



SKY METALS

SKY - EXPLORATION UPDATE - SEPTEMBER 2020
AGGRESSIVE DRILL-FOCUSSED EXPLORATION ACROSS GOLD & COPPER-GOLD PORTFOLIO

DISCLAIMER - IMPORTANT INFORMATION

Disclaimer

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including risks associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of gold, copper and base metals, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation Materials. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Commonwealth of Australia)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it. Post 1989, exploration results detailed in this presentation have previously been reported to the ASX or in the independent geologist report contained in the Prospectus lodged on 18 April 2019. References to metal endowments are current to January 2017. Endowment = current resource plus production. Coordinate system on maps is MGA94 Zone55 unless otherwise stated.

The results include historical pre-1989 exploration results. The exploration activity at the HRR JV was undertaken from 1985-1987 (pre-JORC) by Electrolytic Zinc Company Ltd. These Historical Estimates do not use a category of mineralisation defined in the JORC code. As per ASX requirements for reporting pre-1989 historical data, SKY notes that the results are not reported in accordance with the JORC Code 2012; a competent person has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012; it is possible that following further evaluation and/or exploration work that the confidence in the prior reported exploration results may be reduced when reported under the JORC Code 2012; that nothing has come to the attention of SKY that questions the accuracy or reliability of the former owners exploration results, but SKY has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results. The levels of gold reported, from past drilling activity, is a key factor in guiding SKY's exploration strategy in relation to these projects. The previous drilling activity, which produced these results, involved multiple diamond drillholes and check assaying, providing SKY confidence that the results are reliable, relevant and an accurate representation of the available data and studies undertaken by previous exploration activity. Drilling was based on follow-up of robust, coincident IP chargeability and zinc-lead-copper soil anomalism. Proposed verification work includes further drilling and resampling of historical drillcore which SKY expects to undertake in 2019 using existing funds. Relevant original exploration reports are referenced and can be found at <http://skymetals.com.au/index.cfm/investors/reports-and-presentations/technical-reports/>.

Competent Persons Statement

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

SKY – INVESTMENT OPPORTUNITY

HIGH VALUE OPPORTUNITIES IN THE WORLD CLASS LACHLAN OROGEN

TARGET CRITERIA

- **Shallow**, high grade, low cost Gold and Copper-Gold in NSW
- Drill ready targets
- Known pedigree
- Proven path to development

TEAM

- Mine finders, developers and explorers
- Locally based - intimate knowledge of geology and regulatory environment
- Significant management equity

REGIONAL ACTIVITY

MAJOR PRODUCING MINES

- *Newcrest, Cadia Valley* >52 Moz Au / 8.7 Mt Cu / 69 Moz Ag (Newcrest 2018)
- *Evolution, Cowal* >11 Moz Au (Evolution 2018)
- *CMOC, Northparkes* >4 Moz Au, 3.4Mt Cu (CMOC 2018)

MAJORS ACTIVE

- Newmont
- FMG
- Sandfire

RECENT DISCOVERIES

- Boda Porphyry (ASX ALK 9 Sept 2019)
- Tomingley REPSA (ASX ALK 11 July 2018)
- Federation (ASX AMI 6 May 2019)



SKY METALS AT A GLANCE

CAPITAL STRUCTURE

Shares on issue	304.9M
Options & Performance Rights	41.3M
Share price (24 September 2020)	\$0.13
Market capitalisation	~\$40M
Est Cash (22 September 2020)	\$9.4M
Debt	Nil

BOARD & MANAGEMENT

Norm Seckold	Chairman
Mark Arundell	CEO
Richard Hill	Non-Executive Director
Rimas Kairaitis	Non-Executive Director
Richard Willson	Company Secretary

SHAREHOLDERS

Aurelia Metals	6.1%
Board and Management	10%
Top 20 holders	40.4%



NORMAN SECKOLD – Chairman

30+ years in the full-time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver, Kings Minerals NL, Mogul Mining NL and Gold Corp. Currently Chairman of Santana Minerals Limited and Alpha HPA Ltd and Deputy Chairman of Nickel Mines Limited.



RIMAS KAIRAITIS – Non-Executive Director

25+ years experience in minerals exploration and resource development in gold, base metals and industrial minerals. In his most recent role, Mr Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer. Mr Kairaitis is also the Managing Director of Alpha HPA Limited.



MARK ARUNDELL – CEO

30+ years experience in mineral exploration, mining, mining project assessment and equity capital markets. Mr Arundell has extensive experience in gold and base metals, with deep and relevant experience in NSW across porphyry copper-gold and orogenic gold exploration. Mr Arundell's background includes senior roles with RGC, North Ltd and Rio Tinto operating across WA, NSW and internationally.



RICHARD HILL – Non-Executive Director

25+ years experience in the mineral resources sector as a geologist and solicitor. Mr Hill has a successful track record of guiding ASX listed mining companies from the exploration and discovery phase through to development in a range of commodities. These have included past roles as founding Director for Aurelia Metals Ltd, Strandline Resources Ltd and as Chairman of Genesis Minerals Ltd as well as current Chairman of New World Resources.

SKY'S STRATEGY

MULTI DRILL RIG PROGRAM ACROSS PORTFOLIO FOR NEXT SIX MONTHS

■ Shallow, large scale, McPhillamys-Style Gold & Copper-Gold

GOLD



- *Cullarin Project* (80% SKY - Heron JV), Hume Target.
 - SKY: 93m @ 4.24g/t Au from 56m inc. 14m @ 20.2g/t Au from 92m
 - Four new McPhillamys style targets to be tested
 - SKY RC & diamond drilling in progress
- *Caledonian Project* (100% SKY), Caledonian Target
 - MUM-2: 19.1m @ 1.79g/t Au from 1.7m to EOH
 - SKY RC drilling Q4 2020

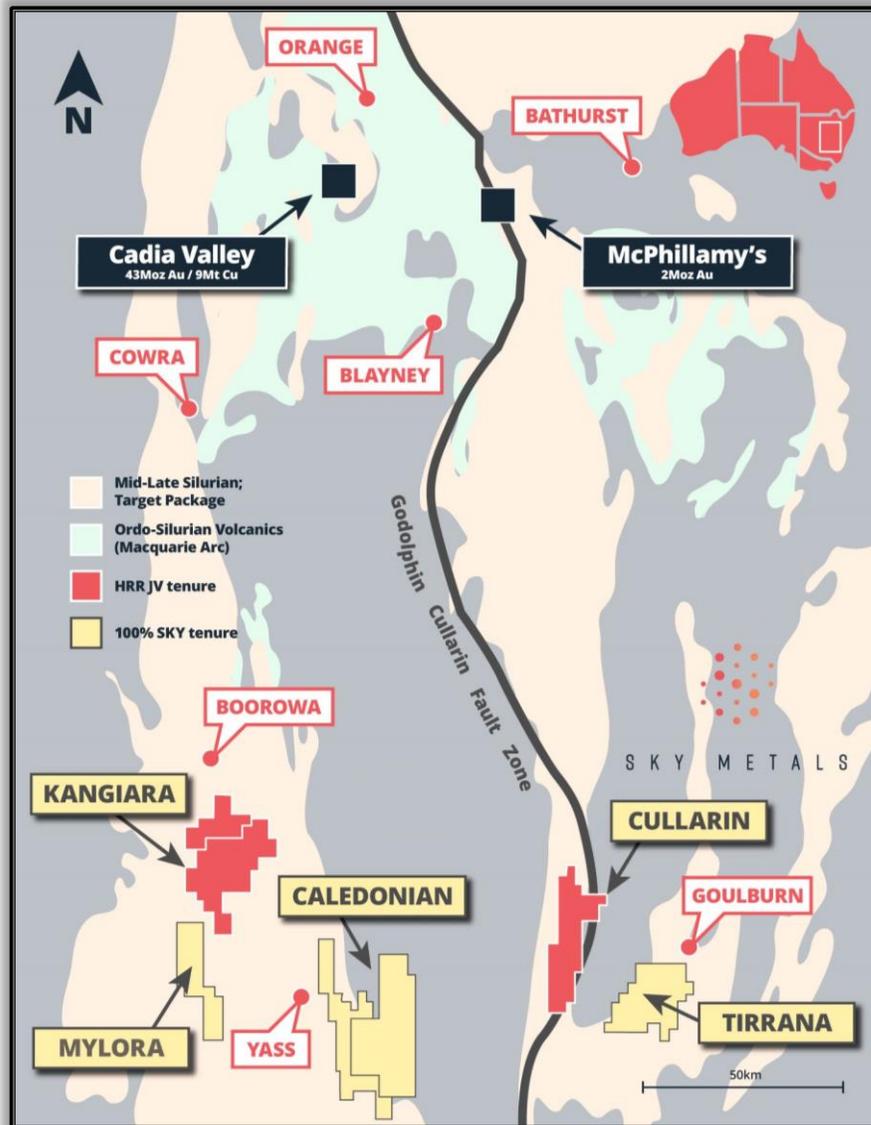
COPPER-GOLD



- *Galwadgere Project* (Alkane Option)
 - ALK drilling: 13m @ 1.56% Cu & 4.48 g/t Au from 37m
 - SKY RC & diamond drilling Q4 2020
- *Iron Duke Project* (EL 6064; Balmain Option)
 - KBL drilling: 13m @ 1.56% Cu & 4.48 g/t Au from 37m
 - SKY RC & diamond drilling Q1 2021



SKY - GOLD STRATEGY



TARGETING HIGH VALUE MCPHILLAMYS STYLE GOLD

UNDEREXPLORED / HIGH VALUE EXPLORATION OPPORTUNITY IN NEW SOUTH WALES

- McPhillamys Deposit, 69Mt @ 1.04g/t Au (+2Moz)
- Purchased Regis Resources Ltd (2012) for ~\$150M, NPV @ A\$1800/oz ~A\$800M (Regis 2017)

STRATEGY LEVERAGES THE SKY TEAM'S EXPERIENCE

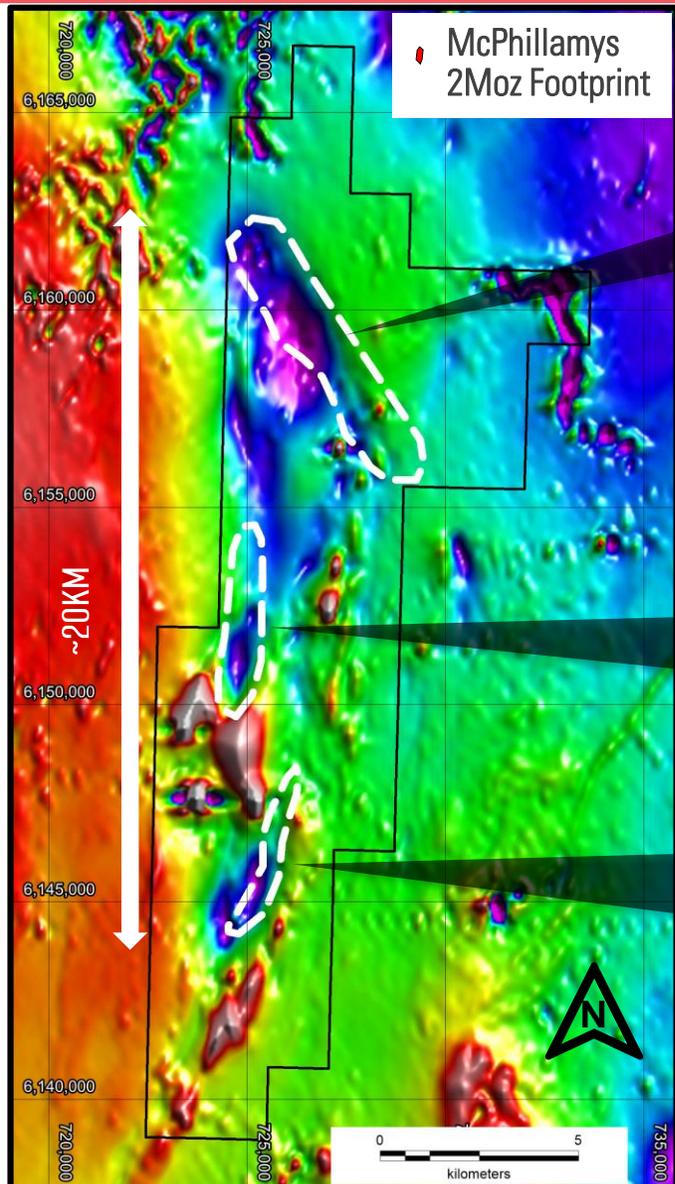
- Rimas Kairaitis experience during the initial discovery of the McPhillamys Gold Deposit.
- Mark Arundell - 20+ years experience operating in NSW in particular McPhillamys gold projects including Oakland Resources Ltd

FARM-IN AGREEMENT WITH HERON RESOURCES (ASX:HRR)

- Cullarín / Kangiara JV - SKY 80%
- Previous exploration held a strong base-metal focus – McPhillamys-style gold unrecognised
- High grade mineralisation discovered & currently drilling

CALEDONIAN / MYLORA / TIRRANA PROJECTS (SKY 100%)

- Caledonian – Drill test Q4



McPhillamys
2Moz Footprint

Gurrundah Target

Coincident - IP chargeability, low magnetics, pathfinder soil geochem, target stratigraphy
SOIL SAMPLING Q4

Hamilton Target

Coincident - IP chargeability, K radiometrics, low magnetics, Au & pathfinder soil geochem, target stratigraphy
DRILL TESTING Q4

Hume Target

Coincident - IP chargeability, K radiometrics, low magnetics, Au & pathfinder soil geochem, target stratigraphy, significant drill intersections
CURRENTLY DRILL TESTING

KEY MCPHILLAMYS CRITERIA SATISFIED OVER 20KM

EQUIVALENT HOST STRATIGRAPHY ✓

Right rocks, stratigraphy

SURFACE GEOCHEMICAL SIGNATURE ✓

Right multi-element geochemical pathfinder signature

GEOPHYSICAL SIGNATURE ✓

Right IP chargeability, magnetic response, K radiometrics

ALTERATION SIGNATURE ✓

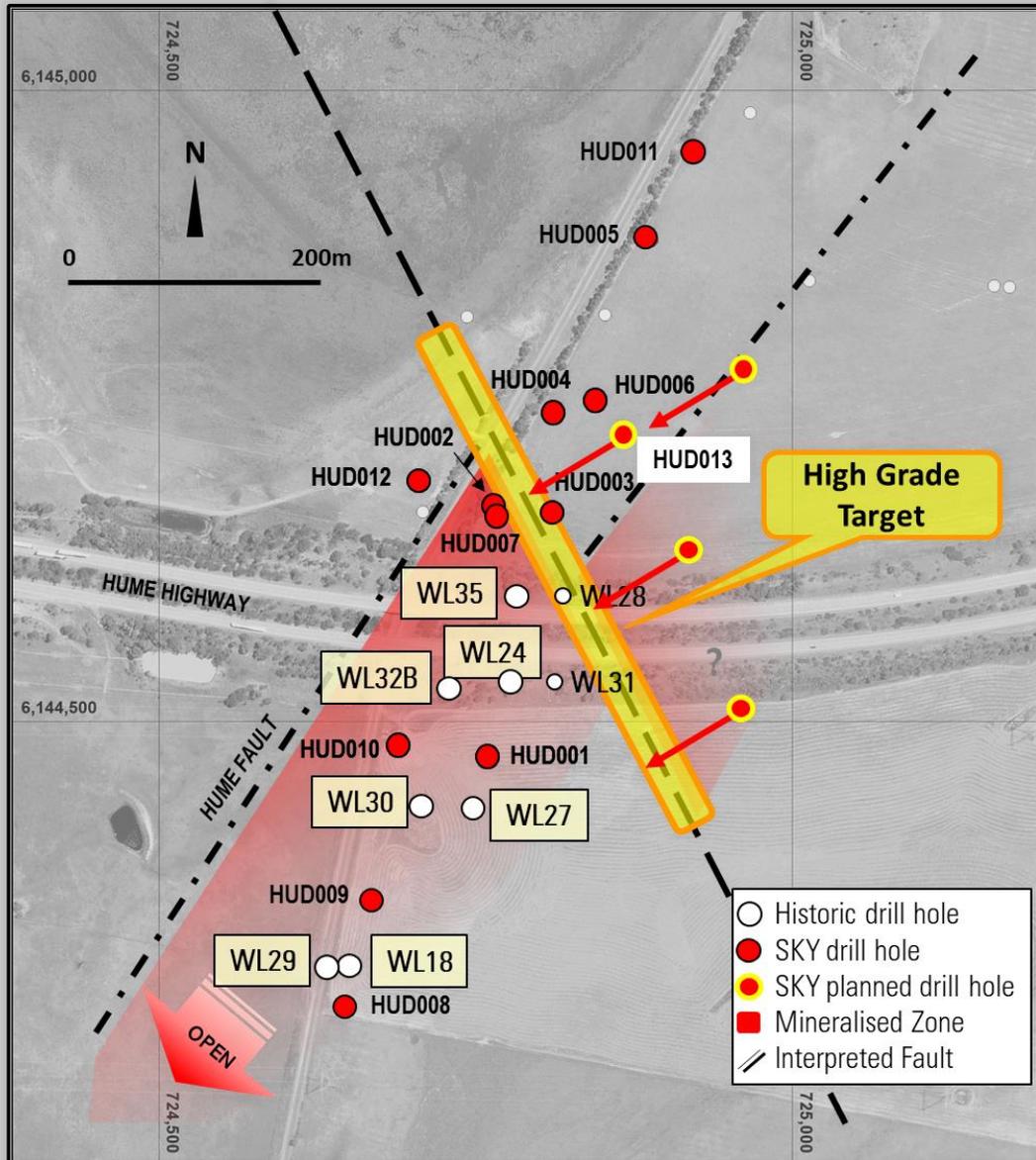
Right alteration and mineralogy

EXISTING DRILL INTERSECTIONS ✓

Hume Target

SKY: HUD002: 93m @ 4.24g/t Au from 56m inc. **14m @ 20.2g/t Au from 92m**
 WL28: 142.1m @ 0.89 g/t Au inc. **12m @ 4.4 g/t Au from 25.9m**
 WL31: 148.4m @ 0.97 g/t Au inc. **14.6m @ 5.1 g/t Au from 16.2m**

20KM PROSPECTIVE CORRIDOR IDENTIFIED



HUME TARGET (SKY 80%)

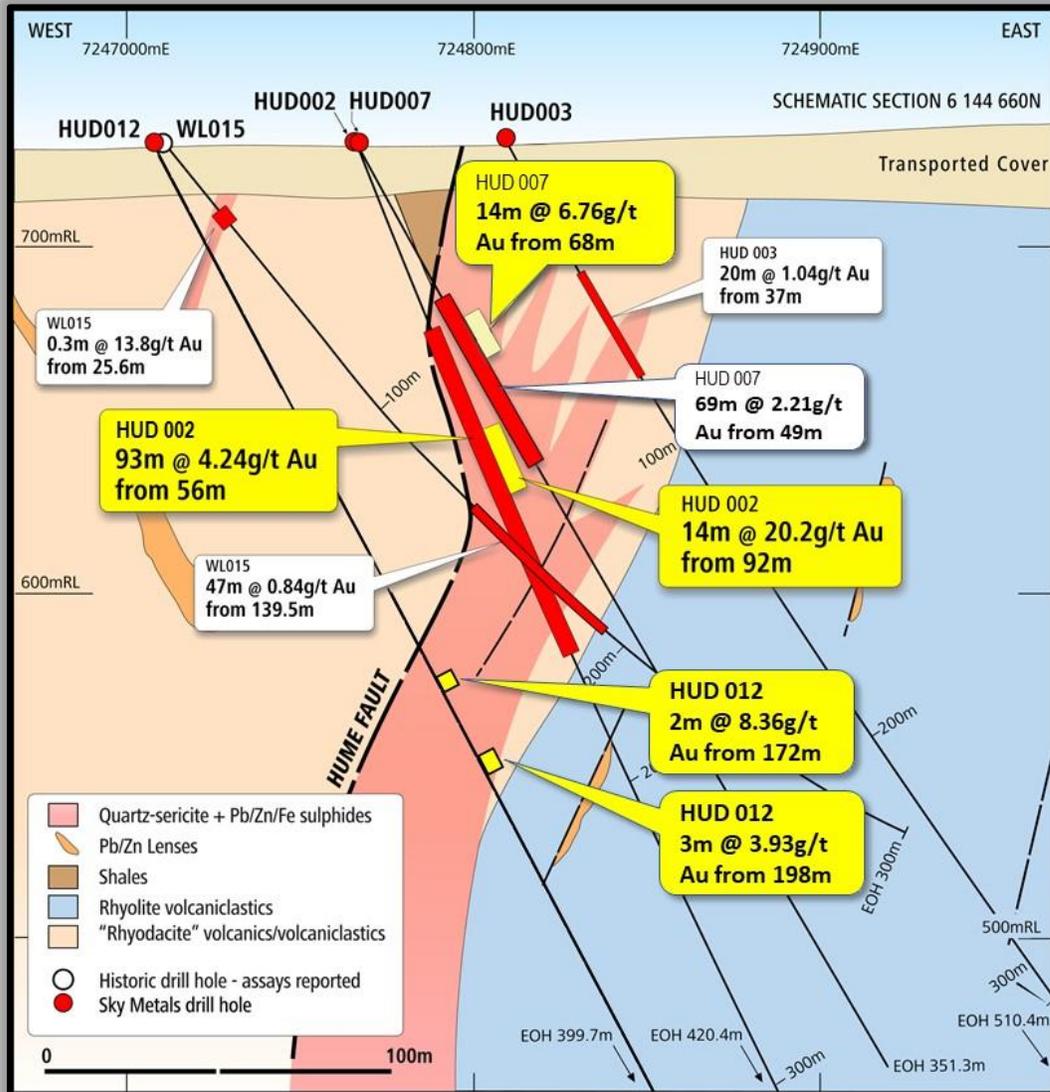
- SKY's previous drilling program identified high grade gold zone intersected in HUD002 is associated with NW trending structure
 - Now targeting strike and depth extensions
- In addition
 - Mineralisation identified in HUD008 open to the south
- Historic drill holes – NSW Core library
 - Re-sampling confirmed high grade zone
 - WL28: 4m @ 7.15g/t Au from 32m
 - WL31: 7m @ 5.14g/t Au from 23.8m
- Follow up diamond drill campaign in progress

HIGH GRADE POTENTIAL

CULLARIN PROJECT

DISCOVERING HIGH VALUE MCPHILLAMYS STYLE GOLD

ASX: SKY



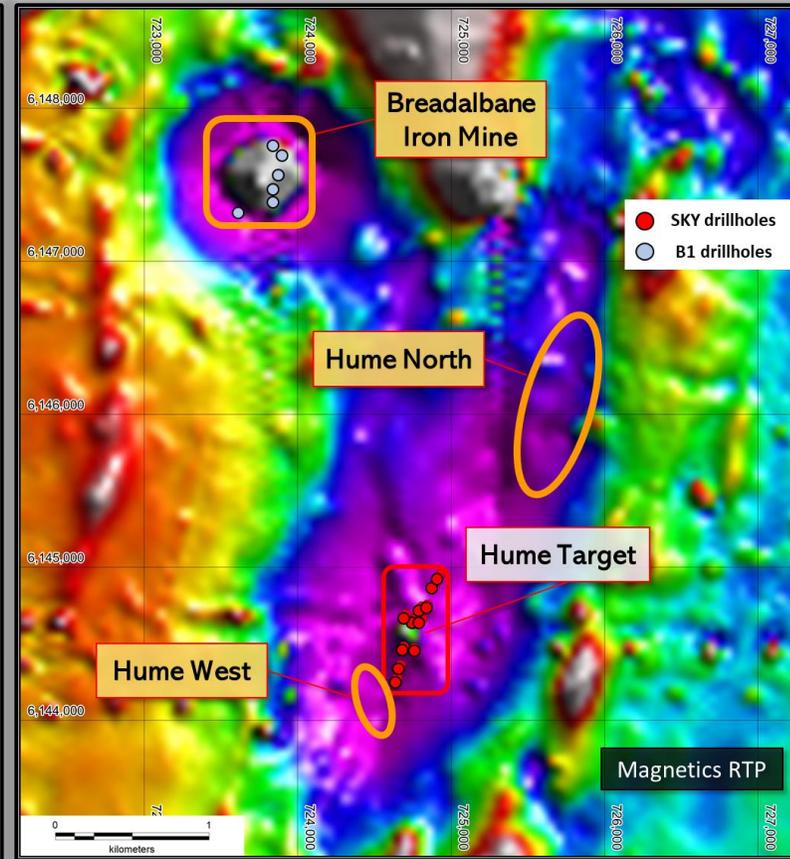
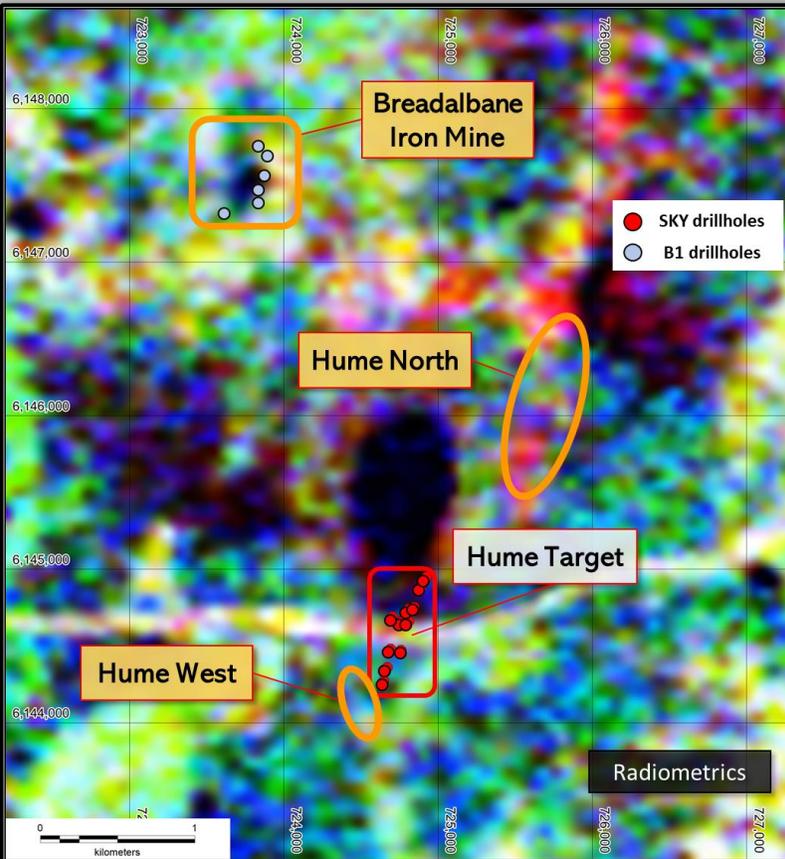
- ◆ HUD002: 93m @ 4.24 g/t gold from 56m (66% recovery) including:
14m @ 20.2 g/t gold from 92m (63% core recovery)
- ◆ HUD007: 69m @ 2.21g/t gold from 49m, including
14m @ 6.76g/t gold from 68m
- ◆ WL28: 134.1m @ 1.10g/t gold from 25.9m, including
4m @ 7.15g/t gold from 32m
- ◆ HUD001: 54m @ 0.84g/t gold from 116m, including
5m @ 5.76g/t gold from 128m
- ◆ Drilling indicates mineralisation open at depth and to the south
- ◆ Four new SKY gold soil targets – drilling & core sampling in progress



HUME TARGET AREA (SKY 80%)

- Potassium radiometrics indicated targeted footwall alteration trending NNE away from high grade HUD002
- **Hume North** - McPhillamys pathfinder geochemical soil anomaly
 - RC drilling ~40% completed
- **Breadalbane Iron Mine** – gold soil anomaly
 - Six historic diamond drillholes sampled
 - Assays pending
- **Hume West** - McPhillamys pathfinder geochemical soil anomaly
 - +400m long gold soil anomaly
 - Drill test planned Q4

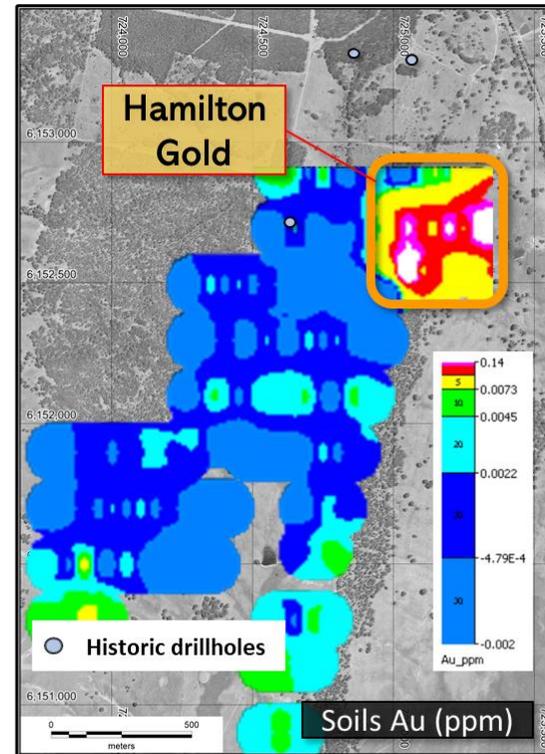
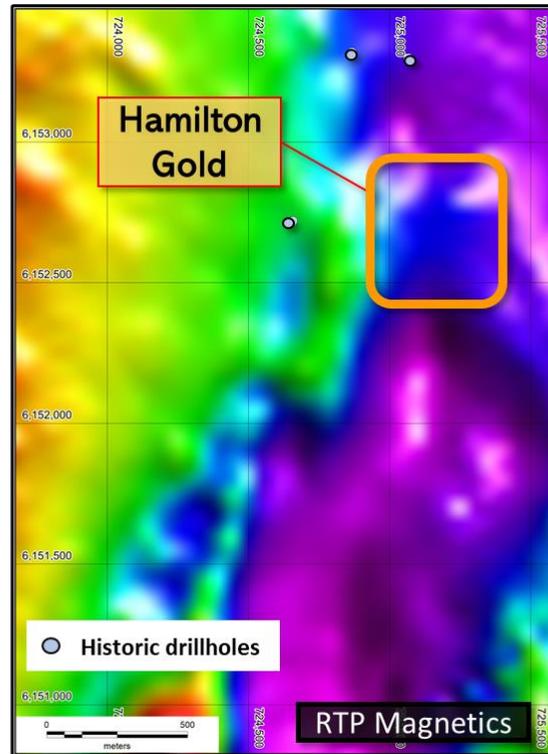
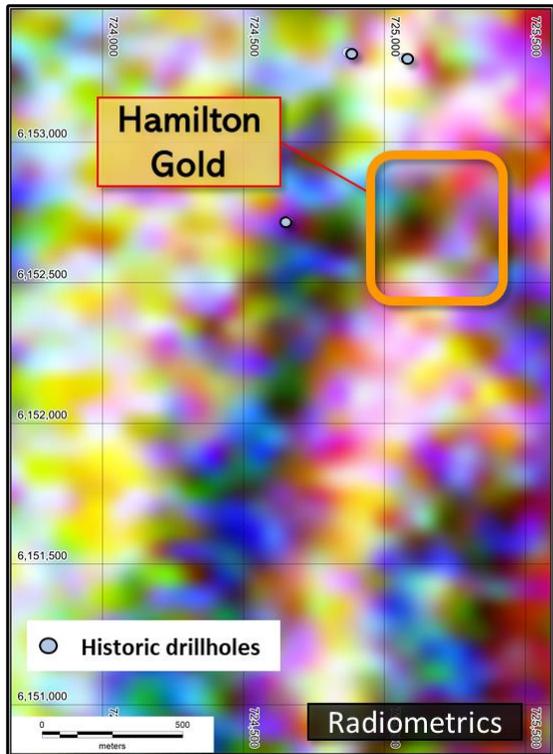
STRIKE POTENTIAL NORTH & SOUTH

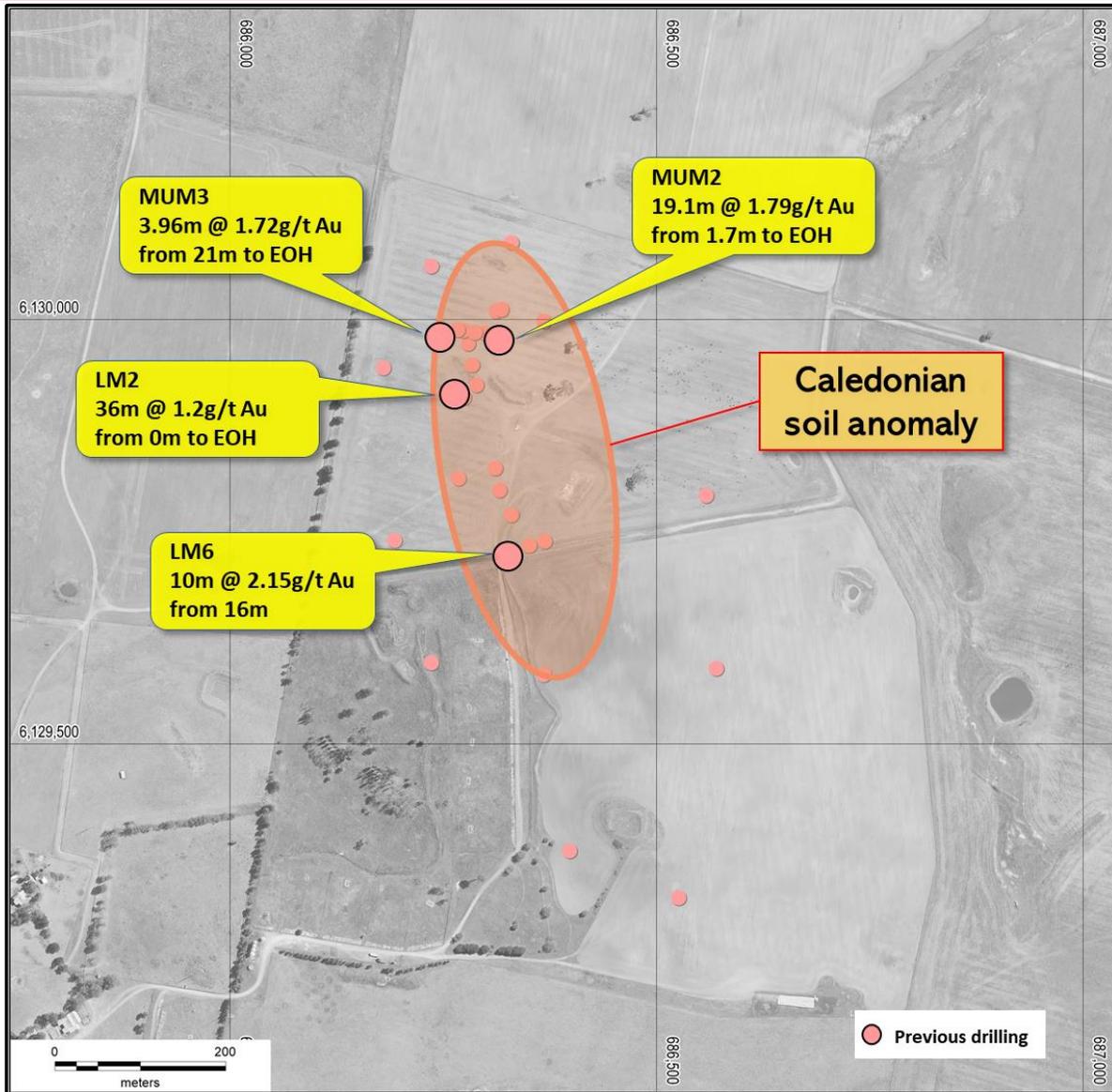


HAMILTON TARGET (SKY 80%)

- SKY - first ever sampling for gold
- Soil sampling defines new gold target in targeted footwall "gold" position
- Co-incident "targeted" radiometric and magnetic response
- Historic drilling - base metal VMS "exhalite" position – gold not targeted
- RC drilling program planned for October

HIGH PRIORITY NEW DRILL TARGET





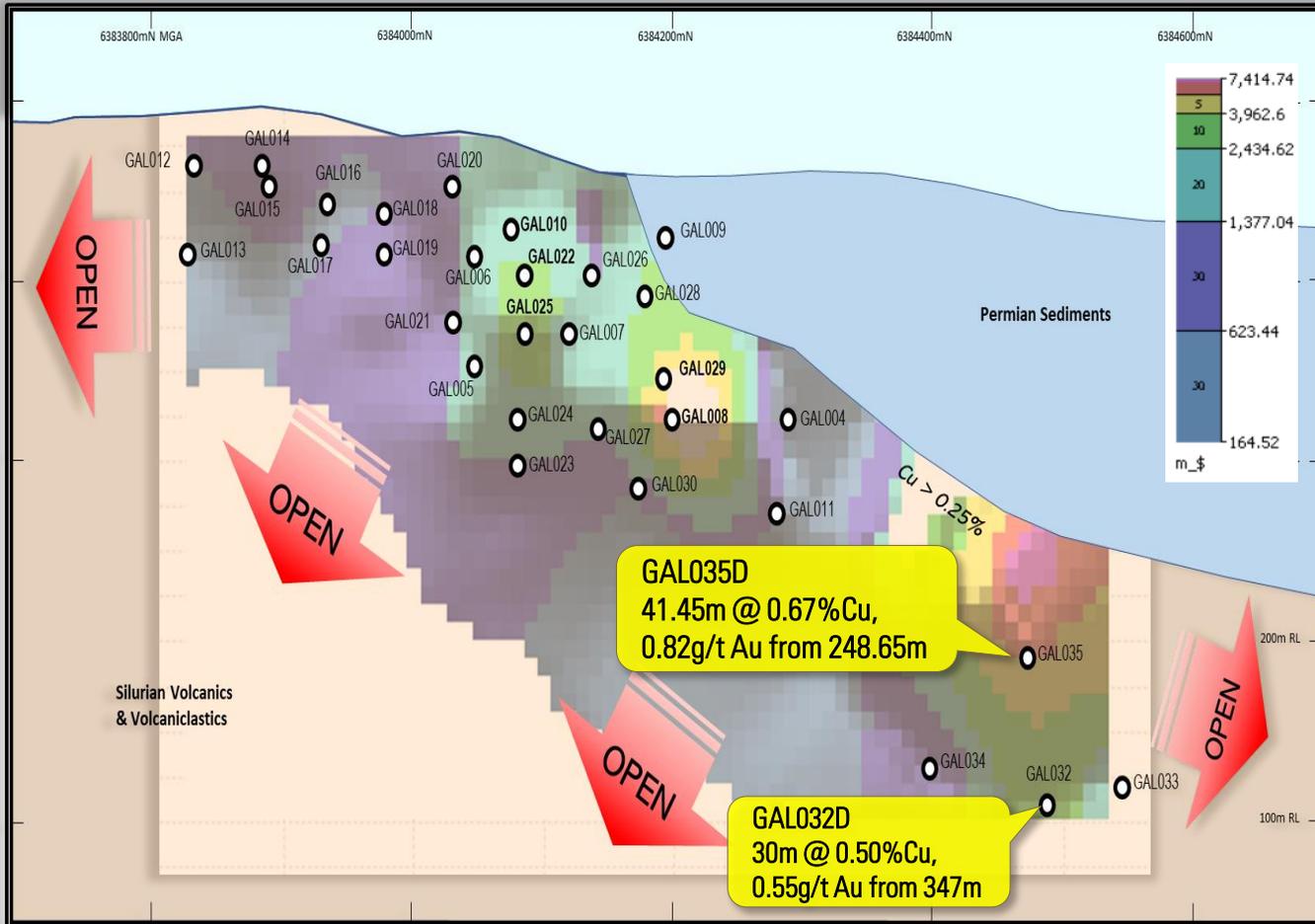
CALEDONIAN TARGET (100% SKY)

- McPhillamys-style gold mineralisation
- Multiple historic drill intersections indicate **large mineralised gold zone** with discrete high-grade zones
 - 6m @ 8g/t Au recorded from lode at historic Caledonian Mines (GSNSW)
- Robust historic soil gold anomaly (500 x 100m @ +50ppb - Comet Resources)
- Deepest historical drillhole 62m, most ~25m & finished in mineralisation
- Inadequately tested & mineralised zone poorly understood
- SKY soils program – September - completed
- RC drilling program – October/November

DRILL READY MCPHILLAMYS-STYLE GOLD TARGET

GALWAGERE PROJECT CU-AU PROSPECT

- Option to Purchase 100% (Alkane)
- Galwadgere deposit open to south, north & down dip
- +800m strike length
- Historical (2004) drilling results from Galwadgere include:
 - GAL008: 47m @ 0.90% Cu & 1.58g/t Au from 122m
 - GAL022: 45m @ 0.83% Cu and 0.40g/t Au from 51m
- SKY has identified untested 'McPhillamys style' gold target south & north of Galwadgere deposit.
- Exploration program to be enacted immediately
 - RC & diamond drill program - October
 - Airborne EM – (?)November
 - Surface sampling - October



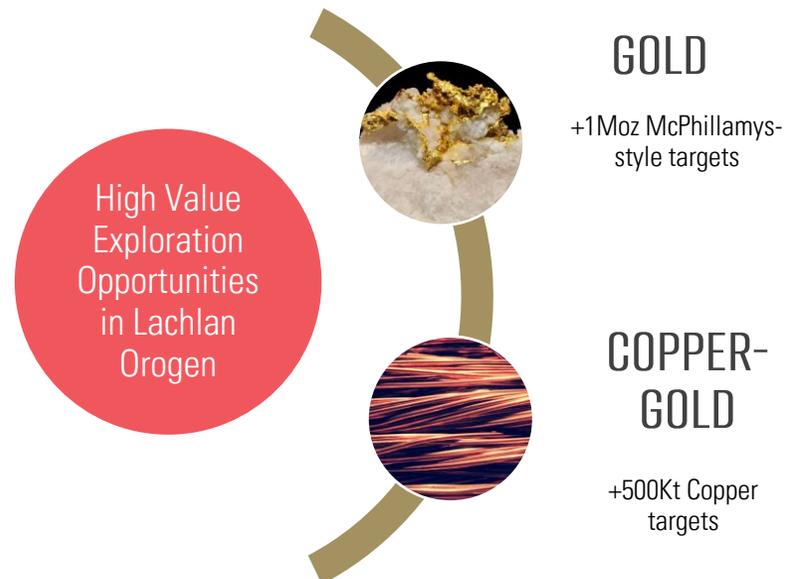
Background Image
Insitu \$\$ (Cu+Au) x metres

DRILLING PLANNED TO COMMENCE IN OCTOBER

SKY INVESTMENT PROPOSITION

MULTI DRILL RIG EXPLORATION PROGRAM WITH CONSISTENT NEWSFLOW INTO 2021

- **Clear Strategy** - high value NSW Gold & Copper-Gold Projects
- Aggressive drill focussed exploration campaign of advanced, near surface, high grade Gold & Copper-Gold targets
- Ongoing catalysts for share price re-rating



■ Drilling

- Cullarin – RC/DD – September onwards
 - Hume – Diamond Drilling – in progress
 - Hume North – RC – October
 - Hamilton – RC – October
 - Hume South – RC – October*
- Caledonian – RC – October/November
- Galwadgere – RC/DD – October
- Iron Duke – RC/DD – November*

■ Airborne EM

- Iron Duke, Galwadgere, Doradilla – Q4

■ Surface Sampling

- Soils – Cullarin, Caledonian, Galwadgere, Gurrundah – Q4
- Rock Lag – Iron Duke – Q4

* - subject to access

Estimates of times are indicative only and are subject to change

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SKY ASX ANNOUNCEMENTS

ASX 22 November 2018 – SKY ASX Announcement ‘Planet Gas Limited to Acquire High Quality Tin-Tungsten Focused Projects’

ASX 9 October 2019 – SKY ASX Announcement ‘SKY Launches NSW Gold Strategy’

ASX 19 December 2019 – SKY ASX Announcement ‘Exploration Update’

ASX 10 February 2020 – SKY ASX Announcement ‘Outstanding Gold Results at the Cullarin Project’

ASX 11 February 2020 – SKY ASX Announcement ‘Investor Presentation’

ASX 24 February 2020 – SKY ASX Announcement ‘SKY Raises \$10.5M to Fast Track Exploration at Cullarin’

ASX 10 March 2020 – SKY ASX Announcement ‘Exploration Update - Cullarin & Doradilla Drilling’

ASX 26 March 2020 – SKY ASX Announcement ‘Exploration Update - Cullarin Project’

ASX 1 April 2020 – SKY ASX Announcement ‘SKY Advances the Cullarin Gold Project in NSW’

ASX 20 April 2020 – SKY ASX Announcement ‘SKY Gold Projects - Major Exploration effort launched across Key Targets’

ASX 25 May 2020 – SKY ASX Announcement ‘Cullarin Project - Exploration Update’

ASX 11 June 2020 – SKY ASX Announcement ‘Option to Purchase Iron Duke Copper-Gold Project’

ASX 22 June 2020 – SKY ASX Announcement ‘Cullarin Project – Further High Grade Gold Intersected’

ASX 24 July 2020 – SKY ASX Announcement ‘Cullarin Project – Exploration Update’

ASX 4 August 2020 – SKY ASX Announcement ‘SKY Moves to 80% of Cullarin Gold Project’

ASX 11 August 2020 – SKY ASX Announcement ‘Cullarin Project – Exploration Update’

ASX 24 August 2020 – SKY ASX Announcement ‘Option to Purchase Galwadgere Project’

ASX 4 September 2020 – SKY ASX Announcement ‘Cullarin Project – Exploration Update’

ASX 16 September 2020 – SKY ASX Announcement ‘Cullarin Project – Exploration Update’



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