



SKY METALS

FEBRUARY 2022

EXPLORING LARGE
SCALE TIN SYSTEMS
IN NSW



DISCLAIMER - IMPORTANT INFORMATION

**Disclaimer**

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including risks associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of gold, copper and base metals, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

No Liability/Summary Information

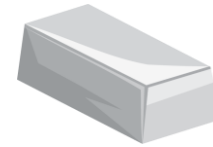
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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Sky Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



ADVANCED EXPLORATION PORTFOLIO



TIN

Doradilla Project
(100% SKY)

Talibung Project
(100% SKY)

Emmaville Project
(100% SKY)

Gilgai Project
(100% SKY)

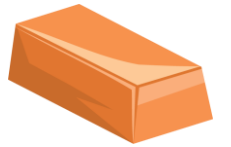


GOLD

Cullarin Project
(80% SKY:HRR JV)

Kangiara Project
(80% SKY:HRR JV)

Caledonian Project
(100% SKY)



COPPER-GOLD

Iron Duke Project
(Balmain Option)

Galwadgere Project
(100% SKY)

EXPERIENCED AND PROVEN MANAGEMENT



NORMAN SECKOLD | Chairman

30+ years in the full-time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver, Kings Minerals NL, Mogul Mining NL and Gold Corp. Currently Chairman of Santana Minerals Limited and Alpha HPA Ltd and Deputy Chairman of Nickel Mines Limited.



RICHARD HILL | Non-Executive Director

25+ years experience in the mineral resources sector as a geologist and solicitor. Mr. Hill has a successful track record of guiding ASX listed mining companies from the exploration and discovery phase through to development in a range of commodities. These have included past roles as founding Director for Aurelia Metals Ltd, Strandline Resources Ltd and as Chairman of Genesis Minerals Ltd as well as current Chairman of New World Resources.



RIMAS KAIRAITIS | Non-Executive Director

25+ years experience in minerals exploration and resource development in gold, base metals and industrial minerals. In his most recent role, Mr. Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer. Mr. Kairaitis is also the Managing Director of Alpha HPA Limited.



OLIVER DAVIES | Exploration Manager

Senior geologist with SKY since listing on the ASX in 2019. Previously in exploration and operational roles with Evolution Mining and Alkane Resources in NSW and Qld. Mr. Davies has worked closely on several successful NSW exploration projects including the significant expansion of the Lake Cowal gold resource and Alkane's regional exploration programs at Tomingley and Boda.

CAPITAL STRUCTURE

| | |
|--------------------------------|----------|
| Shares on issue | 376.8M |
| Options & Performance Rights | 35.2M |
| Share price (close 2 Feb 2022) | \$0.105 |
| Market capitalisation | ~\$39.6M |
| Est Cash (31 Dec 2021) | ~\$6.4M |
| Debt | Nil |

BOARD AND MANAGEMENT

| | |
|-----------------|------------------------|
| Norm Seckold | Chairman |
| Richard Hill | Non-Executive Director |
| Rimas Kairaitis | Non-Executive Director |
| Richard Willson | Company Secretary |
| Oliver Davies | Exploration Manager |

SHAREHOLDERS

| | |
|----------------------|-------|
| Aurelia Metals | 6% |
| Board and Management | 10% |
| Top 20 holders | 48.1% |

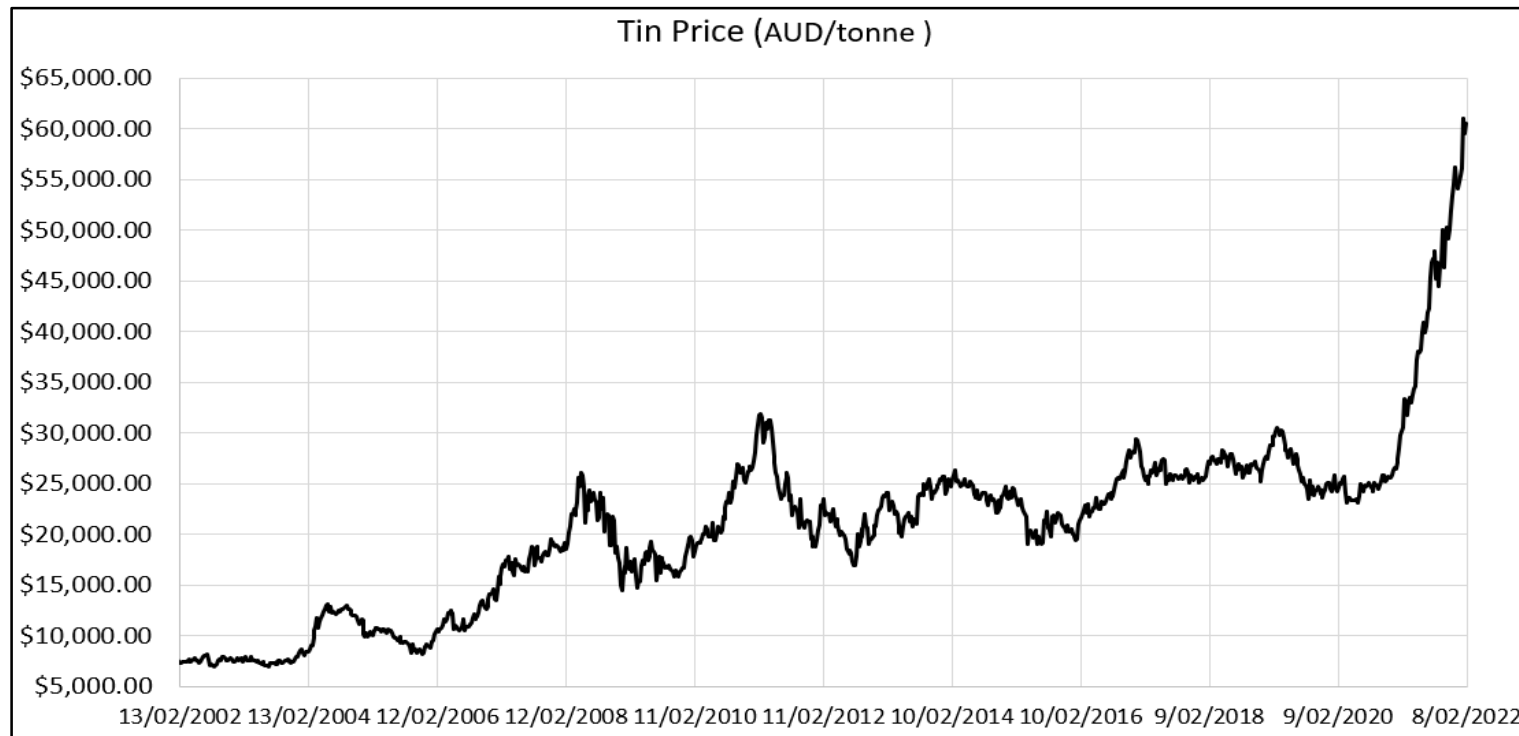
ASX: SKY

DORADILLA TIN PROJECT



TIN MARKET: BREACHING RECORD

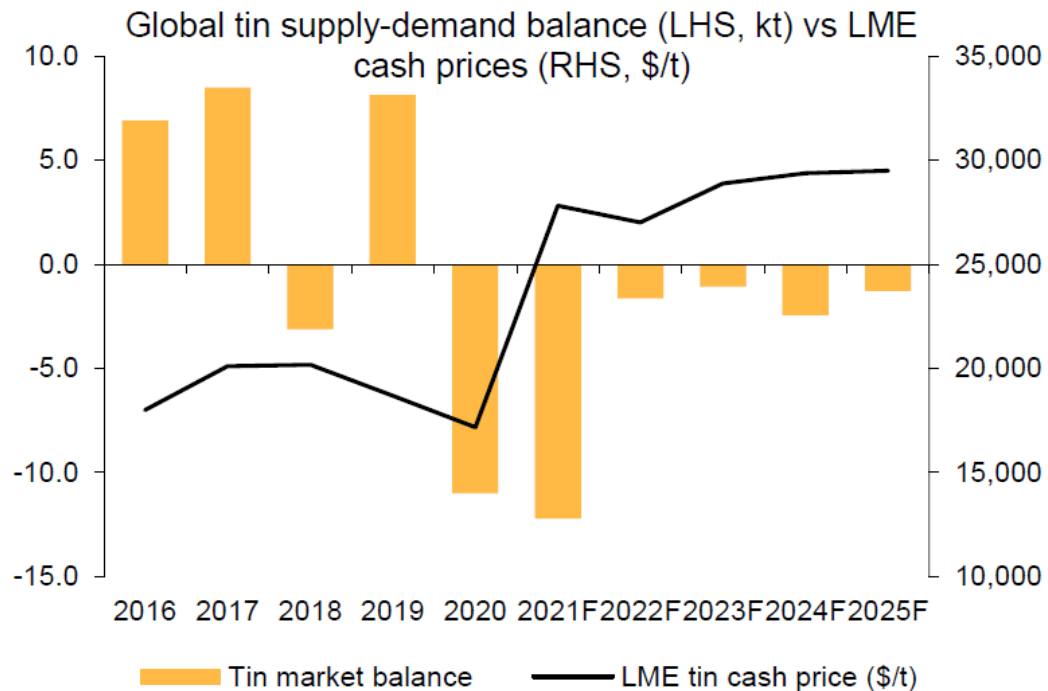
Major price breakout driven by electronic sector demand and supply crunch driven by 30+ year under investment



20-year 3M tin price (AUD/tonne) (source: LME).



TIN MARKET – STRONG TIN PRICE TO CONTINUE



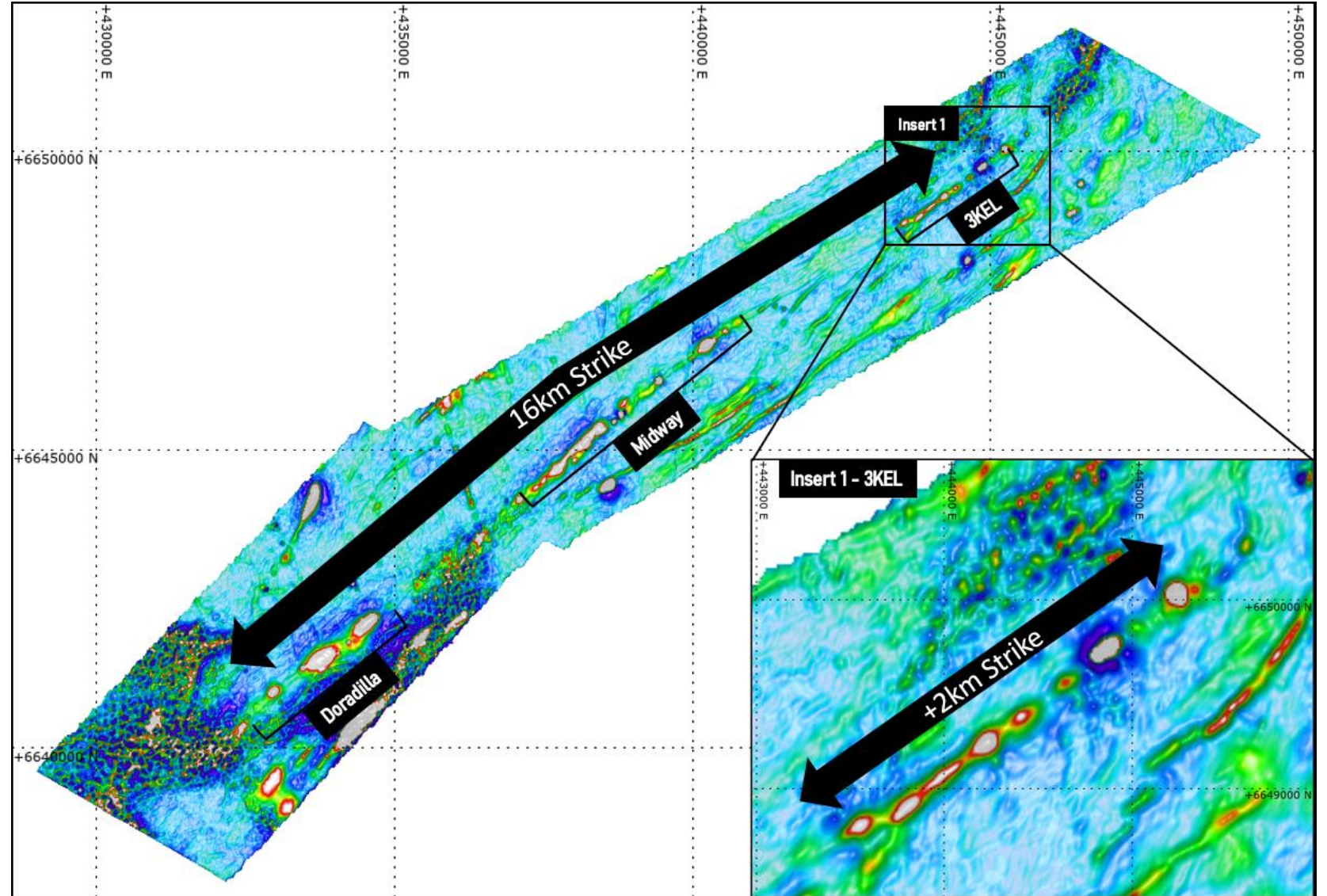
Tin price at record highs over 60,000 AUD/t LME cash over 4x copper price, 1% tin corresponds to 7.4g/t Au.

LME and Shanghai Futures Exchange stockpiles have reached all time lows, falling below 2,000 tons, or less than 2 days of average global consumption.

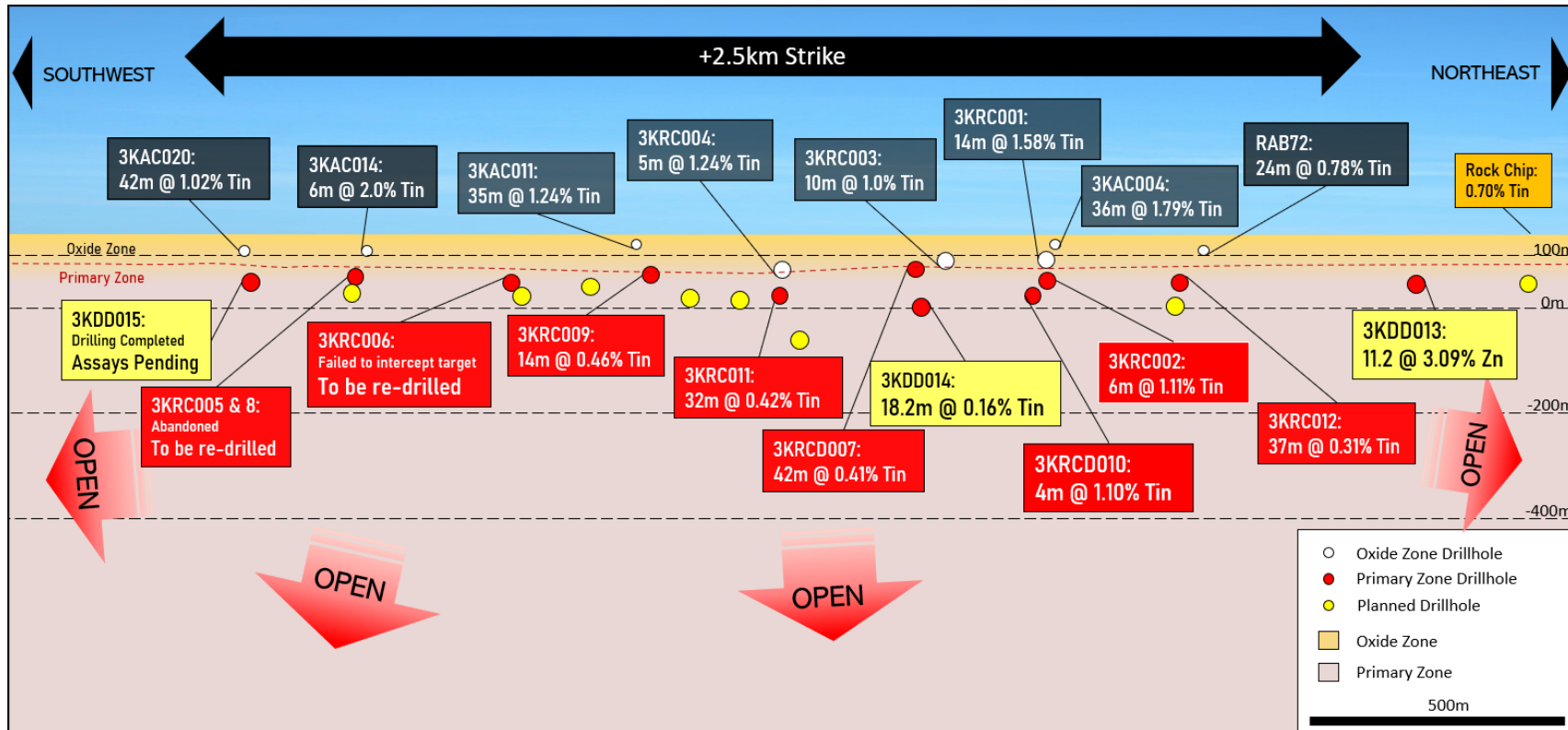
The tin market is forecast to remain in supply deficit until at least 2025 – maintaining high tin prices.

Source: ITA, company reports, Macquarie Commodity Strategy, Jun 2021

DORADILLA -
3KEL TIN-
COPPER



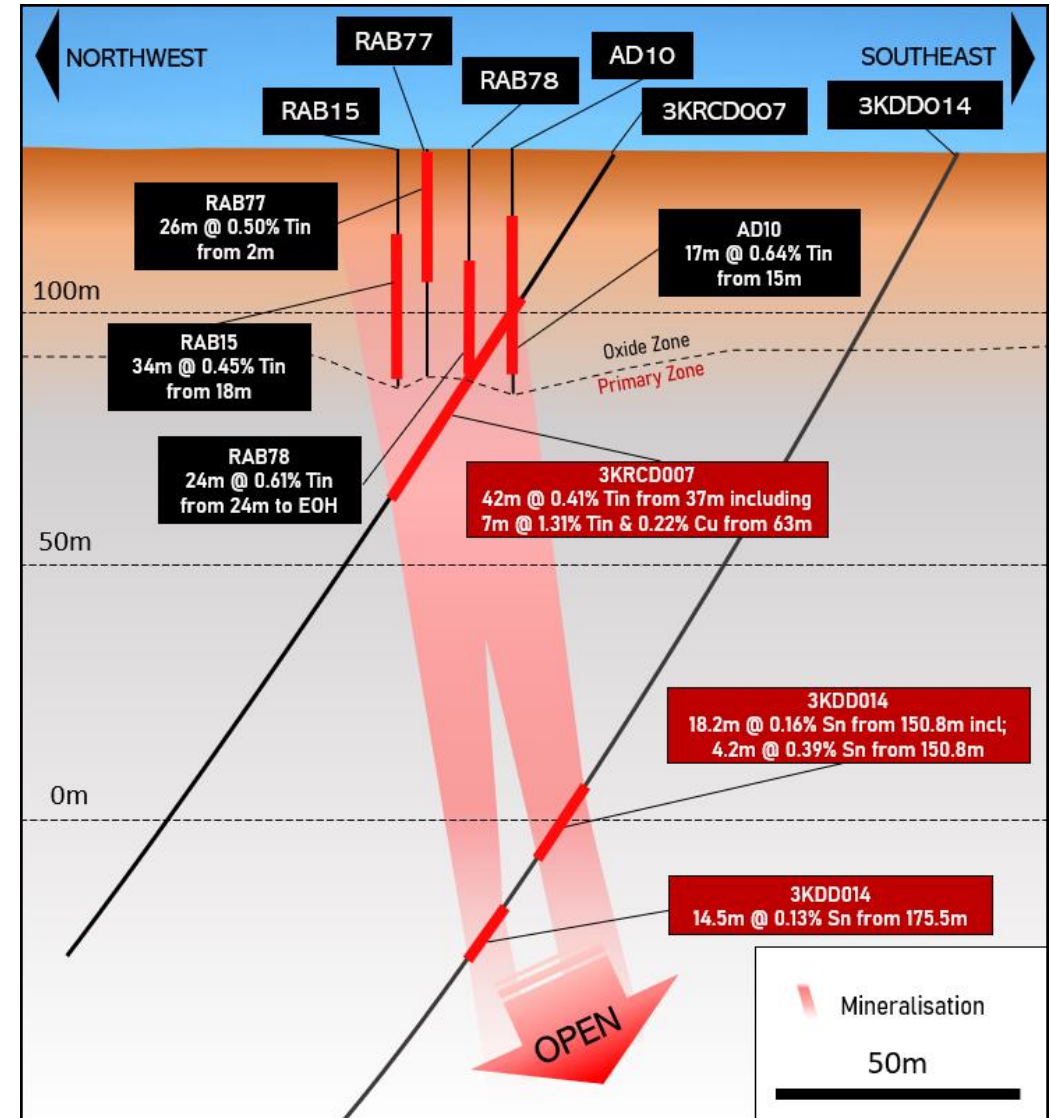
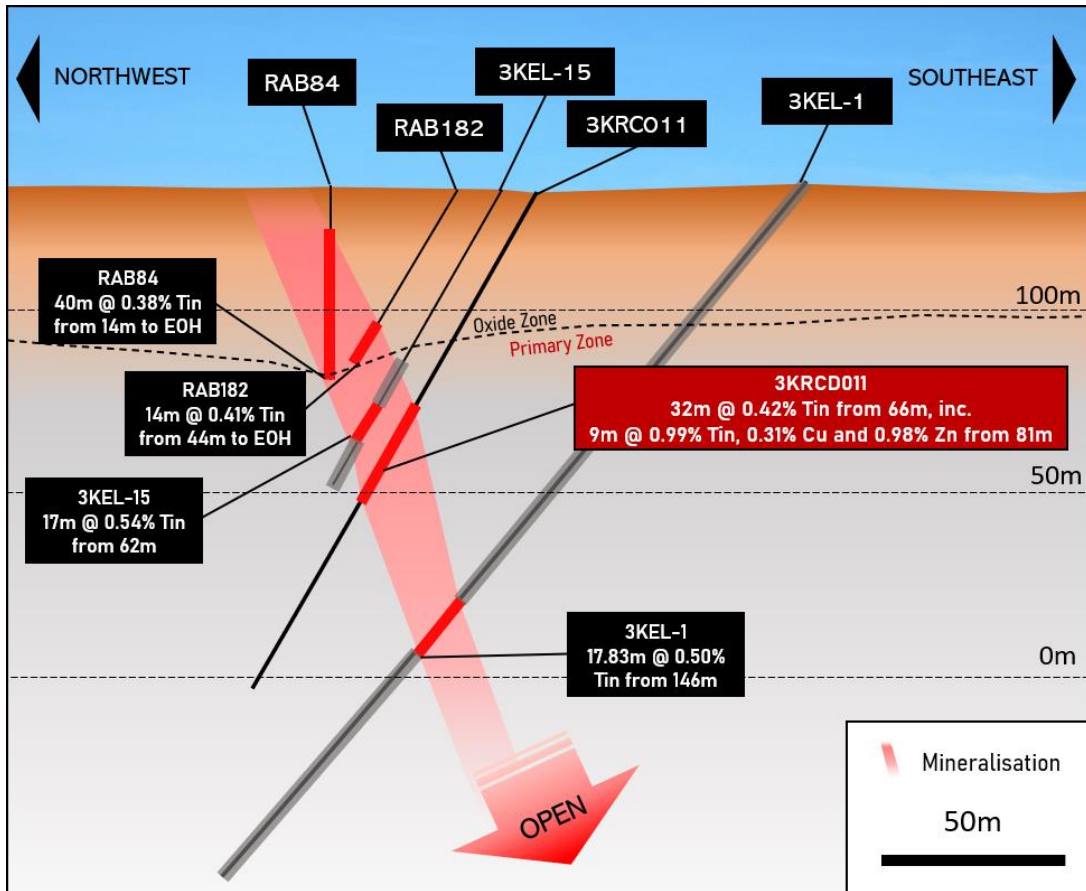
3KEL TARGET: OPEN IN ALL DIRECTIONS



SCHEMATIC LONG SECTION



3KEL TARGET: OPEN AT DEPTH



SCHEMATIC CROSS SECTIONS

PRIMARY TIN – MALAYAITE-HOSTED METALLURGY

- Discussion with smelting group indicate that malayaite concentrates of +30% Sn are amenable to smelting.
- Previous metallurgical work demonstrates +90% recovery on oxide copper.
- Optical ore sorting investigated to upgrade 3KEL samples due to the rare property of UV fluorescence of malayaite.
- TOMRA ore sorting are conducting trial work on 3KEL malayaite.
- Metallurgist has been engaged to follow up on concentrating options.



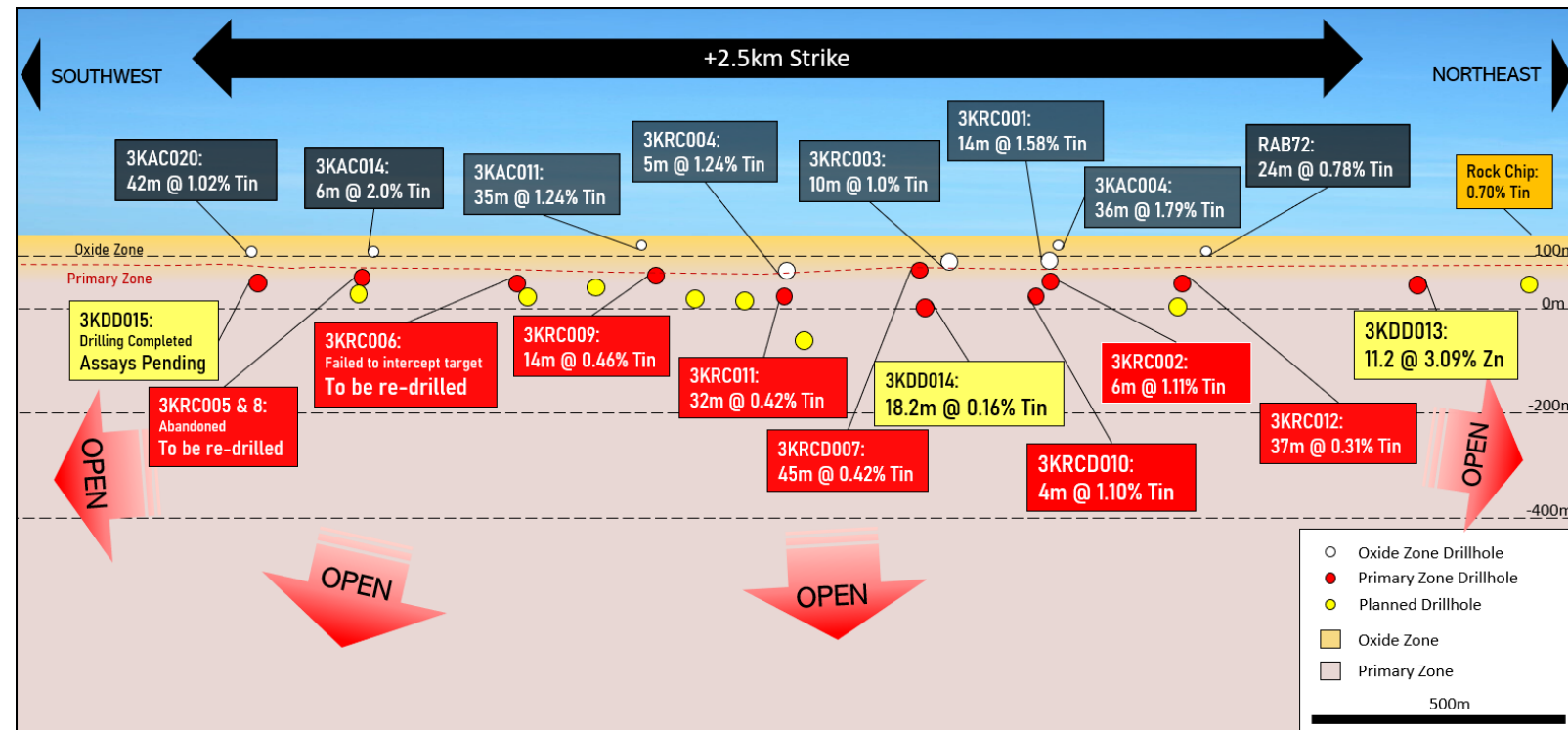
Bornite (copper sulphide) with malayaite (calcium-tin-silicate) fluorescing under UV light in 3KRC0010. Drillcore is 61.1mm wide for scale.

3KEL TARGET: FOLLOW-UP DRILLING

SKY drilling results show a large system, high-grade mineralisation open along strike and down plunge.

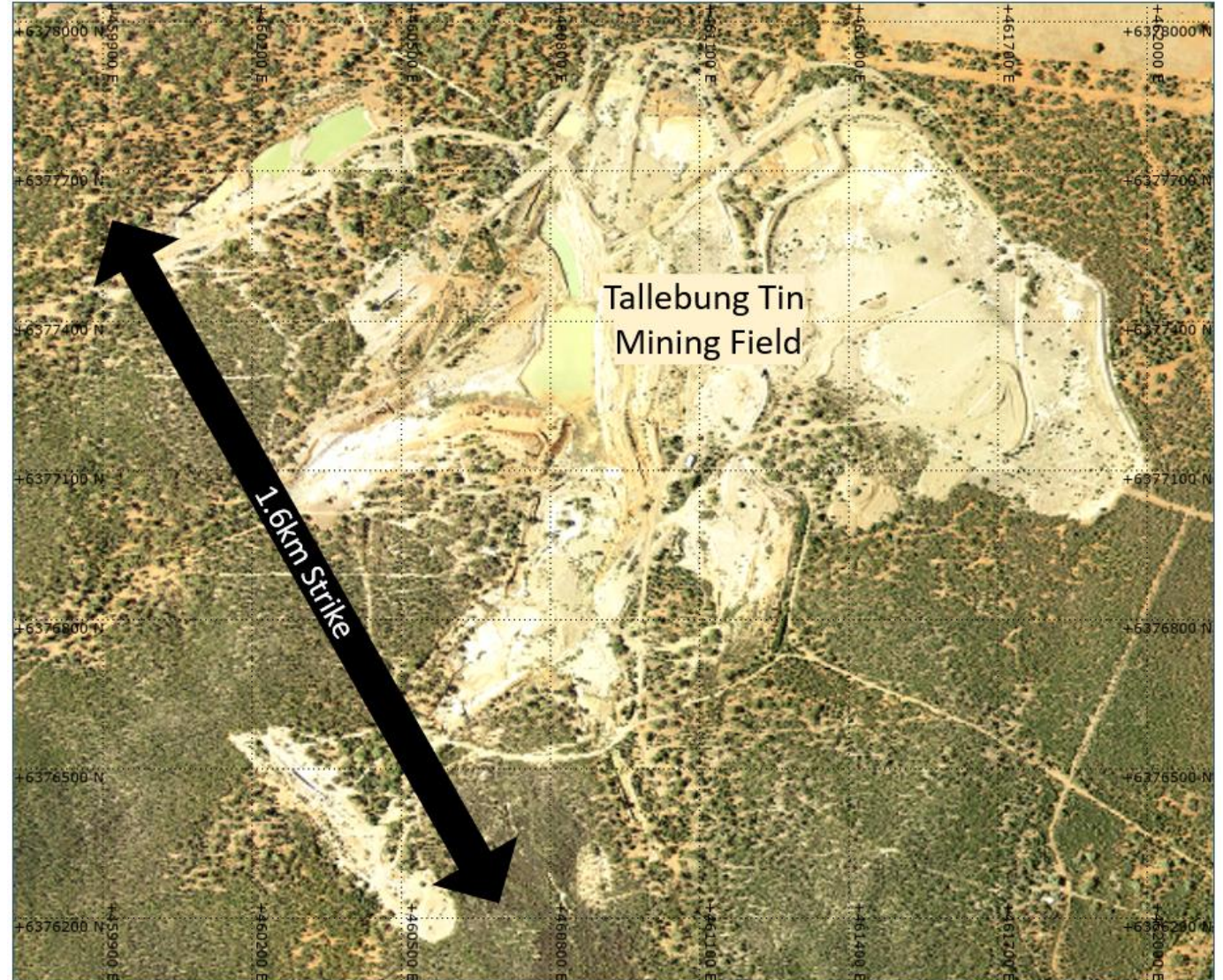
Diamond drilling continuing extension, large RC in-fill drilling program in March to quickly advance project.

Metallurgical test work continuing.



SCHMATIC LONG SECTION – PRIORITY DRILL TARGETS

TALLEBUNG TARGET:
BULK TONNAGE TIN



TALLEBUNG TARGET: POTENTIAL BULK TONNAGE TIN

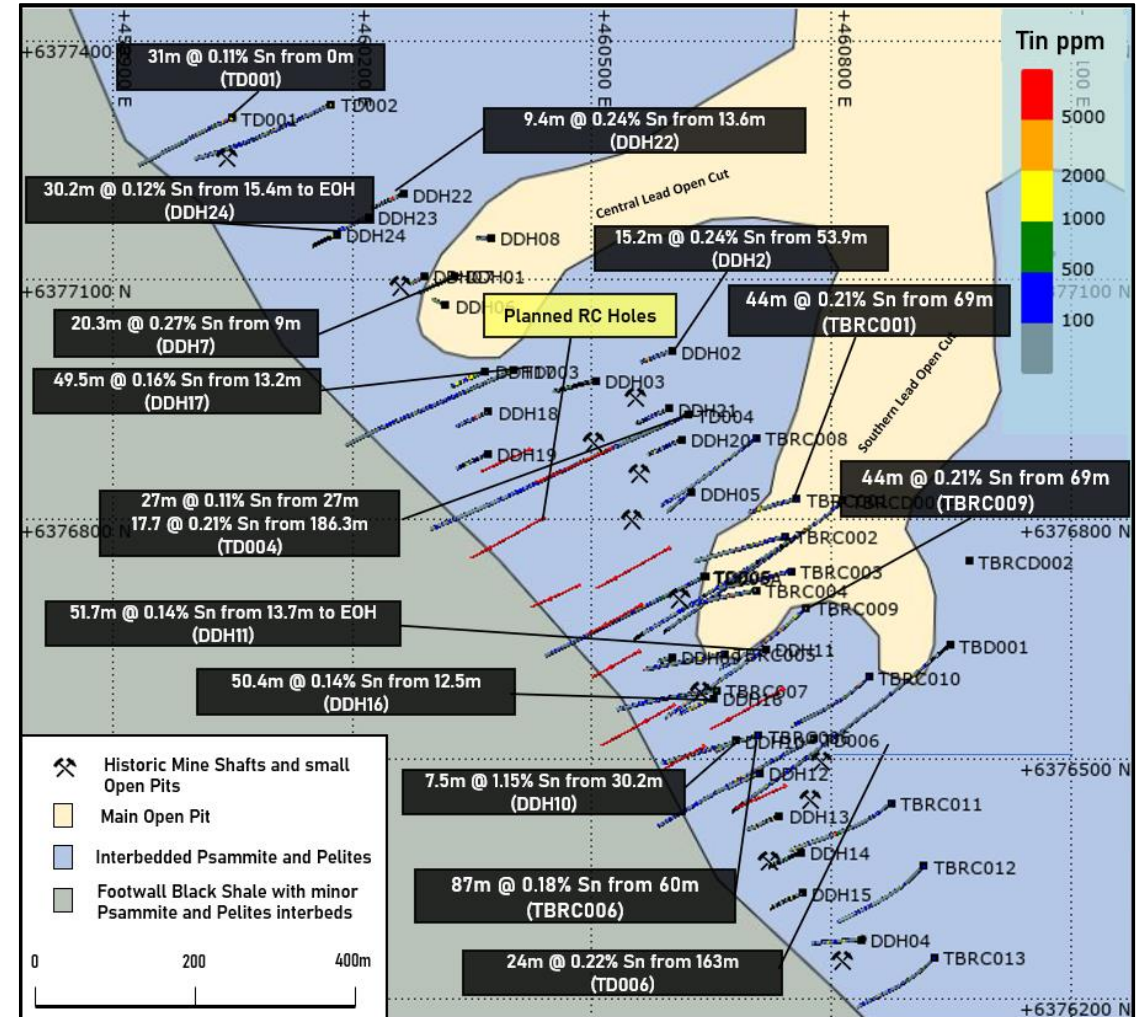
- Site of large-scale tin mining activity from 1880s to 1980s.
- 2019 drilling by SKY targeting high-grade lodes; re-assessed to show significant bulk tonnage potential:

TBRC006: 87m @ 0.18% tin from 60m, including;
1m @ 5.83% tin & 0.36% from 60m and;
3m @ 0.92% tin from 69m

TBRC009: 44m @ 0.21% tin from 69m, including;
5m @ 1.33% tin from 69m

TBRC001: 31m @ 0.19% tin from 71m to EOH, including;
including;
3m @ 1.12% tin from 77m

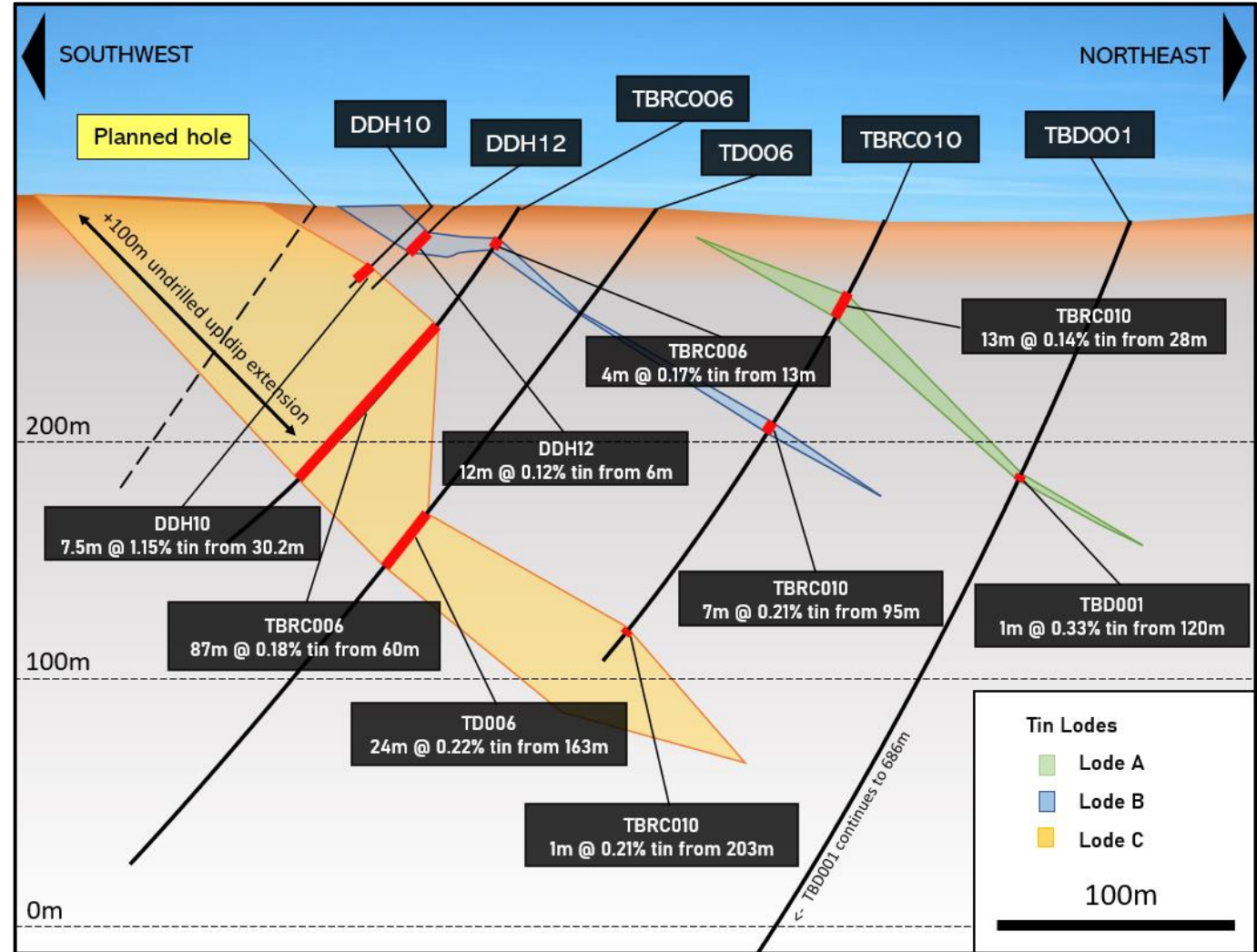
- Open along strike and both up and down dip.



Schematic Plan View - Tallebung Tin Mine

TALLEBUNG TARGET:

- Extensive historic mining and drilling.
- RC drilling rig onsite for the next fortnight. 11 RC holes planned for ~2000m
- Tin hosted in cassiterite (tin oxide) indicating favourable concentration by gravity methods.
- Potential to advance project quickly.



Schematic Cross Section



S K Y M E T A L S

