comprising A$113.44 million for the processing plant and A$26.33 million for site and mine establishment, exclusive of contingency.
- Funding discussions advancing with strategic offtake, royalty, streaming and financing groups pursuing exposure to tin, tungsten and silver supply from a stable mining jurisdiction.
- Approvals progressing, targeting mining approval in late 2027 and first production in mid-2028.

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- SKY held A$17.6 million cash as at 30 June 2026, providing a strong funding position to advance Tallebung towards a Final Investment Decision (FID) next year.

SKY Managing Director & CEO Oliver Davies commented: *"The completion of the Tallebung PFS is a significant milestone for SKY, clearly demonstrating that Tallebung has the potential to become a simple, high-margin, low-cost Australian producer of tin, tungsten and silver. The study outlines a project with exceptional project economics, rapid capital payback, modest upfront capital requirements and strong cash generation.*

"Importantly, we see outstanding potential to further enhance the outcomes of the PFS, with only 66% of the current global Mineral Resource base at Tallebung currently included in the PFS mine plan. Drilling is now underway to upgrade the +11Mt of Inferred Resources not included in this study for inclusion in ongoing optimisation studies, as well as to expand the Resource beyond the existing envelope.

"Tallebung is not only a compelling economic opportunity, but also a strategically significant project. With tin and tungsten continuing to face supply constraints, Tallebung has the potential to become an important new source of reliable supply from a stable mining jurisdiction. We believe this positions the Project strongly as manufacturers, refiners and governments seek to lock-in secure future supply chains for these increasingly critical commodities.

"With this first PFS now complete, our focus shifts to project extension, optimisation, completing environmental approvals, and progressing financing and offtake discussions. These workstreams are designed to position Tallebung for a Final Investment Decision during 2027, targeting first production in mid-2028."

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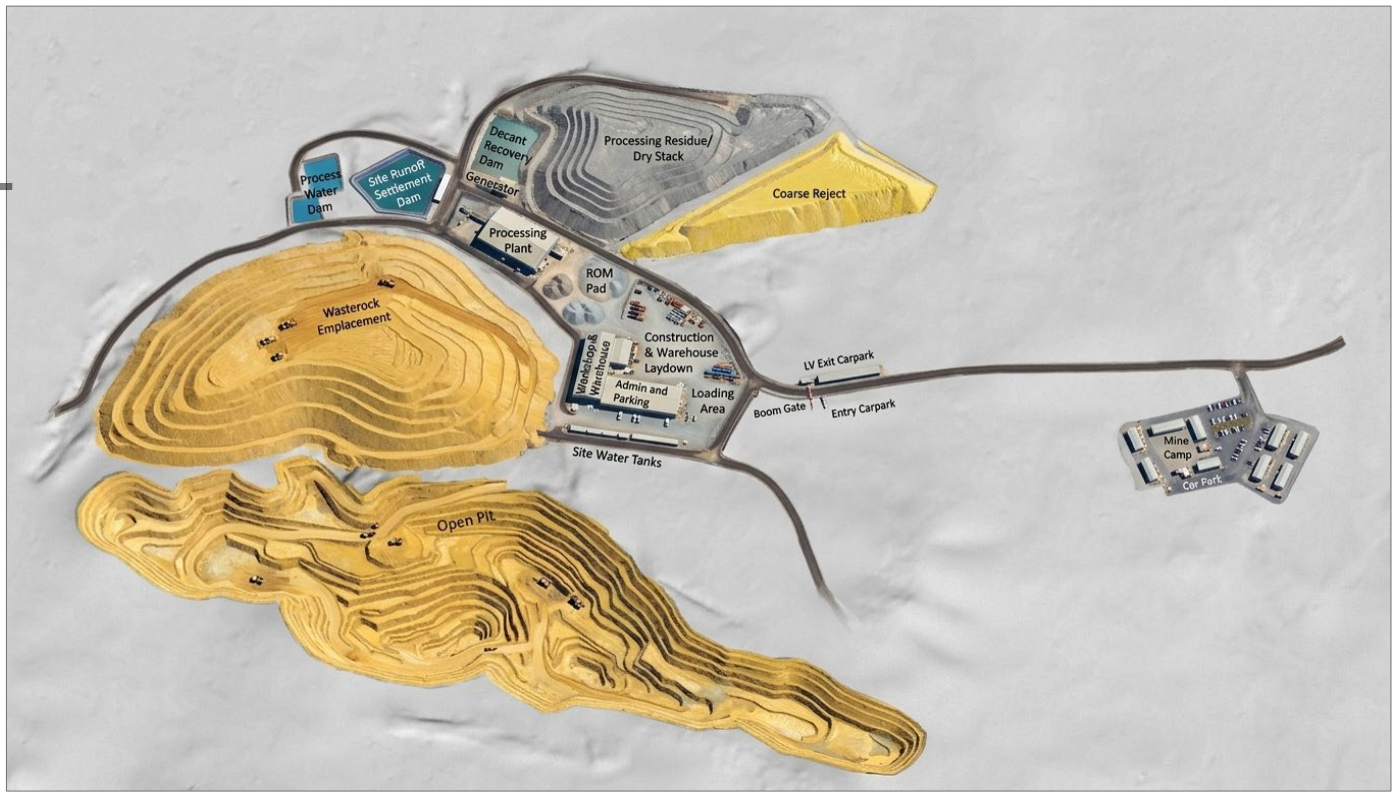

Figure 1: *Conceptual overview of Tallebung infrastructure layout.*

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Cautionary Statement

The Pre-Feasibility Study ("PFS" or "Study") referred to in this announcement has been undertaken by Sky Metals Limited (SKY or the Company) in conjunction with various independent consultants, to determine the viability of a standalone development including open pit mining and processing at the Tallebung Project in New South Wales (Project or the Tallebung Project).

The total Life-of-Mine Production Target and forecast financial information derived from the Production Target referred to in this announcement is underpinned by approximately 66% Measured and Indicated Mineral Resources and 34% Inferred Mineral Resources.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself (or the forecast financial information) will be realised.

SKY has already commenced works on the Inferred Mineral Resources with the aim to convert these to Measured and Indicated Mineral Resources.

The proportion of Inferred Mineral Resources underpinning the Life of Mine Production Target is not the determining factor in project viability. The Inferred Mineral Resources do not feature as a significant proportion early in the mine plan and the payback period for the Tallebung Project is less than 17 months in both cases presented from this study (i.e. base case and spot commodity price assumptions).

The Company confirms that the Mineral Resources estimates have been prepared by Competent Persons in accordance with the requirements of the JORC Code. This announcement has been prepared in compliance with the JORC Code 2012 Edition (JORC 2012) and the ASX Listing Rules. All material assumptions on which Life of Mine Production Target and the forecast financial information is based have been provided in this announcement.

While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the production target or estimated outcomes indicated by the PFS (such as the financial forecasts) will be achieved. The production target and estimated outcomes indicated by the PFS (such as the financial forecasts) are also subject to various risk factors. See the Disclaimer Statement at the end of this announcement.

Given the uncertainties involved and detailed in this announcement, investors should not make any investment decision based solely on the results of the PFS.

[1]Base Case price assumptions have been calculated from the average price for tin and tungsten over the preceding year (5 August 2025 – 5 August 2026), with supply disruption and strong demand driving higher prices for both and all base case prices representing a significant discount to current spot pricing[2].
[2]Spot Pricing as at 6 August 2026 – Sn US$56,450/t, WO_3 US$3,075/mtu & Ag US$61.9/oz as available from LME, Fastmarkets & CMX, respectively.

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

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Oliver Davies, who is a Member of the Australasian Institute of Geoscientists. Mr. Oliver Davies is an employee 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.

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SKY METALS

TALLEBUNG PROJECT

Pre-Feasibility Study

Executive Summary

Prepared by

SKY Metals Ltd

August 2026

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1 PROJECT OVERVIEW AND STRATEGIC CONTEXT

1.1 LOCATION, TENURE AND OWNERSHIP

The Tallebung Tin, Tungsten and Silver Project is located approximately 70 km north-west of Condobolin in central-western New South Wales, within the Cobar Shire Council local government area, with site access traversing the Lachlan Shire. The Project lies entirely within Exploration Licence EL6699 (granted 10 January 2007, expiring 10 January 2027), held by Stannum Pty Ltd, a wholly owned subsidiary of Sky Metals Limited (ASX: SKY), which holds 100% ownership.

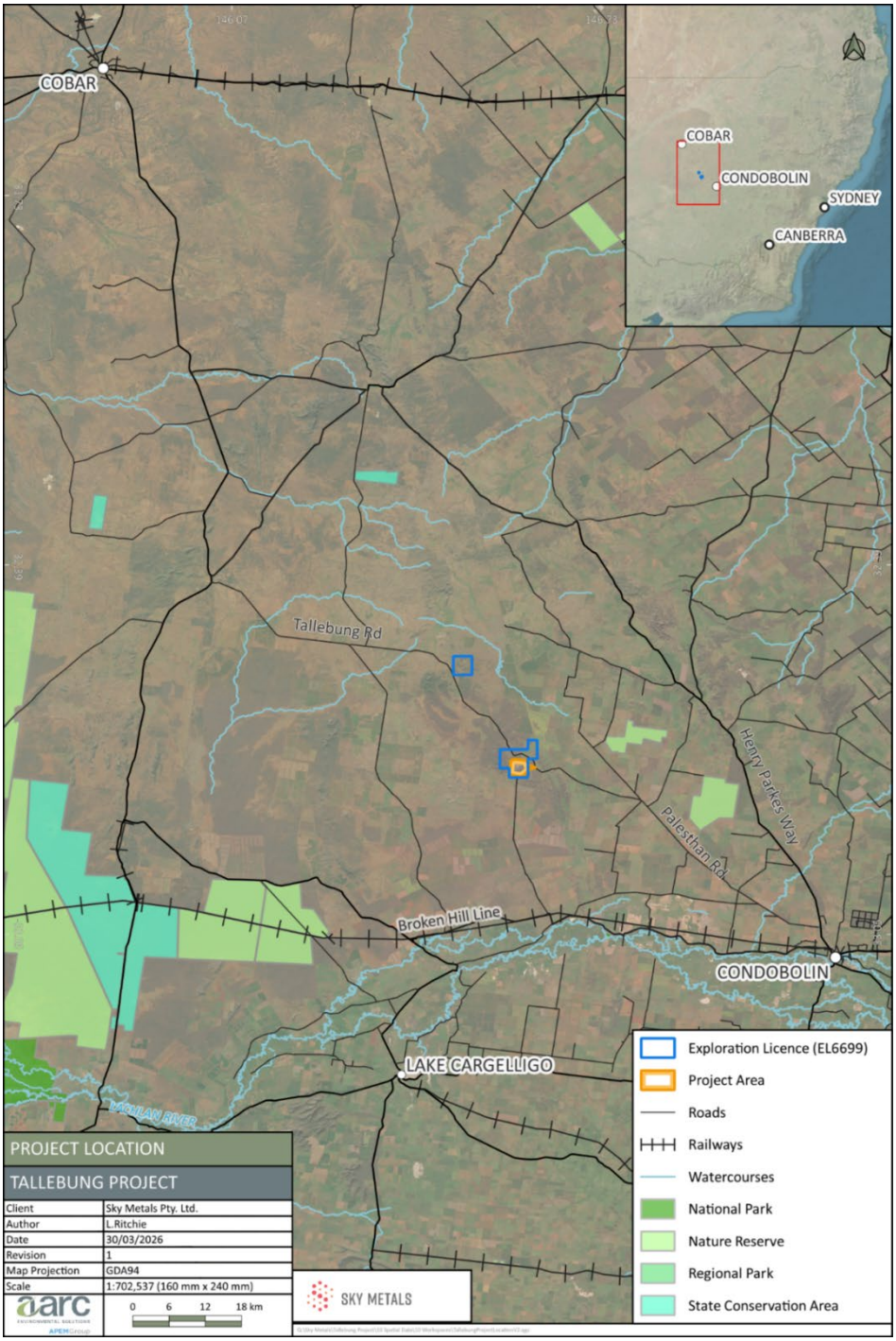

Figure 1 -Tallebung Project location, central-western New South Wales

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1.2 HISTORY AND DEVELOPMENT TO DATE

Tin was first discovered at Tallebung in the 1890s and worked intermittently exploiting shallow high-grade tin lodes at surface from small open pits and shallow underground working. From the 1960s, large-scale alluvial and colluvial open-cut mining was undertaken, producing an estimated combined 3,350 tonnes of tin concentrate before mining ceased in 1984. Sky Metals acquired the tenement in 2019 (via the acquisition of Big Sky Pty Ltd, having previously acquired the project from Aurelia Metals Ltd) and has since conducted systematic exploration targeting the bulk-tonnage hard rock mineralisation underlying the historic workings.

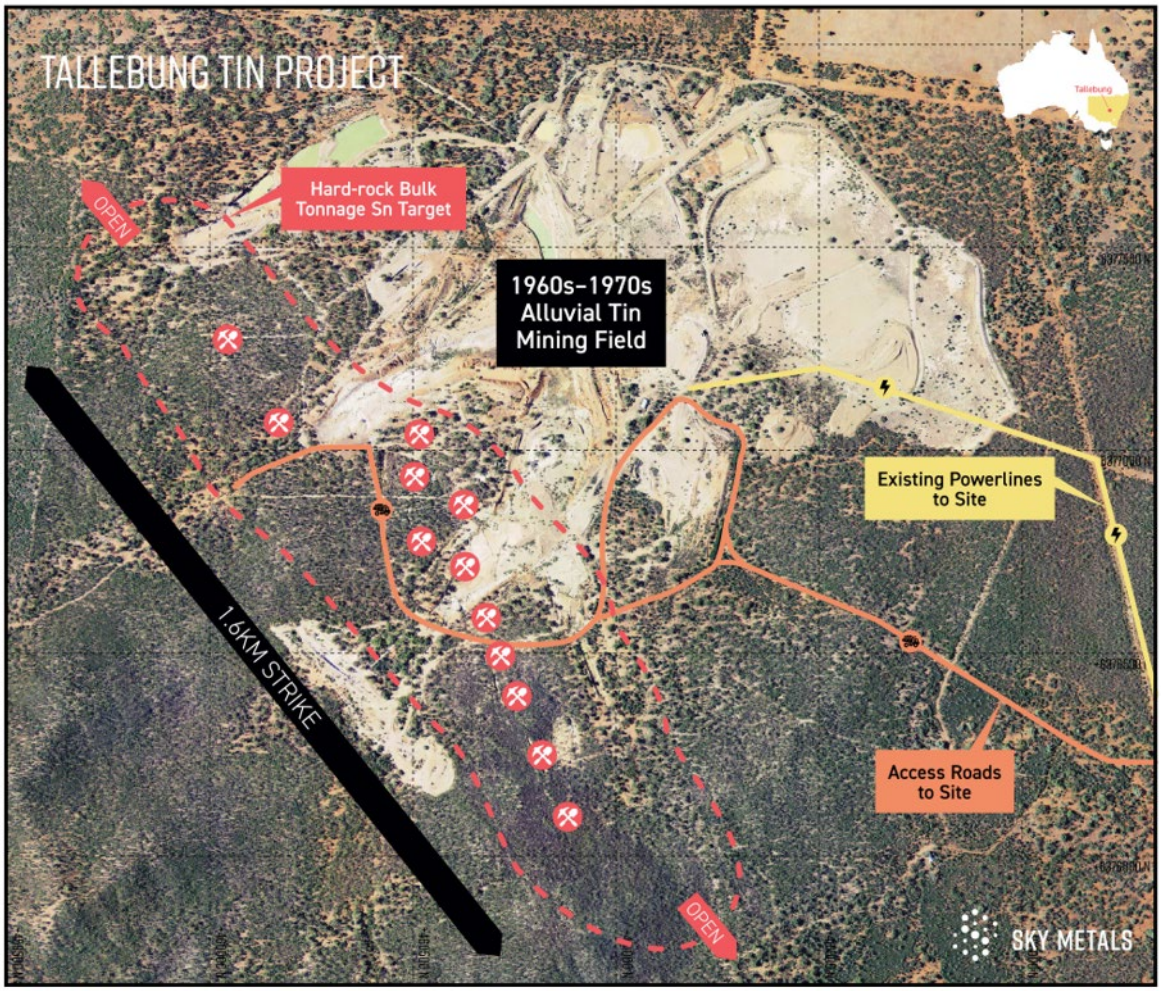

Figure 2: Aerial photograph of the Tallebung Historical Mining and Infrastructure

The drillhole count has grown from 82 holes underpinning a maiden Inferred resource of 10.2 Mt at 0.18% Sn in March 2023, to more than 500 holes by July 2026, the drilling density on which this PFS is based.

Environmental and approvals work has progressed alongside the technical program allowing the commencement of the NSW State Significant Development process for the Project commencing with submission of the Scoping Report in April 2026, quickly followed by the Planning Secretary's Environmental Assessment Requirements (SEARs) issued on 28 May 2026 under application SSD-120153740. Sky Metals is targeting lodgement of the Environmental Impact Statement (EIS) and Development Application by May 2027.

1.3 STUDY TEAM

SKY Metals engaged multiple independent specialist consultants to complete the technical work programs required to advance the Project to PFS level. The PFS study team, their areas of responsibility, and their principal deliverables are set out in Table 2-1. All technical work has been managed by SKY Metals, with overall PFS management and coordination led by the SKY Metals executive and technical team.

Table 1 - Tallebung PFS study team and principal deliverables

Consultant / Organisation	Discipline	Principal Deliverable(s)
SKY Metals Limited	Project Management / Owner's Team	PFS management, coordination, financial modelling, marketing inputs, ASX reporting and JORC compliance oversight
Stannum Pty Ltd	Proponent / Project Owner	Crown Land and tenure management, regulatory interface, approvals strategy
Resolve Mining Solutions	Mining and Geotechnical Engineering	Open pit geotechnical gap analysis and slope design parameters; preliminary pit shell design
AMDAD – Australian Mine Design and Development	Mine Optimisation and Scheduling	Pit optimisation (Whittle Enterprise / Milawa), LOM production schedule, Balanced and NPV mode schedules
Mineral Technologies Pty Ltd	Process Engineering	Process flowsheet design, TOMRA XRT ore sorting integration, gravity concentration circuit design, process plant CAPEX and OPEX
Okane Consultants	Geochemistry / AMD	Geochemical characterisation assessment (214 samples); acid mine drainage assessment and management framework; kinetic leach column test program
AARC Environmental Solutions	Environment and Planning	SEARs Scoping Report; environmental baseline studies;

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Consultant / Organisation	Discipline	Principal Deliverable(s)
		stakeholder and agency engagement; EIS preparation program
AREA Environmental & Heritage Consultants	Biodiversity	Preliminary Biodiversity Assessment Report (2024); plant community type mapping and threatened species likelihood assessment
HLA-Envirosciences	Contaminated Land / Heritage	Legacy mine site environmental assessment and remediation action plan (2002 baseline); non-Aboriginal heritage survey
GHD	Infrastructure / Civil Engineering	Site layout, access road design, water supply engineering, site services
Essential Power Systems	Power Supply / Options Study	Power supply assessment and recommendations
The Ground Doctor	Hydrogeology / Water Resources	Groundwater model, water balance, borefield assessment, Lachlan River abstraction feasibility, water licensing pathway
ICA Partners	Financial Modelling / Economic Analysis	LOM financial model, NPV and IRR analysis, sensitivity analysis and financial evaluation
AMDAD – Australian Mine Design and Development	Mining Engineering / JORC	PFS mine schedule, production-target review and future Ore Reserve work programme
Chris De-Vitry Manna Hill Geoconsulting	Resource Geology / JORC	Updated JORC 2012 Mineral Resource Estimate and Compliance Statement (July 2026)
Risk & Opportunity Management Solutions	Project Risk	Project Risk Workshop, Project Risk Register

Consultant / Organisation	Discipline	Principal Deliverable(s)
Optifroth Solutions Pty Ltd	PFS Writer / Coordinator	PFS documentation and coordination

1.4 STRATEGIC COMMODITY POSITION

Tallebung targets three commodities recognised as critical or high-tech minerals by the Australian and/or NSW Governments (tin, tungsten and silver), co-hosted within a single quartz-vein stockwork system.

Tin is designated a Strategic Material by the Australian Government, with irreplaceable global demand driven by tin's use in solder for electronics holding all electronics together as well as in photovoltaic interconnection and used increasingly in new photovoltaic cells to harden the glass to make it more corrosion resistance while also crucial as the critical element in new Perovskite cells which are being added to new solar cells to increase efficiency by up to 20%.

Global supply is located in a few key and some very unstable jurisdictions (such as DRC, Indonesia, Myanmar, China, Peru, Bolivia) with large global supply disruptions having occurred over the preceding years resulting in tin price spikes. Supply is structurally tight, with few new permitted tin projects being developed and surging demand for tin in evolving applications such as data centres the increase demand is pressuring tin supply and resulting in the accelerating increase of the tin price.

Tungsten is designated as a Critical Mineral by both the NSW and Australian governments and it's market position has shifted materially in 2026. China controlled approximately 82% of global primary production. In February 2025 export restrictions have driven Western APT (ammonium paratungstate) prices to over 600% increases. At the same time the United States NDAA has mandated non-Chinese sourcing for all defence procurement from 1 January 2027. Similar to tin, tungsten is facing increasing and irreplaceable demand in many applications with very few new supply sources being available and resulting in further strengthening of the tin and tungsten prices.

Silver is designated one of the NSW Governments five priority Critical Mineral's, valued for its role in solar photovoltaic cells and electronics. This strategic co-location of these elements, combined with more than a century of legacy infrastructure at Tallebung, underpins the Project's positioning as a near-term, comparatively low-capital-intensity critical minerals development.

Table 2 - Key PFS parameters and assumptions

Parameter	Basis / Assumption
Study level	Pre-Feasibility Study (PFS) targeting ± 25-30% cost accuracy
Location	~70 km NW of Condobolin, Cobar Shire, central-western NSW
Tenure	EL6699 - 100% Sky Metals Limited (via Stannum Pty Ltd)

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Parameter	Basis / Assumption
SSD application	SSD-120153740 - Prepare EIS stage; SEARs issued 28 May 2026; EIS/DA targeted by 28 May 2027
Primary commodity	Tin (Sn), open-pit hard rock mining
Co-products	Tungsten (WO_3) and silver (Ag)
Mining method	Open-pit, conventional truck-and-shovel
Processing route	Crushing + XRT ore sorting (TOMRA) & Jigging pre-concentration + gravity concentration
Mill throughput	3.0 Mtpa ROM ore
Operational mine life	Approximately 7.25 years
LOM ore processed / material mined	21,476 Mt / 64,205 Mt at a 1.99:1 strip ratio
Study currency / accuracy	Australian dollars (A$); AACE Class 4 (± 25-30%)
Next study stage	Definitive Feasibility Study (DFS)

2 GEOLOGY AND MINERAL RESOURCES

2.1 GEOLOGICAL SETTING AND MINERALISATION

The Tallebung deposit lies within the Girilambone-Wagga Anticlinorial Zone of the Lachlan Fold Belt, hosted in weakly metamorphosed Ordovician deep-marine sediments (shale, siltstone, carbonaceous mudstone and minor quartz-rich sandstone) deformed into tight, subvertical isoclinal folds striking approximately 330°. The probable fluid and metal source is the Silurian Erimeran Granite.

Tin occurs as cassiterite (commonly coarse, 5-10 mm nuggets) within a quartz-sulphide stockwork zone approximately 1.6-2.5 km long, open along strike. Later northeast and east trending faults, which displace mineralisation, have been mapped within the orebody. Tungsten and Silver also present ubiquitously as 'nuggety' minerals allowing similarly simple processing along with the cassiterite-hosted tin at Tallebung. Tungsten is hosted in coarse scheelite and wolframite 'slugs up to 50mm in length. Silver is hosted in coarse (up to 0.5mm wide) silver-halide crystals in the oxide zone and present as late-stage silver sulphides in the fresh rock. As all three commodities of interest are in coarse minerals processing is possible via simple gravity concentration before separating into separate saleable streams.

Increasing drilling density and effective domaining combined with improved estimation methodology discussed below has shown the deposit to be well estimated despite the 'nuggety', structurally complex mineralisation style.

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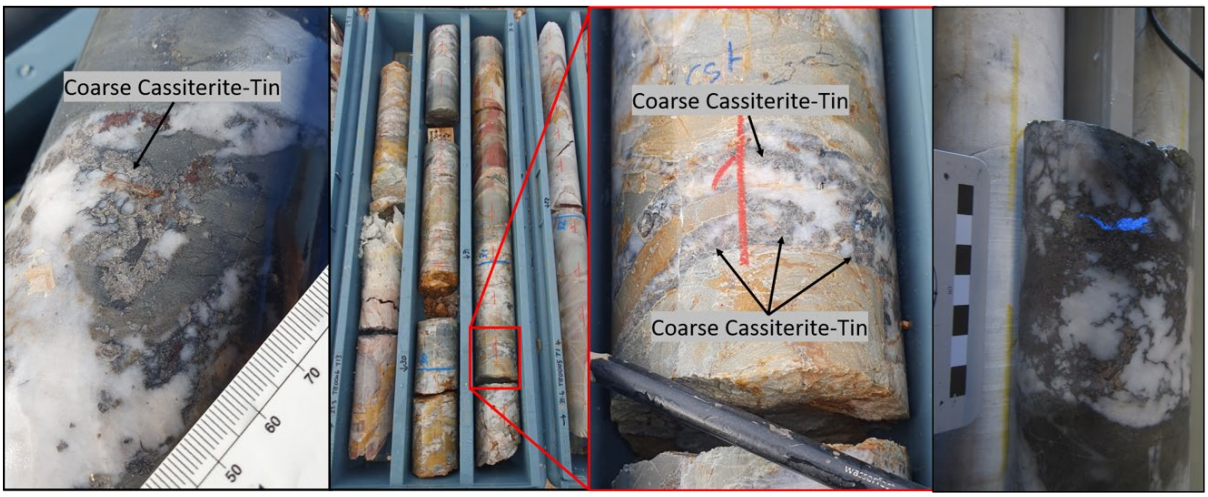

Figure 3 Examples of Coarse tin-tungsten mineralisation at Tallebung

NOTE: LHS: Approx. 225m DH in drill-hole TBD005 showing coarse cassiterite tin mineralisation. Centre: Drillcore from 29.3-32.4m DH in drill-hole TBD006 - strong quartz-cassiterite veining. Centre RHS: Veining from 30.8m DH with coarse cassiterite and scheelite. Drill core is PQ - 83mm wide. RHS: Tungsten-host mineral scheelite exhibiting bright blue fluorescence under ultraviolet light within quartz + pyrrhotite + sphalerite vein breccia, Drill-hole TBD001, 512.2m

2.2 MINERAL RESOURCE ESTIMATE

The Project is underpinned by the July 2026 JORC 2012 Mineral Resource Estimate prepared by Manna Hill Geoconsulting (MHGEO). The estimate comprises 32.7 Mt at 0.16% tin equivalent (0.11% Sn, 0.035% WO_3 and 9.5 g/t Ag) for 36.8 kt of contained tin; 1,139,835 mtu of contained WO_3 and 9,940 koz of contained silver, compiled from 471 of the more than 500 holes drilled to date and approximately 63,249 assays. Of the total, 12.8 Mt is classified Measured and Indicated at a US$20/t NSR cutoff, with the balance Inferred. The estimate was localised from Multiple Indicator Kriging panels to 8 m x 8 m x 2.5 m selective mining unit blocks, with Measured material assigned where drilling is at 12 m x 12 m spacing. Table 2 sets out the estimate by classification.

Table 3 - July 2026 Mineral Resource Estimate (MRE)

Classification	Tonnes (Mt)	Sn Eq (%)	Sn (%)	WO3 (%)
Measured	0.5	0.22	0.19	0.033
Indicated	12.3	0.17	0.14	0.029
Inferred	19.9	0.15	0.09	0.039
Total	32.7	0.16	0.11	0.035

Note: Mineral Resource Estimate @ US$20/t NSR cutoff using commodity pricing of US$37500/t Sn, US$1000/mtu WO_3 & UD$50/oz Ag. NB: Due to mining efficiencies and increased commodity pricing in the base case study, the Indicated and Measured Resources available for mining has increases beyond those quoted in the latest MRE @ the specified US$20/t NSR cutoff to include estimated blocks below the US$20/t NSR cutoff. These are included in the mining schedule and provide greater confidence in the mined Resources which support this study. Please see Table 4 below for further details on the calculations for SnEq and NSR.

Table 4 - Net Smelter Return (NSR) Price and Recovery Factors

Metal	Price/Unit	Recovery		Concentrate Payability
Sn	US$37,500/t	Sn Grade (%) >0.05%	94.04+(6.43xLog^e (Sn Grade (%)))	95%
		Sn Grade (%) <0.05%	Sn Grade (%) - 0.015%	
		Sn Grade (%) <0.015%	0	
W	US$1,000/MTU	60%		70%
Ag	US$50/oz	40%		90%
NSR (USD/t) = (("Sn Grade (%)"*(IF("Sn Grade (%)">0.05,94.04+(6.43*LN("Sn Grade (%)")),IF(("Sn Grade"-0.01)>0,(("Sn Grade (%)" -0.015)/"Sn Grade (%)")*100,0))/100))*0.95*37500/100)+(((("W Grade (ppm)"/10000)*0.6)*0.7*1000)+((("Ag Grade (g/t)"/31.1034768)*0.9*0.4)*50) Sn Equivalent (SnEq) = (((((“Sn Grade (%)”)*(IF((“Sn Grade (%)”)>0.05,94.04+(6.43*LN(“Sn Grade (%)”)),IF((((“Sn Grade (%)”)-0.01)>0,(((“Sn Grade (%)”)-0.015)/(“Sn Grade (%)”))*100,0))/100))/100)*37500)+((("W Grade (ppm”)*(231.9/183.9))*0.6)/1000000)*(1000*100)+(("Ag Grade (g/t)"/ 31.1034768)*0.4)*50)/37500*100				

SKY Metals has developed a flowsheet to recover all metals quoted in the metal equivalent in Table 4 to saleable products and, hence it is SKY Metals' opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

As to be expected, confidence in the Mineral Resource Estimate is highest where drilling is closest spaced, hence Measured material is confined to the 12 m x 12 m drilled area. Continued infill, confirmatory and extensional drilling to upgrade classification in the portions of the resource supporting the later Life of Mine production targets will be a priority ahead of the next stage of studies to improve the confidence and continue to grow the size of the Resources to be included in the later stages of mining.

The information in this report that relates to the MRE Data is based on information compiled by Mr. Chris De-Vitry, who is a Member of the Australasian Institute of Geoscientists and the AUSIMM. Mr. Chris De-Vitry is independent 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.' Chris De-Vitry consents to the inclusion in this report of the matters based on his information, in the form and context in which they appear.

3 MINING AND ORE RESERVES

3.1 PIT OPTIMISATION AND MINE DESIGN

Pit optimisation was undertaken by Australian Mine Design and Development (AMDAD) using Whittle Enterprise (Milawa scheduling engine), generating nested Lerchs-Grossmann pit shells across three runs: Run 1 targeting Measured, Indicated and Inferred material on NSR inputs, Run 2 targeting Measured and Indicated only, and Run 3 targeting all classifications at low case prices of US$37500/t Sn, US$1500/mtu WO_3 & UD$50/oz Ag. Run 1 was adopted as the PFS basis because it captures the full revenue potential of the deposit and reflects the proposed flowsheet. The maximum discounted-cashflow shell under Run 1 was the generated Shell 28. Shell 28 was subsequently amended to ensure all years of production contain adequate Measured and Indicated Resources to support being included as production targets and selected as the basis of the mine design and the production schedule. Table 4 compares the selected shell with the alternatives. The pit follows the mineralised stockwork zone along

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its approximately 330° trend for a strike extent of approximately 2.5 km, to a maximum depth of between 100-180 m below surface, limited by MRE depth and is developed in three stages from a central Stage 1 pit targeting the higher-grade Measured and Indicated material which underpins the 7.25 years of Life of Mine and supports project viability.

Table 5 - Pit Optimisation summary, selected shells

Optimisation run	Shell no.	Mine life (yrs)	Strip ratio (W:O)	Total material (Mt)	Mill feed (Mt)
Run 1 - Max DCF (selected)	28	7.25	1.99	64.205	21.476
Run 2 - Max DCF (M+I only)	30	4.8	2.0	41.0	13.5
Run 3 - Max DCF (spot prices)	14	18.7	0.6	91.6	56.0

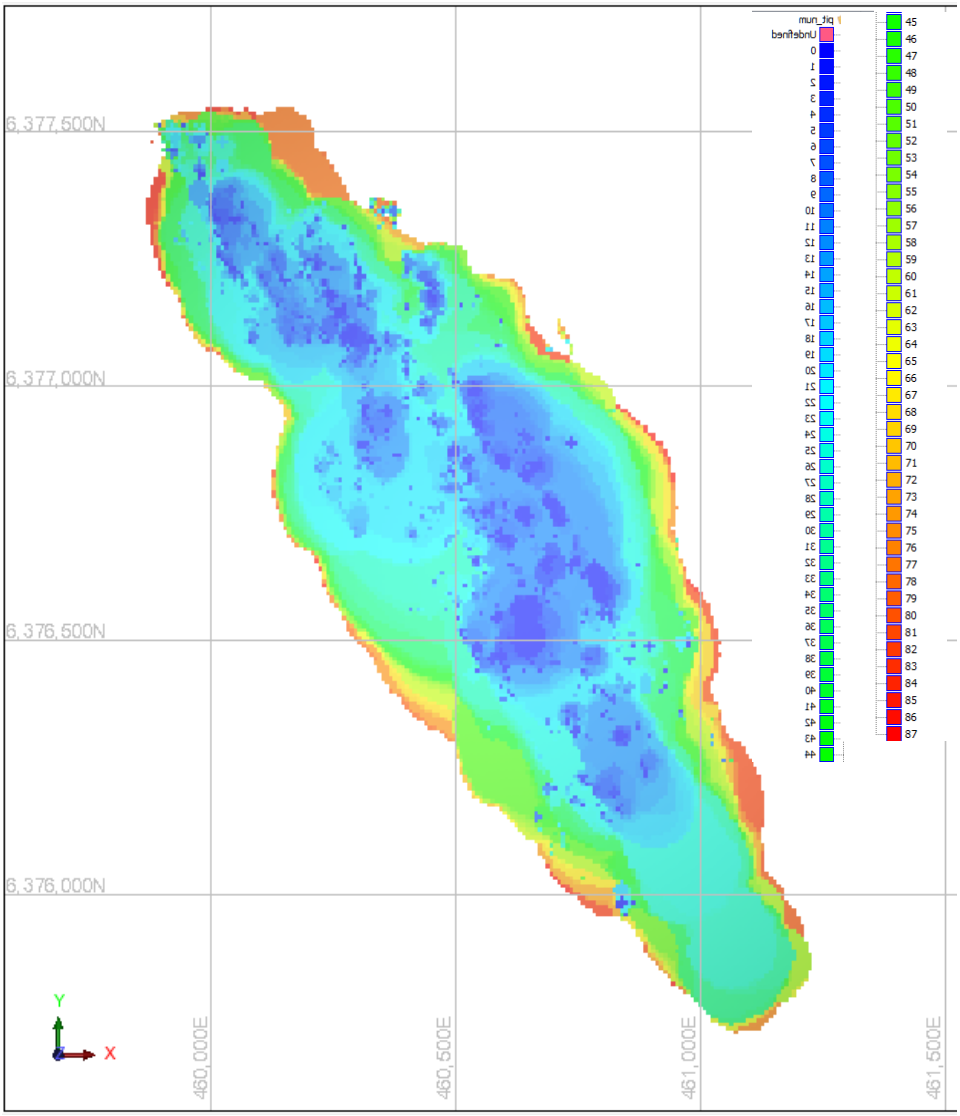

Figure 4 - Run 1 Nested Whittle pit shells, plan view

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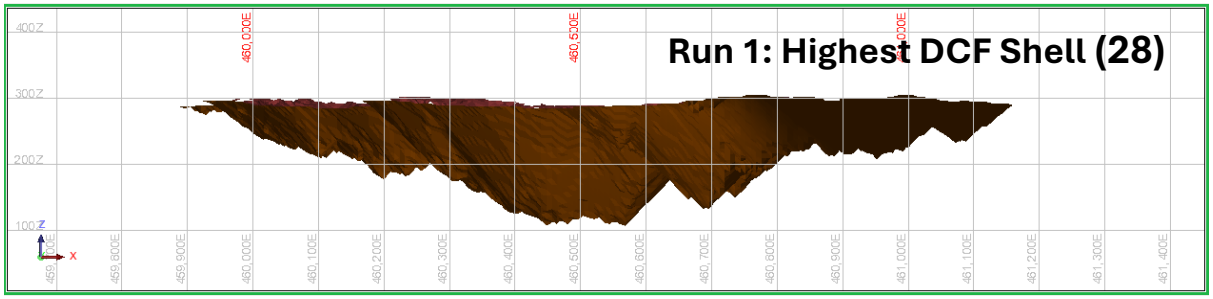

Figure 5 - Run 1 - Long section looking west, showing Shell 38 and the multiple individual pit lobes along the 2.5 km mineralised strike.

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3.2 LIFE-OF-MINE PRODUCTION SCHEDULE

The adopted life-of-mine schedule (Balanced Mode, Run 1 Shell 28 shortened) is based around a curtailed Shell 28. The LOM schedule processes 21.476 Mt of ROM with a high, conservative assumption of 10% mining dilution over approximately 7.25 operational years, eight operating periods including ramp-up and a final partial-year drawdown. Mill feed reaches the 3.0 Mtpa plant design rate from Year 2 and is sustained through Year 7, with 2.806 Mt in the ramp-up Year 1 and 0.0.602 Mt in the final Year 8. Total material movement is 64.205 Mt at a life-of-mine strip ratio of 1.99:1, and peak movement of approximately 11 Mtpa is reached at 3 Mtpa of mill feed plus approximately 8.2 Mtpa of waste. The average Life of Mine head grade is 922 ppm Sn (0.0922% Sn), 202 ppm WO_3 and 7.34 g/t Ag, declining from approximately 1,041 ppm Sn in Year 1 to approximately 914 - 857 ppm in the later years as the Inferred proportion of feed rises. Figures 1 and 2 illustrate the annual material movement and product output profile.

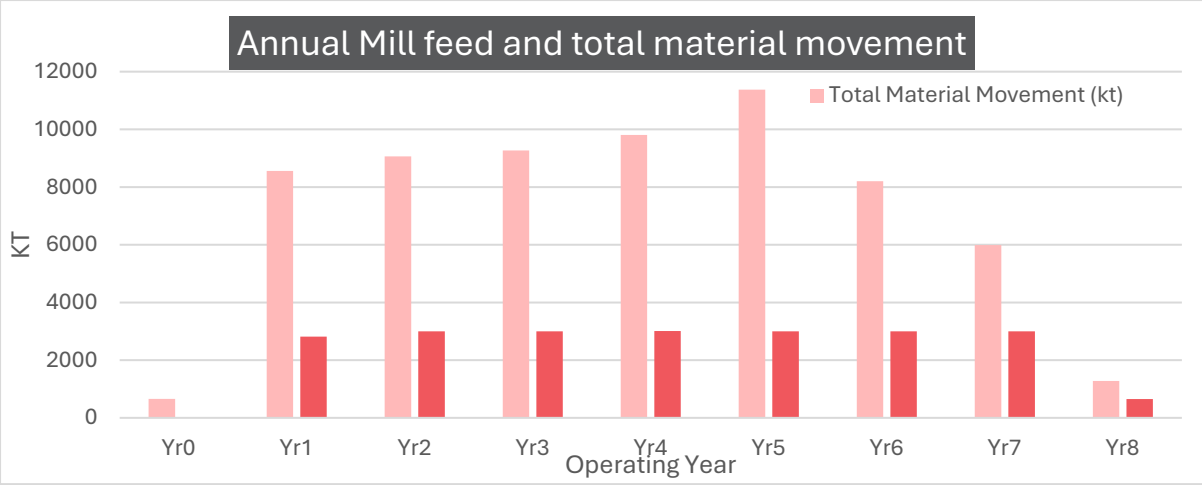

Figure 6 - Annual mill feed and total material movement

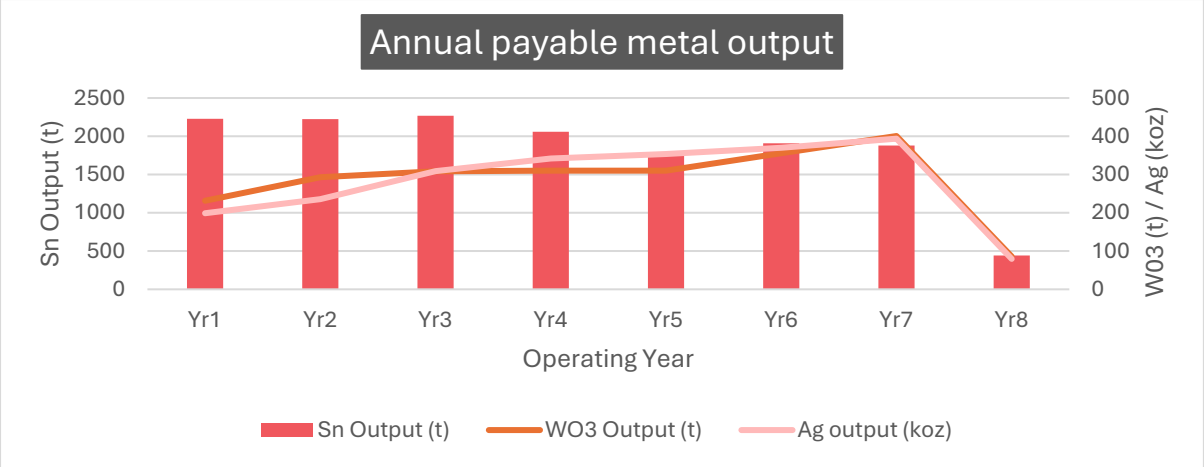

Figure 7 - Annual payable tin, silver and tungsten output

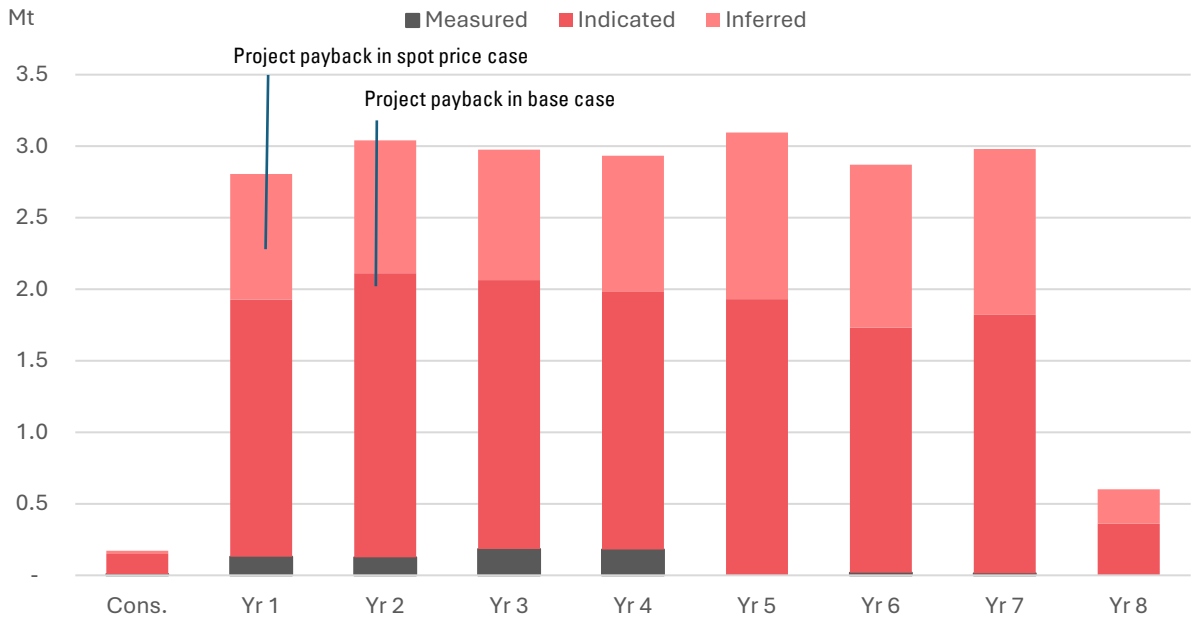

Figure 8 - Annual production Resource tonnes as Measured, Indicated and Inferred

Note: Project payback occurs within 10-17 months of project commencement as shown in the Figure 8 above. The total Life-of-Mine Production Target and forecast financial information derived from the Production Target referred to in this announcement is underpinned by approximately 66% Measured and Indicated Mineral Resources and 34% Inferred Mineral Resources.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself (or the forecast financial information) will be realised.

The proportion of Inferred Mineral Resources underpinning the Life of Mine Production Target is not the determining factor in project viability. The Inferred Mineral Resources do not feature as a significant proportion early in the mine plan and the payback period for the Tallebung Project is between 10-17 months demonstrated in both cases presented from this study.

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3.3 ORE RESERVE STATUS

At this stage, no Ore Reserve has been declared for the Tallebung Project. The PFS reports a production target based on the July 2026 Mineral Resource Estimate and the selected optimised pit shell, and the scheduled mill feed includes Measured, Indicated and Inferred Mineral Resources.

The total Life-of-Mine Production Target and forecast financial information derived from the Production Target referred to in this announcement is underpinned by approximately 66% Measured and Indicated Mineral Resources and 34% Inferred Mineral Resources. Inferred material is too geologically speculative for modifying factors to be applied in support of Ore Reserve classification, and there is no certainty that further work will convert it to an Ore Reserve.

A high conservative, preliminary mining dilution assumption of 10% has been used for study purposes and requires validation before any Ore Reserve can be declared.

Work beyond this PFS is planned to define a maiden Ore reserve at Tallebung with completion of infill drilling, formal definition of mining dilution and recovery factors, detailed mine design and Competent Person review all required before an Ore Reserve may be reported forecast for the weeks following the release of this PFS. This workstream gates the DFS mine plan and financial model and is treated as the critical path geological deliverable.

4 METALLURGY AND PROCESS PLANT

4.1 PROCESS FLOWSHEET

The process plant, designed by Mineral Technologies (a Downer company), treats run-of-mine ore at a nominal 3.0 Mtpa through two sequential concentration stages. Stage 1 comprises two-stage crushing followed by TOMRA XRT ore sorting for crushed particles between 7-40mm Ore sorting uses XRT transmission to detect the density contrast between cassiterite (SG ≈ 7.0) and silicate gangue (SG ≈ 2.7) to reject the bulk of barren mass ahead of the wet circuit. Fines pre-concertation (for particles <7mm) comprises coarse gravity concentration (i.e. Gekko in-line pressure jig), primary grinding, fine gravity concentration (multi-stage spirals and tables) and an ultra-fine gravity circuit, followed by a concentrate dressing circuit (magnetic, electrostatic and tabling separation) that separates the tin, tungsten and silver-bearing product streams.

Sulphide flotation is retained only as a separable future upgrade for treatment of the ore when the fresh rock is mined within the dressing circuit and is not relied upon as the initial tungsten/silver recovery method. Tailings are dewatered by thickening and belt filter press to a dry-stackable cake (Section 6.2). Bond work index of approximately 10kWh/t has been measured for Tallebung, however, no unconfined compressive strength (UCS) test work has been completed; an interim UCS of 100 MPa, benchmarked against comparable tin-bearing host rocks, is used for crusher sizing pending further test work

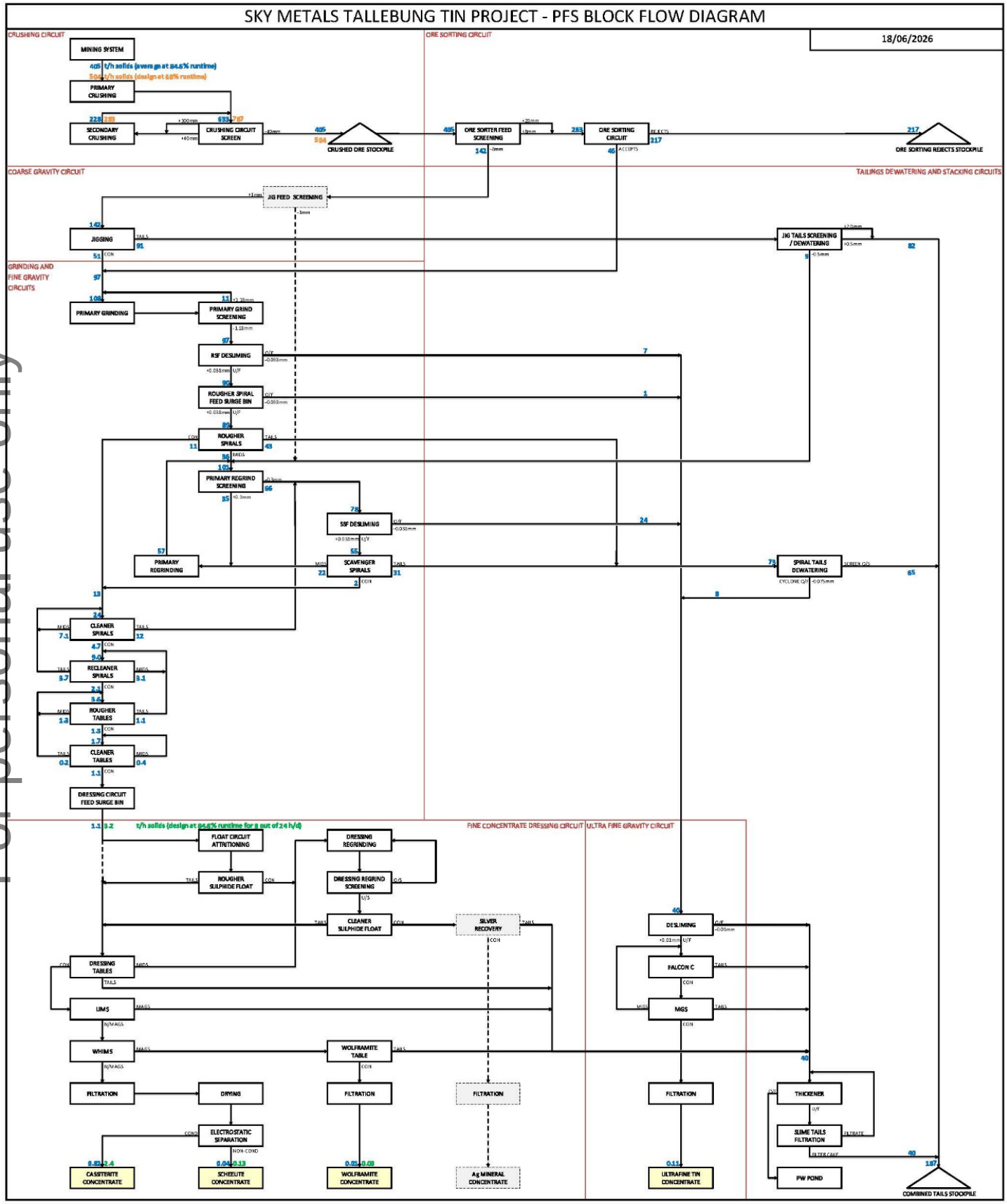

Figure 9 - Tallebung Process Plant Block Flow Diagram

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4.2 METALLURGICAL RECOVERY BASIS

Tin recovery has been estimated as a grade-dependent function rather than a fixed recovery factor to better estimate the recoveries of the tin in areas of between higher- and lower-grades. The recovery relationships were derived from an integrated model incorporating very extensive TOMRA ore-sorting testwork, the Mineral Technologies mass balance and downstream metallurgical testwork. The PFS recovery model is applied as follows:

For $0.015\% <$ ROM Sn $< 0.050\%$:

$$R(\%) = 85.65 + 5.86 \times \ln(\text{ROM Sn}\%)$$

For $0.050\% \leq$ ROM Sn $\leq 0.370\%$:

$$R(\%) = 94.04 + 6.43 \times \ln(\text{ROM Sn}\%)$$

The model provides a recovery range from 75.6% at the lower end to a maximum of 87.8%. Where ROM Sn grade is less than or equal to 0.015%, Sn recovery is assumed to be zero. Where ROM Sn grade exceeds 0.370%, recovery is capped at 87.8%.

The PFS financial model applies 95% Sn payability to the recovered tin production. **Tungsten and silver are estimated to be recovered on conservative fixed bases**. This estimate is 60% WO_3 recovery to a nominal 50% WO_3 concentrate at 70% payability to the APT (ammonium paratungstate) price, and 50% silver recovery to doré (70–80% Ag in doré) at 90% payability to the metal price. Table 4 summarises the recommended PFS product, recovery and payability basis.

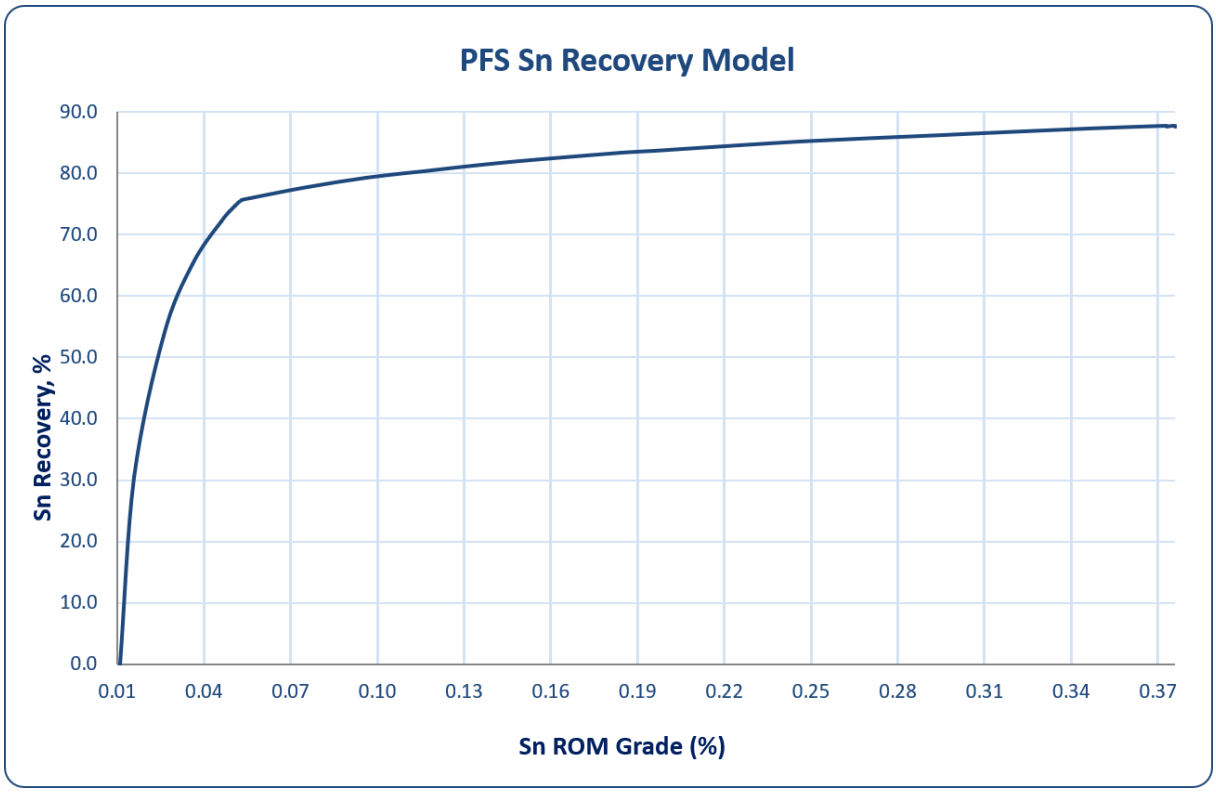

Figure 10 - PFS controlling tin recovery equation

Table 6 - Recommended PFS product, recovery and payability basis

Product	Recovery basis	Product grade	Payability
Tin concentrate	Overall Sn recovery is modelled using two grade-dependent equations: 85.65 + 5.86 × ln(ROM Sn%) for grades above 0.015% and below 0.050%, and 94.04 + 6.43 × ln(ROM Sn%) for grades from 0.050% to 0.370%. Recovery is zero at or below 0.015% Sn and ranges from a minimum of 75.6% to a maximum cap of 87.8%.	Nominal 60% Sn	95% Sn payable (NSR basis)
Tungsten concentrate	60% WO3 recovery (conservative base case)	~50% WO_3	70% of APT price
Silver doré	50% overall recovery to doré	70–80% Ag in doré	90% Ag payability at LBMA spot

4.3 PROCESS PLANT CAPITAL COST

Mineral Technologies developed a Class 4 (AACE 47R-11) capital estimate for the process plant totalling A$113.44 million comprising of A$11.01 million for a stand-alone crushing circuit and A$102.43 million for the Ore Sorting, Milling, Gravity, Dressing, Concentrate and Dewatering circuits, with a base date of May 2026, (before contingency). The cost estimates are based on a delivery model structured around an Integrated Project Management Team. The largest individual equipment component is the five TOMRA ore sorters which have a current lead time of 26 weeks which will be monitored through the DFS. The process plant capital forms the majority of the pre production capital, which is detailed in section 7.1.

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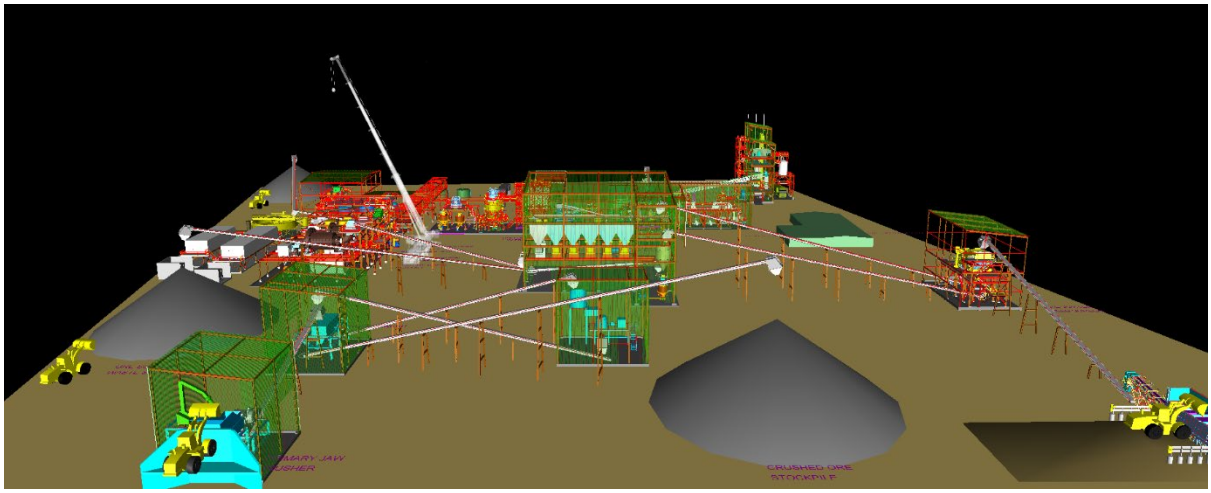

Figure 11 - Processing Plant layout

5 SITE INFRASTRUCTURE, MINING, WASTE MANAGEMENT AND TAILINGS

5.1 SITE INFRASTRUCTURE

Site infrastructure has been designed to make extensive use of the legacy assets from Tallebung's mining history, materially reducing capital requirements. Power will be supplied by long-term hired diesel generation (Essential Power Systems) sized to a peak site demand of approximately 5.6 MW (5.1 MW process plant, 0.5 MW mining infrastructure area and camp); the existing 22 kV grid connection is retained only for low-load backup. Gas supply and a diesel/gas–solar–battery hybrid configuration are retained as DFS evaluation items. Water supply is staged: the existing on-site freshwater dam (~300 ML) is the initial source, whilst a near site borefield (~1 ML/day) is developed for long-term security to supply the estimated 0.57ML/day requirement of the plant at Tallebung. An option to develop the Booberoi Weir pipeline to source water from the nearby Lachlan River (~37 km) is retained only as a priced option, excluded from the PFS capital estimate. Workforce accommodation follows a hybrid model: an on-site camp for operational crews on a 12-hour, 7/7 roster, with dayshift and office staff bused from Condobolin and Lake Cargelligo.

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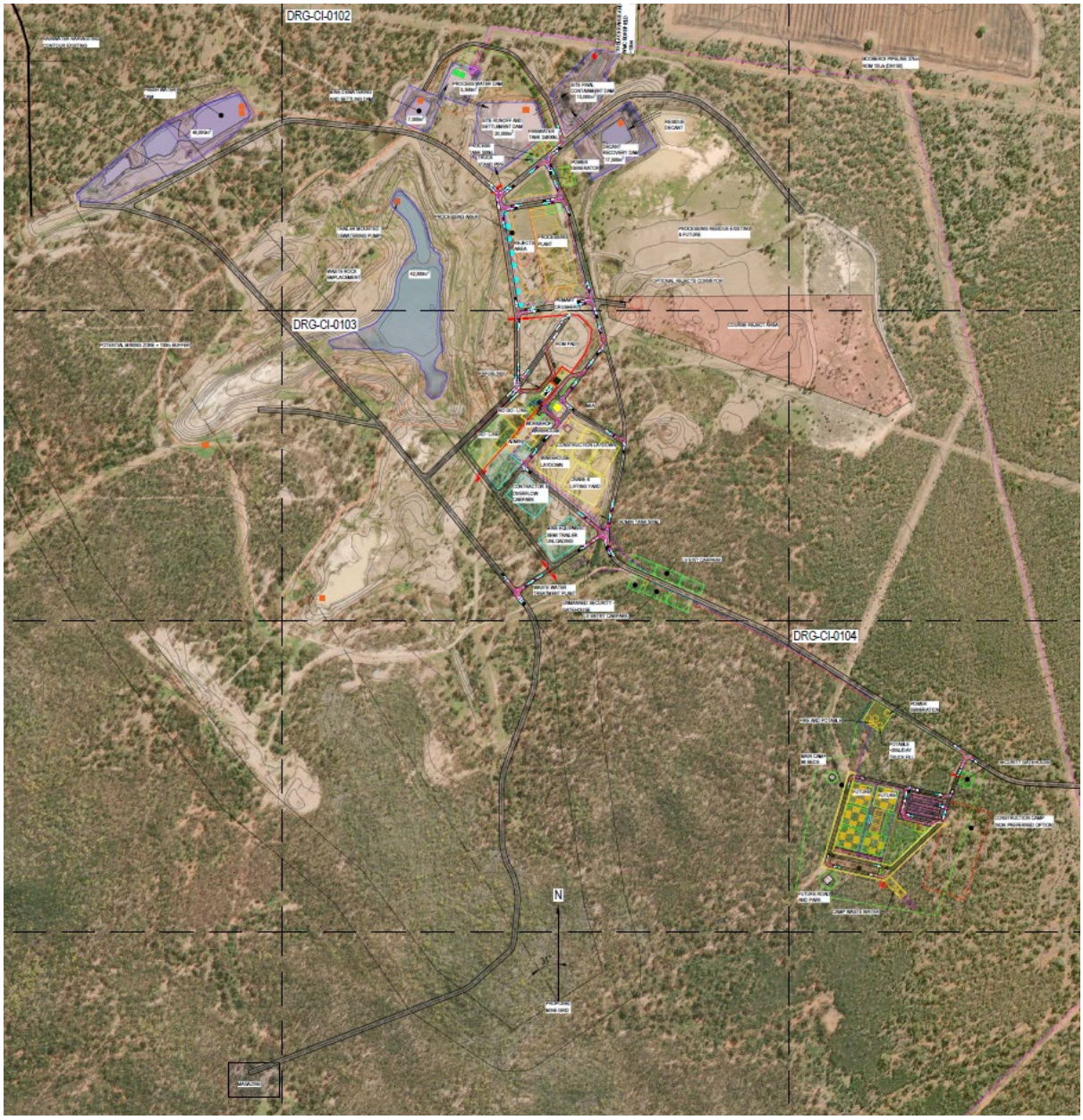

Figure 12 - Site layout showing key infrastructure

Mining is planned to be on a contract basis with a fleet "replace" (rather than rebuild) strategy.

Total site infrastructure direct capital is estimated at approximately A$14.68 million, summarised in Table 7.

Table 7: PFS site infrastructure capital cost summary

Infrastructure area	Direct cost
Power generation & supply	Long-term hire (OPEX) + $0.41M establishment allowance
Water supply & management	$3.85M

Infrastructure area	Direct cost
On-site accommodation & camp	$3.10M
Mining Infrastructure Area (MIA)	$3.93M
Site roads & civil works	$3.39M
Total direct cost	$14.68M

5.2 MINING APPROACH

The open pit design for the Tallebung Project was developed from the selected optimised pit shell (Shell 28, Run 1) using the geotechnical slope design parameters established by Resolve Mining Solutions during their 2025 PFS geotechnical investigation. The pit design follows the mineralised stockwork zone along its approximately 330° structural trend for a total strike extent of approximately 2.5 km. A series of individual pit lobes are developed along the zone, interconnected into a final combined pit.

The maximum depth of the preliminary open pit shell is approximately 100 to 180 m below surface, varying along strike in response to mineralisation depth and geometry. The overall slope angles applied in the design vary by depth and rock mass quality, reflecting the three-zone geochemical and geomechanical model identified during baseline investigations.

The pit will be staged in 4 pits being a Stage 1 Central pit targeting high grade and value tin and tungsten and on the Measured and Indicated resource. A Stage 2 pit will be opened up in the north of the deposit and provide some high grade tin during the early years of the project. The stage 3 pit will commence at the start of year 2 and progress south from the Central pit. Following the completion of the Stage 2 pit, the Stage 4 pit will commence in the North and connect to the Stage 1 pit

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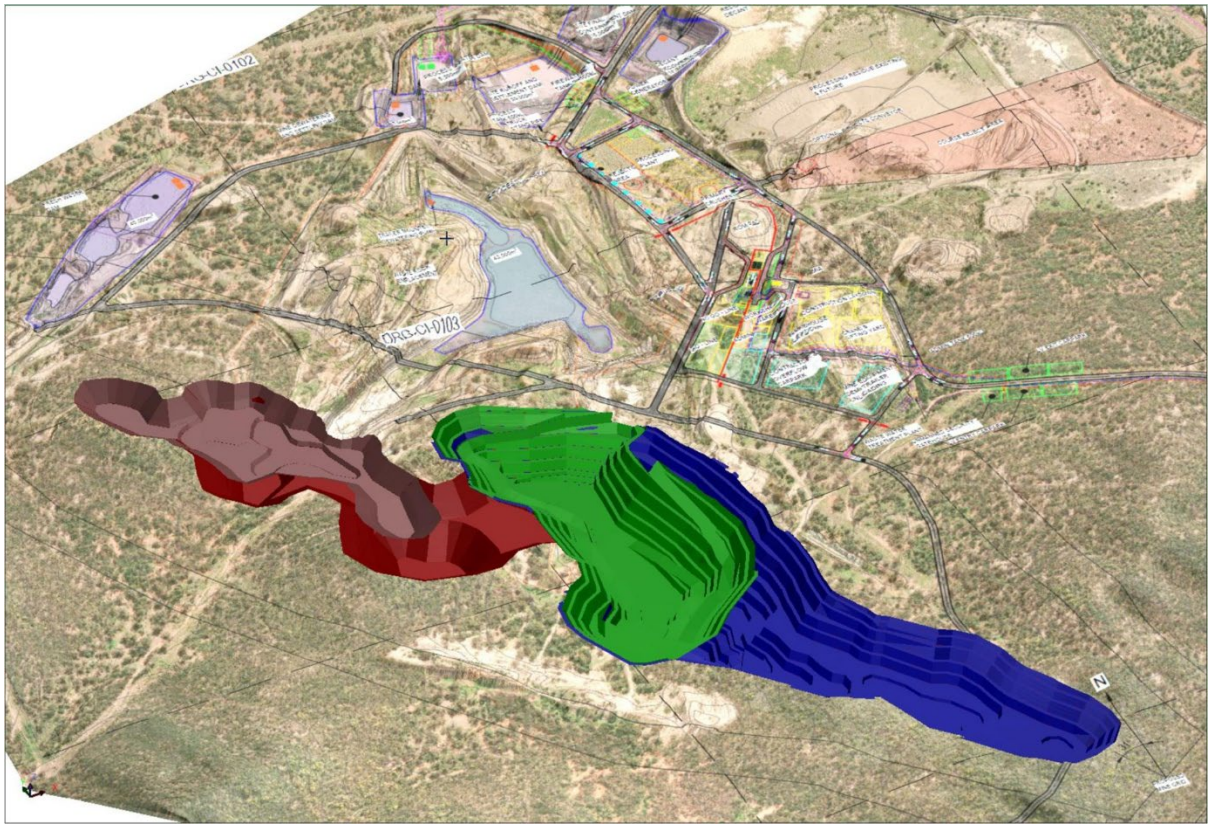

Figure 13 - isometric view of the staged pit design

Note: Stage 1 (green), stage 2 (brown), stage 3 (blue) and stage 4 (ochre)

Tallebung will use conventional open cut mining techniques comprising drill, blast, load and haul, with benches advancing along and down the quartz-cassiterite vein stockwork. ROM ore goes either straight to primary crushing or to short-term stockpiles before processing on-site, while waste is hauled to the waste rock emplacement (WRE). Because cassiterite grade within the quartz veins is highly erratic ("nuggetty"), varying significantly over distances from just 100 mm up to several metres, tightly spaced grade control drilling ahead of mining is essential. Tomra XRT ore sorting after crushing is the main mechanism for upgrading grade and offsetting the variability inherent in the ROM feed.

Production blasting of both waste and ore benches will use conventional rotary percussion drilling. Blast designs will balance two goals: achieving fragmentation suitable for crushing and ore sorting, and limiting vibration and airblast effects on the nearest sensitive receptors, roughly 4 km from the pit. Electronic detonators will be used for precise timing control to help minimise ground vibration. On final pit walls, wall control techniques such as pre-split or trim blasting will be applied to preserve slope stability and reduce overbreak, consistent with the PFS geotechnical study's recommendations.

Hydraulic excavators will load material onto haul trucks, which transport it to the ROM pad, stockpiles, or the WRE. The fleet will is sized to match production needs, supporting total material movement of up to 11 Mtpa at peak, comprising 3 Mtpa of mill feed and up to 8.2 Mtpa of waste, reflecting an average life-of-mine strip ratio of roughly 1.99:1. The supporting fleet includes is detailed in table 8.

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Table 8 - proposed contractor mining fleet

Equipment	Quantity	Description
Excavator (backhoe)	2	PC1250 (7m3)
Articulated Haul trucks	6-11	CAT775 (50t)
Dozer	4	D8
Grader	1	14R
Excavator (backhoe)	1	CAT 395 (4m3)
Watercart	1	CAT 785
Medium Vehicles	2	5 tonne
LV's	10	Dual cab utes
Front End Loader (FEL)	1	CAT 988
Blast hole drill	1	DTH Flexiroc D60 (115-203mm)

5.3 WASTE MANAGEMENT AND TAILINGS STORAGE

Waste rock, overburden and ore-sort reject are managed entirely on site in engineered Waste Emplacement Areas (WEAs). During early mine life, two out-of-pit WEAs will be utilised with a transfer to an in-pit emplacement methodology in the mined-out southern pit.

Figure 14 - Schematic showing location of Waste Rock Emplacements (WRE)

Advanced geochemical characterisation (12-month column leach test work) confirms the majority of waste for the project is non-acid-forming. However the remainder, classified as potentially acid-forming (PAF) material, will be placed in the in-pit WEA, below the post-mining water table to reduce oxygen exposure and co-disposed with calcite for passive neutralisation.

Tailings quantities are relatively low, with XRT sorting the majority of crushed material to the waste stream. The management of tailings adopts dry-stack filtered tailings technology, eliminating the need for the construction of a conventional slurry dam and recovering up to approximately 90% of process water for reuse. This technology also allows for the re-use of the existing tailings storage facility footprint (currently approximately 20% full) to reduce environmental impacts substantially.

Further DFS-stage work might include any extra studies required for calcite dosing confirmation, geotechnical stability analysis of both WEAs and the tailings facility, and tailings filterability test work to size the filter press circuit.

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6 ENVIRONMENT, PERMITTING AND CLOSURE

6.1 APPROVALS PATHWAY AND STATUS

The Project is classified as a NSW State Significant Development (SSD) under the NSW Environmental Planning and Assessment Act 1979. A Scoping Report was submitted in April 2026 and the Secretary's Environmental Assessment Requirements (SEARs) were issued on 28 May 2026 (application SSD-120153740) following successful review of the Scoping Report. Sky Metals is targeting lodgement of the EIS and Development Application by May 2027, within the two-year statutory period which expires in May 2028 which can be extended if required. Sky Metals has commenced tendering for an EIS consultant team and is engaged with the NSW Resources Regulator's Mine Development Panel process. No fatal environmental, social, heritage or permitting constraints have been identified during the PFS. Table 9 summarises the indicative approvals timeline.

Table 9 - Indicative statutory approvals timeline

Phase	Duration	Key milestone
Scoping / EIS preparation	2026 - 2027	SEARs issued by DPHI; EIS preparation; lodgement targeted by 28 May 2027
EIS exhibition & assessment	2026-2027	Public exhibition; agency referrals; determination
Mining Lease & ancillary approvals	2027	Mining Lease; EPL; water licences; road works approvals
Construction	7 months post-consent	Rehabilitation Management Plan lodged; SafeWork licences
Operations	Approximately 7.25 years	Ongoing licence compliance; annual NGER reporting
Rehabilitation & closure	6-7 years post-mining	Progressive rehabilitation; closure sign-off; relinquishment

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6.2 ENVIRONMENTAL RISK AND CLOSURE

The principal environmental risks identified and to be addressed are: biodiversity impacts from clearing, groundwater drawdown, acid and metalliferous drainage, final landform stability and impacts to Aboriginal cultural heritage. Each of these risks is assessed as manageable through detailed design, offset planning and progressive rehabilitation, rather than as fatal flaws. A conceptual closure cost estimate has been developed using the NSW Rehabilitation Cost Estimation Tool, pricing rehabilitation liability at the cost a government-appointed contractor in the event the mine operator defaulted. On this basis, the pre-contingency closure liability is approximately $21.26 million, rising to approximately $27.63 million with a 30% mining contingency applied (Table 10). Native vegetation clearing affects approximately 146 ha of remnant vegetation of the total >300Ha project area, and a Biodiversity Development Assessment Report, offset determination and stewardship site establishment are all being progressed ahead of the EIS, the latter identified in the Project risk register as a high-rated risk given its potential to impact the overall approvals timetable, hence SKY Metals has elected to commence this early.

Table 10 - Conceptual closure cost estimate, NSW Rehabilitation Cost Estimation Tool

Closure cost basis	Amount
Subtotal (rehabilitation domains and sundry items)	$21,255,157
Imposed contingency (mining, 30%)	$6,376,547
Grand total indicative security deposit (excl. GST)	$27,631,074

7 CAPITAL AND OPERATING COSTS

7.1 CAPITAL COST SUMMARY

Total pre-production capital is estimated at A$138.77 million excluding contingency, comprising direct costs of A$129.06 million and indirect costs of A$9.71 million, an AACE Class 4 estimate (± 25-30%). The processing plant dominates the estimate at A$113.44 million, approximately 88% of direct pre-production capital; site infrastructure, mine establishment, site water management and non-process infrastructure make up the balance (Figure 4). A contingency of 10% has been used given the existing accuracy of the estimate and potential to reduce capital requirements with the purchase of second-hand plant. This equates to a modest capital intensity of approximately A$6.46 per tonne of ore processed. Sustaining capital over the life of mine is estimated at A$10.38 million, predominantly a A$1.5 million per year allowance across five full operating years plus a A$2.85 million flotation-circuit provision, and closure and rehabilitation capital is A$21.26 million before the imposed 30% contingency, or A$27.63 million including contingency.

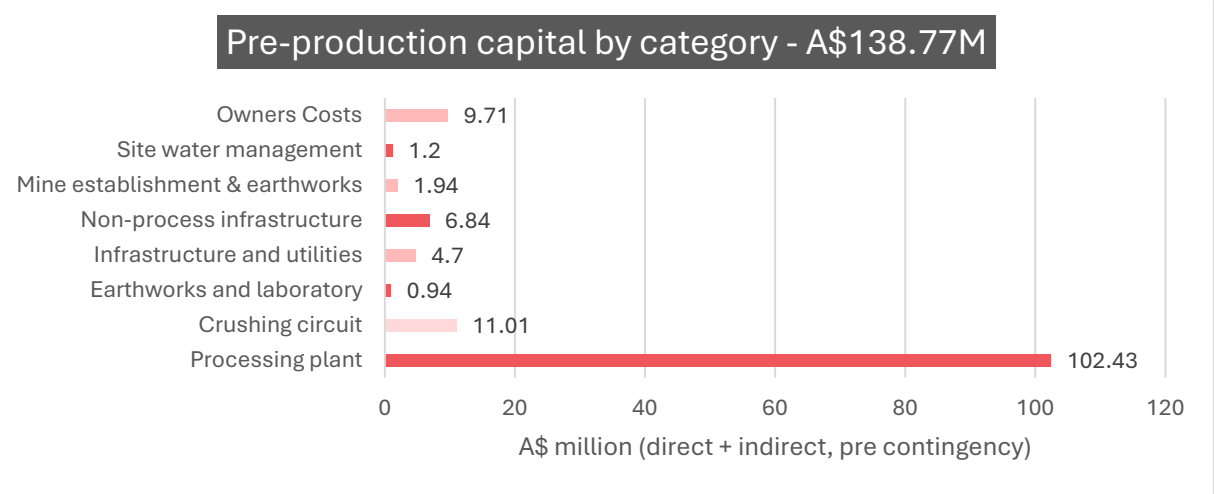

Figure 15 - Pre-production capital by category

Table 11- Capital cost estimate summary

Capital category	Pre-production (A$M)	Sustaining (A$M)
Direct costs (mine establishment, processing plant, site water, infrastructure, NPI)	$129.06	$2.85
Indirect costs (IPMT, owner's, design, commissioning)	$9.71	$7.5(sustaining allowance)
Closure & rehabilitation (pre-contingency / incl. 30% contingency)		$21.26 / $27.63
Total	$138.77	$37.98

7.2 OPERATING COST SUMMARY

Life-of-mine operating costs are estimated at A$32.76 per tonne of ROM, or A$703.51 million over the Life of Mine, comprising mining, two-stage processing (crushing, then ore sorting and jigging, gravity and dressing), site general and administration, and concentrate transport. NSW royalties of A$64.27 million are levied at 4% on tin, tungsten and silver revenue and are reported separately from the C1 operating cost. On a unit basis the Project reports C1 costs are US$2,125 per tonne of tin (net of co-products) and an all-in sustaining cost of US$5,653 per tonne of tin (net of co-products).

Table 12 - LOM operating costs

Cost Category	Per ROM t	LOM Total
Mining OPEX (ore + waste)	A$16.29	A$349.92
Processing OPEX (Stage 1 and 2)	A$11.93	A$256.13

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Cost Category	Per ROM t	LOM Total
Site G&A	A$4.43	A$97.46
Concentrate transport	A$0.11	Inc above
NSW royalties (tin 4%, tungsten 4%, silver 4%)	4%	A$64.27
Total Operating Costs C1	A$32.76	A$703.51

8 CONCENTRATE MARKETING AND LOGISTICS

8.1 PRODUCT AND MARKET OVERVIEW

No binding offtake, refinery or logistics agreements are in place for any of the three products; all commercial terms used in the PFS financial model are indicative, based on market soundings, published benchmarks and internal technical memoranda. The tin market has significant smelters based in Asia, namely Malaysia (MSC), Thailand (Thaisarco) and China (Yunnan Tin Corporation) which represent clear markets for tin concentrates and Tallebung has been exhibited to produce high payabilities given the very high-grade, low-penalty concentrate which has been demonstrated to be produced from Tallebung.

The tungsten market backdrop is described in Section 2.3 and likely represents the single most significant commercial tailwind identified during the PFS: Chinese export restrictions and the US NDAA's 2027 non-Chinese sourcing mandate have created urgent demand from Western processors and defence procurers, positioning Tallebung strongly as a new independent supply for this critical metal.

Silver demand is split between industrial use (solar PV, electronics) and investment/jewellery, with solar PV the fastest-growing segment with many markets available for the silver products from Tallebung.

8.2 COMMERCIAL TERMS AND LOGISTICS

Table 13 summarises the indicative product, recovery and payability basis used for marketing purposes, consistent with the metallurgical basis in Section 5.2. The controlling PFS logistics pathway is initially assuming simple containerised road freight of bulk-bagged tin and tungsten concentrates from site to Port Kembla for export, with intermodal routing via Parkes or Forbes to Port Botany retained as a DFS optimisation option rather than the base case; the silver-bearing Ag-Fe intermediate is transported to a third-party leach and gold-room operator in central-west NSW or directly to ABC Refinery, Sydney.

Priority pre-DFS marketing work includes a formal tin concentrate marketing study, silver mineralogy/deportment and leach test work, and tungsten concentrate characterisation and market sounding and potential further value-adding processing onsite, feeding into a fully integrated and updated net smelter return model for all three products.

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Table 13 - Product, recovery and indicative marketing basis

Product	Recovery basis	Grade	LOM recovered metal	LOM payable metal
Tin concentrate	≤ 0.015% - 0% = 0% > 0.015% and <0.05% = 85.65+ 5.86 x LN(Sn grade) ≥ 0.05% = 94.04+ 6.43 x LN(Sn grade)	~60% Sn	15,583 t Sn	14,804 t Sn
Tungsten concentrate	60% WO3 recovery	~50% WO3	327,992 mtu WO3	229,594 mtu WO3
Silver-bearing Ag-Fe intermediate	50% recovery	70-80% Ag in doré	2,535 koz Ag	2,282 koz Ag

9 FINANCIAL EVALUATION

9.1 FINANCIAL MODEL

The financial model, built by ICA Partners as a real, pre-financing, post-royalty, post-tax discounted cashflow model, reports life-of-mine revenue of A$1,606.68 million under base-case price assumptions of US$45,000/t Sn, US$1.500/mtu WO_3 & US$50/t Ag, comprises A$951.70 million from tin, A$491.99 million from tungsten and A$162.99 million from silver. At the base-case discount rate of 8% real, the Project returns a pre-tax NPV of A$438.11 million and a post-tax NPV of A$309.28 million, with a pre-tax IRR of 68.7% and a post-tax IRR of 57.2%, and post-tax payback of approximately 1.5 years from first production. Average annual free cashflow before tax is A$89.4 million and total pre-tax life-of-mine cashflow is A$648 million. Table 14 summarises the key financial outcomes.

Table 14 - Tallebung PFS key financial outcomes

Parameter	Units	PFS outcome
ROM throughput	Mtpa	3.0
Mine life (LOM)	years	Approximately 7.25
LOM ore processed (ROM)	Mt	21.476
LOM total material mined	Mt	64.205
LOM strip ratio (average)	W:O	1.99:1
LOM revenue (base case)	A$M	1,606.675
LOM operating cost (C1)	A$M	703.51
Pre-production capital (excl. contingency)	A$M	138.77

Parameter	Units	PFS outcome
Pre-tax NPV at 8% / post-tax NPV at 8%	A$M	438.11 / 309.28
Pre-tax IRR / post-tax IRR	%	68.7 / 57.2
Payback period (post-tax, from first production)	years	Approximately 1.5
Average annual free cashflow (pre-tax)	A$M/yr	89.42

Three metal price scenarios are modelled with consistent pit optimisation under a low commodity price case of US$37500/t Sn, US$1500/mtu WO3 & UD$50/oz Ag, This is the foundation of the production schedule and financial model. From this a low case, a base case and a spot case have been model through only altering the prices payable on the mined and optimised blocks from the low commodity price case of US$37500/t Sn, US$1500/mtu WO3 & UD$50/oz Ag. The base case is the controlling evaluation, with the low and spot cases presented as sensitivities. Payability is applied at 95% for tin, 70% for tungsten and 90% for silver across all three cases. Table 15 presents the pricing framework.

Table 15 - Three-scenario metal price framework

Commodity	Low case	Base case	Spot case
Tin (Sn)	US$37,500/t	US$45,000/t	US$56,450/t
Tungsten (WO3)	US$1,000/mtu	US$1,500/mtu	US$3,075/mtu
Silver (Ag)	US$50/oz	US$50/oz	US$61.9/oz
Exchange rate (A$:US$)	0.70	0.70	0.70
Pre-tax NPV at 8% (A$M)	211	438	995
Pre-tax IRR (%)	40%	69%	130%

9.2 PRICING AND DISCOUNT RATE ASSUMPTIONS

Base Case price assumptions have been calculated from the average price for tin and tungsten over the preceding year (24 July 2025 – 24 July 2026) with supply disruption and strong demand driving higher prices and showing a distinct step-change in the markets for these commodities as supply remains tight and demand continues to grow for both. Base case prices represent a significant discount to current spot pricing at time of publishing this PFS. Silver pricing has been established through a combination of consensus market forecast pricing and maintaining a discount to spot pricing.

The strategic nature of the commodities produced by the Project and the associated potential to attract offtake financing, strategic partners and other favourable funding arrangements supports the use of a lower discount rate than might otherwise be applied to a conventional greenfield mining development, however, a discount rate of 8% has been adopted for the financial studies in line with other recent studies.

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Project sensitives for a range of pricing and project scenarios as well as discount rates are shown below:

NPV sensitivities

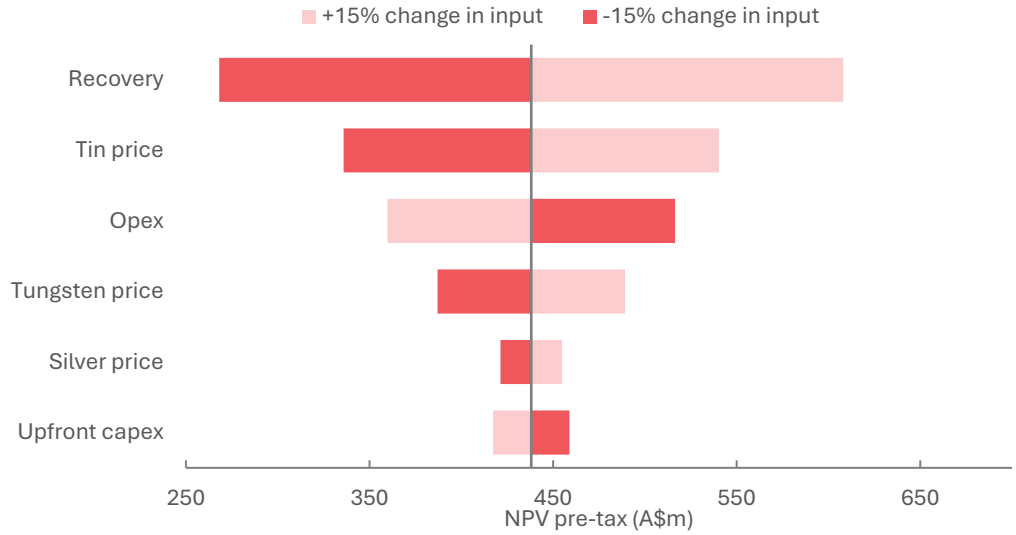

Figure 16 - Project sensitivities effect on base case NPV

Table 16 - Tin Price Sensitivity

	Units	Low Case	Base Case	Medium Case	Spot Case	High Case
Tin Price	US$/t	37,500	**45,000**	50,000	56,450	60,000
Tungsten APT Price	US$/mtu	1,500	**1,500**	1,500	1,500	1,500
Silver Price	US$/oz	50	**50**	50	50	50
Project NPV (pre tax)	A$m	324.55	**438.11**	513.82	611.48	665.23
Project IRR (Pre tax)	%	53.8%	**68.7%**	78.5%	91.1%	98.0%

Table 17 - Tungsten Price Sensitivity

	Units	Low Case	Base Case	Medium Case	High Case	Spot Case
Tin Price	US$/t	45,000	**45,000**	45,000	45,000	45,000
Tungsten APT Price	US$/mtu	1,000	**1,500**	2,000	2,500	3,075
Silver Price	US$/oz	50	**50**	50	50	50
Project NPV (pre tax)	A$m	324.72	**438.11**	551.51	664.9	795.30
Project IRR (Pre tax)	%	55.8%	**68%**	80.9%	92.7%	105.9%

IRR sensitivities

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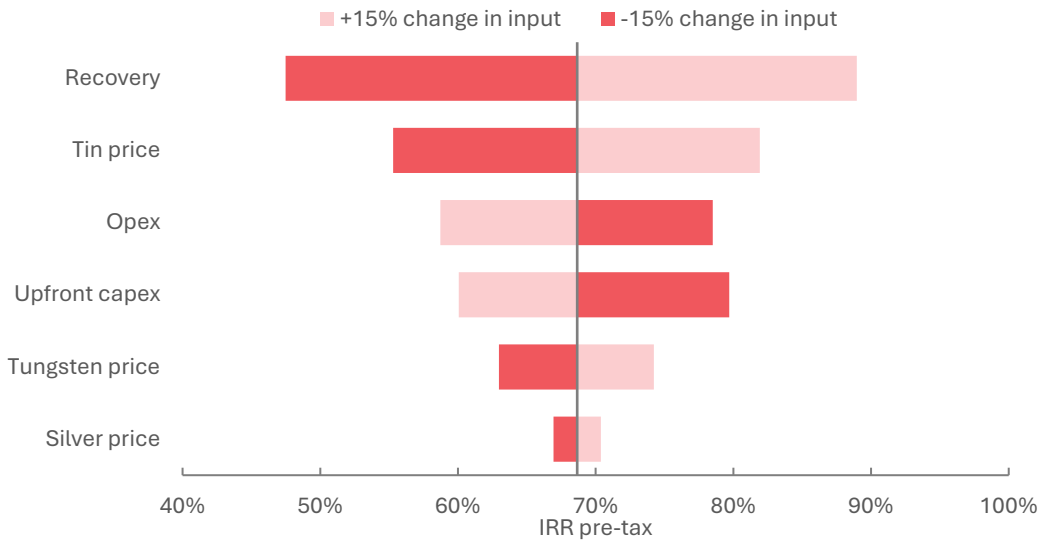

Figure 17 - Project sensitivities effect on base case IRR

Table 18 - Silver Price Sensitivity

	Units	Low Case	Base Case	Spot Case	Medium Case	High Case
Tin Price	US$/t	45,000	**45,000**	45,000	45,000	45,000
Tungsten APT Price	US$/mtu	1,500	**1,500**	1,500	1,500	1,500
Silver Price	US$/oz	35	**50**	61.9	75	90
Project NPV (pre tax)	A$m	404.61	**438.11**	464.69	493.95	527.45
Project IRR (Pre tax)	%	65.2%	**68.7%**	71.4%	74.3%	77.6%

Table 19 - Discount Rate sensitivity

Discount Rate	%	**6%**	**7%**	**8%**	**9%**	**10%**
Project NPV (pre tax)	A$m	482.18	459.55	**438.11**	417.80	398.53
Project IRR (Pre tax)	%	68.7%	68.7%	**68.7%**	68.7%	68.7%

10 PROJECT DELIVERY STRATEGY

An independent delivery review by GHD, informed by a delivery and project execution workshop held on 27 May 2026, recommends an owner-led Integrated Project Management Team (IPMT) model supported by a multi-contract packaging strategy, in preference to a full Engineering, Procurement and Construction (EPC) wrap or an in-house Owner's-team-only model. The recommendation reflects SKY Metals' schedule-led priorities, targeting Final Investment Decision and construction commencement in late 2027 with operations targeted to commence by mid-2028, its comparatively small internal team with an explicit intent to build delivery capability for future projects such as Doradilla, a strong preference for multiple

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discrete contract packages, and a pragmatic risk appetite that pushes process-plant performance risk to a specialist EPC contractor while retaining direct control of critical aspects including health and safety, community and Native Title interfaces. Table 20 summarises the proposed execution works packages.

Table 20 - Proposed execution works packages (GHD Delivery Execution Strategy)

Works package	Recommended contract model
Mining	Mining contractor - unit rate + cost-plus variations
Crushing / conveying	Design & construct, then operate
Process plant	Engineering, Procurement & Construction (EPC). Process-risk allocation to be confirmed at DFS
Non-process infrastructure - civil	Construct-only contractor
Non-process infrastructure - power/comms reticulation	Construct-only contractor
Power supply	Design, Build, Operate (DBO). Essential Power Systems
Water supply	Design & construct; Sky Metals to operate
Accommodation camp	Build, Own, Operate (BOO)

A key open item flagged in the delivery review is the allocation of process-plant performance risk, which requires further definition of risk and warranty responsibility during DFS. The review also notes that key long-lead equipment (i.e. TOMRA ore sorters at approximately 26 weeks) should be prioritised for early procurement, and recommends the procurement strategy be reviewed appropriately and updated with the SKY Metals team and tested against the market ahead of DFS completion.

10.1 PROJECT FUNDING

Development of the Tallebung Project will require an estimated A$138.77 million excluding contingency pre-production capital expenditure, in addition to sustaining capital and working capital requirements during commissioning and ramp-up.

The Company acknowledges that securing project funding represents a key strategic priority and a potential project risk. In accordance with ASIC Regulatory Guide 170 and Information Sheet 214, SKY Metals has considered a range of potential funding pathways and has commenced preliminary discussions with external parties regarding potential financing solutions.

The Company believes it has a reasonable basis for including forward-looking statements relating to the development of the Tallebung Project, having regard to factors including the Project's robust technical and economic fundamentals, its location in the established mining jurisdiction of New South Wales, the strong outlook for tin and tungsten demand driven by defence electrification and technology applications, and SKY Metals' demonstrated track record of accessing equity capital markets.

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SKY Metals intends to evaluate a combination of the following funding sources:

- Equity Raisings – Additional equity capital through placements to institutional and sophisticated investors, strategic investors, or pro-rata offers to existing shareholders.
- Project Finance – Senior secured debt facilities, development finance, export credit agency support and/or structured project financing arrangements. Preliminary discussions may be undertaken with financial advisers and potential lending institutions to assess debt capacity and funding availability.
- Strategic Partnerships and Joint Ventures – Non-binding discussions with domestic and international mining, metals, trading and investment groups that may seek exposure to long-life tin projects through strategic investment, project-level participation or joint venture structures.
- Offtake, Streaming and Royalty Arrangements – Potential funding support through long-term concentrate offtake agreements, prepayment facilities, metal streams or royalty arrangements with counterparties active in the global tin market.

While the final funding structure will be determined following completion of further technical studies and financing discussions, SKY Metals currently envisages a funding package that may comprise:

- potential participation by strategic industry counterparties and offtake partners deemed likely by The Company given the supply challenges to tin and tungsten .
- staged funding drawdowns aligned with construction, commissioning and ramp-up milestones; and
- a combination of debt and equity financing;

The Board and management team of SKY Metals have extensive experience in the exploration, development, financing and operation of mineral projects in Australia and internationally. The Company has also demonstrated a consistent ability to raise equity capital to advance its project portfolio, providing confidence in its capacity to engage constructively with potential financiers, investors and strategic partners.

The Tallebung Project is located in central New South Wales, Australia, a well-established mining jurisdiction with a transparent regulatory framework, skilled workforce, extensive infrastructure networks and a long history of successful mining operations. Australia remains one of the world's leading destinations for mining investment, supported by strong legal protections, established capital markets and access to transport, power and export infrastructure. These attributes are expected to enhance the attractiveness of the Project to potential financiers and strategic stakeholders.

SKY Metals will continue to evaluate opportunities to optimise project development and capital efficiency through ongoing technical studies, processing alternatives, staged development pathways and strategic financing options. Such initiatives may provide flexibility in project execution while maintaining the potential to deliver attractive returns for shareholders.

The Company's funding strategy assumes that debt and equity capital markets remain supportive of high-quality critical minerals and tin, tungsten and silver development opportunities. Project economics and financial returns will be influenced by a range of

factors, including prevailing market conditions and the ultimate structure, availability and cost of project finance.

There can be no assurance that SKY Metals will be able to secure funding on acceptable terms, or at all, as and when required. Any future financing may be dilutive to existing shareholders or subject to terms that may be less favourable than currently anticipated. Investors should not assume that all funding necessary for project development will be available when required.

SKY Metals intends to engage with financial advisers, potential lenders, strategic investors, offtake counterparties and other stakeholders as part or all of its project financing strategy; however, no binding financing agreements have been executed at the date of this announcement.

11 PROJECT RISK

A structured, AS/NZS ISO 31000:2018 aligned risk assessment, informed by six discipline-based workshops with the Sky Metals team and independent facilitation, identified 52 risks and opportunities across the Project: 34 risks and 18 opportunities, of which 12 are rated High (4 risks and 8 opportunities),. None of the 52 identified risks is assessed as a fatal flaw to the Project.

The eight High opportunities span resource growth (including alluvial tin potential), high-grade early mine life, ore-sorting recovery optimisation, modular plant design, concentrate quality and NSR optimisation, site-wide water optimisation and critical-minerals government funding access.

Safety and Health consequence ratings in the register are preliminary screening entries and will be reassessed through the DFS work health and safety risk process; they must not be read as an assessment of nil safety risk.

A control plan was subsequently developed for all identified risks and opportunities, and a post-control risk rating was applied to reflect the effectiveness of the proposed controls. These controls reduced all High-rated risks to Medium.

The original four High rated risks are all addressed and reduced by management controls and include resource model definition, metallurgical variation (particularly tungsten and silver), unvalidated process flowsheet and recovery assumptions, and the timing of biodiversity stewardship site establishment relative to the approvals timetable. Table 21 summarises the four High-rated risks and their management controls.

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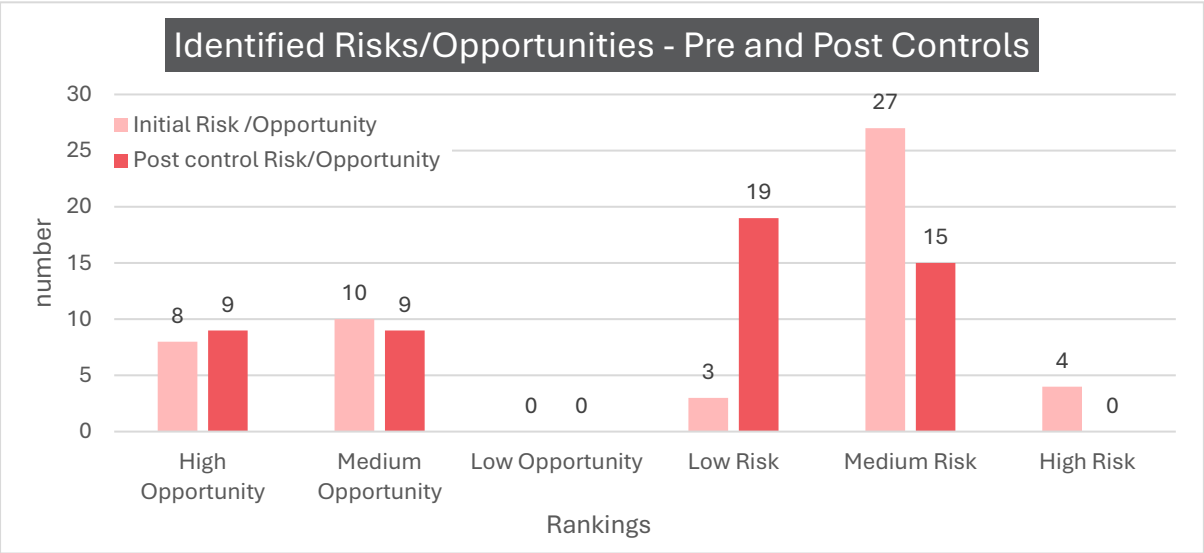

Figure 18 - Project risk profile by rating and type, pre and post controls

Table 21 - High-rated project risks and management controls

Risk	Description	Management Controls
Resource model definition	Resource model may inaccurately define the mineral estimate or its location, leading to mis-categorised mining or over/under-estimation of contained metal.	Infill drilling; update geology/resource model as required.
Metallurgical variation	Variation in mineral species across the orebody may affect recovery, particularly of tungsten and silver.	Ongoing metallurgical and mineral-species identification studies to determine variation and recoveries.
Process flowsheet and recovery assumptions not fully validated	The PFS flowsheet and recovery basis may not fully reflect ore variability, mineral deportment or downstream recovery impacts, affecting recovery, plant design basis, CAPEX/OPEX and valuation.	Complete DFS flowsheet validation: locked mass balance, variability test work, domain-based recovery, equipment sizing review and reconciliation of all test work datasets.
Biodiversity stewardship establishment timing	Stewardship site establishment may run past Project approval, delaying the Project start and purchase of BAM offset credits.	Early commencement of the stewardship programme; staged clearing; early calculation of offset credits.

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12 PATH TOWARD FUTURE PRODUCTION

The next stage in the development of the project is likely to involve the immediate commencement of the DFS to advance the project to FID. The DFS work programme should be sequenced so that classification upgrade of the Mineral Resource provides the basis for downstream technical and financial work. A maiden Ore Reserve, detailed mine design, process plant sizing, capital and operating cost estimation and offtake negotiation all are anticipated to improve from an upgraded Resource. The consolidated Forward Work Plan sets out the full discipline-by-discipline programme arising from the PFS volumes. Table 21 reproduces the items identified as gating the overall programme.

Table 22 - Priority forward work items for the DFS programme

Discipline area	Key forward work item	Priority / driver
Land tenure	Renew Exploration Licence EL6699	Immediate: current expiry 10 January 2027 – To be renewed given the exceptionally large expenditure on the EL.
Geology / mining	Infill drilling to upgrade classification; complete JORC Ore Reserve Estimate and Table 1	Immediate: to improve DFS mine schedule and financial model
Native title	Progress Mining Agreement / ILUA with Native Title party	High: Necessary to progress before Mining Lease application
Environment	Commence biodiversity stewardship site establishment	High: long lead time, hence already commenced due to risk of delaying approvals
Mining / infrastructure	Geotechnical field investigations (pit slopes, WEA, TSF)	High: Necessary for mine, waste and civil design
Water	Hydrogeological assessment (borefield yield and recharge)	High: Determines options for water supply design and licensing
Metallurgy	UCS and ore-sorting/gravity variability test work	High: Process plant sizing, cost estimate and optimisation to increase processing recoveries
Marketing	Tin and tungsten concentrate marketing studies and offtake term sheets	High: underpins DFS financial model and potential to unlock favourable project financing
Study integration	Reconcile capital, mine life and payable-metal figures;	High: required for a bankable DFS financial model

Discipline area	Key forward work item	Priority / driver
	finalise NPV/IRR/payback and funding strategy	
Approvals	Prepare and lodge EIS and Development Application	Critical path: lodgement targeted by May 2027; statutory deadline 28 May 2028 if not extended by application by SKY Metals
Logistics	Traffic and transport study	Medium: access road design and haulage cost

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13 CONCLUSIONS AND RECOMMENDATIONS

Tallebung presents a technically sound and strategically compelling near-term opportunity to develop a domestic source of three government-recognised critical minerals, on a legacy mine site with substantial existing infrastructure, a simple and well-tested processing route, and a considered delivery and risk management framework. No fatal flaws have been identified across geotechnical, environmental, heritage, native title, permitting or process due diligence, and current tungsten market conditions materially strengthen the Project's commercial position relative to the Scoping Study stage.

The completed financial model reports a at the base-case discount rate of 8% real, the Project returns a pre-tax NPV of A$438 million, with a pre-tax IRR of 69% and post-tax payback of approximately 1.5 years. Average annual free operating cashflow before tax is A$115.71 million and total pre-tax life-of-mine cashflow is A$838.90 million, on a production target of 21.476 Mt of ROM over approximately 7.25 operational years.

Four workstreams must be closed out before these outcomes can support a Final Investment Decision: upgrading the classification of the Mineral Resource through the in-progress close-spaced drilling; converting the production target to a JORC Ore Reserve with formally defined modifying factors; confirming metallurgical variability, product quality and payability through DFS test work and offtake engagement; and lodging the Environmental Impact Statement within the statutory period.

On the basis of the PFS findings, Sky Metals considers the Project both technically sound and economically compelling, and recommends its advancement to a Definitive Feasibility Study, guided by the forward work plan set out in Section 14 and in Volume 11.

SKY METALS

TALLEBUNG

PRE-FEASIBILITY STUDY

DOCUMENT STRUCTURE

Volume 1	Project Background and Study Basis
Volume 2	Study Team, Key Assumptions and Outcomes
Volume 3	Project Location, Tenure and Regional Setting
Volume 4	Geology and Mineral Resources
Volume 5	Mining and Production Schedule
Volume 6	Metallurgy, Process Flowsheet and Plant Design
Volume 7	Site Infrastructure, Tailings and Waste Management
Volume 8	Environment, Permitting and Closure
Volume 9	Capital, Operating Costs and Financial Evaluation
Volume 10	Concentrate Marketing and Logistics
Volume 11	Project Delivery, Risks, Conclusions and Forward Work

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