



SKY METALS

SKY – EXPLORATION UPDATE – MARCH 2021

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, Copper-Gold (& Tin) 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)

RECENT DISCOVERIES

- Boda Porphyry (ASX ALK 9 Sept 2019)
- Tomingley (ASX ALK 11 July 2018)
- Federation (ASX AML 6 May 2019)
- Constellation (ASX AIS 20 Dec 2020)

MAJORS ACTIVE

- Newmont
- FMG
- Sandfire



SKY METALS AT A GLANCE

CAPITAL STRUCTURE

Shares on issue	304.9M
Options & Performance Rights	44.2M
Share price (9 March 2021)	\$0.16
Market capitalisation	~\$49M
Cash (31 December 2020)	~\$7.1M
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%
Board and Management	10%
Top 20 holders	45%



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



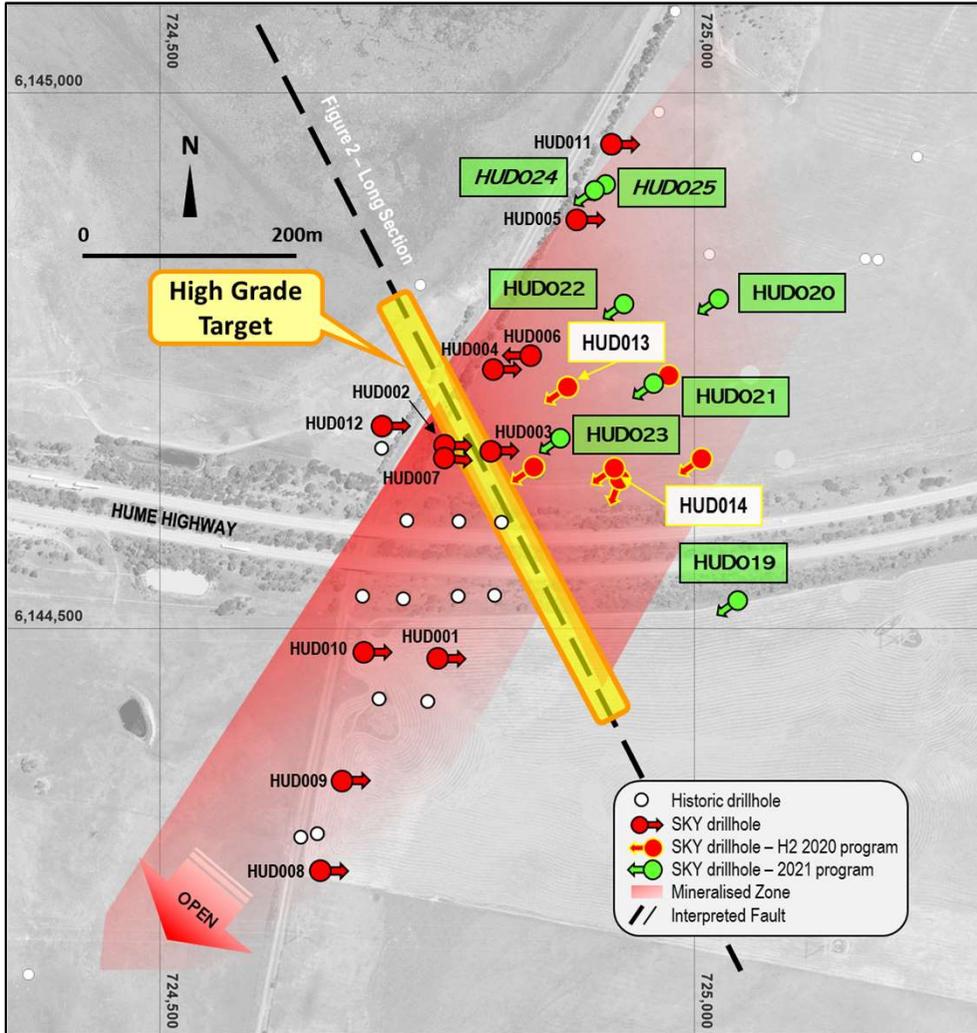
- *Cullarin Project* (80% SKY - Heron JV).
 - SKY Feb 2020: 14m @ 20.2g/t Gold from 92m
 - Testing multiple high-ranking targets
 - SKY Feb 2021: 4m @ 8.01 g/t Gold & 13.9% Pb+Zn from 284m
- *Caledonian Project* (100% SKY), Caledonian Target
 - MUM-2: 19.1m @ 1.79g/t Gold from 1.7m to EOH
 - SKY stunning soil results – 65 g/t Gold
 - SKY Dec 2020 RC drilling: 3m @ 13.6 g/t Gold from 14m

COPPER-GOLD



- *Galwadgere Project* (Alkane Option)
 - SKY Oct 2020: 53m @ 0.55% Copper & 0.75 g/t Gold from 142m
 - inc. 5m @ 1.98% Copper & 3.91 g/t Gold from 183m
- *Iron Duke Project* (Balmain Option)
 - KBL drilling: 13m @ 1.56% Copper & 4.48 g/t Gold from 37m
 - SKY RC & diamond drilling - April 2021





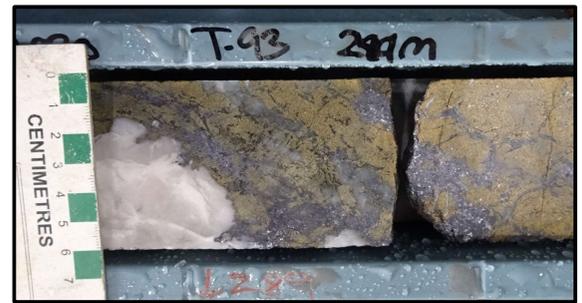
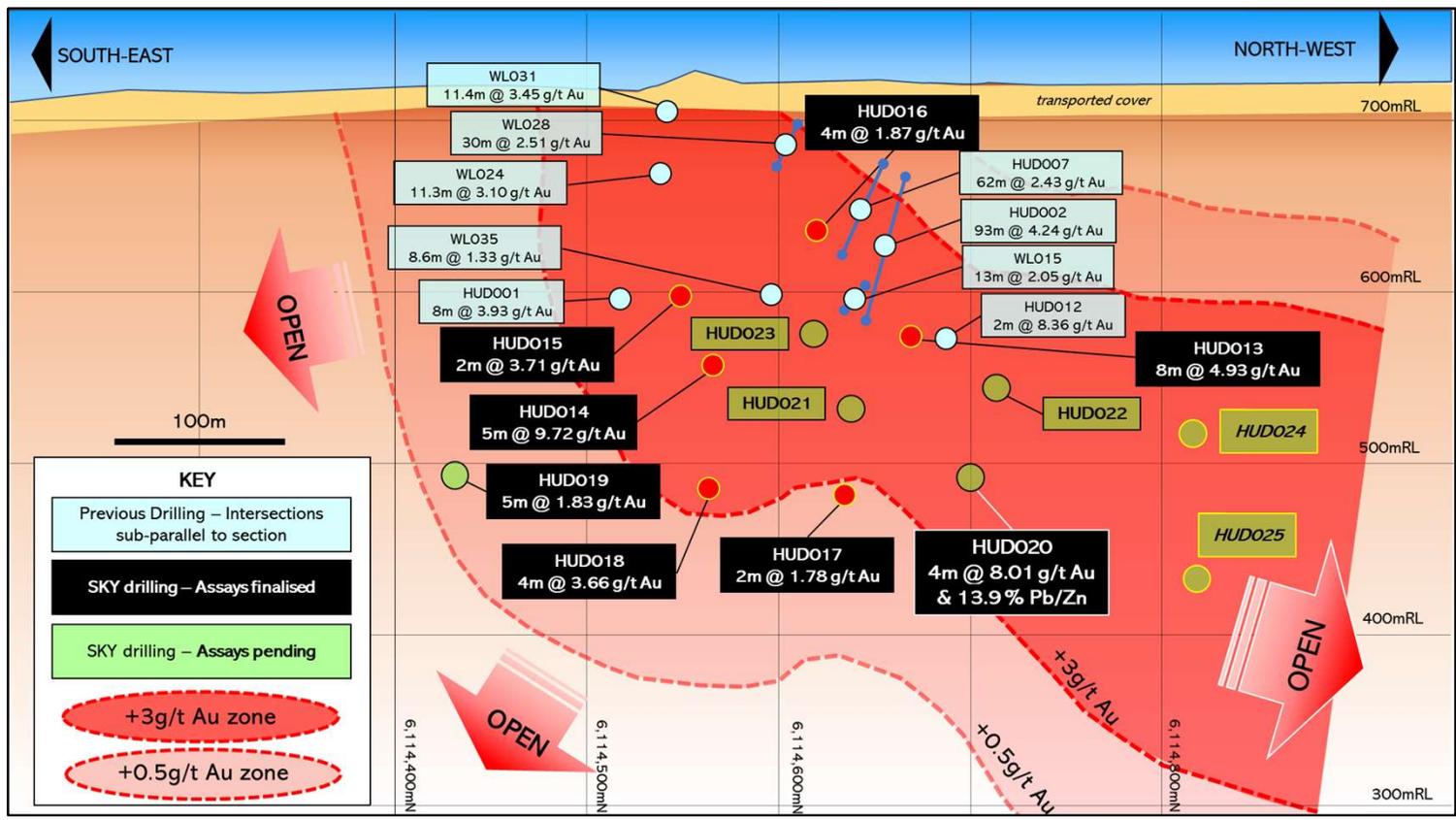
HUME TARGET (SKY 80%)

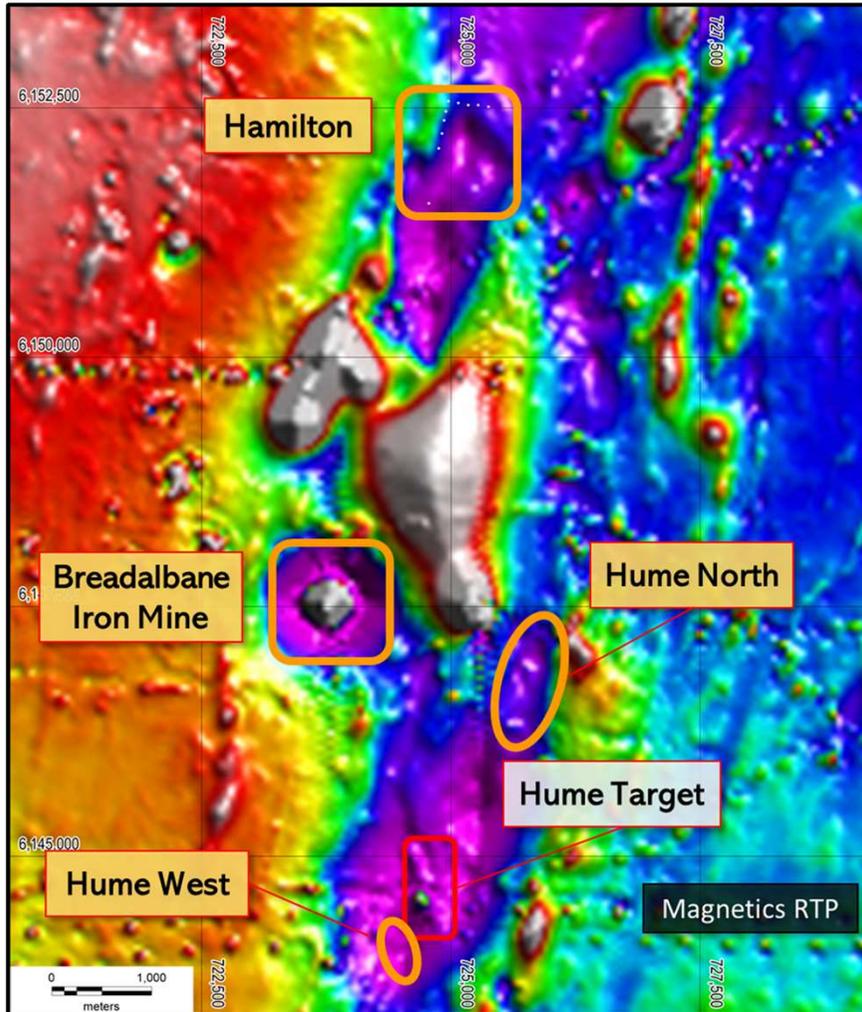
- SKY's previous drilling program identified high grade gold zone intersected in HUD002 is associated with NW trending structure
 - Now targeting strike and depth extensions
- In addition
 - Mineralisation identified in HUD008 open to the south
- Results include
 - HUD002: 93m @ 4.24 g/t Au & 1.87% Pb+Zn from 56m
 - inc. 14m @ 20.2 g/t Au & 4.91% Pb+Zn from 172m
 - HUD013: 19m @ 3.04 g/t Au & 4.77% Pb+Zn from 161m
 - inc. 8m @ 4.93 g/t Au & 7.65% Pb+Zn from 172m
 - HUD014: 4.9m @ 8.13 g/t Au from 92m
 - and 5m @ 9.72 g/t Au from 233m
 - HUD020: 12m @ 2.73 g/t Au & 6.88% Pb+Zn from 284m
 - inc. 4m @ 8.01 g/t Au & 13.9% Pb+Zn from 284m

HIGH GRADE MINERALISATION DELINEATED

CULLARIN PROJECT

DISCOVERING HIGH VALUE MCPHILLAMYS STYLE GOLD

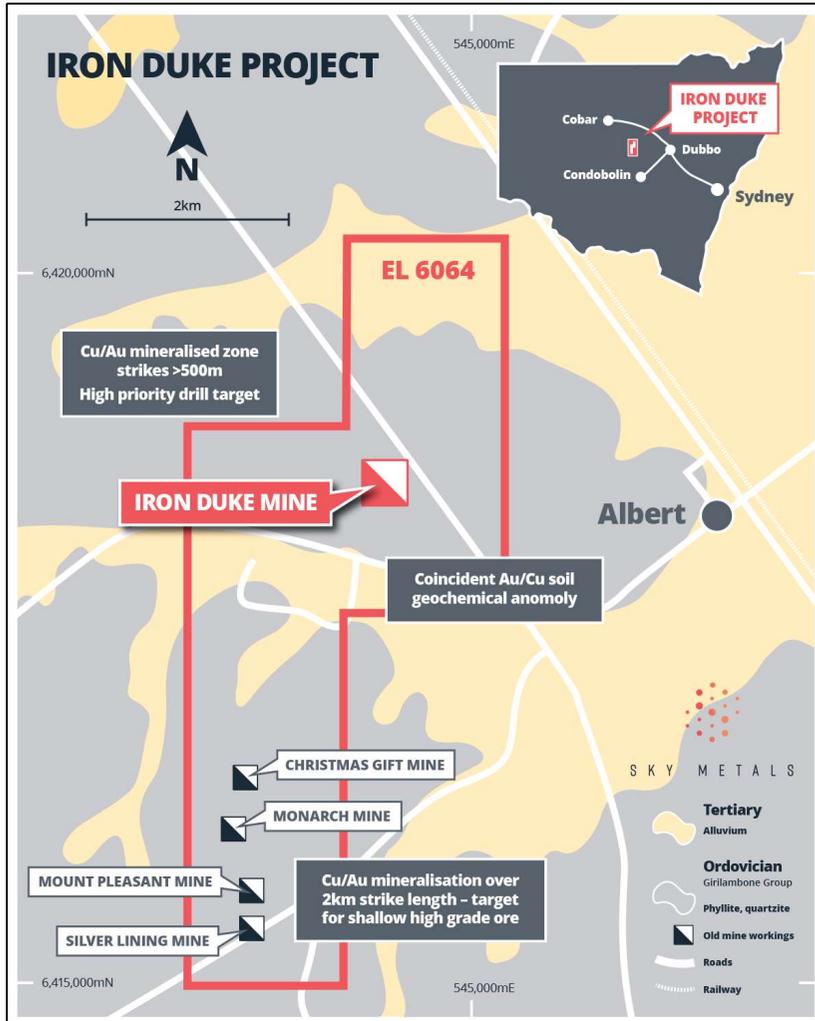




HUME TARGET AREA (SKY 80%)

- **Hume North** - McPhillamys pathfinder geochemical soil anomaly
 - Diamond drilling – completed – assays pending
- **Breadalbane Iron Mine** – Gold soil anomaly, historic drillholes sampled
 - B1/3: 6.09m @ 1.36 g/t Au from 112.78m
 - B1/4: 4.57m @ 1.00 g/t Au from 81.38m
 - B1/2: 9.6m @ 0.55% Cu from 64.57m
 - B1/6: 14.9m @ 0.84% Cu from 176.3m
 - Copper-gold target
- **Hamilton** - Soil sampling defines gold target in targeted footwall position
 - RC / diamond drilling - completed
- **Hume West** - Gold soil anomaly
 - Drill test planned

STRIKE POTENTIAL NORTH & SOUTH



IRON DUKE (BALMAIN OPTION)

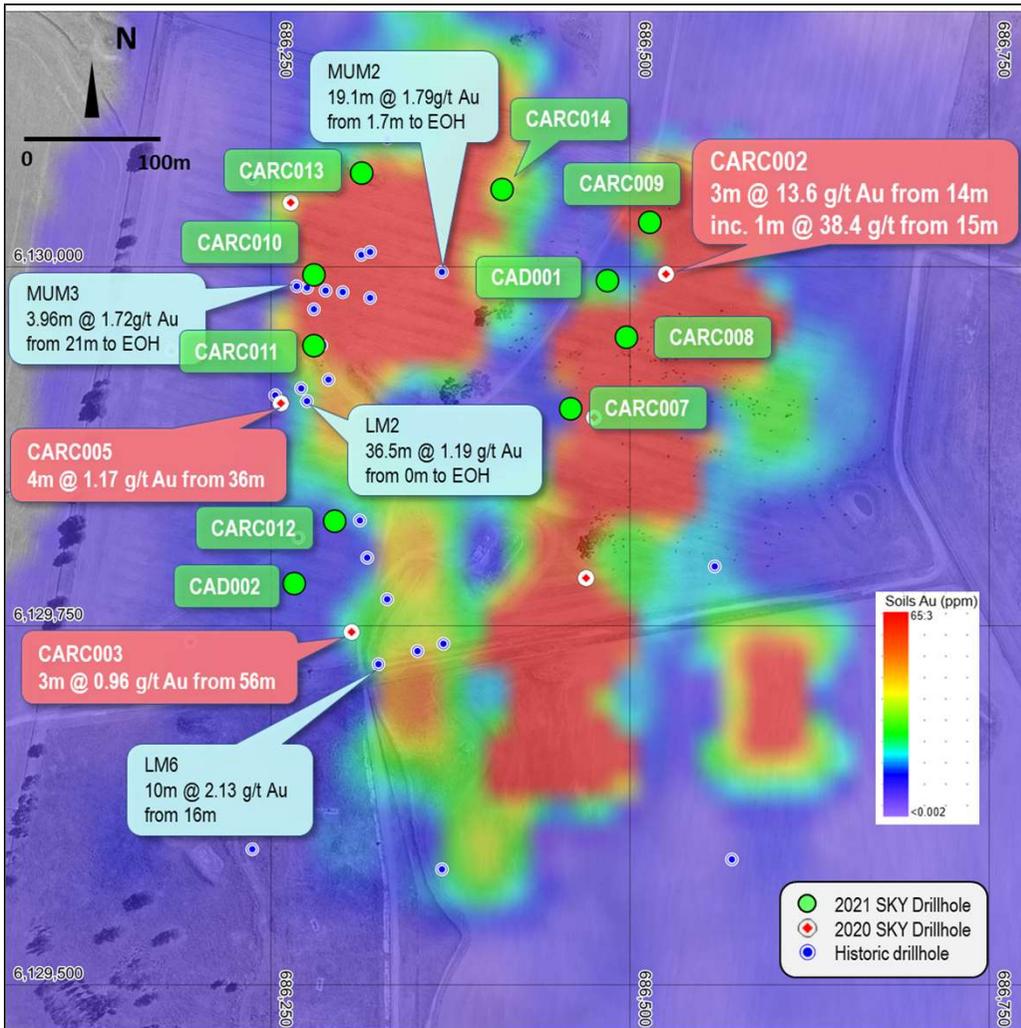
- KBL drilling: 13m @ 1.56% Cu & 4.48 g/t Au from 37m
- RC drilling scheduled to commence April 2021
- Airborne EM – week of March 15th
- Review of historic drillcore at Mines Dept - very encouraging
 - Multiple zones of sulphide mineralisation identified and now sampled
- Field inspection of Christmas Gift & Monarch mines
 - Copper carbonates (malachite & azurite) present in quartz breccias and possible chalcocite at Monarch.



CALEDONIAN TARGET (100% SKY)

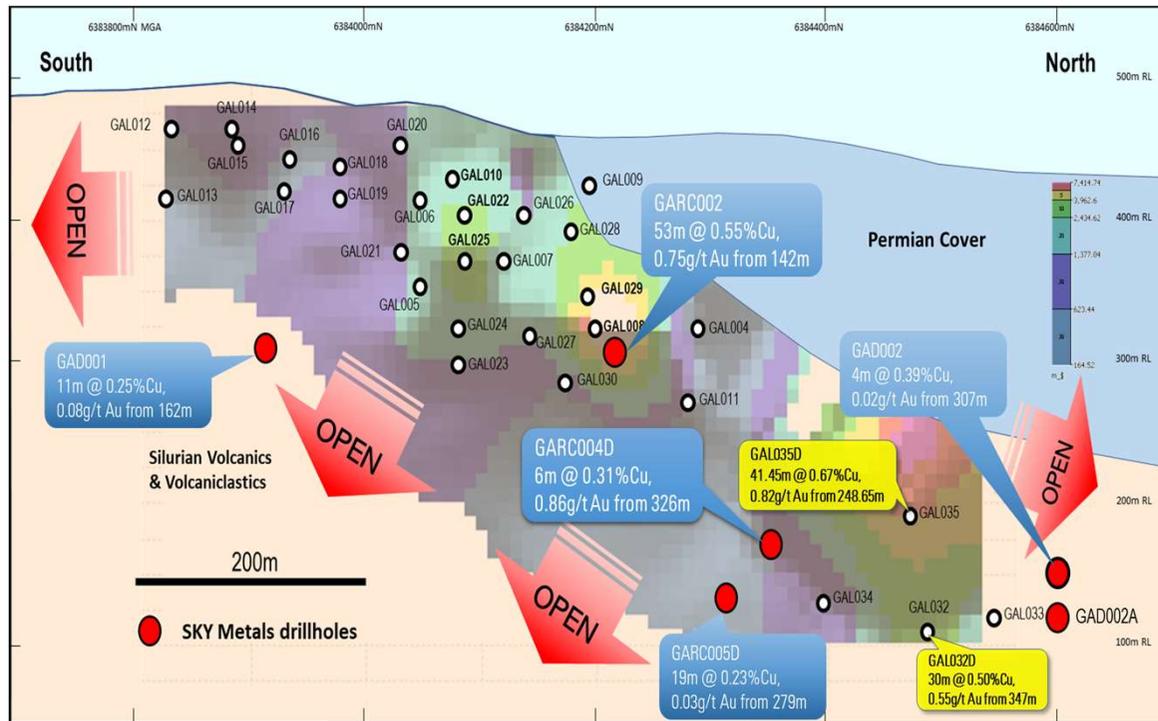
- Skarn related gold mineralisation
- Multiple historic drill intersections indicate **large mineralised gold zone** with discrete high-grade zones
- Robust historic soil anomaly (600 x 100m @ +0.1g/t Au)
- Deepest historical drillhole 62m, most ~25m
- Inadequately tested & mineralised zone poorly understood
- SKY since October 2020
 - Soils – identified new high grade eastern zone
 - RC drilling program intersected high grade gold
 - CARC002: 3m @ 13.6 g/t gold from 14m
 - Follow up RC / Diamond drilling program completed – assays pending

DRILL READY MCPHILLAMYS-STYLE GOLD TARGET



GALWADGERE PROJECT CU-AU

- Option to Purchase 100% (Alkane)
- Galwadgere deposit open to south, north & down dip
- +800m strike length
- Historical Alkane (2004) drilling 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.
- SKY: GARC002: 53m @ 0.55% Cu & 0.75g/t Au from 142m
 - inc. 5m @ 1.98% Cu & 3.91 g/t Au from 183m
- Downhole EM & Soil Sampling – Q1 2021
 - ➔ Follow up RC/Diamond Drilling

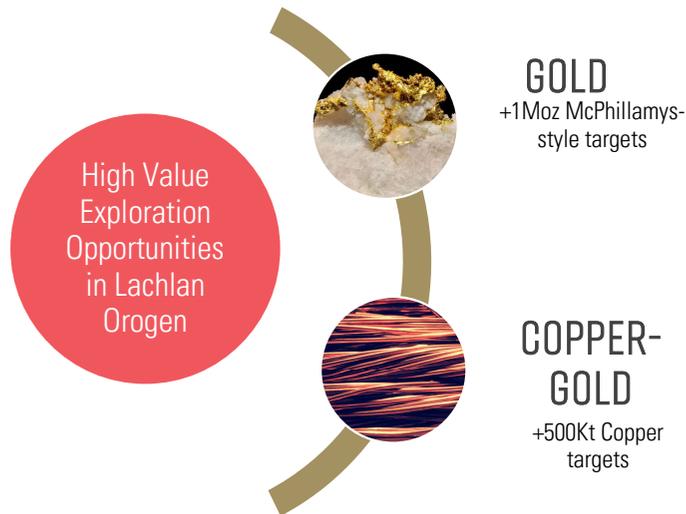


INITIAL DRILLING COMPLETED

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
 - Hume – Diamond Drilling – in progress
 - Hume North – Diamond Drilling - completed Q1 2021
 - Hume West – RC*
 - Iron Duke – RC/DD – Q2 2021
 - Galwadgere – RC/DD – DHEM follow up
 - Caledonian – RC / Diamond Drilling – Q1 2021 - (?)follow up Q2 2021
- **Geophysics**
 - Galwadgere – Downhole EM– Q1 2021
 - Iron Duke – Airborne EM – Q1 2021
- **Surface Sampling**
 - Soils – Galwadgere, Gurrundah – Q1 2021
 - Rock Lag – Iron Duke – Q1 2021

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SKY ASX ANNOUNCEMENTS

- 10 February 2020 – ‘Outstanding Gold Results at the Cullarin Project’
- 11 February 2020 – ‘Investor Presentation’
- 24 February 2020 – ‘SKY Raises \$10.5M to Fast Track Exploration at Cullarin’
- 10 March 2020 – ‘Exploration Update - Cullarin & Doradilla Drilling’
- 26 March 2020 – ‘Exploration Update - Cullarin Project’
- 1 April 2020 – ‘SKY Advances the Cullarin Gold Project in NSW’
- 20 April 2020 – ‘SKY Gold Projects - Major Exploration effort launched across Key Targets’
- 25 May 2020 – ‘Cullarin Project - Exploration Update’
- 11 June 2020 – ‘Option to Purchase Iron Duke Copper-Gold Project’
- 22 June 2020 – ‘Cullarin Project – Further High Grade Gold Intersected’
- 24 July 2020 – ‘Cullarin Project – Exploration Update’
- 4 August 2020 – ‘SKY Moves to 80% of Cullarin Gold Project’
- 11 August 2020 – ‘Cullarin Project – Exploration Update’
- 24 August 2020 – ‘Option to Purchase Galwadjere Project’
- 4 September 2020 – ‘Cullarin Project – Exploration Update’
- 16 September 2020 – ‘Cullarin Project – Exploration Update’
- 28 September 2020 – ‘Exploration Update Presentation’
- 20 October 2020 – ‘Drilling commences at Galwadjere Project’
- 26 October 2020 – ‘Cullarin Project – Strong Gold from Hume Target’
- 16 November 2020 – ‘Caledonian Project – New Drill Targets Defined’
- 18 November 2020 – ‘Further Strong Gold Intersections from Hume Target’
- 30 November 2020 – ‘High Grade Copper-Gold Intersected at Galwadjere’
- 21 December 2020 – ‘Caledonian Project – Shallow High Grade Gold Intersected’
- 15 February 2021 – ‘SKY Metals – Exploration Update’
- 2 March 2021 – ‘High Grade Gold Results Extend Hume Target’



S K Y M E T A L S