



QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2025

HIGHLY SUCCESSFUL MAJOR DRILLING PROGRAM INDICATES POTENTIAL STEP-CHANGE IN THE SCALE AND TENOR OF THE TALLEBUNG TIN DEPOSIT

TALLEBUNG TIN PROJECT, NSW

- Major multi-rig Reverse Circulation (RC) drilling program continued at the Tallebung Project throughout the June Quarter, with highlights from reported assay results including:

TBRC118: **6m @ 1.01% tin** from 52m, including;
2m @ 2.54% tin from 54m.

TBRC153: **15m @ 0.68% tin & 77.2g/t silver** from 64m, including;
5m @ 1.22% tin & 219g/t silver from 72m.

TBRC151: **12m @ 0.56% tin** from 58m, including;
4m @ 1.04% tin from 58m.

TBRC116: **13m @ 0.33% tin** from 70m, including;
5m @ 0.74% tin from 76m.

TBRC159: **20m @ 0.41% tin** from 8m, including;
8m @ 0.66% tin from 8m.

TBRC137: **33m @ 0.22% tin** from 31m, including;
5m @ 0.65% tin from 31m.

TBRC134: **47m @ 0.16% tin** from 26m, including;
5m @ 0.61% tin from 31m, and
2m @ 0.65% tin from 68m.

TBRC138: **12m @ 0.39% tin** from 16m, including;
4m @ 0.80% tin from 16m.

- Results significantly expand the deposit to the east and west, with the mineralisation remaining open in all directions, while also adding new high-grade zones to the deposit.
- In addition to excellent tin grades, the drilling program returned significant silver and tungsten intercepts, underscoring the exploration potential for these valuable by-products.
- Assay results reported for 45 of the 93 holes completed to Quarter-end, with a further 60 approved holes remaining to be drilled in the September Quarter.

CORPORATE

- Cash balance of \$3.43M as at 30 June 2025.

SKY METALS LIMITED

SEPTEMBER 2025 QUARTER – PROPOSED WORK PROGRAM

TALLEBUNG PROJECT

- Completion of major Reverse Circulation (RC) drilling program targeting ongoing Resource expansion.
- Advancing the ongoing bulk sample metallurgical program to optimise the process flowsheet and produce marketable tin concentrates to aid in offtake marketing.
- Progressing to an updated MRE and release of mining studies on completion of resource expansion and infill drilling programs.

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide a Quarterly Activities Report outlining SKY's exploration and development programs during the June 2025 Quarter.

TALLEBUNG PROJECT (EL 6699, SKY 100%)

EXTENSIVE RESOURCE GROWTH-FOCUSED RC DRILLING PROGRAM

A major Resource-focused Reverse Circulation (RC) drilling program commenced in early April at Tallebung, aimed at extending new zones of higher-grade tin mineralisation discovered beyond the margins of the known tin Resources. This drilling program continued throughout the June Quarter.

The program had initially comprised approximately 70 planned RC holes for more than 8,000m of drilling. However, following the receipt of highly positive assay results from the early holes, the program was extended during the Quarter to include an additional 80 holes, increasing the overall program to approximately 150 holes. At Quarter-end, assay results had been received for 45 of the 93 holes completed to date, with a further 60 approved holes remaining to be drilled in July.

Assay Results

Holes TBRC116-118 were designed to expand the newly discovered high-grade southern extension to the Tallebung deposit. Results from these holes confirmed significant extensions to this strategically important high-grade zone, with results including:

TBRC118:	6m @ 1.01% Sn from 52m, including: 2m @ 2.54% Sn from 54m.
TBRC116:	14m @ 0.31% Sn from 70m, including: 6m @ 0.62% Sn from 70m.
TBRC117:	2m @ 1.10% Sn from 69m.

RC holes TBRC119-131 were designed to in-fill and expand known zones of mineralisation at the southern end of the existing deposit. Results from these holes confirmed higher-grade zones and identified that the deposit extends to the west and east of this existing zone and remains open.

Highlights included:

TBRC127:	32m @ 0.23% tin from 65m, including: 1m @ 2.23% tin from 65m, and 2m @ 0.73% tin from 73m, and 3m @ 0.59% tin from 84m.
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Hole TBRC132 was drilled approximately 150m west of the existing MRE, with this hole successfully intercepting tin mineralisation and demonstrating that the deposit remains open to the west.



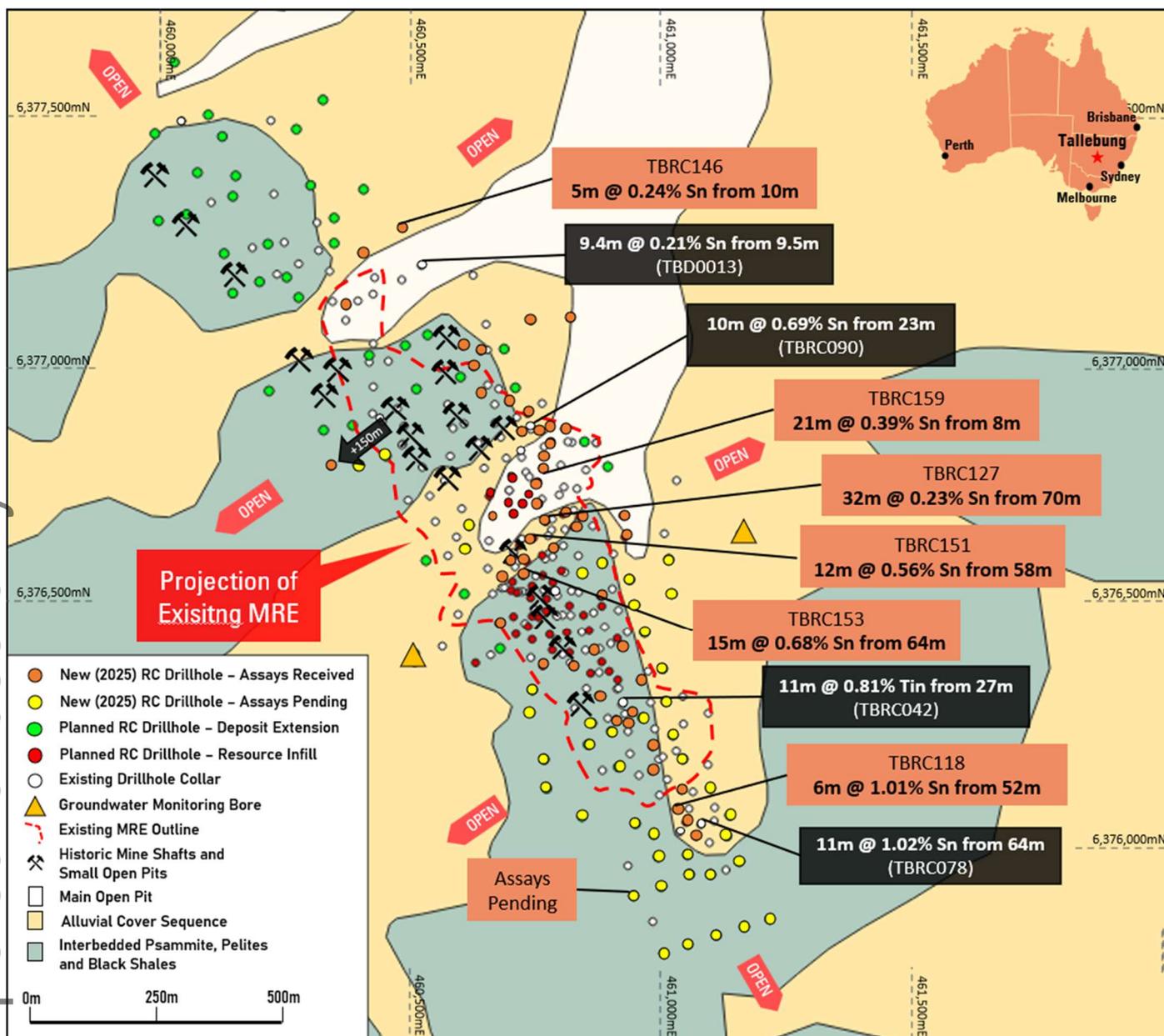


Figure 1: Plan showing the location of the drill-holes in the latest program, including new assay results, new extensional drill-holes with assays pending, and selected previously reported highlight drill intercepts. The boundary of the existing Tallebung MRE is also shown over surface geology.

Holes TBRC133 - TBRC140 were completed beyond the eastern margin of the existing MRE. Results from this area significantly expanded the deposit and include a number of high-grade, shallow intercepts such as 12m @ 0.39% tin from 16m, including 4m @ 0.80% tin from 16m in hole TBRC138.

Highlights included:

- TBRC137: 33m @ 0.22% tin from 31m, including:
5m @ 0.65% tin from 31m.
- TBRC134: 47m @ 0.16% tin from 26m, including:
5m @ 0.61% tin from 31m, and
2m @ 0.65% tin from 68m.
- TBRC138: 12m @ 0.39% tin from 16m, including:
4m @ 0.80% tin from 16m.
- TBRC139: 24m @ 0.24% tin from 6m, including:

TBRC140: 6m @ 0.42% tin from 11m.
 18m @ 0.24% tin from 42m, including:
 4m @ 0.60% tin from 50m

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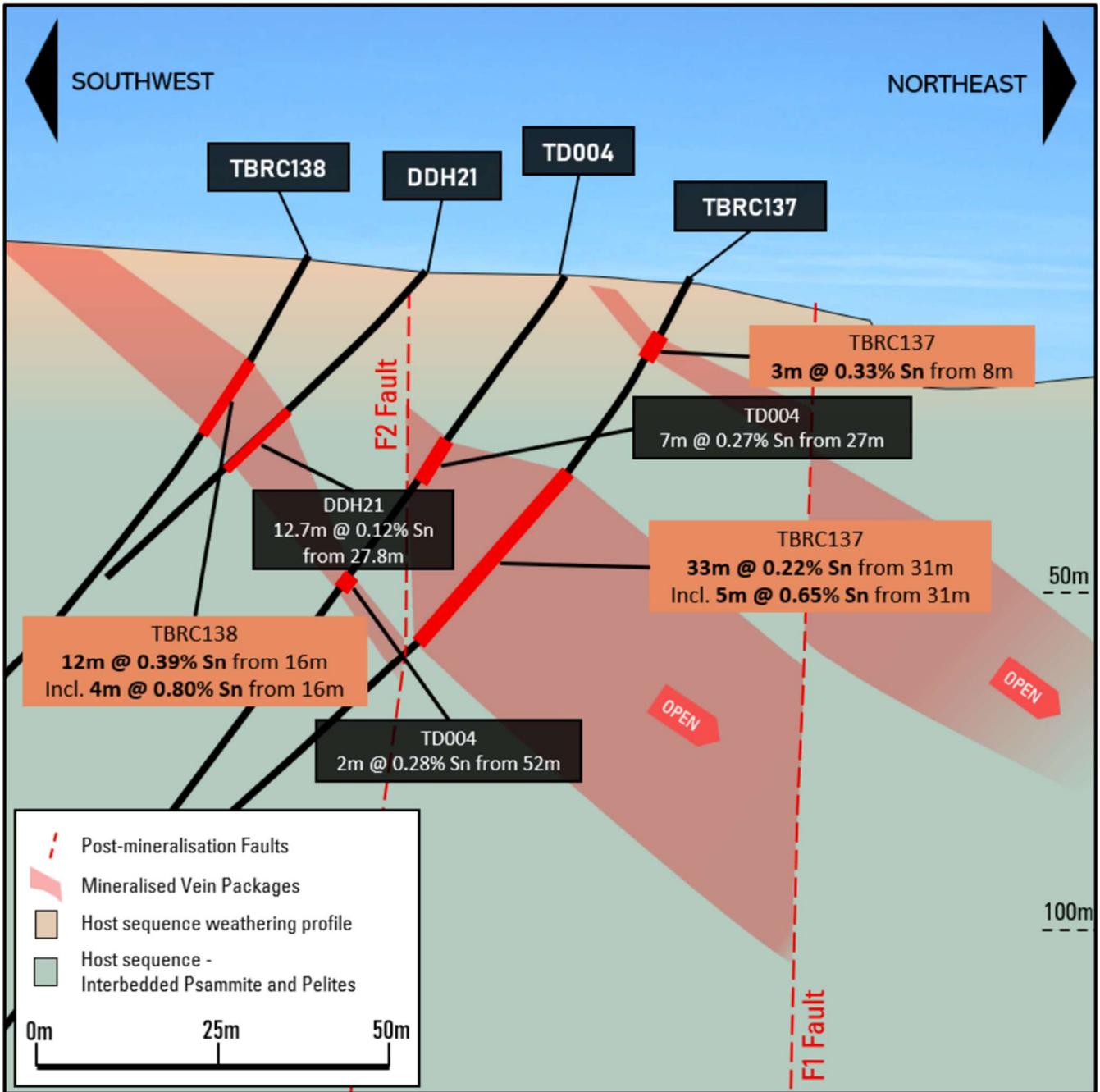


Figure 2: Cross-section of TBRC137 and TBRC138 with previous drilling, showing the shallow dipping mineralisation intercepted near surface and on the eastern margin of the existing MRE, open to the east, down dip and along strike. NB: Depth scale on RHS border in metres from surface.

Holes TBRC141-160 were designed to expand the deposit beyond the north-eastern end of the existing MRE and in-fill areas of known shallow, high-grade mineralisation. Drilling successfully discovered shallow extensions to the deposit well beyond the north-eastern margin of the existing MRE. This demonstrates that the deposit remains open and also presents an exciting area to target further mineralised extensions beyond these drill holes to continue to expand the deposit footprint. Highlights included:

TBRC153: 15m @ 0.68% tin & 77.2g/t silver from 64m, including:
 5m @ 1.22% tin & 219g/t silver from 72m.

TBRC159: 20m @ 0.41% tin from 8m, including:
8m @ 0.66% tin from 8m.

TBRC151: 12m @ 0.56% tin from 58m, including:
4m @ 1.04% tin from 58m.

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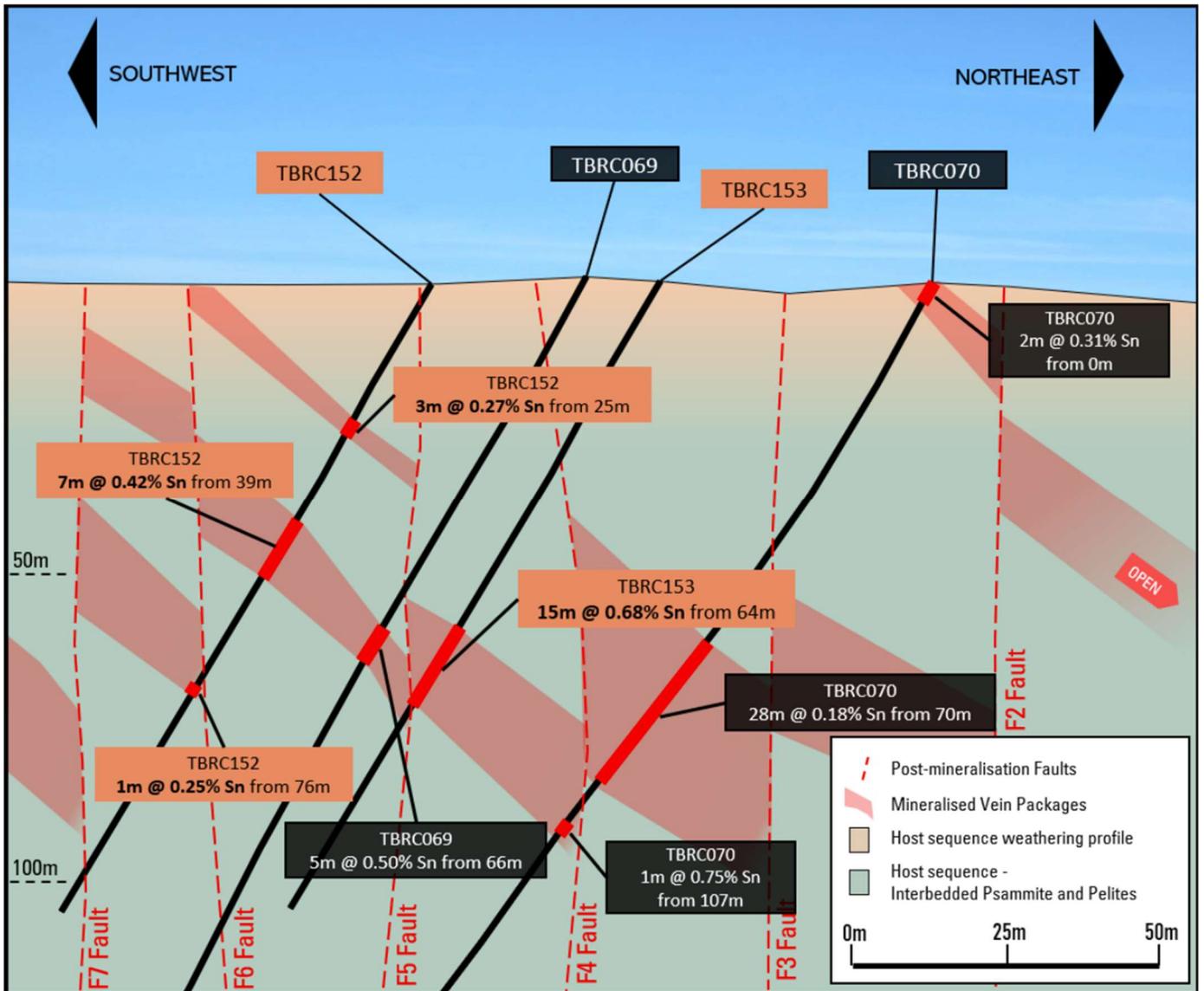


Figure 3: Cross-section of TBRC152 and TBRC153 with previous drilling, showing the shallow dipping mineralisation near-surface and mineralised vein packages are projected onto the section. Where no intercepts are shown in the section, the vein packages have been projected from adjacent intercepts. NB: Depth scale on LHS border is metres from surface.

The results received to date indicate the Tallebung deposit continues to remain open in all directions.

Assays are pending for more than 45 completed holes, with approximately 60 holes yet to be drilled.

The remaining holes are designed to further explore the extensions of the Tallebung deposit as new zones continue to be discovered. Significantly, many of the new zones are located in areas away from historical workings, suggesting that the best parts of the deposit may be yet to be found.

ENVIRONMENTAL STUDIES AND MINING APPROVALS

Environmental studies required to secure key mining approvals continue to be expedited, with an initial background biodiversity study completed and a weather station being completed over the last quarters.

The installation of a weather station will provide vital data for the environmental studies needed for the mining approvals process. This installation complements the work already completed on these studies, with the groundwater monitoring bores already installed and geochemical studies well advanced.

The installation of these data collectors and the biodiversity and geochemical studies are all in preparation to quickly advance the mining approvals process required to commence development of the Tallebung Tin Project.

BULK SAMPLING METALLURGICAL PROGRAM

Four (4) bulk samples for a total of over 70 tonnes of tin mineralisation were successfully excavated and crushed during the March 2025 Quarter in preparation for a pilot-scale metallurgical program.

The bulk sampling sites were selected to target variation of deposit tin grades and traverse zones across the entire footprint of the currently defined extent of the Tallebung tin mineralisation.

The four bulk samples were crushed to -40mm and screened to remove the -7mm fines from the sample.

The 7-40mm sample and the -7mm fines have been transported to TOMRA Ore Sorting Solutions in Sydney. The 7-40mm sample has been ore sorted on a full-scale, commercial TOMRA XRT Ore Sorter to produce a high-recovery product while rejecting over 90% on average, of the sorted mass.

The high-recovery ore sort product has then been sorted a second time to produce a high-upgrade ore sorting product where over 98% of the mass has been rejected. The reject from the second ore sort will be combined with the -7mm fines sample for DMS testwork at ALS Perth.

The second ore sort product has been transported directly to ALS Burnie, while the other samples were sent to ALS Perth. ALS Perth is in the process of assaying all samples received and will then complete a DMS trial on the second ore sort reject and fines samples which may remove 95% of the mass from the second ore sort reject and fines to produce another pre-concentrate – the DMS pre-concentrate.

The DMS pre-concentrate will then be sent to ALS Burnie and combined with the second ore sort product to be trialled in a pilot-scale gravity plant. The pilot-scale gravity plant at ALS Burnie will produce a tin concentrate from these samples which will be vital in marketing future product from Tallebung to downstream businesses.

Early assay results show low tin grades in the ore sorting first waste product (<0.01% - 0.03%Sn) show ore sorting is rejecting over 90% of the mass, however, is recovering over 95% of the total tin in the products. This demonstrates less than 10% of the total mass contains over 95% of the tin in the products from the ore sorting process. This is an excellent early result and more results for this first stage of the testwork is anticipated in the coming quarter.

This program will be completed over the coming months with results to be reported regularly as the bulk samples progress through the large program.

NEXT STEPS

The major Reverse Circulation (RC) drilling program outlined above will be completed in the next quarter with current approved holes, though program may be expanded further.

In parallel, SKY is continuing to advance a bulk sample metallurgical program to optimise the process flowsheet and produce marketable tin concentrates to aid in off-take marketing.

The new drilling results and bulk sampling data will support the delivery of an updated Mineral Resource Estimate (MRE) for Tallebung. The new MRE and metallurgical work will then be incorporated into Mining Studies to demonstrate the potential Tallebung project economics.

DORADILLA PROJECT (EL 6258, SKY 100%)

POLYMETALLIC MINERALISATION – METALLURGICAL TESTWORK PROGRAM

A recent review of historic petrology and metallurgical testwork at the Doradilla Tin Deposit identified that the tin is hosted in fine cassiterite in the vicinity of the Doradilla Tin Target on the south-west end of the 'DMK' Line. Additionally, this mineralisation has not been tested for concentration via modern flotation methods.

This represents an encouraging development at Doradilla. Work is underway to confirm the historic findings and, if confirmed, to test modern flotation methods to concentrate the tin. This work will aim to evaluate if it is possible to produce a saleable tin concentrate using these methods on the Doradilla mineralisation and, subsequently, if there are viable pathways to mine economically at Doradilla.

SKY is continuing to work with engaged metallurgical consultants, UNSW, ALS Burnie and ANSTO, along with other experts, to continue to develop the broad range of methods available to extract the REE, tin and polymetallic mineralisation on the DMK Line to unlock the high-value, widespread mineralisation discovered at Doradilla.

This work will include ongoing data compilations, targeted geophysical surveys as required and continuing geological studies by SKY in partnership with UNSW.

NARRIAH PROJECT (EL 9524, SKY 100%)

MAIDEN DIAMOND DRILLING PROGRAM

During the March Quarter 2024, compilation of historic data showed strong potential for near surface tin-tungsten mineralisation at the Conapaira Mining Reserve. This was further evidenced by the extensive historic workings in the area.

A site visit for ground-truthing historic data, geological mapping and rock chip sampling was completed in the March Quarter and discovered extensive workings throughout the mining reserve and widespread evidence for these workings occurring in close proximity to the Erigolia Granite Margin (Figures 4). Evidence for the close proximity to the granite margin included exposed and preserved roof pendants.

Given the prospective position of these historic workings, rock chip samples were taken of areas of outcrop and mine workings. These rock chip samples successfully identified high-grade tin, tungsten and silver mineralisation over a strike length of more than 3km (Figure 4), with results including:

- 1.80% tin, 13.9g/t silver & 0.05% copper (JN240223-05);
- 1.50% tin, 0.26% tungsten & 14.7g/t silver (JN240223-04);
- 1.20% tin & 1.77% tungsten (JN240223-10).

GEOPHYSICAL MAGNETICS SURVEY

In the September Quarter 2024, a large aeromagnetism survey was flown over the +16km long prospective horizon within the Narriah Project. The results from this survey will be combined with the rock chip results from the Conapaira Mining Reserve to aid in targeting large-scale and high-grade tin and tungsten mineralisation.

Furthermore, the potential hard rock tin mineralisation in the majority of the Narriah Project remains untested by previous explorers.

The results of the geophysical survey will be combined with the thorough compilation of the historic data and the rock chip results to target follow up drilling, aiming to discover a large-scale and high-grade tin-tungsten deposit.



CULLARIN PROJECT: GOLD-LEAD-ZINC-COPPER (EL 7954, SKY 80%; DVP JV)

HUME TARGET – DIAMOND DRILLING AND DHEM

Initial exploration at the Cullarin Project successfully validated historical results, returning broad zones of high-grade mineralisation. Most notably:

HUD002: **93m @ 4.24g/t Au & 1.87% Pb+Zn** from 56m

In addition to the excellent drill results, re-assay of historical auger drilling pulps has revealed multiple untested gold anomalies, including at the Poplar Prospect, where **9.91g/t Au** was intercepted with no follow-up work completed to date.

Given the exceptional potential of these high-grade gold prospects and SKY's strategic focus on advancing its tin portfolio, the Company is open to partnering with groups capable of accelerating exploration and development at Cullarin. SKY is enthusiastic to see further exploration on this project offering significant upside in a proven 25km mineralised corridor.

IRON DUKE PROJECT: COPPER-GOLD (EL6064 & 9191, SKY 100%)

100% SKY (EL6064 & 9191)

SKY exercised the option to purchase EL6064 – Iron Duke Project and SKY now holds 100% of the Project. The Iron Duke Project covers the Iron Duke Shear Zone, which extends over a strike length of at least 4km and remains open to the south. Several historic copper mines occur along the Iron Duke Shear Zone including the Iron Duke, Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines, along with several unnamed copper workings and shafts. In the June 2021 Quarter, SKY completed a maiden drilling program at the Iron Duke Mine, in conjunction with a VTEM survey and DHEM, to identify extensions to the high-grade copper-gold mineralisation along the Iron Duke Shear Zone (SKY:ASX Announcement 2nd June 2021).

An RC and diamond drilling program is planned to test for further extensions to the Iron Duke mine and test the previously undrilled historic mines at the Christmas Gift Workings (comprising of the Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines). This program was delayed due to extremely wet ground conditions preventing access to the area. Currently, this program is planned for the following quarters after a detailed review of the geophysics, mining records, historic data and previous drilling to develop robust targets for further drill testing and expansion of the known Iron Duke mineralisation.

CALEDONIAN PROJECT: GOLD

100% SKY (EL8920 & EL9020)

SKY has now completed a soil sampling program, a phase of AC drilling, two phases of RC drilling and two diamond drill holes at the Caledonian Target. A review of both SKY's and historic results indicates that the Caledonian gold mineralisation likely represents a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation developed over an oxidised skarn.

SKY completed a shallow aircore (AC) drilling program over the area consisting of 38 vertical AC holes for a total of 697m on 50-100m spacing over the 600m x 400m area of mineralisation defined by the previous drilling, soil sampling and costeaming. Due to significant ground waters intersected by the AC drilling, which prevented all but four of the 38 holes drilled from reaching refusal, SKY does not consider the target concept of a shallow, subhorizontal blanket of oxide and supergene gold mineralisation to have been effectively tested. These results will be evaluated, along with the previous drilling, to direct SKY to further shallow high-grade oxide gold mineralisation in the target area.



SKY has been informed of the proposed development of a solar farm on the northern area of EL8920. This area covers the Jerrawa Strike, which is a trend of metallic occurrences that SKY interprets to be an exhalative horizon with strong potential to host gold-silver and base metal mineralisation. SKY is continuing to work with the solar farm developers to ensure that the solar farm will not be developed over significant mineralisation. The work to date has delineated a gold soil anomaly which SKY plans to follow up in the following quarters, pending ongoing negotiations with the Solar Farm developers.

GALWADGERE PROJECT: COPPER-GOLD

100% SKY (EL6320)

In 2021 SKY announced the Galwadgere maiden JORC-2012 Inferred Resource of 3.6Mt at 0.82% Cu & 0.27g/t Au prepared by H&S Consultants (H&SC). H&S were engaged by SKY to complete the maiden resource using drilling completed by SKY in 2020 and previous drilling completed by Alkane Resources (ALK) and other past explorers. A drilling program at the Galwadgere Target is planned for the next quarters to further expand on the maiden JORC-2012 resource.

Soil sampling undertaken along strike from the Galwadgere MRE has identified two copper-gold, multielement pathfinder soil anomalies. The northern soil sampling program has delineated a 200m x 100m soil anomaly which is coincident with the McDowell's mine, several historic mine shafts and copper-carbonate bearing rocks discovered near these workings. Soil sampling south of the Galwadgere Target has identified another soil anomaly which appears similar in tenor to the anomaly identified at the McDowell's mine. These anomalies are within 3km of the Galwadgere resource and provide strong support for expanding the copper-gold resource at Galwadgere with along strike exploration. These are priority drill targets to be tested.

KANGIARA PROJECT: GOLD

80% SKY (EL8400 & EL8573; DVP JV)

The Kangiara Project (EL8400, EL8573) is located 30km north-west of Yass in the Southern Tablelands of New South Wales (Figure 5). The project contains volcanic/volcaniclastic rocks of the Silurian Douro Group, considered prospective for gold and base metal (copper-zinc) mineralisation. The high-grade Kangiara Mine operated during the early 1900s, with documented production of ~40,000 tonnes at 16% Pb, 3% Cu, 5% Zn, 280g/t Ag and 2g/t Au from narrow north-south trending sulphide veins (ASX: PDM 18 June 2009). Previous work by Paradigm Metals led to the calculation of an Indicated and Inferred Mineral Resource at Kangiara.

Desktop studies have identified potential for copper-gold mineralisation at the Crosby Prospect. Field investigations are planned for the upcoming quarters to investigate this prospect.



CORPORATE

FINANCIAL

During the quarter \$1,329k was spent on the exploration activities outlined in this report.

No mining production and development activities were undertaken for the quarter.

During the quarter \$119k was paid to Directors as Wages and Non-Executive Director fees.

TENEMENT SUMMARY

Table 1: Tenement Summary.

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area	Comment
Tarago Exploration Pty Ltd (DVP sub)	80%	EL7954	19-6-2012	19-6-2028	51	144 km ²	Cullarin Project, SKY: DVP JV
Ochre Resources Pty Ltd (DVP sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km ²	Kangiarra Project, SKY: DVP JV Renewal submitted
Ochre Resources Pty Ltd (DVP sub)	80%	EL8573	23-5-2017	23-5-2029	17	48 km ²	Kangiarra Project, SKY: DVP JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km ²	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km ²	Caledonian Project
Cuprum Aurum Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km ²	Galwadjere Project - agreement with pre-IPO Burrendong Minerals Ltd
Balmain Minerals Pty Ltd (SKY sub)	100%	EL6064	21-3-2003	20-3-2028	5	15 km ²	Iron Duke Project
Balmain Minerals Pty Ltd (SKY sub)	100%	EL9191	8-6-2021	8-6-2027	60	174 km ²	Iron Duke Project
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	113 km ²	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km ²	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9524	8-2-2023	08-02-2029	92	262 km ²	Narriah Project
Stannum Pty Ltd (SKY sub)	100%	EL9779	Granted on 5-7-2024	15-05-2031	101	287 km ²	Narriah Project
Stannum Pty Ltd (SKY sub)	100%	ELA6926	Applied for on 3-7-2024	-	177	514 km ²	Tallebung Project – Application

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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.

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