ASX ANNOUNCEMENT

SKY METALS

25 MAY 2020

ASX: SKY

CULLARIN PROJECT – EXPLORATION UPDATE

- Follow up drill program at Hume Target well advanced with seven holes completed for 2,200m.
- High grade gold target - base metal sulphide mineralisation with silica-clay/sericite alteration - identified over 650m of strike.
- Refinement of the Hume geological model has identified proximity to the Hume Fault as a key to targeting high grade gold mineralisation.
- SKY drilling indicates mineralisation open to the south and north
- Assays received from the first follow up drillhole at Hume Target
  - **Hole HUD003: 20m @ 0.95 g/t gold from 37m including: 7.3m @ 2.08 g/t gold from 49.3m**
- New exploration licence pegged proximal to the Cullarin Project

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on diamond drilling at its Hume Target within the Cullarin Project near Goulburn in NSW (**Figure 9**).

SKY is systematically testing the high priority Hume Target at its Cullarin Gold Project. The program has been focussed on determining the controls and extensions of high grade gold mineralisation in HUD002 (93m @ 4.24g/t Au; ASX SKY 10 February 2020).

As the drilling program has progressed, the geological model for the Hume Target has steadily evolved. High grade gold mineralisation is interpreted to be hosted by pyrite and base metal sulphides associated with intense silica-clay/sericite alteration in close proximity to the Hume Fault (**Figure 2**). This favourable clay/sericite plus pyrite-base metal sulphide alteration zone has now been recognised over a strike length of ~650m.

SKY CEO Mark Arundell commented; "*The diamond drilling program in progress at the Hume Target has enabled SKY's geological team to rapidly determine the controls on high grade mineralisation This means SKY can more accurately site drillholes that will enhance the size, grade and thus value of the Hume Target. The scale of alteration and mineralisation observed is significant and SKY greatly anticipates the next round of assays.*"

CULLARIN PROJECT (SKY EARNING 80%)

Hume Target Diamond Drilling (Table 1)

Drillhole HUD003, located approximately 50m east of HUD002, was targeted to test the up dip extent of the mineralisation intersected in drillhole HUD002 (ASX SKY 10 February 2020). The hole was completed at 510.4m still within highly altered volcanics with sulphide mineralisation (**Figure 1 & Figure 2**). HUD003 intersected an altered volcanic package (silica-clay/white mica-sulphide) from 24m to the end of hole albeit not quite as intense as that noted in HUD002. Sulphides – primarily pyrite, sphalerite (zinc) and galena (lead) – are present throughout the drillhole as disseminations, veins and veinlets. Significant shallow gold mineralisation (**Table 2**) was encountered in a zone interpreted to be lateral to that encountered in HUD002 (**Figure 2**). Proximity to the Hume Fault appears to be a major control on high grade mineralisation (**Figure 2**). Only assay results for 0-260m of HUD003 have been received thus far - assays for the interval 260-510.4m are still pending.

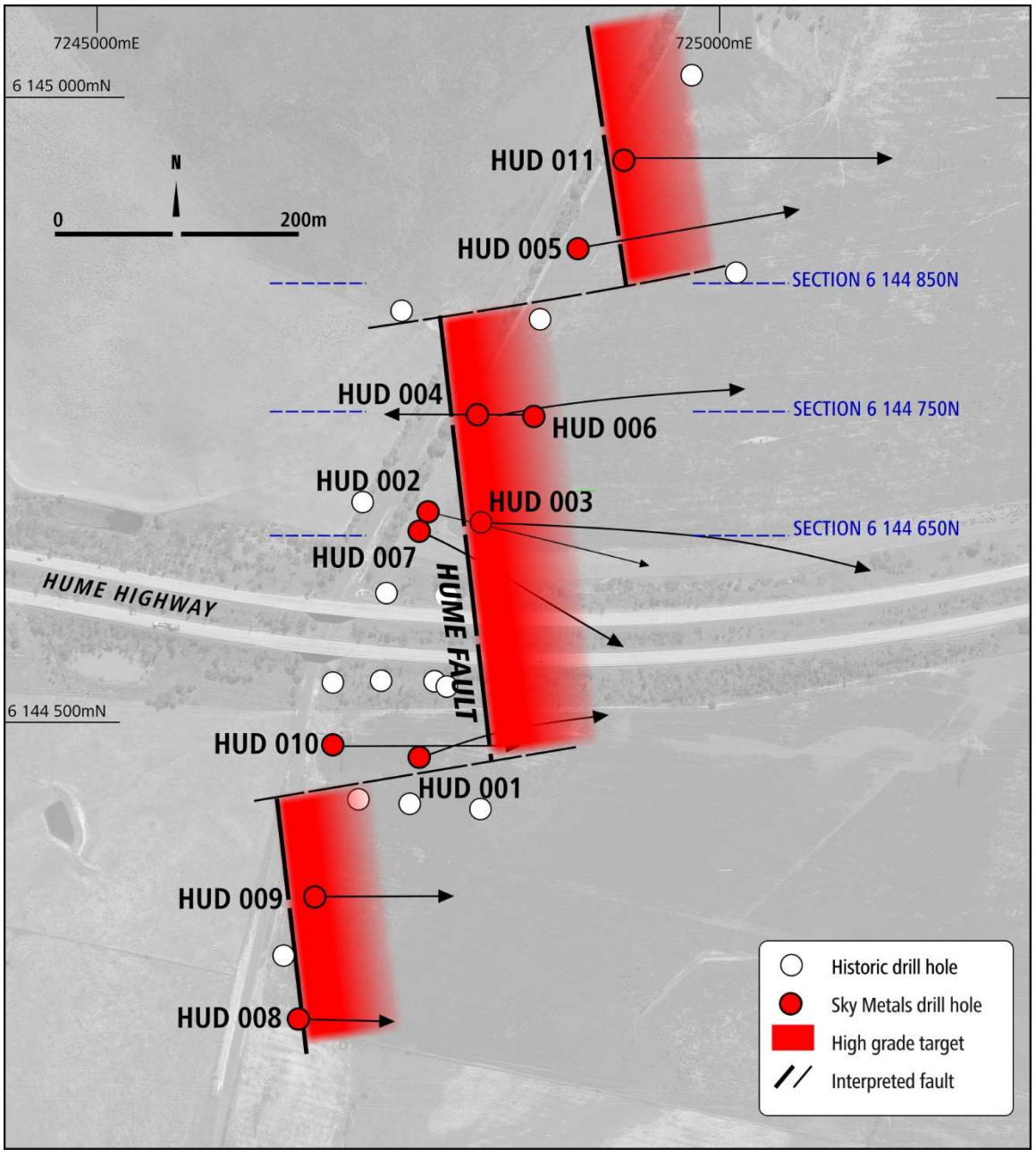

Figure 1 - Hume Target – Drillhole Locations

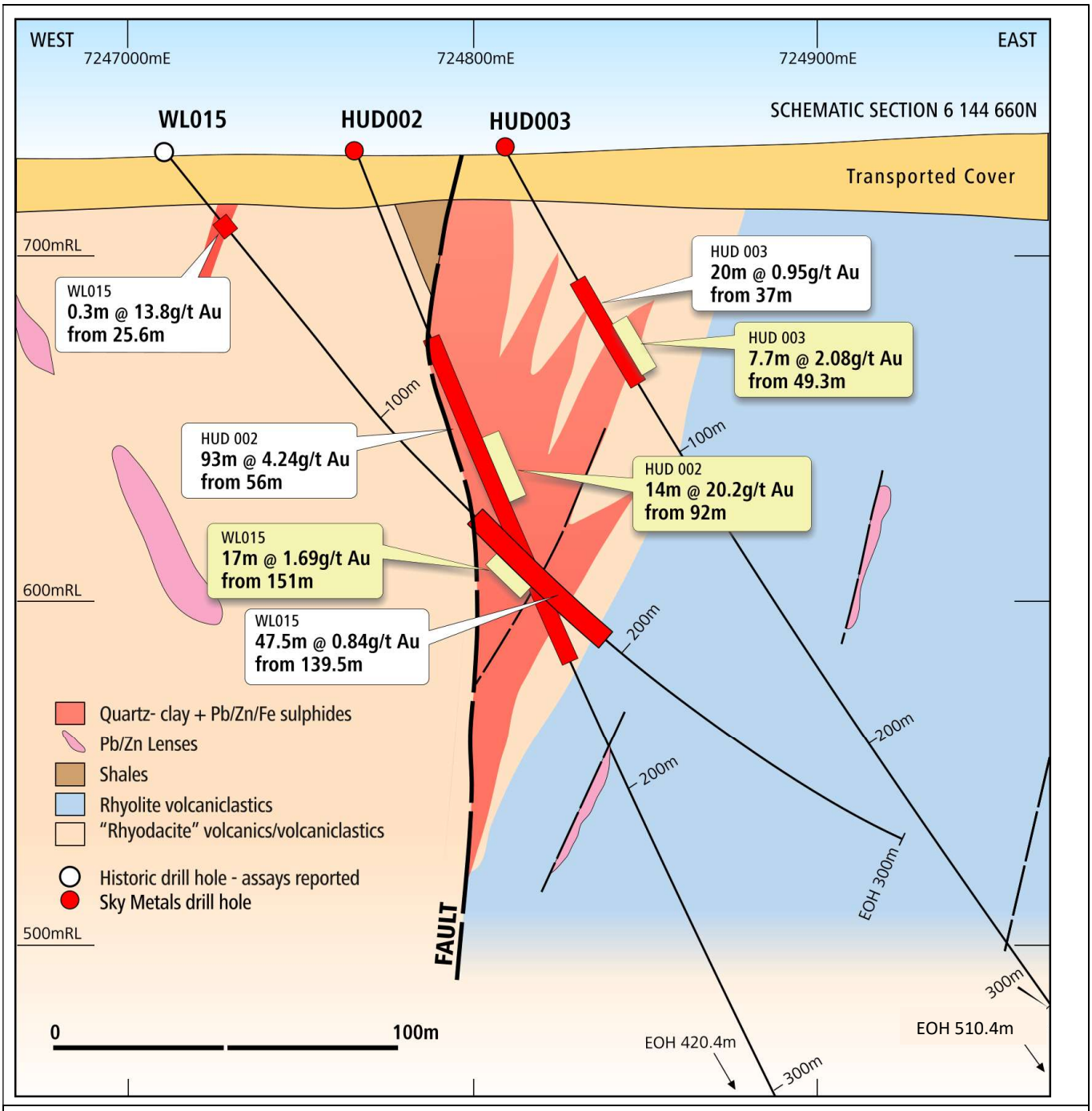

Figure 2 – Hume Target – Section 6,144,650N (schematic)

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HUD003	724810	6144660	729	-60	090	510.4	Completed
HUD004	724810	6144745	735	-60	090	378.6	Completed
HUD005	724885	6144880	729	-60	090	350	Completed
HUD006	724850	6144745	738	-60	270	230.9	Completed
HUD007	724760	6144655	729	-60	090	351.3	Completed
HUD008	724660	6144260	720	-60	090	157	Completed
HUD009	724670	6144360	718	-60	090	219.7	Completed
HUD010	724690	6144480	720	-60	090	300 (planned)	In Progress
HUD011	*724925*	*6144950*	*732*	*-60*	*090*	*400*	*Planned*

Table 1: Cullarin Project, Hume Target. Drillhole locations (approximate)

Hole ID	From	To	Interval	Au	Cu	Pb	Zn	Ag	Comment
	(m)	(m)	(m)	g/t	%	%	%	g/t	
HUD003	24.4	148	123.6	0.32		0.16	0.26	2	
inc.	**37**	**57**	**20**	**0.95**	**-**	**0.30**	**0.54**	**3**	
inc.	**49.3**	**57**	**7.3**	**2.08**		**0.50**	**1.04**	**4**	
and	89.7	93	3.3	0.98	-	0.11	0.26	2	
and	226	260	34#	0.14	-	0.06	0.11	2	# -incomplete interval

Table 2: Cullarin Project, Hume Target. Significant (**bold**) and anomalous drillhole intersections

Drillhole **HUD004**, located approximately 90m north of HUD002, was targeted as the first hole to test the northern strike of the mineralisation intersected in drillhole HUD002 (**Figure 1**). As in HUD003, drillhole HUD004 intersected a strongly altered volcanic package (silica-sericite-sulphide) from 26m to the end of hole. Sulphides – primarily pyrite, sphalerite (zinc) and galena (lead) – are present throughout the drillhole as disseminations, veins and veinlets. Overall, it is considered that the alteration noted in HUD004 is similar to that that recorded from HUD003 but likely the hole was collared too far east to intersect the Hume Fault and thus the high grade mineralised zone of HUD002 (**Figure 3**). Assay results are pending.

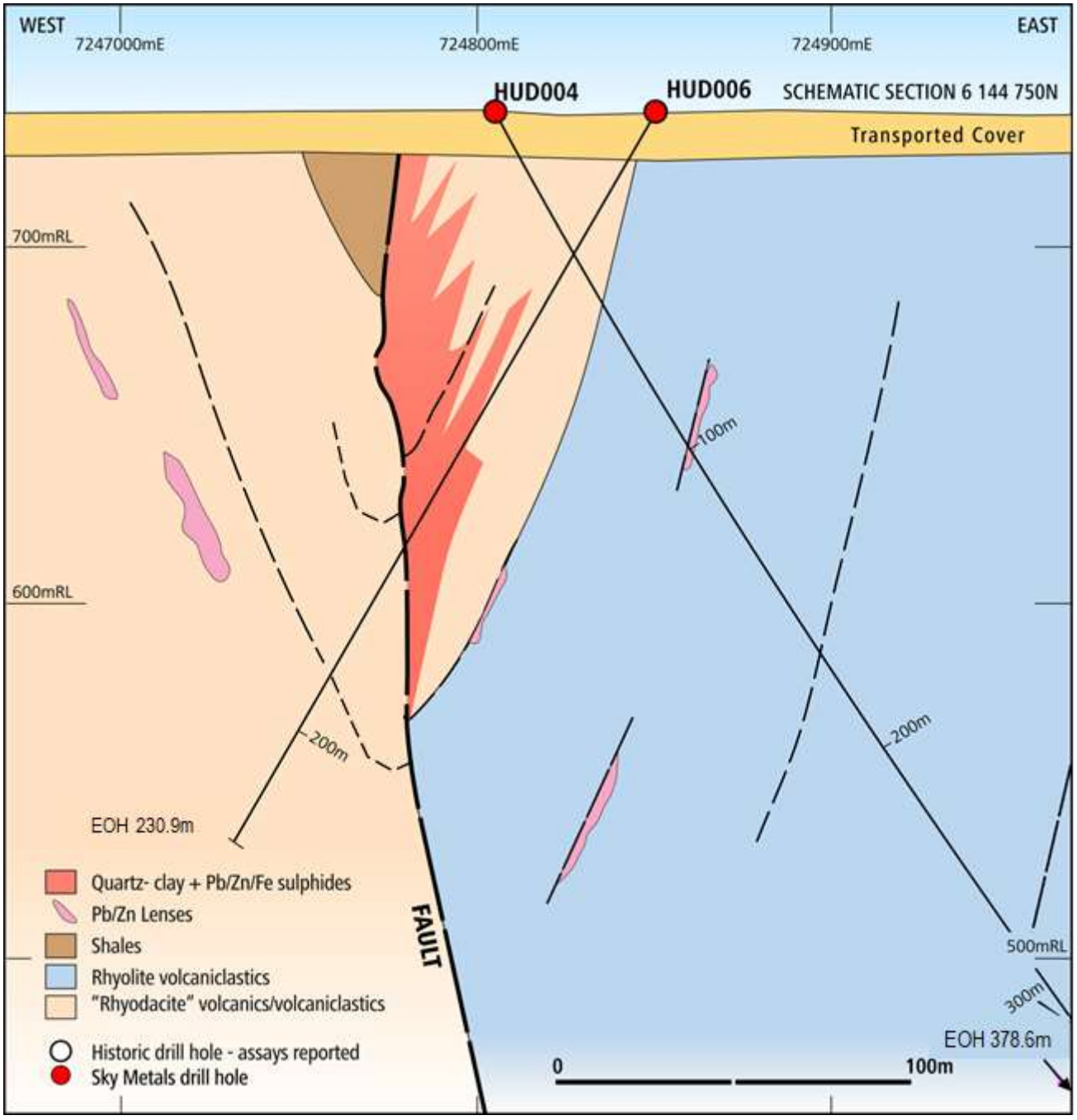

Figure 3 – Hume Target – Section 6,144,750N (schematic)

Drillhole **HUD005**, located approximately 250m north of HUD002, was a step out hole to test the northern strike of the HUD002 mineralisation (**Figure 1**). The intensity of alteration (silica-clay-sulphide) noted in HUD005 (**Figure 5**) was greater than that of HUD003 & HUD004, particularly in the interval 40-120m, and base metal sulphide mineralisation was noticeably stronger (**Figure 4**). The hole intersected the interpreted position of the Hume Fault at 40m (**Figure 6**). Assay results are pending.

Figure 4 – HUD005 – 50m – Quartz-galena-sphalerite vein

Figure 5 – HUD005 – 58m – Massive pyrite

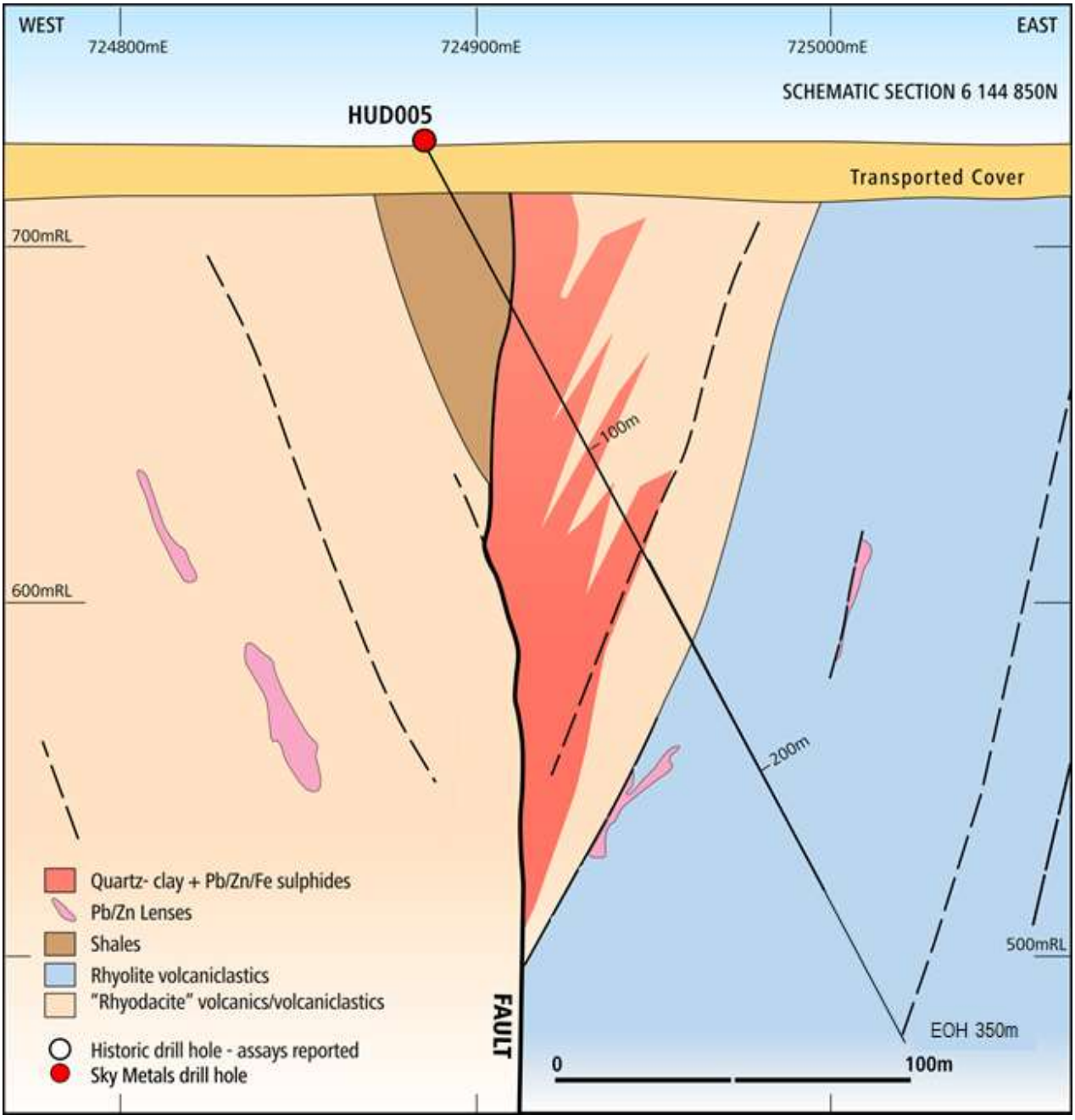

Figure 6 – Hume Target – Section 6,144,850N (schematic)

Drillhole **HUD006**, located approximately 120m north-east of HUD002, was targeted as a scissor hole for HUD004 to intersect the Hume Fault position west of HUD004 (**Figure 1** & **Figure 3**). The fault was interpreted to occur at 150m and was intersected at 148.3m validating the interpretation. Base metal sulphide vein direction was noted to occur sub-parallel to the core axis verifying the interpreted dip of these veins (**Figure 7**). Assay results are pending.

Figure 7 – HUD006 – 212m – Quartz-base metal vein

Figure 8 – HUD007 – 87m – Quartz-sphalerite vein

Drillhole **HUD007**, located approximately 15m south of HUD002, was drilled to the south-east in order to confirm drill results from historic holes to the south as well as provide replication of the strongly mineralised intervals of poor recovery in HUD002 (**Figure 1**). As anticipated, the hole intersected a zone of intense clay/sericite alteration with associated base metal sulphide mineralisation (**Figure 8**) from ~50-120m downhole. Drill core recoveries through this interval averaged >95%. Assay results are pending.

As results were being interpreted for the drillholes north of the highway, a review of historic drilling south of the highway revealed that HUD001 had likely drilled to the east of the strike of HUD002 mineralisation. Also, it was considered that there was potential to extent the mineralised zone to the south of the current drilling and there were a number of areas where drill coverage was inadequate.

Drillhole **HUD008**, located approximately 400m south of HUD002, was targeted as the first hole to test the southern strike extent of the Hume mineralisation (**Figure 1**). HUD008 intersected an intensely altered volcanic package (silica-sericite-sulphide) from near surface to ~100m downhole depth where a fault was intersected, and the hole passed into unmineralized footwall units. Of note, this hole now proves that the Hume mineralisation has not been closed off to the south. Assay results are pending.

Drillhole **HUD009**, located approximately 300m south of HUD002, was targeted to test the mineralisation unit between HUD001 and HUD008 (**Figure 1**). HUD009 intersected an intensely altered volcanic package (silica-sericite-sulphide) from near surface to ~150m downhole depth where the fault in HUD008 was intersected and the hole passed into unmineralized footwall units. Assay results are pending.

Drillhole **HUD010**, located approximately 200m south of HUD002 and currently in progress, has been targeted to test the down dip extent of the mineralisation intersected in HUD001 (**Figure 1**).

Planned drillhole **HUD011**, located approximately 325m north of HUD002, has been targeted to test the strike extent of the intense alteration and base metal mineralisation intersected in HUD005 (**Figure 1**).

Once all assays results from the Hume program have been received and collated, SKY will look to increase to a multi drill rig program to rapidly advance assessment of the potential of the Hume Target.

Hume Target Historic Core Sampling

Sampling of historic diamond core holes at the NSW Government drillcore library was suspended when the library was closed in late March. SKY intends to resume this work as soon as the core library re-opens.

TIRRANA PROJECT (SKY 100%)

As part of a regional review of the Cullarin area for McPhillamys-style gold mineralisation, SKY identified an area on open ground to the south-east of the Cullarin project that satisfied a number of the key McPhillamys criteria. SKY has thus applied for an exploration licence (ELA5968) to cover this highly prospective area (**Figure 9**).

COVID-19: Through its exploration procedures SKY maintains a clear focus on protecting the health and wellbeing of our staff, contractors, landholders and other stakeholders. All planned work is subject to advice on any restrictions on normal business activities associated with COVID-19 imposed by the Australian and/or NSW governments. Being locally based SKY is in a unique position to be able to advance its projects at this time.

This announcement is authorised for release by SKY's Board of Directors.

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 gold and tin market in the world class mining jurisdiction of NSW.

GOLD PROJECTS

SKYs emerging gold exploration strategy leverages the SKY exploration team's significant combined experience during the early stages of the McPhillamys gold discovery (60Mt @ 1.05g/t Au for 2.03MOz, NPV of ~ $800M @$1800/oz, Regis Resources Ltd 2017). The McPhillamys mineralisation represents a distinct and economically important gold target style in NSW. The McPhillamys Gold Deposit was discovered in 2006 during the Alkane/Newmont 'Orange District Exploration Joint Venture' and is currently being advanced by Regis Resources Ltd, with a proposed 7Mt/annum mining operation (ASX RRL 8 September 2017).

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

Under the HRR farm-in, SKY may earn up to 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, and 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 (multielement pathfinders), geophysical (magnetics, radiometrics & IP) and alteration (white mica) signature. SKY's maiden drill programme to follow up this historical work has been very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

MYLORA / CALEDONIAN / TIRRANA PROJECTS (EL8915, EL8920, ELA5968 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 Costeaning: 81m @ 0.87g/t Au in a costean on EL8920 at the Caledonian Prospect, Caledonian Project. At the Caledonian Prospect, the distribution of multiple historic drill intersections indicates a potentially large mineralised 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

TIN PROJECTS

TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located approximately 70km north-west of Condobolin 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 approximately 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).

Figure 9: SKY Location Map

SKY METALS

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mark Arundell, who is a Member of the Australasian Institute of Geoscientists (AIG) and CEO of Sky Metals Ltd. Mr Arundell 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 Arundell 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

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 –CULLARIN PROJECT

(Criteria in this section apply to all succeeding sections)

Criteria	Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Drill core sampling is by sawn half core PQ & HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m. All samples were submitted to ALS 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.*	Assay standards or blanks are inserted at least every 30 samples for diamond drill core. All sample weights show consistency with core recovery and interval length.
	• *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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Each sample was dried, crushed and pulverised as per standard industry practice. 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 90% passing 75 microns. The primary metal of interest, Gold (Au) was determined by 50g fire assay (method Au-AA26) with a detection limit 0.01ppm. Multielement assaying was completed for 48 elements by 0.25g four-acid digest with ICPMS determination (method ME-ICP61).
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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)*	Diamond Drilling completed using PQ core until fresh rock is reached then HQ coring. Core orientation was completed where possible
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed*	Diamond drill core recovery recorded against intervals drilled as part of geotechnical logging to determine recovery. Recoveries are generally greater than 95% once in fresh rock.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples*	Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core 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*	There is no known relationship between sample recovery and grade. Where samples recoveries are less than 95% there is no relationship observed between grade and sample recovery. Relationships between sample recovery and grade are not considered significant where recoveries exceeded 95% in fresh rock.

Criteria	Explanation	Commentary
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 by NBH and their joint venture partners when the holes were originally drilled. 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.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*	Both qualitative and quantitative data is collected. Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference.
	• *The total length and percentage of the relevant intersections logged*	All core were geologically and geotechnically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken*	Diamond drilling - core was sawn with half core (HQ) or quarter core (PQ) 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.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry*	Not applicable for core drilling reported.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique*	Core samples were dried crushed and pulverised to 90% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.
	• *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 30 samples to assess the accuracy and reproducibility of the drill core results. Standards and field duplicates were used at least every 50 samples for soil sampling. 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 multielement assay.
	• *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 HQ and ¼ for PQ generally in down hole intervals of 1m, however, intervals can range from 0.3-2.0m. This is considered representative of the in-situ material. The sample was crushed and pulverised to 90% 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 sizes are industry standard and considered appropriate
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. Gold (Au) was determined by 50g fire assay (method Au-AA26) with a detection limit 0.01ppm for drill core and soils samples were determined by 30g fire assay for trace Au with Au-AA21 with a detection limit of 0.002ppm. Multielement assaying for both drill core and soil samples was completed for 48 elements by 30g four-acid total digest with ICPMS determination (method ME-ICP61).

Criteria	Explanation	Commentary
	• *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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established*	Certified reference material or blanks were inserted at least every 30 samples and every 50 samples in soil samples alternating with field duplicates. 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, low grade and trace ranges of elements, with a primary focus on gold.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Drill data is compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary. The intersection calculations were viewed by >1 geological personnel.
	• *The use of twinned holes.*	Twinned holes have not been used in the drilling.
	• *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 stored as physical and electronic copies or 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.*	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. Conversion of the local grid co-ordinates has been undertaken by previous exploration companies. SKY has used DGPS surveying of its drillholes (± 0.1m).
	• *Specification of the grid system used*	All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
	• *Quality and adequacy of topographic control*	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. SKY drill hole collars were located using DGPS surveying (± 0.1m)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results*	At this early exploration stage, the data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.
	• *Data spacing for reporting of Exploration Results 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.

Criteria	Explanation	Commentary
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 east to cross the interpreted, steeply westerly dipping 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 sampling bias, this should be assessed and reported if material*	No sample bias due to drilling orientation is known. However, the potential for bias is being investigated by the current drilling campaign
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. All samples are bagged in tied numbered calico bags, grouped into larger tied polyweave bags or placed in a stillage box and transported to ALS in Orange by SKY personnel. All sample submissions are documented via ALS tracking system and all assays are reported via email. Sample pulps are returned to site and stored for an appropriate length of time (minimum 3 years). The Company has in place protocols to ensure data security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary.

Section 2 Reporting of Exploration Results - CULLARIN PROJECT
(Criteria listed in the preceding section also apply to this section)

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 Cullarin Project is described by NSW Exploration Licence 7954. The tenement is 100% owned by Tarago Exploration Pty Ltd, a 100% owned subsidiary of Heron Resources Ltd. This licence is one of three under the HRR-SKY JV with Sky Metals Ltd to earn an 80% interest the JV tenements following a farm-in expenditure of $2,000,000 within 36 months. See SKY ASX announcement 9 October 2019 for more details.
	• *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*	All exploration licences are in good standing. EL7954 expires on 19 June 2022.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties*	Significant exploration was carried out initially interested in base metals and shifting to gold in the 1980s with the Hume prospect identified as a Au-rich VMS system with similarities to the Henty Mine in western Tasmania. Shallow diamond drilling at the Hume prospect identified broad low-grade Au mineralisation including high grade zones suitable for underground mining before the 1990s. From the 1990s a period of exploration for largely intrusion-related deposit styles commenced and included the re-assay of historic drill core and collation of previous exploration data.

Criteria	Explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation*	Mineralisation at the Hume prospect is associated with sulphide-rich and intensely silica-sericite altered horizons hosted in a late Silurian volcaniclastic sequence interpreted to be equivalent to the stratigraphy to that which hosts the McPhillamys deposit near Blaney NSW. This stratigraphy is likely to represent basin opening of the Hill End Trough. The mineralisation is interpreted as Au-rich VMS with similarities to the Henty Mine in western Tasmania and the McPhillamys deposit in NSW. Gold mineralisation appears to be coincident with Zn, Pb, Cu and Ag mineralisation.
Drill hole 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 body of announcement.
	• *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 (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Where reported, drilling results from the Cullarin Project have been length weighted. Grades greater than 0.1g/t Au 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-* - *if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *if it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Orientated drill core has been used by SKY to allow determination of orientation of structures and mineralisation. Orientation of the mineralisation and structural trends is constrained by previous drilling and outcrop though true widths are not yet estimated as there is insufficient data at this stage of exploration. Limited structural data can be
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.

Criteria	Explanation	Commentary
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.
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.*	See body of announcement
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further drill testing to assess the scale and grade of the mineralisation is planned along with investigation of related targets.
	• *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.