

14 MAY 2021

ASX: SKY

EXPLORATION UPDATE

IRON DUKE: COPPER-GOLD

- ◆ Wide zones of copper sulphides intersected in maiden RC drilling at Iron Duke
- ◆ RC samples submitted & assays pending
- ◆ Diamond drill rig secured for Iron Duke to start within 2 weeks

GALWADGERE: COPPER-GOLD

- ◆ JORC 2012 resource modelling underway for the Galwadgere deposit
- ◆ Drill core re-sampling from Historic Galwadgere diamond drillholes delivers wide copper-gold results including:
 - 27.84m @ 0.5% Cu & 0.07g/t Au from 175m, incl;
 - 4.25m @ 1.0% Cu & 0.06g/t Au from 195m
 - 10m @ 0.78% Cu from 262m
- ◆ Downhole EM and soil sampling completed – results pending.

CULLARIN: GOLD-LEAD-ZINC

- ◆ Further strong zones of gold-lead-zinc drilling results at the Hume Target
 - 9m @ 0.57g/t Au, 0.31% Cu, 4.55% Pb+Zn from 136m, and
 - 4m @ 0.29g/t Au & 5.35% Pb+Zn from 193m, and
 - 6m @ 0.11g/t Au & 6.36% Pb+Zn from 209m
- ◆ Drilling to continue to test open strike and plunge on the Hume Target.

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on exploration activities at three of its projects in NSW. (Figure 6).

IRON DUKE COPPER-GOLD PROJECT (EL 6064, BALMAIN OPTION; ELA 599I SKY 100%)

IRON DUKE TARGET – RC DRILLING

SKY's maiden RC drilling program of the high-grade Copper-Gold mineralisation at Iron Duke has been completed with a total of 9 RC holes (IDRC001-IDRC009) drilled for 1,650m. **IDRC001-IDRC004** were drilled along strike to the north of the Iron Duke mine and intercepted broad zones of disseminated sulphide mineralisation, dominantly pyritic, with minor visible chalcopyrite logged. **IDRC005** and **IDRC007** were abandoned due to excessive hole deviation.

Wide zones of strong chalcopyrite (copper sulphide) mineralisation were intersected in all drill holes testing the southern extensions at Iron Duke as described below:

IDRC006 intercepted strong chalcopyrite (copper sulphide) mineralisation from 100m downhole over a broad 20m interval, showing a development of intense sulphide vein networks and disseminations in silicious breccia.

IDRC008 was drilled 75m north along strike from IDRC007 to test the down dip and strike extent of the mineralisation in IDRC006, representing a large step out of the mineralisation at the Iron Duke target. This hole intercepted visual copper mineralisation over 40m from 218m-258m including semi-massive sulphides (pyrite and chalcopyrite) between 232-237m.

IDRC009 was then drilled a further 100m along strike with further visual copper mineralisation intercepted over 50m between 186m-236m and strong chalcopyrite intercepted at 200m-221m (**Figure 1**).

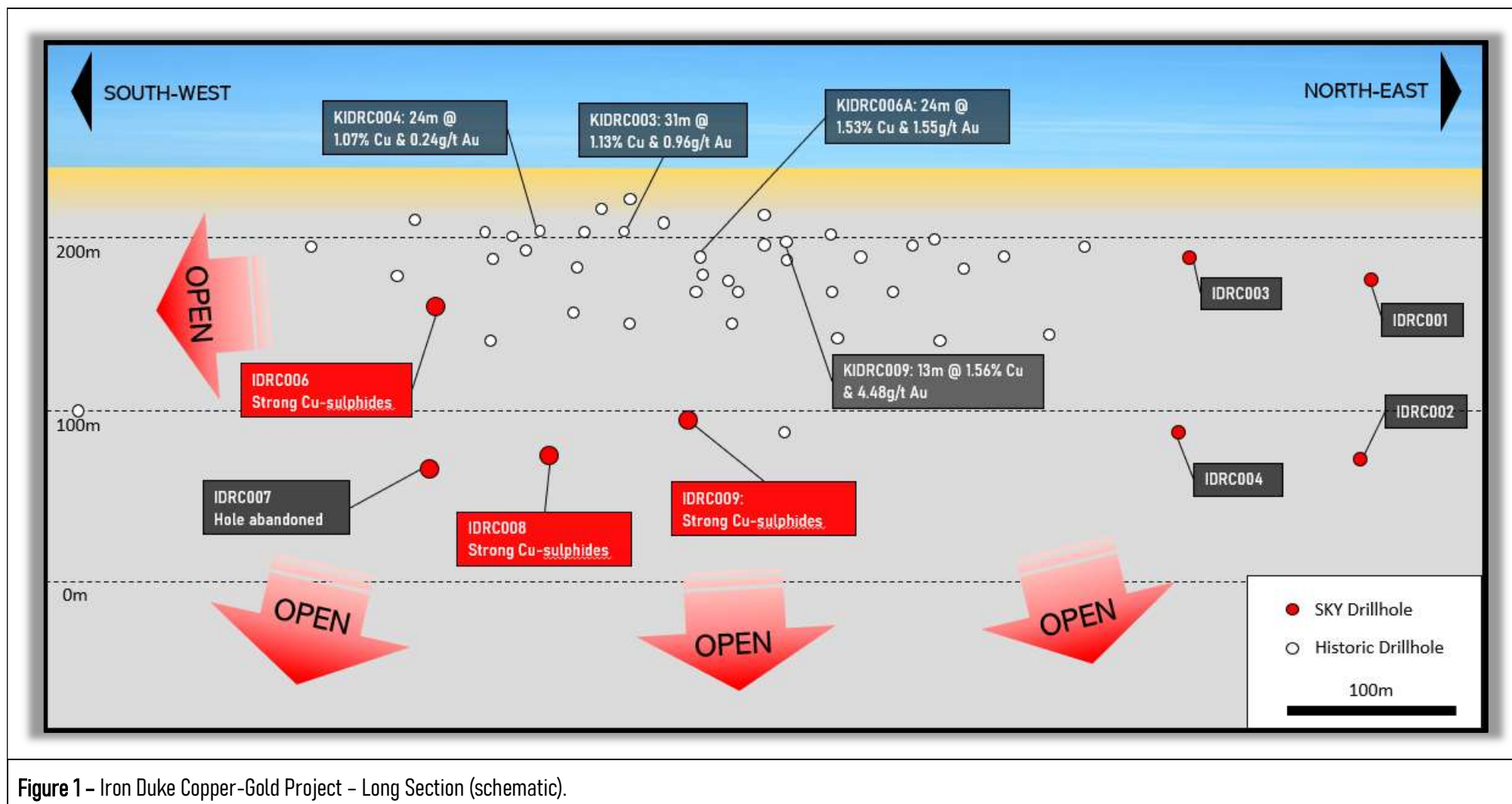
Due to the strong visual copper mineralisation and excessive hole deviations in the first phase of the RC drilling at Iron Duke, a diamond rig will be mobilised in the following weeks to follow up on this very encouraging drilling at the Iron Duke target.

HISTORIC DRILL CORE REVIEW

A review of historic diamond drilling from Iron Duke was completed 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 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. These intercepts act to validate and extend the historic intercepts and indicate the tenor of the Iron Duke mineralisation.

Results include:

A4:	2m @ 1.15% Cu from 87m
DDH4:	0.44m @ 1.81% Cu from 169.46m



GALWADGERE COPPER-GOLD PROJECT (EL 6320; SKY 100%)

HISTORIC DRILL CORE REVIEW

A review of historic diamond drilling from Galwadgere has been completed at the NSW Mines Department core library in western Sydney. The review has proven to be very encouraging and has confirmed the previous intercepts and added additional intercepts which were previously unknown. The resampling completed by SKY has increased the intercepts from the historic drilling and confirmed historic intercepts to prepare them to be included in the upcoming resource update to JORC 2012 resource at Galwadgere.

The best new results from the resampling include:

G25:	27.84m @ 0.5% Cu & 0.07g/t Au from 175m, incl: 4.25m @ 1.0% Cu & 0.06g/t Au from 195m
G40:	10m @ 0.78% Cu from 262m

GALWADGERE JORC 2012 MINERAL RESOURCE ESTIMATE

H&S Consultants have been engaged by SKY to generate a JORC 2012 mineral resource estimate (MRE) for the Galwadgere deposit which is due to be finalised in the coming weeks. This will provide a starting point from which SKY can continue to progress the target and add to this initial resource. SKY plans to follow up this MRE with further drilling at the Galwadgere target itself, in combination with targets developed along strike, to expand the high-grade resource at Galwadgere.

DHEM SURVEY COMPLETED

An initial downhole EM (DHEM) survey has been completed on selected drill holes at Galwadgere. Results are currently being processed.

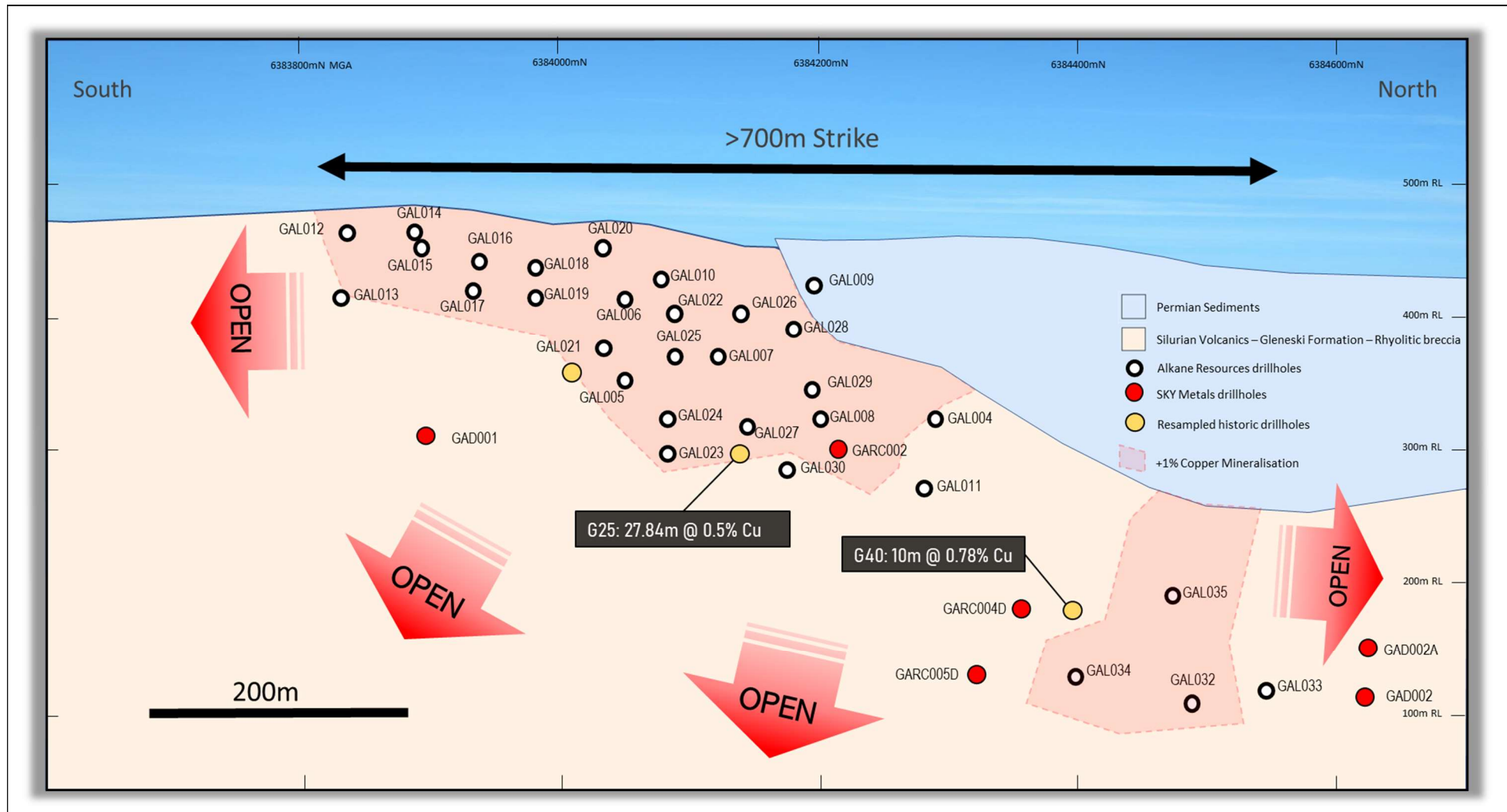


Figure 2 – Galwadgere Copper-Gold Project – Long Section (schematic).

CULLARIN GOLD-LEAD-ZINC PROJECT (EL 7954; SKY 80%; HERON RESOURCES JV)

HUME TARGET - DIAMOND DRILLING

A series of three drill holes were completed at the Hume Target to establish extensions to the high-grade gold mineralisation delineated in previous programs. **HUD023** was drilled to test the continuity of the Hume structure between HUD013 and HUD014. The Hume structure was intersected as strong lead-zinc mineralisation as per below:

HUD023: 9m @ 0.57g/t Au, 0.31% Cu, 4.55% Pb+Zn from 136m, and;
4m @ 0.29g/t Au & 5.35% Pb+Zn from 193m, and;
6m @ 0.11g/t Au & 6.36% Pb+Zn from 209m

HUD024 and **HUD025** were both drilled as step-out holes along strike on the Hume structure to extend the mineralisation to the northwest. These holes intercepted broad intervals of strong lead and zinc mineralisation, however, did not intercept the strong high-grade gold previously intercepted on the Hume structure. This has led to an interpreted plunge and folding of the high-grade gold mineralisation on the Hume structure which is planned to be drill tested in follow up drilling in the coming months. Significant intercepts for these holes are listed below and in **Table 1**:

HUD024: 3m @ 4.65% Pb+Zn from 289m

HUD025: 4m @ 0.12g/t Au, 0.11% Cu, 4.17% Pb+Zn from 61m, and;
3m @ 0.15% Cu & 4.77% Pb+Zn from 331m

In addition to testing the Hume structure for extensions along strike and down plunge, further drilling is also planned to investigate the possible repetitions of the Hume structure to the east. Evidence for this is found in **HUD014** (SKY: ASX announcement 18th November 2020) where two zones of high-grade gold mineralisation were intercepted:

HUD014: 4.9m @ 8.13g/t Au from 92m, and;
5m @ 9.72g/t Au from 233m (Hume Structure)

Drilling is also planned to follow-up strong base-metal mineralisation intercepted in HUD005 (SKY ASX announcement 22nd June 2020):

HUD005: 6m @ 1.28% Cu, 6.61% Zn & 5.83% Pb from 273m;

Follow up drilling will aim to delineate and evaluate these possible new zones while regional work will continue to add new Targets to be developed in conjunction with the Hume Target.

MURRAY'S TARGET - DIAMOND DRILLING

A diamond drilling program has been completed at the Murray's Target (previously Breadalbane Iron Mine) where historic drilling resampled by SKY at the NSW Mines Department core library and soil sampling has highlighted a Copper-Gold target (SKY ASX announcement 26th October 2020).

SKY has drilled three diamond holes at Murray's, **MUD001**, **MUD002** and **MUD003**. MUD001 and MUD002 intercepted moderate-minor sulphide stringer mineralisation and alteration. MUD003 intercepted a strongly magnetic unit which was host to visible copper mineralisation as chalcopyrite between approximately 105m-118m downhole (**Figure 2**). Assay results for these holes are pending.



Figure 3 – MUD003: 116.4m – Massive pyrite, chlorite & magnetite with minor chalcopyrite

HUME WEST TARGET - DIAMOND DRILLING

Previous drilling on the southern strike extent of the Hume Target intercepted an increase in grades seen in HUD008 (SKY ASX announcement 24th July 2020):

HUD008: 6.7m @ 2.46g/t Au from 75.7

This was followed up with a soil sampling program to the southwest of HUD008 which identified a coherent multielement anomaly striking south-southwest to the west of HUD008. Four diamond holes were drilled, **HUD026-29**, to test the down dip and along strike continuation of the mineralisation intercepted in HUD008 and the multielement soil anomaly.

HUD026 was drilled down dip and underneath HUD008 and intercepted strongly silicified alteration and mottled quartz with pyrite, sphalerite, galena and trace chalcopyrite from approximately 200m-220m before intercepting the footwall chlorite schist at approximately 250m. HUD027 was drilled due west of HUD026 to cover the width of the soil anomaly. HUD027 encountered intensely fractured ground throughout the hole and intercepted only minor mineralisation.

HUD028 was drilled 150m to the south of HUD026 and HUD027 into the centre of the soil anomaly. HUD028 also drilled intensely fractured ground with minor quartz veining with associated pyrite and trace sphalerite and galena from 180-194m. A carbonate-rich/limestone unit was intercepted below this unit from 194m-229m and minor quartz veinlets with pyrite sphalerite, galena and trace chalcopyrite were logged. HUD029 was the final hole drilled and tested the southern end of the soil anomaly and also intercepted the carbonate-rich/limestone unit from approximately 80m with minor quartz veinlets with pyrite sphalerite, galena and trace chalcopyrite as in HUD028.

All holes have been sampled and submitted to the lab with assays pending.



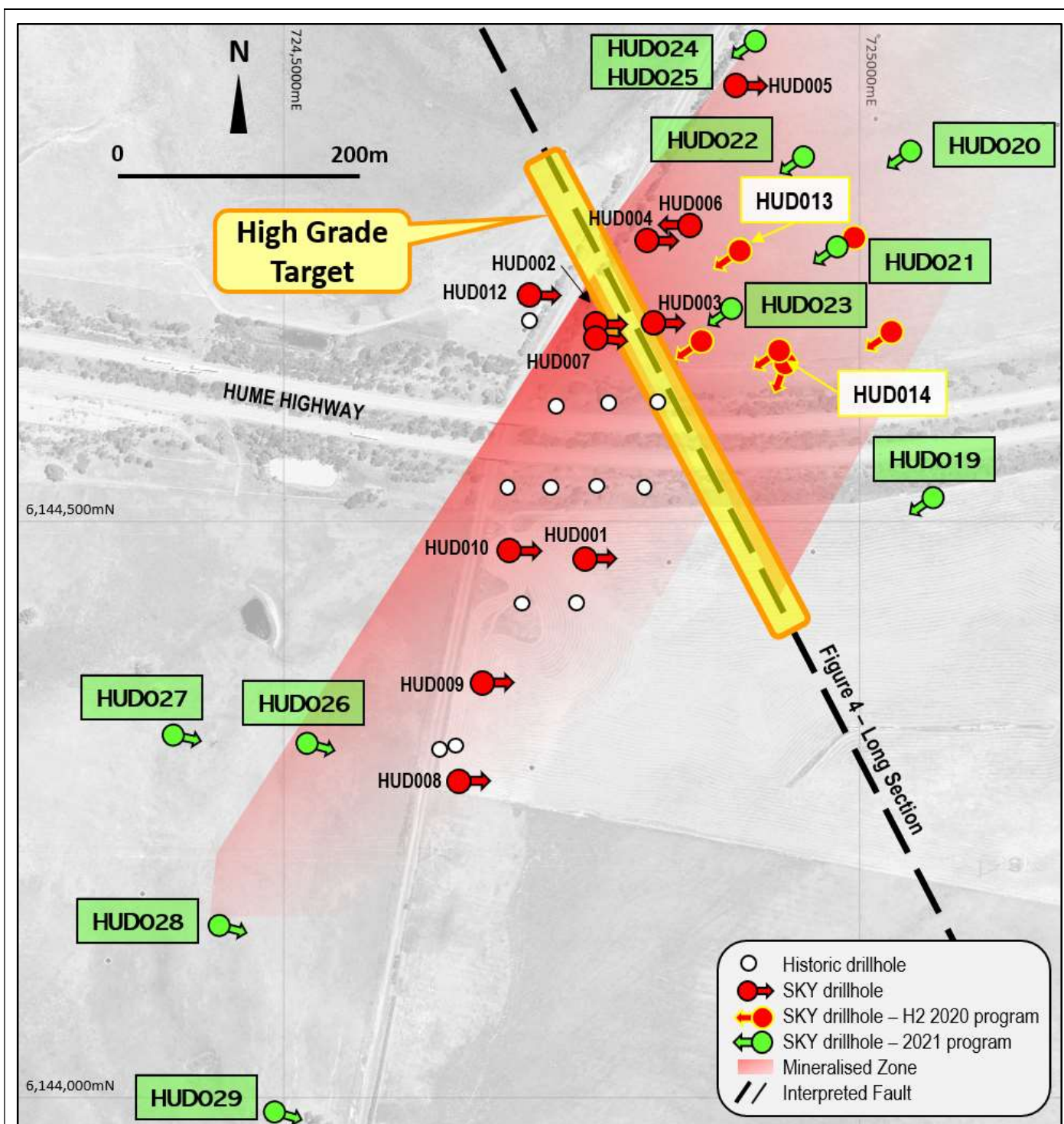


Figure 4 – Hume Target, plan view of drilling and structural interpretation.

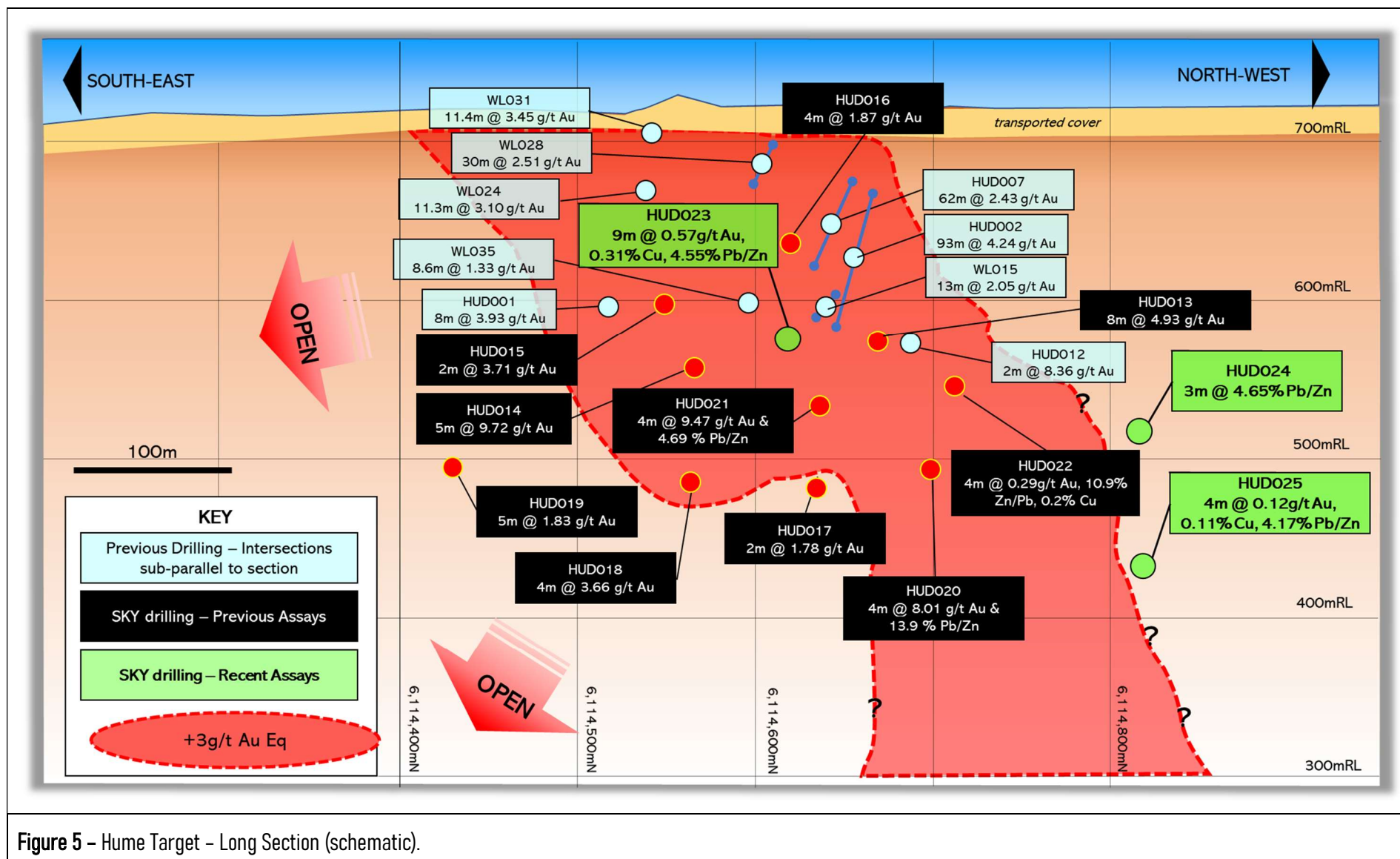


Figure 5 – Hume Target – Long Section (schematic).

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HUD023	724869	6144673	722	-60	235	271.4	Completed
HUD024	724880	6144870	721	-53	242	321.5	Completed
HUD025	724888	6144875	721	-65	243	405.7	Completed
MUD001	723922	6147364	734	-60	261	290.9	Completed
MUD002	723925	6147470	729	-60	262	307.8	Completed
MUD003	723862	6147641	713	-60	260	250.1	Completed
HUD026	724517	6144310	727	-60	110	258.6	Completed
HUD027	724406	6144316	727	-60	110	280.4	Completed
HUD028	724443	6144147	730	-60	110	288.3	Completed
HUD029	724489	6143988	716	-60	110	204.5	Completed

Table 1 – Cullarin Project, Hume, Murray's and Hume West Target. Drillhole collar details

Hume Target – Au > 1.0g/t or 2% Pb+Zn

Hole ID	From	To	Interval	Au	Cu	Pb	Zn	Ag	Comment
	(m)	(m)	(m)	g/t	%	%	%	g/t	
HUD023	136	145	9	0.57	0.31	1.39	3.17	-	
	193	197	4	0.29	-	1.42	3.94	-	
	209	215	6	0.11	-	1.86	4.5	-	
HUD024	289	292	3	-	-	1.17	3.48	-	
HUD025	61	65	4	0.12	0.11	1.16	3.01	-	
	331	334	3	-	0.15	0.89	3.88	-	

Table 2: Cullarin Project, Hume Target. Significant drillhole intersections

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 currently.

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, ELA5968, 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; ELA5991 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 6: SKY Location Map

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Sky Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Kairaitis consents to the inclusion in this report of the matters based on his 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, GALWADGERE & CULLARIN PROJECTS

(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>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.</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 RC drilling, assay standards or blanks are inserted at least every 30 samples.</p> <p>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.</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>RC Drilling – the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. Though the Permian overlying sequence, composite spear samples of 3m were taken.</p> <p>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.</p> <p>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).</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>Reverse circulation (RC) drilling using 110mm rods, 144mm face sampling hammer.</p> <p>Diamond Drilling completed using PQ core until fresh rock is reached then HQ coring.</p> <p>Core orientation was completed where possible</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed 	<p>RC drilling - high capacity RC rig was used to enable dry samples collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination.</p> <p>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.</p>
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples 	<p>Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core recovery.</p>

Criteria	Explanation	Commentary
	<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 	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.
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>Systematic geological and geotechnical logging was undertaken by NBH and their joint venture partners when the holes were originally drilled. Data collected includes:</p> <ul style="list-style-type: none"> 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.
	<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.</p> <p>Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference.</p> <p>A representative sample of each one metre RC interval is retained in chip trays for future reference. Half core samples are retained in trays for future reference.</p>
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged 	All core was geologically and geotechnically logged.
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 	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.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry 	RC drilling - the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique 	<p>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.</p> <p>For RC samples: samples were dried crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.</p>
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples 	SKY: Certified Reference Material (CRM) and blanks were inserted at least every 30 samples to assess the accuracy and reproducibility of the drill core results. 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.

Criteria	Explanation	Commentary
	<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. 	<p>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.</p> <p>No field duplicates are taken for RC samples. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.</p>
	<ul style="list-style-type: none"> 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	<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 drill core. Multielement assaying for drill core samples was completed for 48 elements by 30g four-acid total digest with ICPMS determination (method ME-ICP61).
	<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 	Certified reference material or blanks were inserted at least every 30 samples. Standards are purchased from Certified Reference Material manufacture companies: Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade, low grade, and trace ranges of elements, with a primary focus on gold.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> The use of twinned holes. 	Twinned holes have not been used in the drilling.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<p>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.</p> <p>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.</p>
	<ul style="list-style-type: none"> Discuss any adjustment to assay data 	Assay data is not adjusted.
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. 	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 handheld GPS to locate drillholes at this stage (accuracy ± 2m). DGPS surveying of drillholes (± 0.1m) will be undertaken.

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> • <i>Specification of the grid system used</i> 	All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control</i> 	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. SKY has used handheld GPS to locate drillholes at this stage (accuracy $\pm 2\text{m}$). DGPS surveying of drillholes ($\pm 0.1\text{m}$) will be undertaken.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results</i> 	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"> • <i>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</i> 	Not Applicable as no resource estimate has been completed
	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied</i> 	Sample compositing is not applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type</i> 	Drilling was orientated to cross the 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.
	<ul style="list-style-type: none"> • <i>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</i> 	No sample bias due to drilling orientation is known. However, the potential for bias is being investigated by the current drilling campaign
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security</i> 	<p>Sample chain of custody has been managed by the employees of Sky Metals who commissioned the drilling from the drilling rig 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"> • <i>The results of any audits or reviews of sampling techniques and data</i> 	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, CALEDONIAN & GALWADGERE 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"> • <i>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.</i> 	<p>The Cullarin Project is described by NSW Exploration Licence 7954.</p> <p>The tenement is 80% owned by SKY Metals Ltd with 20% 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. See SKY ASX</p>



Criteria	Explanation	Commentary
		<p>announcement 9 October 2019 for more details.</p> <p>The Iron Duke project is described by EL6064 and ELA 5991. 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. ELA 5991 was applied for by a SKY Metals subsidiary.</p> <p>The Galwadgere Project is described by NSW Exploration Licence 6320. The tenement is subject to an Option to Purchase Agreement whereby SKY Metals Ltd may purchase the tenement from Alkane Resources Ltd (Alkane). See SKY ASX announcement 24 August 2020 for more details.</p>
	<ul style="list-style-type: none"> <i>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</i> 	<p>All exploration licences are in good standing. EL7954 expires on 19 June 2022. EL6064 expires on 21st March 2022. ELA 5991 was applied for by a subsidiary of SKY Metals (Gradient Energy Pty Ltd) on 17th June 2020. EL 6320 expires on 12th October 2026.</p>
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties</i> 	<p>Iron Duke: 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. 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> <p>Cullarin: 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.</p> <p>Galwadgere: Exploration by various companies has taken place intermittently in the Galwadgere area since 1967, with the bulk of the work comprising diamond drilling completed during the 1970s. Alkane's</p>



Criteria	Explanation	Commentary
		drilling in 2004 intersected altered volcanics hosting broad widths of pyrite-chalcopyrite mineralisation with occasional massive sulphide lenses up to 5 metres thick.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation</i> 	<p>Mineralisation at the Hume prospect is associated with sulphide-rich and intensely silica-sericite altered horizons hosted in a late Silurian volcanoclastic 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.</p> <p>Regionally, the Iron Duke 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> <p>Drilling at Galwagdere located an extensively altered Silurian felsic to intermediate volcanic sequence hosting base metal sulphide and gold mineralisation. While the deposit has previously been categorised as a Volcanogenic Massive Sulphide (VMS) type deposit, Alkane considered that later structural overprint may have modified the distribution of the metals. The mineralisation at Galwagdere has been traced over a strike length of at least 700 metres, with at least 400m of this strike extent covered by younger Permian sediments. The mineralisation varies in thickness from 5 to 35 metres and has been tested to a depth of 400 metres, although the bulk of the drilling is above 200 metre vertical depth. The system dips to the east at about 60°, and there is an apparent plunge to the north at 45- 50°. The mineralisation consists of disseminated and stringer pyrite-chalcopyrite lenses within altered felsic volcanic rocks. The system is structurally overturned and appears to be zoned with a capping of zinc-lead-silver-gold rich bedded massive sulphide. To the west, non-prospective Devonian sediments outcrop with the prospective Silurian sequence cut off by a major regional east dipping thrust fault.</p>
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level—elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length</i> 	See body of announcement.
	<ul style="list-style-type: none"> <i>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.</i> 	Not applicable as drill hole information is included.
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> 	Where reported, drilling results have been length weighted. Grades greater than 0.1g/t Au and 0.5g/t Au have been used to calculate intercepts for the Cullarin Project and 0.5% Cu and 0.5g/t Au for the Galwagdere and Iron Duke Projects. No high cut-off has been applied.



Criteria	Explanation	Commentary
	<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. 	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.
	<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'). 	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.
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, appendix of ASX announcement, 22 November 2018, ASX announcement 24 August 2020, ASX announcement 16 November 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. 	See table in appendix of ASX announcement, 22 November 2018 ASX announcement 24 August 2020 and ASX announcement 16 November 2020 announcement 30 November 2020, ASX announcement 15 February 2021, ASX announcement 31 March 2021 and ASX announcement 8 April 2021.
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
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). 	Further 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. ASX announcement 24 August 2020 and ASX announcement 16 November 2020, ASX announcement 30 November 2020, ASX announcement 15 February 2021, ASX announcement 31 March 2021 and ASX announcement 8 April 2021.