



DIVESTMENT OF NON-CORE IRON DUKE COPPER-GOLD PROJECT IN NSW

Sky Metals Limited (ASX: SKY) ("Sky" or the "Company") is pleased to advise that it has entered into a binding option agreement with Locksley Resources Limited (ASX: LKY) ("Locksley") for the divestment of its non-core Iron Duke Copper-Gold Project, located in New South Wales, **for a total transaction value of \$1.1 million.**

The divestment is consistent with Sky's strategy to actively manage its exploration portfolio and prioritise its capital and management focus on its advanced tin development assets at Tallebung and Doradilla.

TRANSACTION OVERVIEW

Balmain Minerals Pty Ltd, a wholly-owned subsidiary of Sky Metals, has entered into a binding option agreement with Locksley under which Locksley has been granted an exclusive option to acquire 100% interest in the Iron Duke Project, comprising Exploration Licences EL9191 and EL6064. Key terms of the agreement include:

- **Option Fee:** \$100,000 cash (non-refundable)
- **Option Period:** 9 months
- **Initial Consideration (on exercise):** \$500,000, payable in cash and/or Locksley shares (subject to shareholder approval if required)
- **Milestone Payment:** \$500,000 payable upon the earlier of:
 - Delineation of a JORC Code-compliant Mineral Resource of at least 3.0Mt at a minimum grade of 1.0% copper equivalent; or
 - Sale or transfer of the Iron Duke Project to a third party

DIVESTMENT ADVANTAGE

The Iron Duke Project is an early-stage copper-gold exploration asset which, while considered highly prospective, is non-core to Sky's strategic focus on advancing its tin development portfolio. The transaction enables Sky to unlock value from the Iron Duke Project through a structured divestment that delivers:

- Immediate non-dilutive funding;
- Consolidation of the Project with complementary and adjacent copper-gold assets;
- Retained exposure to potential exploration and development success through milestone-linked consideration; and
- Redeployment of capital toward Sky's advanced tin development projects.

The transaction reflects a disciplined and value-focused approach to portfolio optimisation while preserving potential upside for SKY shareholders.

This announcement is authorised for release by SKY's Managing Director.

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