

8 APRIL 2021

ASX: SKY

EXCEPTIONAL HIGH GRADE COPPER AT IRON DUKE PROJECT – DRILLING IMMINENT

- ◆ Recent SKY rock chip sampling from the **undrilled** Christmas Gift and Monarch line of workings, 2.5km south of the Iron Duke Mine, has returned exceptional high grade copper results including:
 - 26.1% Cu
 - 11.0% Cu
 - 8.30% Cu
- ◆ Drilling commencing mid-April at Iron Duke to test extensions to the known high grade copper-gold mineralisation. Historical intercepts include:
 - KIDRC003: 31m @ 1.13% Cu and 0.96g/t Au from 34m.
 - KIDRC004: 24m @ 1.07% Cu and 0.24g/t Au from 32m
 - KIDRC006A: 24m @ 1.53% Cu and 1.55g/t Au from 49m
 - KIDRC009: 13m @ 1.56% Cu and 4.48g/t Au from 37m
- Drill testing of the Christmas Gift and Monarch workings will follow the Iron Duke program

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on exploration activities at its Iron Duke Project in New South Wales (**Figure 5**).

IRON DUKE COPPER-GOLD PROJECT (EL 6064, BALMAIN OPTION; ELA 5991 SKY 100%)

SKY secured an exclusive Option to Purchase of the Iron Duke Copper-Gold Project from Balmain Minerals Pty Ltd in 2020 (ASX SKY 20 June 2020). Previous exploration has delineated a shallow, open-ended Copper-Gold resource at Iron Duke (ASX KBL Mining 4 June 2012). The Iron Duke prospect has seen no exploration activity for over nine years and other historic copper workings on the tenement have remained undrilled and largely untested prior to the current SKY work program.

ROCK CHIP SAMPLING – CONSISTENT HIGH GRADE RESULTS

As part of initial reconnaissance of the Iron Duke Project, rock sampling was conducted at the Christmas Gift & Monarch mines, located approximately 2.5km south along strike from the Iron Duke Mine. Copper carbonates (malachite & azurite) in quartz breccias were noted at both mines similar to the style of the Iron Duke mineralisation. Chalcocite was also noted at the Monarch mine. Both workings present as “walk up and drill” targets, which has been confirmed by these high grade copper rock chips.

Twenty one samples were collected from the Christmas Gift & Monarch mines with more than half returning greater than 1% Cu as shown in **Table 1** and **Figures 2-4**. Highest results include:

- 26.1% Cu, 0.41 g/t Au
- 11.0% Cu, 0.11 g/t Au
- 8.30% Cu
- 8.11% Cu
- 7.92% Cu, 0.37g/t Au
- 7.06% Cu

Christmas Gift has significant workings and spoil heaps with copper carbonates present in quartz breccias samples similar to that observed at Iron Duke. Fresh sulphides, chalcopyrite and pyrite were also observed in some samples. Malachite and azurite are the dominant copper species present and indicate the high grade oxide copper potential of Christmas Gift.

At **Monarch**, samples displayed well-developed bands of copper carbonates, and possible chalcocite. Rehabilitation of the shaft, however, has left relatively little material scattered at the historic mine site compared with Christmas Gift. Again, the presence of secondary copper mineralisation is considered very encouraging and thus Monarch is also to be drill tested for high grade oxide copper mineralisation.

Given the excellent rock sample results obtained by SKY from the Monarch & Christmas Gift prospects, both these areas have become priority targets to be drill tested.

SKY CEO Mark Arundell commented:

“The rock chip results from the Monarch & Christmas Gift mines demonstrate the outstanding potential of the Iron Duke Project. Drilling of the Iron Duke Mine is imminent, and SKY looks forward to drill testing these exciting new targets at Monarch & Christmas Gift in the near future.”

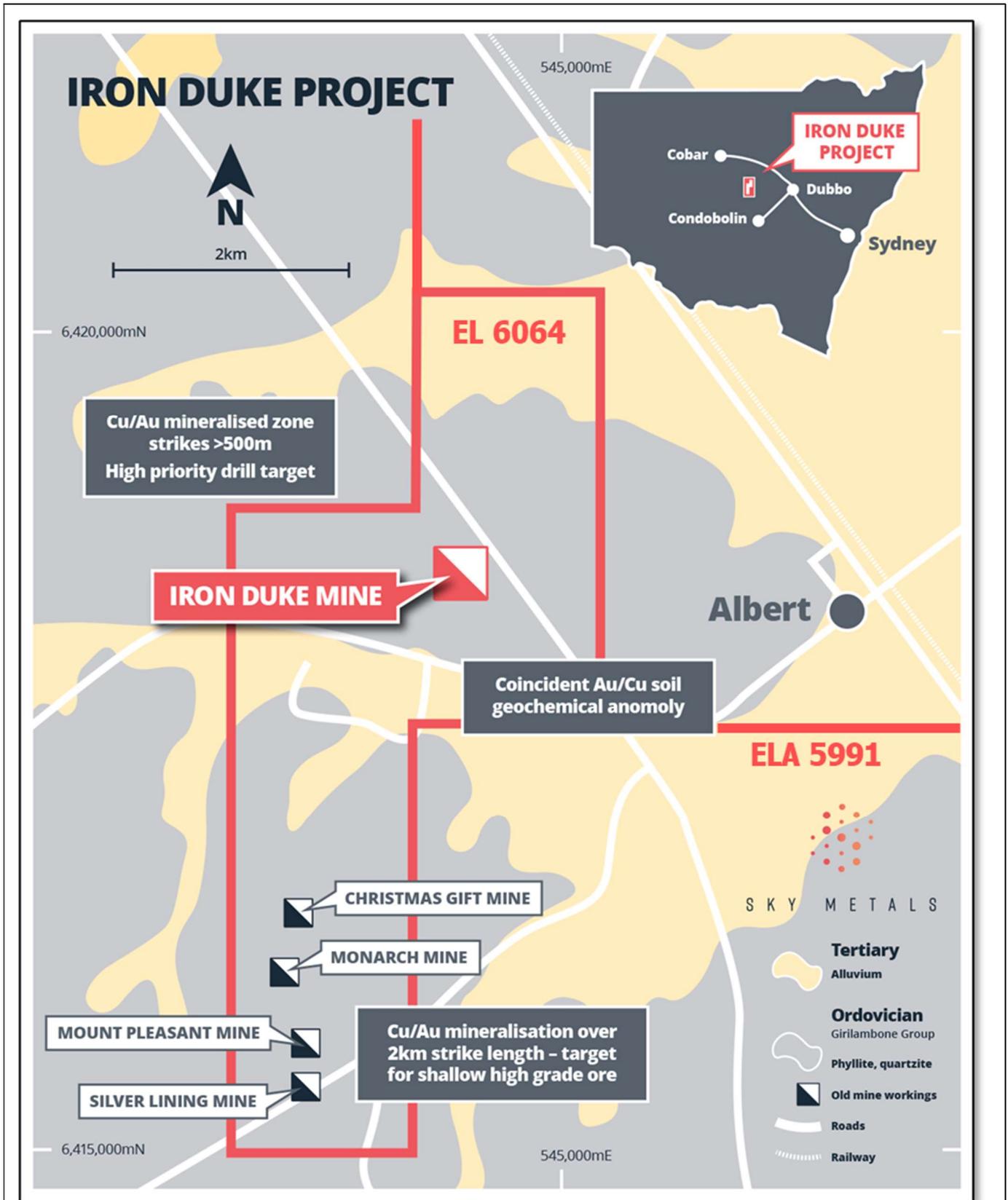


Figure 1 – Iron Duke Project. Prospect location plan.



Figure 2 - EL6064 - Monarch - 26.1% Cu, 0.41 g/t Au, 29 g/t Ag.

Spectacular assay result from the >1cm azurite vein and may also contain some chalcocite. Width of view 20cm.



Figure 3 - EL6064 - Christmas Gift - 11.0% Cu, 0.11 g/t AU, 24 g/t Ag.

Quartz, stained with malachite, peppered with malachite on freshly broken surface and also contains fresh disseminated sulphide - pyrite & chalcopyrite. Narrow (~1cm) band suspected to contain chalcocite. Width of view 15cm.



Figure 4 – EL6064 - Christmas Gift & Monarch

Samples showing copper carbonates and some fresh sulphides in quartz veins and breccia within a micaceous schist. Samples 5-10cm across.

Sample ID	Easting (MGA)	Northing (MGA)	Rock type, mineralisation	Cu (%)	Au (g/t)	Ag (g/t)	Prospect
Jh2103031	542577	6417561	Quartz, malachite staining, possible chalcocite	11	0.11	24.1	Christmas Gift
Jh2103036	542577	6417561	Quartz, chalcedony, azurite and malachite staining. Possible cuprite and chalcocite.	8.3	0.08	17.25	Christmas Gift
Jh21030314	542577	6417561	Quartz Breccia, copper carbonates and vughs.	8.11	0.05	9.58	Christmas Gift
Jh21030311	542577	6417561	Quartz Breccia, malachite and azurite 'clasts' after primary mineral. Boxworks.	7.06	0.09	12.1	Christmas Gift
Jh2103032	542577	6417561	Quartz. Box works, copper carbonates malachite and azurite.	2.97	0.04	7.63	Christmas Gift
Jh2103033	542577	6417561	Quartz Breccia, azurite and malachite, some fresh sulphide blebs, pyrite-chalcopyrite.	2.64	0.04	5.14	Christmas Gift
Jh21030315	542577	6417561	Iron Stone, minor copper carbonates.	1.9	0.3	12.75	Christmas Gift
Jh2103039	542577	6417561	Schist country rock	1.36	0.03	4.31	Christmas Gift
Jh21030318	542573	6416838	Azurite band in Quartz breccia	26.1	0.41	28.7	Monarch
Jh21030319	542571	6416833	Quartz, malachite and azurite	7.92	0.37	13.95	Monarch
Jh21030320	542567	6416824	Schist, silicious and quartz veined with copper carbonates.	3.2	0.05	2.18	Monarch

Table 1 – Iron Duke Project: Significant rock chip results (Cu > 1%)

Note – location of Christmas Gift samples approximate due to GPS signal error.

AIRBORNE EM

SKY has recently completed an airborne electro-magnetic survey (AEM) covering the Iron Duke tenement. AEM has been shown to be very effective in delineating massive sulphide copper-gold mineralisation in the region as illustrated by Aeris Resources' Constellation discovery to the north of Iron Duke (TAKD001 - 19.95m @ 2.41% Cu, 0.64g/t Au, 4.6g/t Ag from 197.2m, AIS ASX 21st December 2020). Interpretation of the final data is currently in progress and is expected to be completed in late-April. Initial inspection of the data indicates a number of potential "walk up" drill targets.

HIGHLIGHTS OF PAST EXPLORATION AT IRON DUKE

Previous exploration has largely been focused on the Iron Duke mine, with the most recent exploration conducted by KBL comprising 11 RC holes in 2012. Consistent intercepts of high grade copper-gold were drilled (ASX KBL Mining 1st March 2012 & 29th March 2012), these included:

- KIDRC003: 31m @ 1.13% Cu and 0.96g/t Au from 34m.
- KIDRC004: 24m @ 1.07% Cu and 0.24g/t Au from 32m
- KIDRC006A: 24m @ 1.53% Cu and 1.55g/t Au from 49m
- **KIDRC009: 13m @ 1.56% Cu and 4.48g/t Au from 37m**

Triako Resources also completed 17 RC holes for a total of 1,137m between 2004 and 2011, testing the shallow oxide zone above the old workings at Iron Duke. AOG drilled four short diamond drill holes between 1969-1971, three of which were either abandoned prematurely or did not test the target lode at Iron Duke. These were followed up in 1971 when IMC drilled three diamond drill holes and Reef Oil completed an additional four diamond drill holes in 1971. The holes from the 1970s drilling campaigns at Iron Duke are stored at the NSW Mines Department core library in western Sydney.

HISTORIC DRILL CORE REVIEW

A review of historic diamond drilling from Iron Duke is in progress at the NSW Mines Department core library in western Sydney. The review has proven to be more encouraging than originally anticipated. Some of the historic holes have been terminated in ore and only high grade copper zones, likely visually identified, have previously been sampled. Broader zones of unsampled copper mineralisation have largely been ignored and thus the current SKY sampling program has the opportunity to increase the size of the Iron Duke deposit. Assays of the resampled intercepts are anticipated to be received late April.

A program of RC drilling is scheduled to commence at the Iron Duke Mines in April to test both the down dip and strike extent of the copper-gold mineralisation.

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.

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, copper, and tin markets in the world class mining jurisdiction of NSW.

GOLD PROJECTS

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

Under the HRR farm-in, SKY has now earned 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, & 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, geophysical & alteration signature. SKY's maiden drill program to follow up this historical work was very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

CALEDONIAN / TIRRANA PROJECTS (EL8920, EL9048, ELA6031 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 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.

COPPER GOLD PROJECTS

GALWADGERE (EL6320, ALKANE OPTION)

The Galwadgere project is located ~15km south-east of Wellington in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g., 47m @ 0.90% Cu & 1.58g/t Au) and the mineralisation is open along strike and at depth.

IRON DUKE (EL6064, BALMAIN OPTION; ELA 5991 100% SKY)

The Iron Duke project is located ~10km south-east of Tottenham in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g., 13m @ 1.56% Cu & 4.48g/t Au) and the mineralisation is open down dip to and to the south.

TIN PROJECTS

TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located ~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 ~ 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 5: SKY Location Map

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.

The results include historical pre-1989 exploration results. Exploration activity at the Cullarin Project was undertaken from 1985-1987 (pre-JORC) by Pan Australian Mining Ltd. 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 previous drilling activity, which produced these results, involved multiple diamond drillholes and check assaying, providing SKY with confidence that the results are reliable, relevant and an accurate representation of the available data and studies undertaken by previous exploration activity.

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 –IRON DUKE PROJECT

(Criteria in this section apply to all succeeding sections)

Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p>Rock chips and grab samples taken with a geological hammer and collected into labelled calico bags.</p> <p>All samples were submitted to ALS Orange for preparation and assaying.</p>
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<p>For rock chip samples, lab standards and blanks were relied upon.</p>
	<ul style="list-style-type: none"> 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. 	<p>Each sample was dried, crushed and pulverised as per standard industry practice.</p> <p>Rock chip samples were dried, crushed and pulverised to 90% passing 75 microns.</p> <p>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).</p>
Drilling techniques	<ul style="list-style-type: none"> 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) 	<p>No drilling results reported.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed 	<p>No drilling results reported.</p>
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples 	<p>No drilling results reported.</p>
	<ul style="list-style-type: none"> 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 	<p>No drilling results reported.</p>
Logging	<ul style="list-style-type: none"> 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 	<p>Samples were geologically described at the time of collection. The descriptions were of sufficient detail to support the current work.</p>
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography 	<p>Both qualitative and quantitative data is collected. All rock chips were digitally photographed.</p>



Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged 	All rock chips samples were described at the time of collection.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken 	No drilling results reported.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry 	No drilling results reported.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique 	No drilling results reported.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples 	The project is at an early stage of evaluation and the suitability of subsampling methods and sub-sample sizes for all sampling groups has not been comprehensively established.
	<ul style="list-style-type: none"> 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 the rock chip samples. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled 	The available data suggests that sampling procedures provide sufficiently representative subsamples for the current interpretation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 all samples. Multielement assaying for drill core samples was completed for 48 elements by 30g four-acid total digest with ICPMS determination (method ME-ICP61). Over range base metal values (e.g. Cu) are analysed by an ore grade digest method (method OG-62).
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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 	Internal laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	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 assay data were viewed by >1 geological personnel.
	<ul style="list-style-type: none"> The use of twinned holes. 	No drilling results reported.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	Assay data was provided by ALS via .csv spreadsheets. Hard copies of the assay certificates were stored with the rock chip data including location and description documents.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data 	Assay data is not adjusted.



Criteria	Explanation	Commentary
Location of data points	<ul style="list-style-type: none"> 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. 	SKY has used handheld GPS to locate rock chip locations (nominal accuracy $\pm 3\text{m}$). Poor accuracy of Christmas Gift samples due to GPS error.
	<ul style="list-style-type: none"> Specification of the grid system used 	All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control 	SKY has used handheld GPS to locate rock chip locations (accuracy $\pm 2\text{m}$). Near the Christmas Gift workings the GPS coordinates for these sample failed QAQC of GPS data, however, all samples are within 100m of the GPS location taken for the historic workings. Coordinates collected at the first sample location at Christmas Gift were applied to all samples collected at that target.
Data spacing and distribution	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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 by SKY.
	<ul style="list-style-type: none"> Whether sample compositing has been applied 	Sample compositing is not applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type 	Primary and secondary mineralisation, though identified, remains predominantly undrilled. Most mineralised and mined structures are observed to be steeply dipping to the southeast.
	<ul style="list-style-type: none"> 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 drilling results reported.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security 	<p>Sample chain of custody has been managed by the employees of Sky Metals who sampling and transport of the samples to assay laboratory.</p> <p>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.</p> <p>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.</p>
Audits or reviews	<ul style="list-style-type: none"> 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 – IRON DUKE PROJECTS
(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<p>The Iron Duke project is described by EL6064 and ELA 5991.</p> <p>EL 66064 is subject to an Option to Purchase Agreement whereby Sky Metals Ltd may purchase the tenement from Balmain Minerals Pty Ltd (Balmain). See SKY ASX announcement 11th June 2020 for more details.</p> <p>ELA 5991 was applied for by a SKY Metals subsidiary.</p>
	<ul style="list-style-type: none"> 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 	<p>All exploration licences are in good standing.</p> <p>EL6064 expires on 21st March 2022.</p> <p>ELA 5991 was applied for by a subsidiary of SKY Metals (Gradient Energy Pty Ltd) on 17th June 2020.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties 	<p>Significant exploration focused on Iron Duke mine site was completed in the period from 1967 to 1971. AOG 1969-1971 drilled 4 short diamond drill holes 3 of which were either abandoned or did not test the target lode. IMC in 1971 drilled 3 diamond drill holes and Reef Oil completed 4 diamond drill holes in 1971. Exploration was primarily focused on copper.</p> <p>More recent exploration was carried out by Triako between 2004 and 2011, completing 17 RC holes for a total of 1,137m, testing the shallow oxide zone above the old workings at the Iron Duke mine site.</p> <p>KBL undertook exploration at the Iron Duke target between 2011-2012 completing 11 RC holes for a total of 782m. KBL produced a resource estimate for Iron Duke in 2012.</p> <p>The bulk of work has focused on the Iron Duke mine site, with some broader surface sampling campaigns undertaken across the tenement to locate more near-surface or sub cropping mineralisation within the conceptual structural corridor. The workings a Monarch and Christmas Gift were identified as targets with further strike potential and remain undrilled.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation 	<p>Regionally, mineralisation is hosted within early to mid-Ordovician schists and turbidite sediments, forming part of the Girilambone group. Mineralisation is hosted within greenschist facies, ductile deformed pelitic to psammitic sediments, and sparse zones of coarser sandstones. Mineralisation is hosted in quartz sulphide breccias, localised to within shear zones. Mineralisation is predominately hosted by chalcopyrite in fresh rock and the weathered upper portions of the mineralisation consists of copper carbonates, sulphates and supergene sulphides such as possible chalcocite.</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	<p>No drilling results reported.</p>



Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> 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. 	No drilling results reported.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	No weightings or other manipulations were made to the data.
	<ul style="list-style-type: none"> 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. 	No weightings or other manipulations were made to the data.
	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results- <ul style="list-style-type: none"> 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'). 	Primary mineralisation is yet to be drilled in the areas where the rock chips have been collected.
Diagrams	<ul style="list-style-type: none"> 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. See SKY ASX announcement 11 th June 2020
Balanced reporting	<ul style="list-style-type: none"> 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. 	The Competent person has reviewed this information and believes it is consistent with their observations and knowledge of the project.
Other substantive exploration data	<ul style="list-style-type: none"> 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. See SKY ASX announcement 11 th June 2020
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). 	Initial drill testing to assess the scale and grade of the mineralisation is planned along with investigation of related targets.
	<ul style="list-style-type: none"> 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. See SKY ASX announcement 11 th June 2020

