

DRILLING COMMENCES AT 3KEL-DORADILLA TIN-COPPER PROJECT

- Drilling commenced at the 3KEL Target to follow up high-value intercepts in the previous drilling, including:

3KRC011: 32m @ 0.42% Sn & 0.1% Cu from 66m including,

9m @ 0.99% Sn & 0.31% Cu from 81m

3KRC012: 37m @ 0.31% Sn from 91m including,

1m @ 4.23% Sn & 0.20% Cu from 121m

3KRC002: 6m @ 1.11% Sn & 1.48% Cu from 105m

- The 3KEL Target is a large-scale tin-copper system which remains **open at depth and along strike for over 2km.**
- Diamond drilling has commenced to define the scale and intensity of the 3KEL Tin-Copper system.

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on exploration activities at the 3KEL Tin-Copper Target at the Doradilla Tin-Polymetallic project in NSW.

DORADILLA PROJECT: TIN- COPPER (EL 6258, SKY 100%)

3KEL TARGET – DIAMOND DRILLING

As foreshadowed in the September Quarterly Activities Report (ASX: 29 October 2021), diamond drilling has now commenced at the 3KEL Target to continue to expand the large strike of the strong tin-copper mineralisation intercepted in the recent phase of RC and diamond drilling completed by SKY in August 2021.

A program of at least six holes has been planned and will aim to continue expanding the strike and depth extents of the mineralisation. The first hole to be drilled will target a 500m strike extension of the 3KEL mineralisation to the northeast where recent work by SKY has discovered gossanous outcrop, with rock chips returning assays of +0.5% Sn, this hole will be the first hole drilled within 500m of these rock chips and represents the possibility of a large strike extension to the tin mineralisation at 3KEL.

Diamond drillholes are also planned to test depth extents to the high-grade tin mineralisation intercepted in **3KRCD007** and **3KRC012**. Additionally, drillholes **3KRC005**, **6** and **8** will be redrilled in this program as these holes failed reach the target depth in the previous program due to poor drilling conditions.

A hole is planned to further extend the strike to the southwest and test under a previous high-grade tin intercept from historic aircore drilling which intercepted 42m @ 1.46% Sn from 0m (**3KAC020**), this hole is over 200m from any previous drilling by SKY and aims to further increase the strike at 3KEL. A large diameter hole is planned to be drilled in the vicinity of **3KRCD007** to provide sample for further metallurgical test work over the next few months.

This program will test the 3KEL Target over a strike length of 2.2km and to a shallow depth of 150m. However, the rock chips collected by SKY and historic shallow drilling along with SKY's deeper drilling indicate the 3KEL Target will remain open along strike and down plunge. Securing an additional drill rig for ongoing drilling is being planned to continue to explore the 3KEL Target.

SKY Exploration Manager Oliver Davies commented *"SKY is very optimistic that this program will continue to grow the already exceptionally large 3KEL Target. The shallow drilling by past explorers and the rock chips collected by SKY strongly indicate that this target extends even further along strike and down plunge than already established. This gives SKY confidence that further drilling will continue to grow and expand the high-grade tin-copper mineralisation now confirmed at 3KEL."*

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



Figure 1: 3KEL Target – diamond drilling rig on first hole 3KDD013.

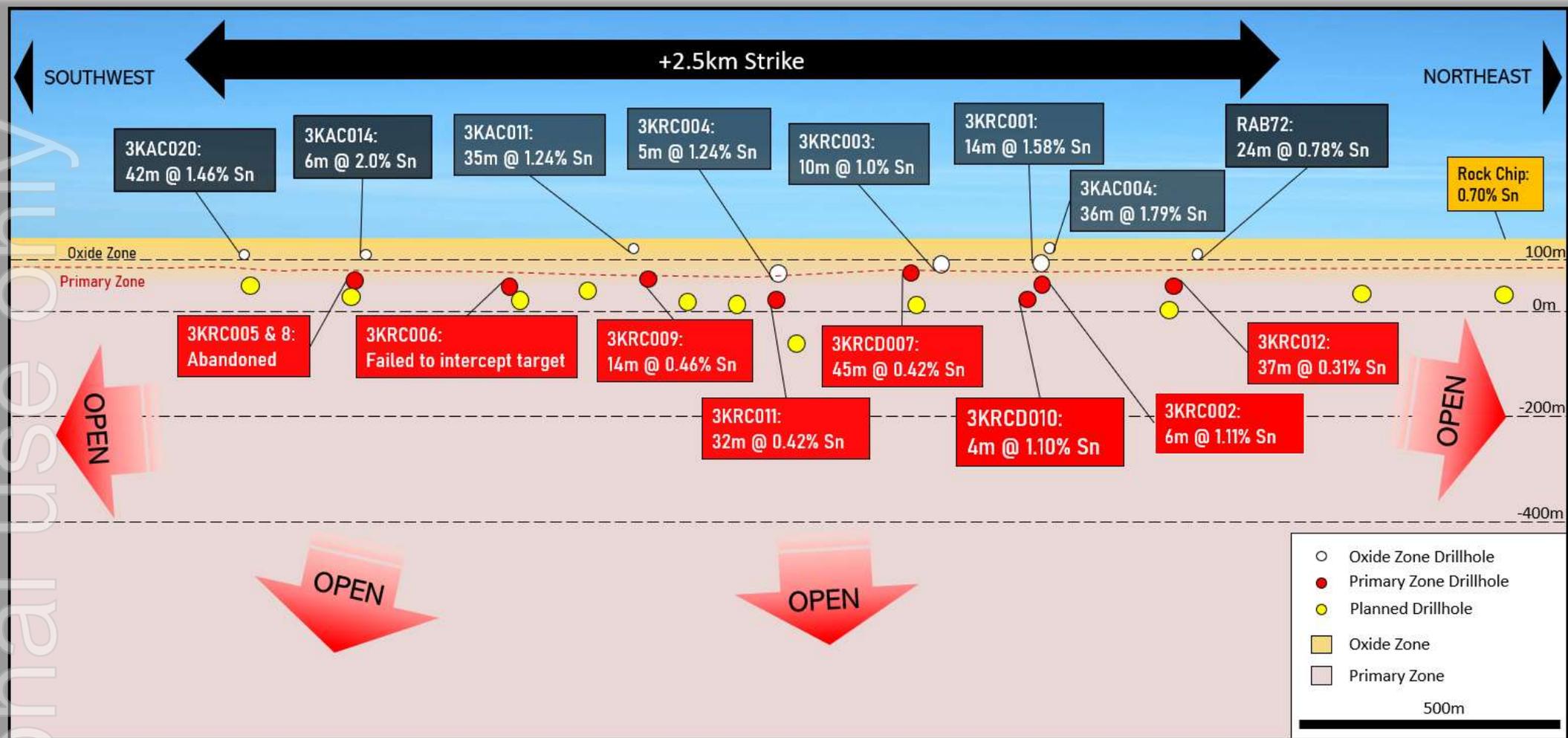


Figure 2: Schematic Long Section of the 3KEL Target. Holes 3KRC005 and 3KRC008 were drilled from the same pad and both holes were abandoned before reaching the target depth.

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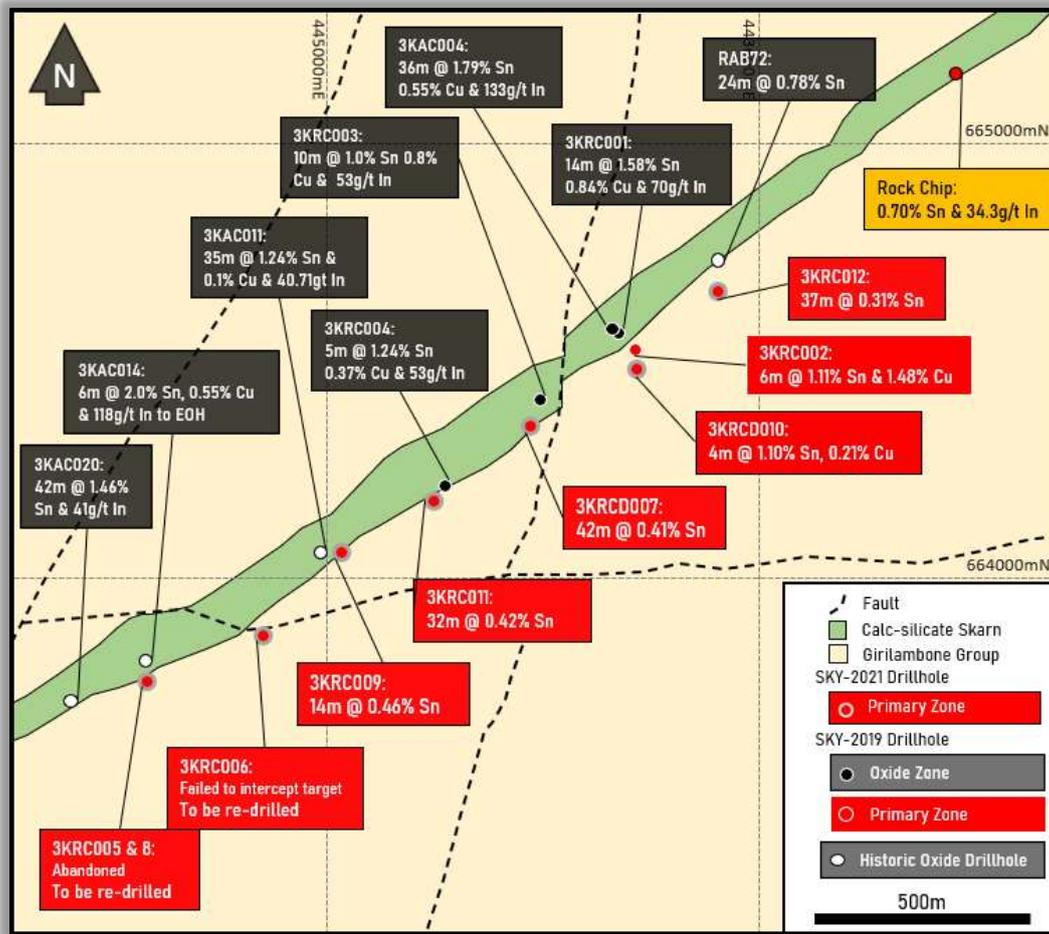


Figure 3: Plan View of the 3KEL Target with drillhole and rock chip locations overlying geological mapping.

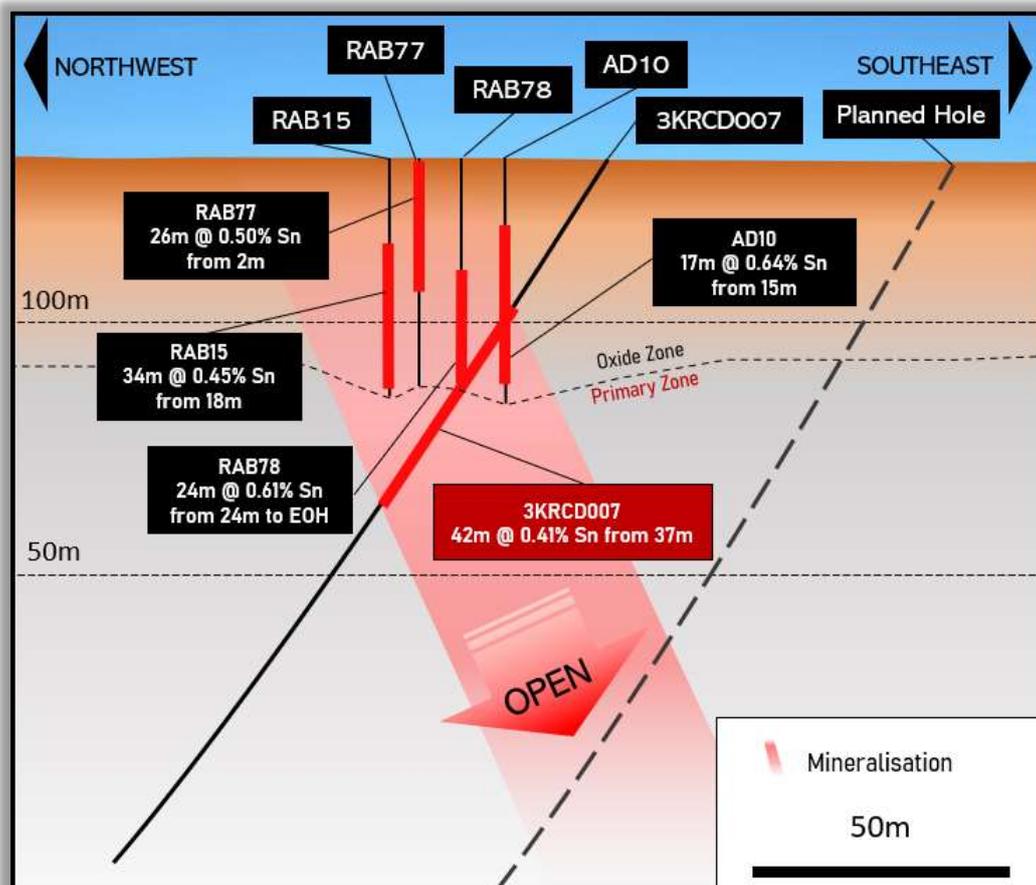


Figure 4: Cross section of drillhole 3KRC007 with a 50m wide window looking northeast.

ABOUT SKY (ASX: SKY)

SKY is an ASX listed public company focused on the exploration and development of high value mineral resources in Australia. SKY's project portfolio offers exposure to the tin, gold, and copper markets in the world class mining jurisdiction of NSW.

GOLD PROJECTS

GULLARIN / KANGIARA PROJECTS (EL7954; EL8400 & EL8573, HRR FARM-IN)

Under the HRR farm-in, SKY has now earned an 80% interest in the projects via the expenditure of \$2M prior to the formation of a joint venture (ASX: 9 October 2019). Highlight, 'McPhillamys-style' gold results from previous drilling at the Cullarin Project include 148.4m @ 0.97 g/t Au (WL31) including 14.6m @ 5.1 g/t Au from 16.2m, & 142.1m @ 0.89 g/t Au (WL28) including 12m @ 4.4 g/t Au from 25.9m. The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. SKY's maiden drill program was very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

CALEDONIAN / TIRRAWA PROJECTS (EL8920, EL9048, EL9120 100% SKY)

Highlight, 'McPhillamys-style' gold results from previous exploration include 36m @ 1.2 g/t Au from 0m to EOH in drillhole LM2 and 81m @ 0.87g/t Au in a costean on EL8920 at the Caledonian Project. The distribution of multiple historic drill intersections indicates a potentially large gold zone with discrete high-grade zones, e.g. 6m @ 8g /t Au recorded from lode at historic Caledonian Mines (GSNSW). A strong, robust soil gold anomaly (600 x 100m @ +0.1ppm) occurs and most drillholes (depth ~25m) terminate in the mineralised zone.

COPPER GOLD PROJECTS

GALWADGERE (EL6320, 100% SKY)

The Galwadgere project is located ~15km south-east of Wellington in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g. 47m @ 0.90% Cu & 1.58g/t Au) and the mineralisation is open along strike and at depth.

IRON DUKE (EL6064, BALMAIN OPTION; EL9191 100% SKY)

The Iron Duke project is located ~10km south-east of Tottenham in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g. 13m @ 1.56% Cu & 4.48g/t Au) and the mineralisation is open down dip to and to the south.

TIN PROJECTS

TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located ~70km north-west of Conboldin in central NSW. The project encompasses the historic Tallebung Tin Mining Field at the northern extent of the Wagga Tin Belt within the central Lachlan Orogen and is considered prospective for lode and porphyry-style tin - tungsten mineralisation.

DORADILLA PROJECT (EL6258, 100% SKY)

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

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

SKY has been granted two exploration licences in the New England Orogen covering areas of significant historical tin production - Emmaville & Gilgai. These areas were selected as they were considered to have considerable potential to host hardrock tin resource and limited modern day exploration has been conducted.



Figure 5: SKY Location Map

COMPETENT PERSONS STATEMENT

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

PREVIOUSLY REPORTED INFORMATION

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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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