SKY METALS COMMENCES TRADING ON THE ASX

DRILL RIGS MOBILISING TO TALLEBUNG TIN PROJECT

- Oversubscribed Public Offer successfully raises $4.5M
- Sky Metals provides exposure to tin and specialty metals at the Tallebung and Doradilla Projects in New South Wales
- Drill Rigs mobilising to the Tallebung Project, with drilling expected to commence next week
- Drilling targeting high-impact, shallow high-grade targets, as well as large scale tin-porphyry targets

Sky Metals ('SKY' or 'The Company'), is pleased to announce that following a successful Public Offer to raise $4.5M, it has now re-commenced trading. SKY provides a unique exposure to tin and specialty metals at the highly prospective Tallebung and Doradilla Projects in New South Wales.

As detailed in the Prospectus (ASX 18 April 2019), SKY is on schedule to commence the immediate drill testing of high-priority drill targets at the Tallebung Tin Project, in central NSW. An RC drill rig is currently mobilising to site, with an expected commencement next week pending statutory approvals. The RC drill rig will immediately commence drill testing beneath high-grade tin lodes recently identified at surface. A second, diamond core rig is due on site the week commencing the 15th July, and will be completing a number of drill holes testing the large tonnage, porphyry tin target identified beneath the historic Tallebung Mine.

CEO, Peter Duerden, commented; *"SKY is delighted by the strong support from new and existing shareholders and excited to be commencing the immediate drill testing of high priority lode and porphyry-style tin targets at Tallebung. We look forward to updating the market on drilling progress and results"*

Tallebung Tin Field

SKY METALS COMMENCES TRADING ON THE ASX

Following the successful completion of an oversubscribed, $4.5m Public and Priority Offer, the renamed SKY Metals will commence trading on the ASX today, the 1st July 2019. The Company is delighted with the support from new and existing shareholders. Sky Metals provides a unique exposure to tin and specialty metals at the highly prospective Tallebung and Doradilla Projects in New South Wales.

TALLEBUNG DRILL PROGRAMME

SKY's maiden Tallebung drilling programme will be conducted using two rigs, with RC drilling (~1300m) testing the extent and geometry of high-grade tin lodes as defined in existing drilling and strongly anomalous rock-chip geochemistry (Figure 1).

A second rig will conduct diamond core drilling (~1300m) testing a compelling target for porphyry-style tin mineralization beneath the outcropping vein lodes. The company believes the vein lodes represent an up-dip expression of a preserved tin porphyry system as supported by resistivity geophysical data (Figure 2).

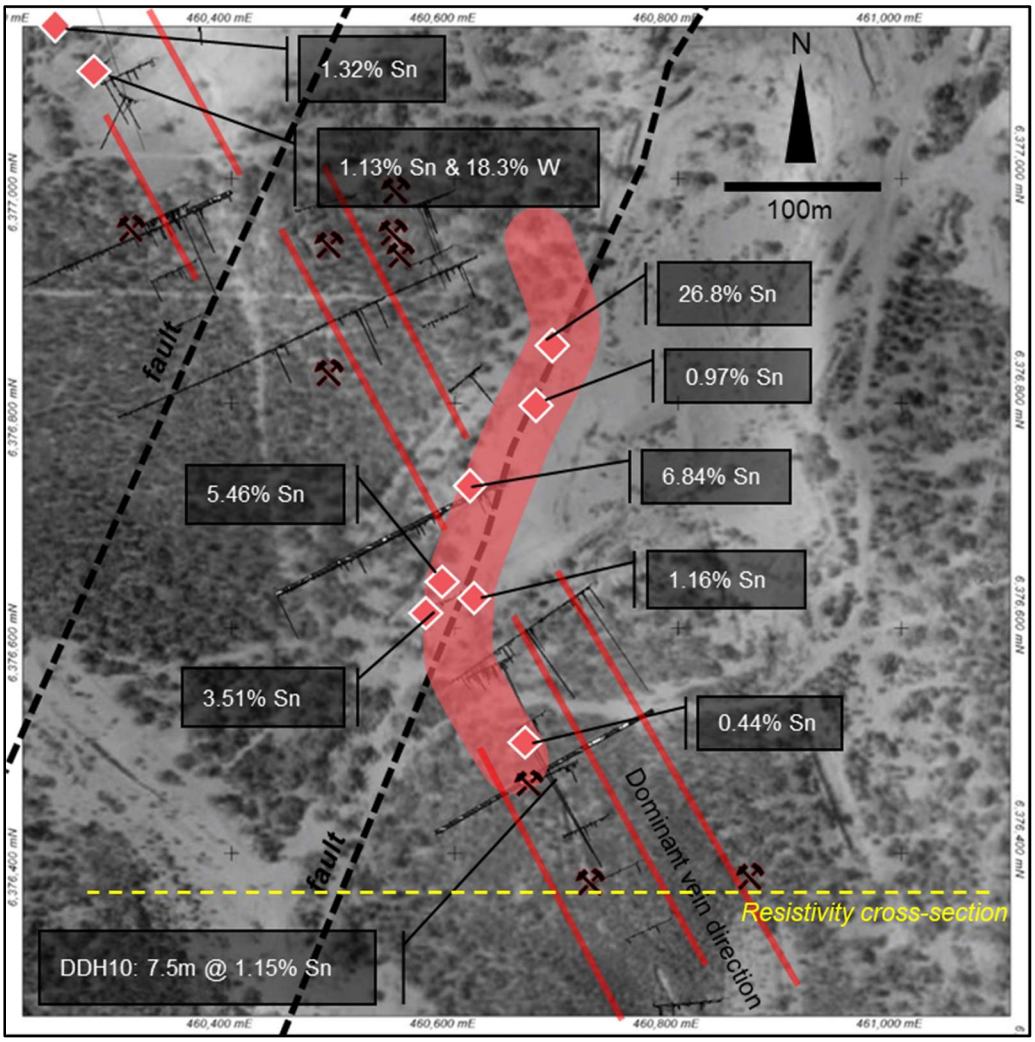


Figure 1: RC Drilling targets described by rockchip geochemistry results indicating potential for untested high-grade tin lodes (see ASX announcement 22 November 2018)

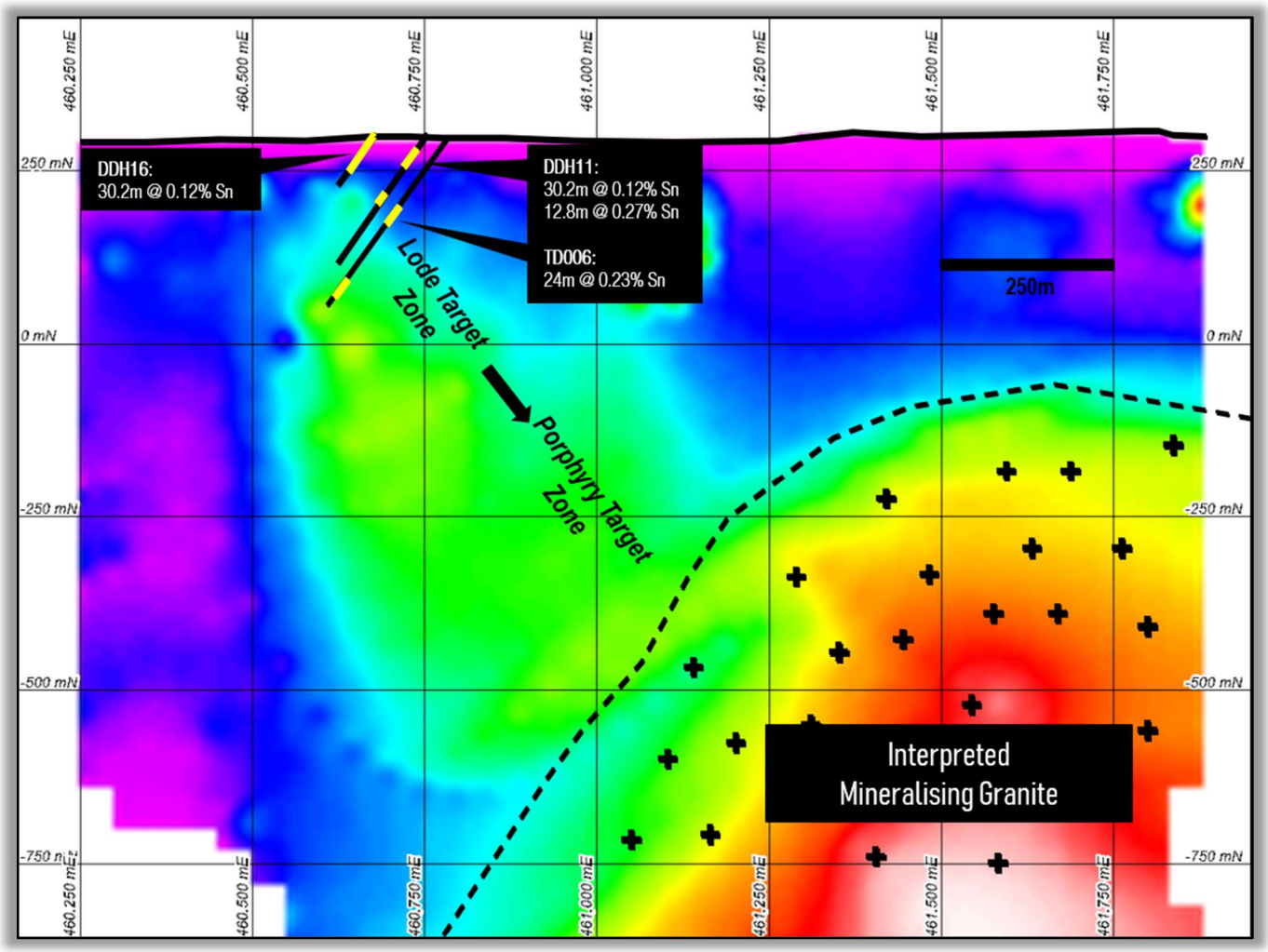


Figure 2: Resistivity geophysical data suggests potential exists for a preserved porphyry setting beneath the outcropping Tallebung vein swarm (Figure 1)

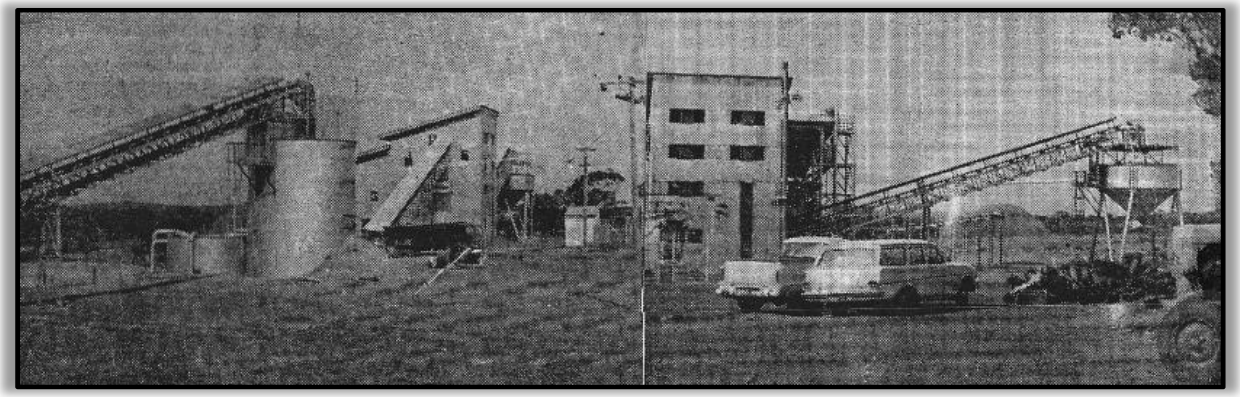


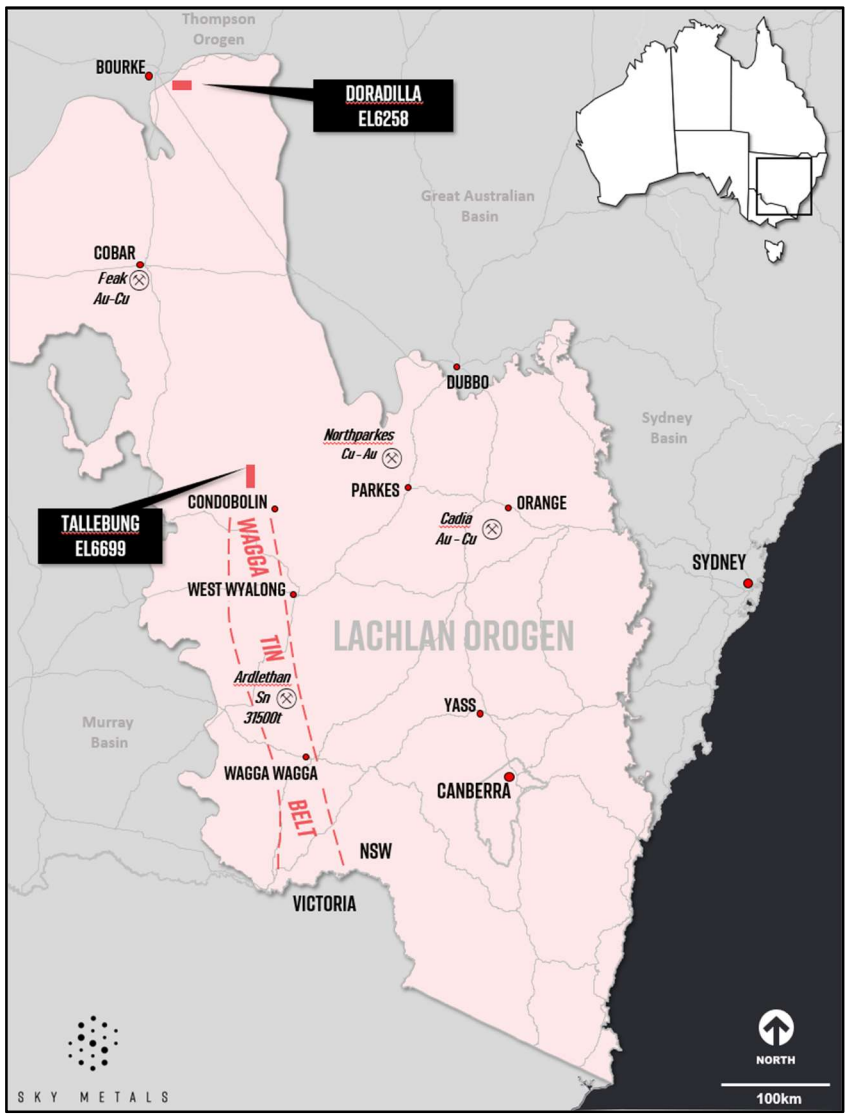
Figure 3: Tallebung Tin Processing Plant c 1967

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 market, where a long-term growth in prices reflects challenged supply and growing demand amid new applications for the metal.

SKY's tin exploration strategy incorporates the high quality Tallebung and Doradilla assets, most recently advanced by YTC Resources (now Aurelia Metals ASX:AMI) prior to their focus on the Hera Project.



TALLEBUNG PROJECT (100% SKY)

The Tallebung Project is located ~50km north-west of Condobolin in central NSW and is prospective for high-grade lode and porphyry-style tin-silver-tungsten mineralisation. Outcropping mineralisation is developed over 1km as sheeted/stockwork quartz-cassiterite-wolframite sulphide veins above a mineralising granite. The prospectivity of the targets are further enhanced by the presence of the Ardlethan Tin Deposit located along strike and representing mainland Australia's largest historic tin producer.

DORADILLA PROJECT (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 and cobalt).

Immediate exploration upside is recognized at Doradilla, with sporadic historical multielement assaying highlighting significant potential for polymetallic mineralisation (40m @ 0.56% Cu, 1.6% Sn, 0.38% Zn from 6m to EOH, 3KAC004) (see ASX announcement: 22 November 2018).

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Peter Duerden, who is a Registered Professional Geoscientist (RPGeo) and Member of the Australasian Institute of Geoscientists (AIG) and an employee, and option holder of the Company. Mr Duerden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Duerden consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

PREVIOUSLY REPORTED INFORMATION

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.

JORC CODE 2012 TABLE 1

Section 1 Sampling Techniques and Data –TALLEBUNG PROJECT

For the reporting of rock chip and diamond core drill hole results

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Rock chip sampling is by random, non-selective sampling of outcrop or sub-crop at the location as described in either plan or tabular form. Drill core sampling is by sawn half core HQ & NQ core or quarter PQ core. Nominal sample intervals are 1m with a range from 0.5m to 1.5m. All rock chip sample results were submitted to ALS Chemex Orange for preparation and assaying.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For Tallebung rock chip samples, lab standards and blanks were relied upon. For diamond drilling, assay standards or blanks are inserted at least every 40 samples.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	For the Tallebung rock chip samples, the full rock chip sample (1-3kg) was submitted for assay. Each sample was dried, crushed and pulverised as per standard industry practice. For diamond drilling, core samples were taken at nominally 1m, but with a range between 0.5-1.5m. Core samples are cut in half, dried, crushed and pulverised to 85% passing 75 microns. The primary metals of interest, tin (Sn) and tungsten (W) were determined by pressed-powder XRF (X-Ray Fluorescence), being the industry standard technique for these elements. Base metal assay was determined by 30g four-acid digest with ICP MS determination. Gold was assayed by 30g fire assay with AAS finish, (Method Au – AA25) with a detection level of 0.01ppm.

Criteria	Explanation	Commentary
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling results reported were by diamond coring. Surface holes generally commence as PQ core until fresh rock is reached. The PQ rods are left as casing thence HQ or NQ coring is employed.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Measured core recovery against intervals drilled were recorded as part of geotechnical logging. Recoveries are greater than 95% once in fresh rock.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Triple tube drilling was employed to maximise recovery.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	N/A since recoveries exceeded 95%.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Systematic geological and geotechnical logging was undertaken. Data collected includes: • Nature and extent of lithologies. • Relationship between lithologies. • Amount and mode of occurrence of ore minerals. • Location, extent and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core. • Geotechnical data such as recovery, RQD, fracture frequency, qualitative IRS, microfractures, veinlets and number of defect sets. For some geotechnical holes the orientation, nature of defects and defect fill are recorded. • Bulk density by Archimedes principle at regular intervals. • Magnetic susceptibility recorded at 1m intervals for some holes as an orientation and alteration characterisation tool.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Both qualitative and quantitative data is collected. All core was digitally photographed.
	The total length and percentage of the relevant intersections logged.	All core was geologically and geotechnically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was sawn with half core submitted for assay. Sampling was consistently on one side of the orientation line so that the same part of the core is sent for assay. PQ core is ¼ sampled.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	For both Tallebung Rock Chip samples and Tallebung core samples: all samples were dried crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.

Criteria	Explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The use of Certified Standard Reference Materials and blanks were inserted at least every 40 samples to assess the accuracy and reproducibility. The results of the standards were to be within ±10% variance from known certified result. If greater than 10% variance the standard and up to 10 samples each side were re-assayed. ALS conducted internal check samples every 20 samples for Au and every 20 for base metals.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates are taken for core samples. Core samples were cut in ½ for down hole intervals of 1m, however, intervals can range from 0.5-1.5m. This is considered representative of the in-situ material. The sample was crushed and pulverised to 85% passing 75 microns. This was considered to appropriately homogenise the sample.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sized were considered appropriate. In general the mineralisation being tested is a homogeneous, clay rich laterite ore.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Ag, As, Cu, Fe, Pb, S, Zn are digested in aqua regia then analysed by ICPMS (method ME-MS61). Comparison with 4 acid digestion indicate that the technique is considered total for Ag, As, Cu, Pb, S, Zn. Fe may not be totally digested by aqua regia but near total digestion occurs. Sn and W assays were generated by pressed powder XRF (method ME-XRF15c) – considered appropriate for these elements.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not Applicable as no geophysical tools were used in the determination of assay results.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	For diamond drill core, certified reference material or blanks were inserted at least every 40 samples. Standards are purchased from Certified Reference Material manufacture companies: Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grade ranges of elements, with a primary focus on tin.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The intersection calculations were viewed by >1 geological personnel.
	The use of twinned holes.	Twinned holes have not been used in the drilling results here reported.

Criteria	Explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Drill Hole Data including: meta data, any gear left in the drill hole, lithological, mineral, survey, sampling, magnetic susceptibility was collected and entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet was combined into a master excel spreadsheet as the drill hole database. Assay data was provided by ALS via .csv spreadsheets. The data was validated using the results received from the known certified reference material. Hard copies of the assay certificates were stored with drill hole data such as drillers plods, invoices and hole planning documents.
	Discuss any adjustment to assay data.	Assay data is not adjusted.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars were located using hand held GPS to ±5m.
	Specification of the grid system used.	All coordinates are based on Map Grid Australia zone 55H
	Quality and adequacy of topographic control.	Topographic control was taken using a handheld GPS and is considered adequate.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The Tallebung results are exploratory in nature with piece points between 50m and 200m spacing within the mineralised structure.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not Applicable as no Resource Estimate has been completed
	Whether sample compositing has been applied.	Sample compositing is not applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling was orientated west to cross the interpreted, easterly dipping tin-lode mineralisation trend at moderate to high angles. The use of orientated core allows estimates of the true width and orientation of the mineralisation to be made.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sample bias due to drilling orientation is known.
Sample security	*The measures taken to ensure sample security.*	Sample chain of custody has been managed by the employees of Sky Metals who commissioned the drilling from the drilling rig to assay laboratory.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results - TALLEBUNG PROJECT

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Tallebung Project is described by NSW Exploration Licence 6699 The tenement is 100% owned by Stannum Pty Ltd, a 100% owned subsidiary of Big Sky Metals Pty Ltd. The Tallebung tenement is overlain by Native Title Determination Application No NC12/1 (Federal Court No NSD 415/12). A determination of extinguished native title was received over a portion of the Tallebung Tin Field.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Stannum Pty Ltd have previously commence a Right to Negotiate Process (RTN) with the claimant group with respect to Application No NC12/1 (Federal Court No NSD 415/12). These negotiations did not conclude. Stannum Pty Ltd has recently (June 2018) resubmitted a Native Title Clearance report to the NSW Dept of Planning.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Tallebung Project area was subject to a large, modern scale alluvial/colluvial mining by the Tullebong Tin Syndicate in the period 1963-1972. The Tullebong Syndicate completed a programme of 24 short diamond holes in 1968-69 designed to test the lode mineralisation at Tallebung. Pruessag completed a large-scale assessment of the alluvial tin deposits in 1984-85, including RC drilling, identifying the potential for a large, low grade alluvial deep lead. In recent exploration, YTC Resources (now Aurelia Metals Ltd) completed trenching, diamond drilling, aircore drilling of tailings, and resistivity geophysics (EH4) as the Tallebung tin field. YTC recognised the continued potential for both shallow high grade, and large scale low-grade 'porphyry-style- tin mineralisation.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Ordovician aged Tallebung Group sediments in the Tallebung Tin Field area outcrop as a sequence of weakly metamorphosed shales, siltstones, carbonaceous mudstones and minor quartz-rich sandstones. The rocks are tightly folded, striking NNW at around 330o with variable dips. The tin mineralisation is though to be sourced from the Silurian-aged Erimeran granite, which outcrops 2km south of the Tallebung Tin Field. The Tallebung Tin Field represents a site of significant tin and tungsten production from high grade, quartz lodes and their associated alluvial and deep lead deposits. The field has been worked sporadically from the discovery of lode tin in the 1890's, through to the large scale open cut mining of alluvial tin by the Tullabong Tin Syndicate in the period 1963 to 1971. The Tallebung Tin Field contains significant, tin bearing, unconsolidated sediments which are alluvial to elluvial in nature, poorly sorted and contain coarse bedrock fragments up to 15cm in a matrix of sandy/silty clay with some iron oxides and cemented layers. Sediment thickness varies from 5m to 36 metres. The east-trending, tin bearing leads and deep leads draining the Tallebung lode deposits are the dominant source of historic tin production from the field. The Tallebung site is now a large scale derelict mining environment with approximate 1.2km strike of shallow open cuts, large scale tailings dam and decaying mine site housing and infrastructure. The tin and tungsten bearing quartz reefs are located on the western edge of the worked out alluvial open pits. The lodes form a well-developed quartz vein stock work zone extending for approximately 1.2km on a 330o trend. Thicker quartz lodes >0.5m have been selectively exploited in historic shafts and shallow open cuts along the trend.

Criteria	Explanation	Commentary
Drillhole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	See table in appendix of ASX announcement, 22 November 2018.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable as drill hole information is included.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Where reported, drilling results from the Tallebung Project have been length weighted. Grades greater than 0.1% Sn have been used to calculate intercepts. No high cut-off has been applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Intercepts are length weighted with no cutting of grades. This may lead to elevation of intercept grades due to the presence of a narrow interval of high-grade material. Such high grade zones are reported as included intercepts inside the broader intercept.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalences quoted.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Orientated drill core used to allow determination of orientation of structures and mineralisation. Lode orientation of the Tallebung is well constrained by previous drilling and outcrop.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	See table in appendix of ASX announcement, 22 November 2018.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	See table in appendix of ASX announcement, 22 November 2018.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See body of announcement, appendix of ASX announcement, 22 November 2018.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	See table in appendix of ASX announcement, 22 November 2018.

Criteria	Explanation	Commentary
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	See body of announcement, appendix of ASX announcement, 22 November 2018.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	See body of announcement, appendix of ASX announcement, 22 November 2018.