SECOND RIG MOBILISING TO ACCELERATE DRILLING PROGRAM AT TALLEBUNG

- **Second drill rig mobilising** to join the large-scale drilling program of more than 100 holes currently advancing at Tallebung.
- **Priority drilling** to test extensions of the exceptional high-grade silver-tin intercept in TBRC171 on the south-eastern margin of the deposit:

  TBRC171: **3m @ 686.3g/t silver & 0.96% tin** from 24m.
- **First assay results expected in December**, with progressive updates to follow over the coming months as drilling results continue to be returned.
- Drilling looking to **expand the newly discovered high-grade zones** and complete **in-fill drilling to support an updated Mineral Resource Estimate (MRE)** and improve confidence in the shallow mineralisation.
- **Updated MRE and mining studies scheduled for completion early next year**, incorporating data from more than 300 holes (current MRE based on only 115 holes).

CORPORATE

- **$592,000 received from Directors and Management following AGM approval** of participation in the latest placement, reinforcing the continued strong support from the SKY Board.
- Sky Metals remains well-funded to **advance bulk metallurgical testwork and environmental studies in parallel with a multi-rig drilling program**, supporting future mining approvals.

SKY Managing Director & CEO Oliver Davies commented: *"The mobilisation of a second rig represents another important step in accelerating our drilling campaign at Tallebung to unlock the full potential of this exceptional tin-silver-tungsten system. We are looking forward to receiving the first assay results in the coming weeks and commencing work on an updated Mineral Resource Estimate, targeted for completion in Q1 next year. With strong Board support and a strengthened funding position, we are also well placed to advance mine development studies early next year, which will be based on the upgraded MRE."*

Watch a video summary of this announcement & engage with SKY here

Sky Metals Limited (ASX: SKY) is pleased to advise that it continues to make excellent progress with the **major new drilling program at its 100%-owned Tallebung Tin Project** in central-western New South Wales, with a second drill rig mobilising to accelerate drilling of over 100 holes planned to deliver resource growth and improved confidence in the shallow mineralisation. This program marks a key step in advancing the project in parallel with mine development studies.

TALLEBUNG TIN PROJECT (EL 6699, SKY 100%)

TALLEBUNG RC DRILLING CONTINUES TO INTERSECT SHALLOW, HIGH-GRADE TIN-SILVER ZONES

The new RC drilling program is well advanced with over 20 holes already completed. The first holes are designed to in-fill existing resources before progressing to test extensions to the exceptional high-grade silver-tin intercept in TBRC171, located on the south-eastern margin of the deposit (see Figure 2).

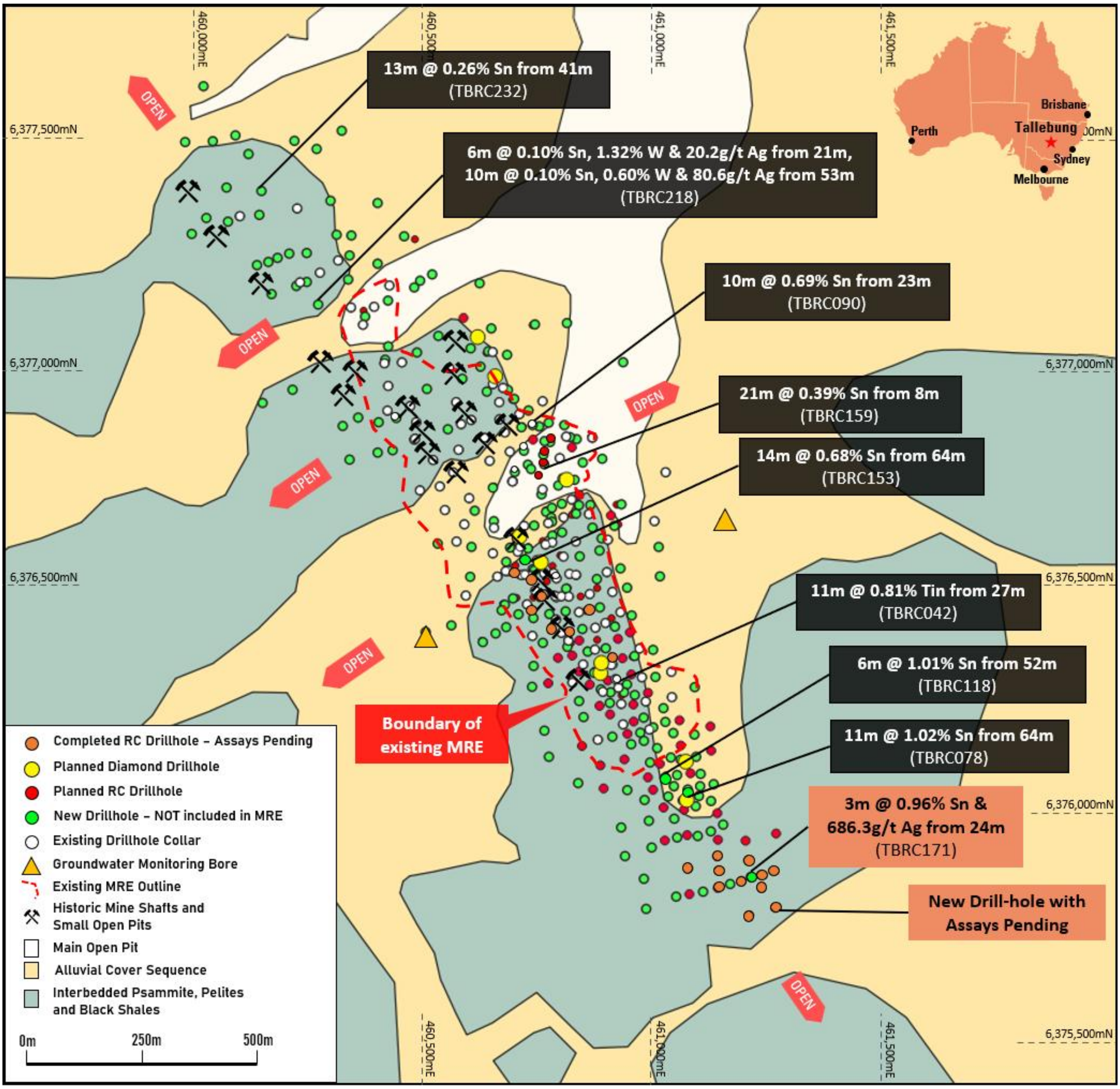

Figure 2: *Plan showing the location of the latest drill-holes with assays pending and planned drill-holes in the latest program. Selected previously reported highlight drill intercepts, with results from the successful preceding program shown in orange. The boundary of the existing Tallebung MRE is also shown over surface geology.*

This intercept highlights the outstanding potential for high-grade zones within the broader Tallebung system:

TBRC171: **3m @ 686.3g/t Ag & 0.96% Sn** from 24m

With this priority work completed, drilling will now move to **expand other newly discovered high-grade zones on the deposit margins** and complete **in-fill drilling to underpin an updated Mineral Resource Estimate (MRE)**.

The addition of a **second drill rig in the coming weeks** will accelerate drilling progress and deliver diamond drill core for structural and geotechnical data essential for mine design.

First assay results are expected in December, with ongoing updates to follow.

An **updated MRE and mining studies remain on track for completion early next year**, incorporating data from more than 300 holes, a significant increase from the 115 holes used for the existing MRE (see SKY ASX Announcement 31July 2025).

<u>Drilling Program Details</u>

- Over 100 drill-holes planned, comprising a mix of Reverse Circulation (RC) and diamond drilling with two drill rigs soon to be on-site until at least the end of the year and potential for a third drill rig to be added in the New Year.
- RC drilling will rapidly test shallow extensions and in-fill zones including those highlighted above.
- Diamond drilling will provide structural and geotechnical data to support open-pit mine design and feasibility studies.

CORPORATE

Additional placement proceeds totalling $592,000 have been received from Directors and Management following the recent AGM approval, reinforcing strong board support. Combined with existing cash reserves from the recent $6.1 million capital raise (see SKY ASX Announcement 31July 2025), SKY remains well-funded to advance metallurgical testwork and environmental studies in parallel with drilling, ensuring that all critical components for future mining approvals progress together.

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

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About the Tallebung Tin Project (100% SKY)

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

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

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

Competent Persons Statement

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

Previously Reported Information

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

Disclaimer

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Sky Metals Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Sky Metals Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.