SKY COMPLETES PURCHASE OF GALWADGERE COPPER-GOLD PROJECT & MAIDEN JORC-2012 RESOURCE

- SKY has completed the acquisition of 100% of the Galwadgere Copper-Gold Project in NSW from Alkane Resources
- Maiden JORC-2012 Inferred Resource of **3.6Mt at 0.82% Copper and 0.27g/t Gold**
- Resource provides strong platform to expand with ongoing exploration
- Mineralisation remains open along strike and down dip at Galwadgere
- Soil sampling has identified multiple Copper-Gold targets along strike and within 3km of the Galwadgere Resource

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on exploration activities at the Galwadgere Copper-Gold project in NSW (**Figure 5**). The acquisition of 100% of the Galwadgere Project from Alkane Resources Ltd (Alkane) has been completed with the issue of 6,000,000 fully paid ordinary shares following $250,000 in-ground expenditure by SKY within 18 months and a payment of $1 in consideration for the grant of the option to purchase. SKY now holds a 100% equity interest in the Galwadgere Copper-Gold Project – EL6320.

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

GALWADGERE TARGET – MAIDEN JORC-2012 RESOURCE

SKY is pleased to announce the Galwadgere maiden JORC-2012 Inferred Resource of **3.6Mt at 0.82% Cu & 0.27g/t Au** prepared by H&S Consultants (H&SC). H&S were engaged by SKY to complete the maiden resource using drilling completed by SKY in 2020 and previous drilling completed by Alkane Resources (ALK) and other past explorers. This data has been compiled into a database and subsequently has been validated with several reviews including inspection and resampling of the historic drill core at the W B Clarke Geoscience Centre (NSW Core Library) in western Sydney.

Table 1 – Galwadgere MRE showing the two cut-offs used, total tonnage, grade and contained metals for each cut-off.

Cut-off	Tonnage (Mt)	Grade		Contained Metal	
		Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
0.7% Cu	1.9	1.02	0.29	20	18
0.5% Cu	**3.6**	**0.82**	**0.27**	**29**	**31**

SADDLE AND MCDOWELLS TARGET – SOIL SAMPLING

Soil sampling undertaken along strike from the Galwadgere resource has identified two copper-gold, multielement pathfinder soil anomalies. The northern soil sampling program over the McDowell's mine and line of workings has delineated a 200m x 100m adjacent soil anomaly which is coincident with several historic mine shafts with copper carbonate bearing rocks discovered near these workings. Soil sampling south of the Galwadgere Target has identified another soil anomaly which appears similar in tenor to the anomaly identified at the McDowell's mine. These anomalies are within 3km of the Galwadgere resource and provide strong support for expanding the copper-gold resource at Galwadgere with along strike exploration. These are priority drill targets to be tested.

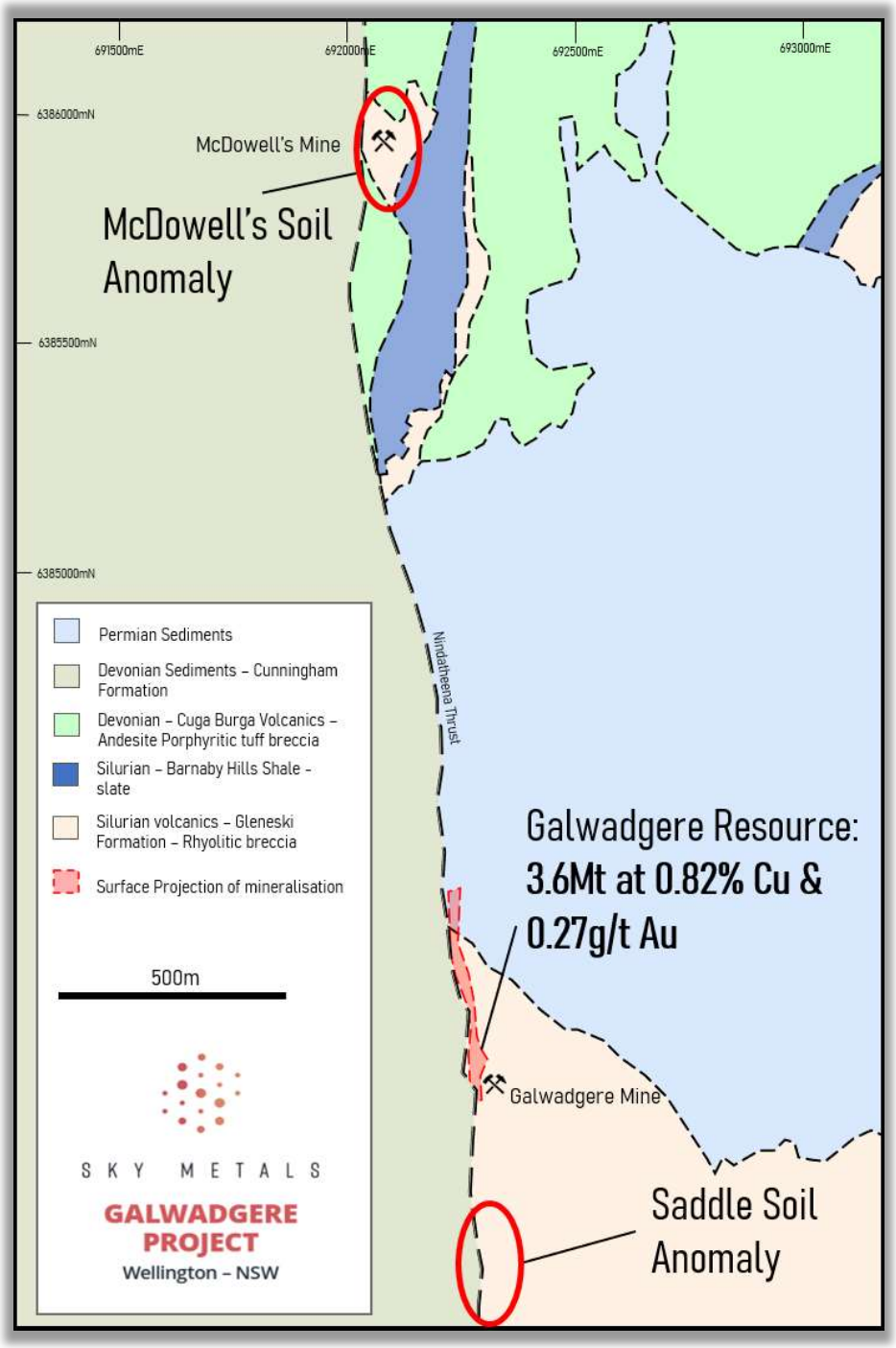

Figure 1 – Galwadgere Copper-Gold Project – Geological map with the locations of the Galwadgere resources and soil anomalies at Saddle and McDowell Targets.

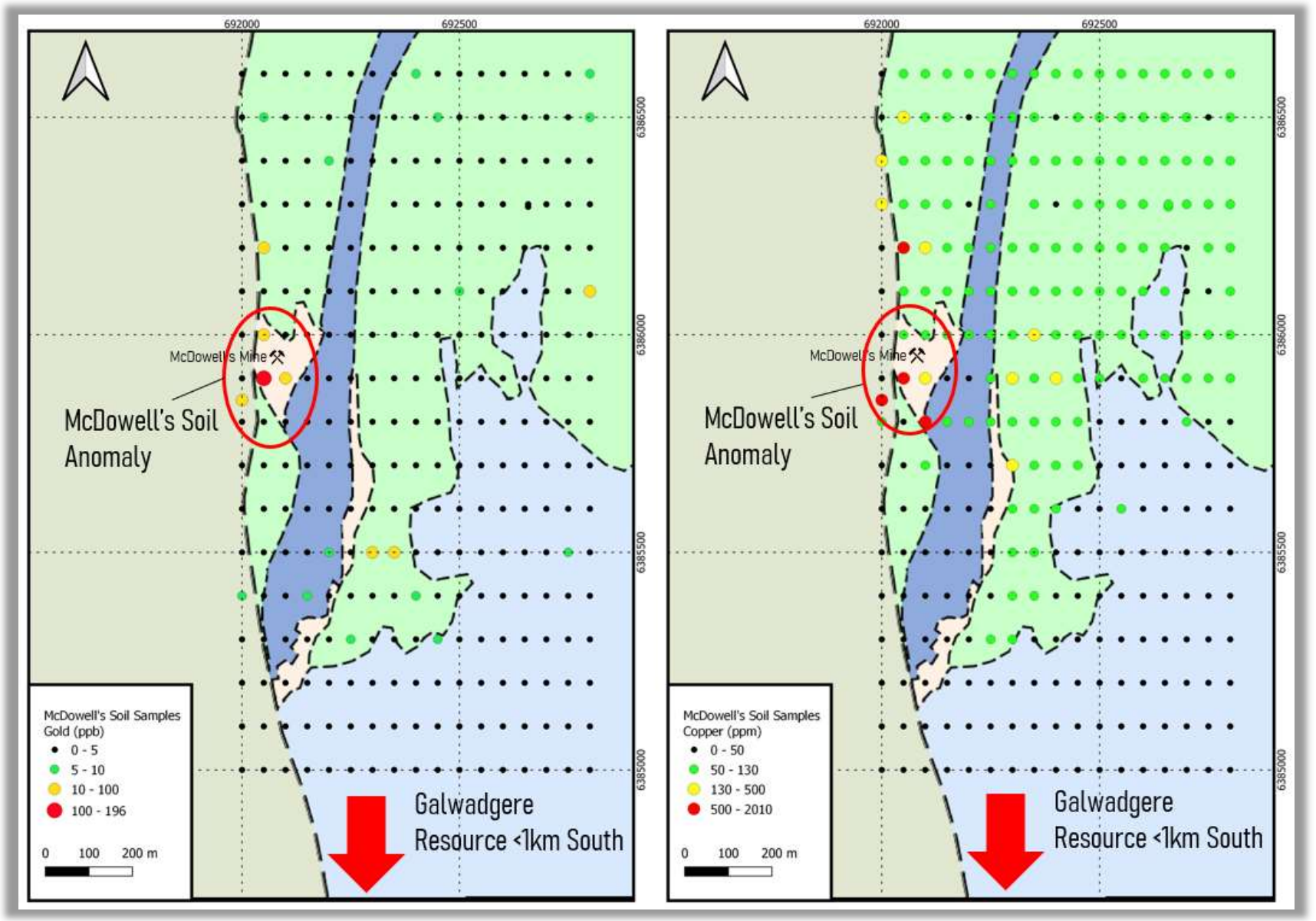

Figure 2 – McDowell's Soil Sampling grid with results for Gold and Copper in soils in ppb and ppm, respectively. Geology underlaid with same legend as Figure 1.

SKY METALS

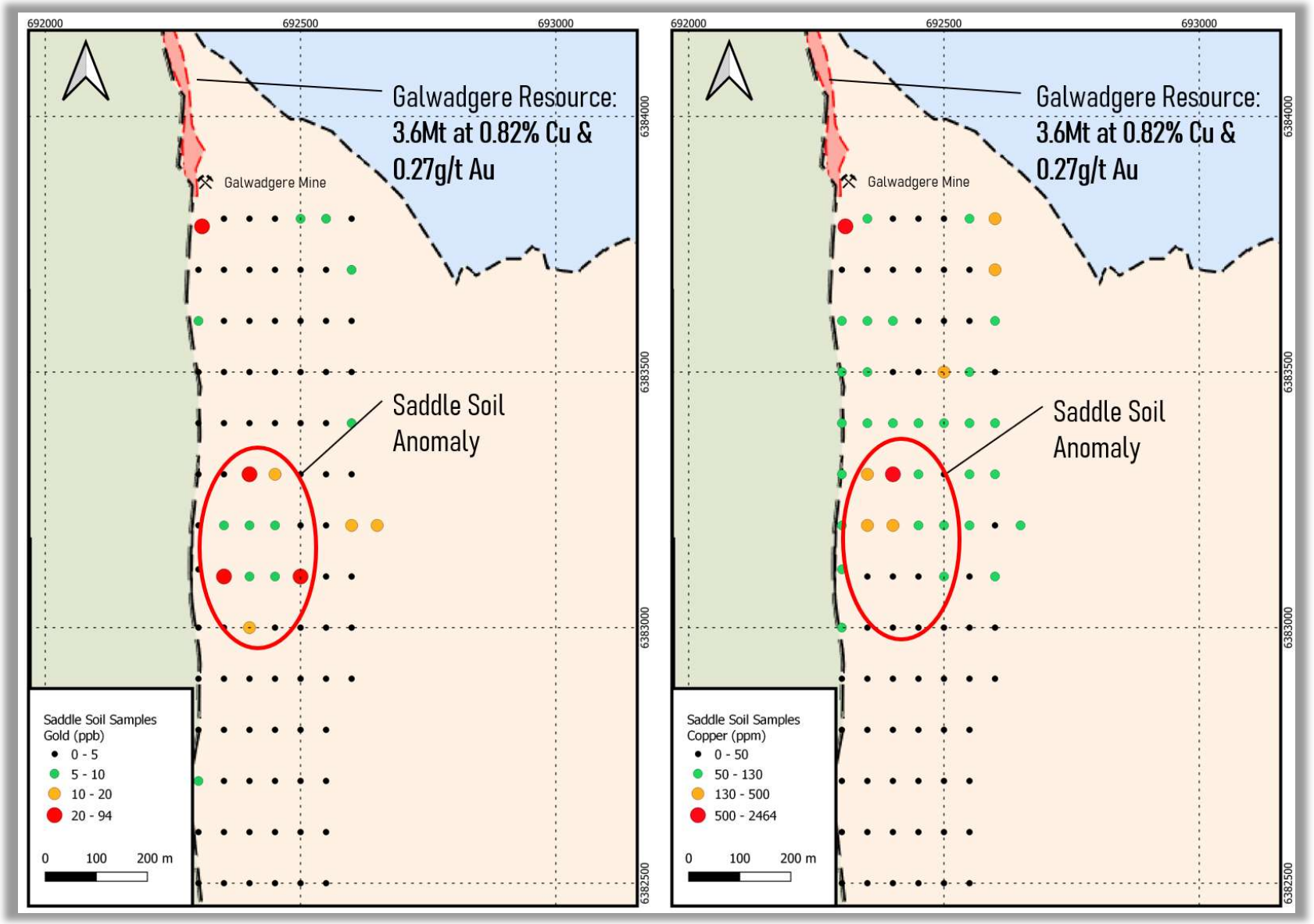

Figure 3 – Saddle Soil Sampling grid with results for Gold and Copper in soils in ppb and ppm, respectively. Geology underlaid with same legend as Figure 1.

SKY METALS

GALWADGERE TARGET – MAIDEN JORC-2012 RESOURCE DETAILS

BACKGROUND

The Galwadgere Project is located 15km south-east of Wellington township in the Central West of New South Wales (Figure 5). The project hosts several targets including the Galwadgere Copper-Gold deposit and the McDowells & Christies prospects. The Galwadgere Deposit has been the focus of most of the recent exploration effort by Alkane and is located adjacent to favourable infrastructure, being three kilometres from the main Western Railway, and proximal to power and water. SKY began work at Galwadgere in September 2020 following the grant of an option to purchase agreement with Alkane in August 2020. SKY completed 2160m of RC and Diamond drilling to validate the historic results at Galwadgere and begin to explore for extension to the mineralisation Galwadgere and evaluate the other nearby copper-gold targets.

GEOLOGICAL INTERPRETATION

SKY has developed a geological interpretation of the Galwadgere deposit based on work by previous explorers and drilling and surface mapping. The mineralisation is hosted by felsic volcanics of Silurian Gleneski Formation, adjacent to the Nindethana Thrust, a major regional structure, truncating the mineralisation. Devonian sediments of the Cunningham Formation occur to the west of the thrust and a small basin of Permian sediments unconformably overlies the northern part of the deposit. Within the Gleneski Formation, the mineralisation tends to occur preferentially as lenses, close and parallel to the Nindethana Thrust, dipping between 50° and 60° towards azimuth 080°.

H&SC generated wireframe surfaces of the base of Permian sediments and the Nindethana Thrust which border the mineralisation based on the SKY interpretation. The top of fresh rock was interpreted from geological logging, defining a thin oxide zone averaging around 20m thick over the mineralisation. It is unclear if there is depletion or enrichment of copper and gold due to oxidation because there is little drilling intersecting the oxide zone. There is limited scope for alternative geological interpretations of the deposit, which appear unlikely to have a significant effect on MRE.

DRILLING, SAMPLING AND ASSAYS

SKY provided H&SC with a database extract of all holes drilled at Galwadgere in April 2021. There were subsequent updates to some of the data resulting from database validation and the final database used for the MRE is summarised in Table 2 below.

Table 2 – Drill hole summary by year.

Year	Company	Holes	Metres	Type	Lithologies	Cu Assays	Au Assays
1967	Placer Prospecting	3	295	DD	18	88	102
1970	Hastings Exploration/K.R. Besley	4	441	DD	63	264	263
1971	Woodsreef Mines Ltd.	31	4,263	DD	441	1,304	712
1981	ICI/Woodsreef/Hastings/Newmont	4	1,278	RC/DD	41	442	442
1989	Compass Resources	11	601	RC	68	163	306
1996	Veltox Pty Ltd	3	415	RC/DD	65	142	
2004	Alkane Exploration Ltd	27	3,622	RC	813	2,678	2,678
2005	Alkane Exploration Ltd	1	268	RC/DD	45	126	126
2011	Alkane Exploration Ltd	1	418	RC/DD	56	55	55
2012	Alkane Exploration Ltd	2	767	RC/DD	98	236	236
2013	Alkane Exploration Ltd	1	303	DD	42	63	63
2020	Sky Metals	7	2,160	RC/DD	127	1,031	1,031
Total		**95**	**14,832**		**1,877**	**6,592**	**6,014**

The Mineral Resource Estimate for Galwadgere is based only on core samples from diamond drill (DD) holes and drill chip samples from reverse circulation (RC) percussion holes. Core/sample recovery has been recorded in many cases and it appears that efforts were made to maximise recovery and, therefore, sample representivity. Details of sampling procedures for earlier holes are limited but it is assumed that 'industry standard' methods of the time were employed (further details can be found below in JORC Code, 2012 - Table 1)

For the SKY and Alkane drill core, sampling is by sawn half PQ & HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m. For 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. Alkane RC holes were sampled at 1m intervals or similarly composite spear sampling through the Permian overlying sequence, while Compass RC holes were sampled at 2m intervals. Historical DD holes were sampled by sawn half core HQ & NQ core at intervals up to 5 metres, although the average length was around 1m or 3 feet.

Diamond drill holes were typically drilled as NQ/BQ size core for older holes, with triple tube PQ/HQ for recent SKY holes. It is assumed that earlier DD holes were drilled with a standard core barrel. SKY completed core orientation where possible but there are no records of core orientation for older holes. The Reflex core orientation tool was used for the SKY holes. It is assumed that all RC drilling was completed using face sampling hammers, although this can only be confirmed for SKY and Alkane holes. The 1989 Compass holes are simply recorded as "reverse circulation". Available records indicate that RC holes were generally drilled with a diameter of 140 or 127mm (5.5 or 5.0 inches respectively). RC/DD holes were generally drilled as RC in the overlying Permian sediments, with diamond tails in the potentially mineralised Silurian volcanics.

Drill Core and RC 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. SKY gold (Au) assaying 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). "Over range" base metal values (>1%) were analysed by method OG62 – ore grade digest. These methods are considered appropriate and are total assay techniques. Alkane Gold assay was determined by 50g fire assay (lab code Au-AA26), while copper was analysed using an aqua regia digest with ICPMS finish (lab code ME-ICP42); assays were performed at ALS Chemex, Orange.

Gold assays for the Veltox drilling were performed using method PM219 (fire assay), while copper was determined by methods G001 or A101; assays were performed by Analabs. Compass assayed gold using method PM209 (50g fire assay), while copper was determined by methods G001 (perchloric digest with AAS finish) or A101 (perchloric digest and hydrochloric leach with AAS finish); assays were performed by ALS. Samples for the earliest DD holes (G001-G007) were analysed at Geochemical and Mineralogical Laboratories Pty Ltd. Gold was determined by "Fire Assay or Extraction" while copper was assayed by "Assay or AAS". Most holes drilled by Woodsreef (G008-G037) were analysed by Analchem Consultants Pty Ltd. Gold was determined by "Fire Assay" while copper was assayed by "Geochemical Scan, Wet Chemical or AAS". The later Woodsreef holes (G038-G041) were analysed at Comlabs Pty Ltd. Gold was determined by "AAS5 50g sample" or "AAS5A" while copper was assayed by "AAS1, 1A or AA51".

Available QAQC data was examined, firstly to see what data is available and secondly to determine if data quality is adequate. Limited available data suggests that sample recovery is generally good and there is no obvious evidence of a bias in copper or gold grades due to low sample recovery. Results for available standards and blanks are generally acceptable. Duplicates for copper show satisfactory performance but there is evidence of potential issues with sampling or assaying for gold in some of the earlier data.

Newmont relogged and reassayed some older Woodsreef core in 1981 and this data supersedes older information in the Mineral Resource Estimate. The core was filleted or ¼ core was taken for these reassays, which total at least 438 samples in 23 holes. SKY resampled and assayed several intervals of old Woodsreef core available in the Londonderry Drillcore Library, part of the W B Clarke Geoscience Centre (NSW Core Library) in western Sydney. This comprised 609 samples for 655.5m in eight holes. These new assays supersede any old assays in the MRE.

A substantial amount of old Woodsreef core was later reassayed by Newmont and SKY, producing a significant set of duplicate samples. Unfortunately, samples intervals do not necessarily correspond, so assays are not always directly comparable. However, there is only a 1.5% difference in mean grade between the 892 original and duplicate assays for copper on a length weighted basis and results are globally unbiased, suggesting that the old and new assays are broadly comparable.

There are only 266 duplicate pairs for gold but there is a 41% difference between original and duplicate assays on a length weighted basis. Although results are unbiased globally, there appears to be a significant conditional bias where high original assays return substantially lower duplicate values. This suggests a potential issue with sampling or assaying for gold at Galwadgere or coarser gold causing nugget effect. This will be carefully assessed in any future drilling programs.

RESOURCE ESTIMATION

A block model framework was generated using the wireframe surfaces and model dimensions shown in Table 3. The block size in Y and Z approximates half the hole spacing in the plane of mineralisation, which is considered appropriate for OK estimation, while the block size in X represents the potential minimum mining width. Minimum sub-blocks are 1.25x6.25x1.0m in X, Y and Z, respectively.

Table 3 – Galwadgere Model Dimensions

Galwadgere	X	Y	Z
Origin	692,200	6,383,700	0
Maximum	692,500	6,384,650	530
Block Size	2.5	12.5	10
Number of blocks	120	76	53
Length	300	950	530

A four pass search strategy was implemented, as shown in Table 4, using increasing search radii and lower minimum sample requirements. The Pass number provides an index of confidence for each block, which could be used in resource classification. Only the potentially mineralised Silurian Gleneski Formation was estimated. The dip of mineralisation varies from 60° in the south to 50° in the north so the dip of the search ellipsoids and variogram models was varied by Northing during estimation.

Table 4 – Galwadgere Model Dimensions

Pass	Radii			Samples		Octants
	X	Y	Z	Min	Max	Min
1	35	35	5	16	32	4
2	70	70	10	12	32	4
3	105	105	15	8	32	4
4	105	105	15	8	32	0

Cut-off grades of 0.5% Cu and 0.7% Cu were used as copper is the dominate commodity and 0.5% Cu is in line with other recent mineral resource estimates in the industry for NSW. The cut-off of 0.5% Cu represents a likely minimum grade that is economic to be extracted via open-cut mining and a Cu equivalent with gold was not calculated as gold is likely to have only a minor impact on the project feasibility. The resource calculated using a cut-off of 0.7% Cu has also been used to demonstrate the amount of the resource which contains higher grades which may be required to be targeted by future extraction given current uncertainties around the project economics.

The impact of top-cuts applied to gold grades was also assessed. At a 0.5% Cu cut-off grade, the gold top-cut makes no difference to the estimated tonnage and copper grade but has an obvious effect on average gold grade. Relative to an uncut model, the H&SC 9g/t Au top-cut reduces average gold grade by 8%. Clearly, the estimates are quite sensitive to the gold top-cut applied and this is a significant factor affecting the confidence in the estimates.

The MRE was limited to all mineralisation above a depth of 200m. It could be argued that the small amount of mineralisation at depth to the north should be excluded from the MRE because it is unlikely to be economic due to the high stripping ratio to uncover this material, and therefore, unlikely to be economic for open-cut mining. This model was validated in a number of ways – visual and statistical comparison of block and drill hole grades, examination of grade-tonnage data and comparison with the previous estimate which all showed that the model was effective.

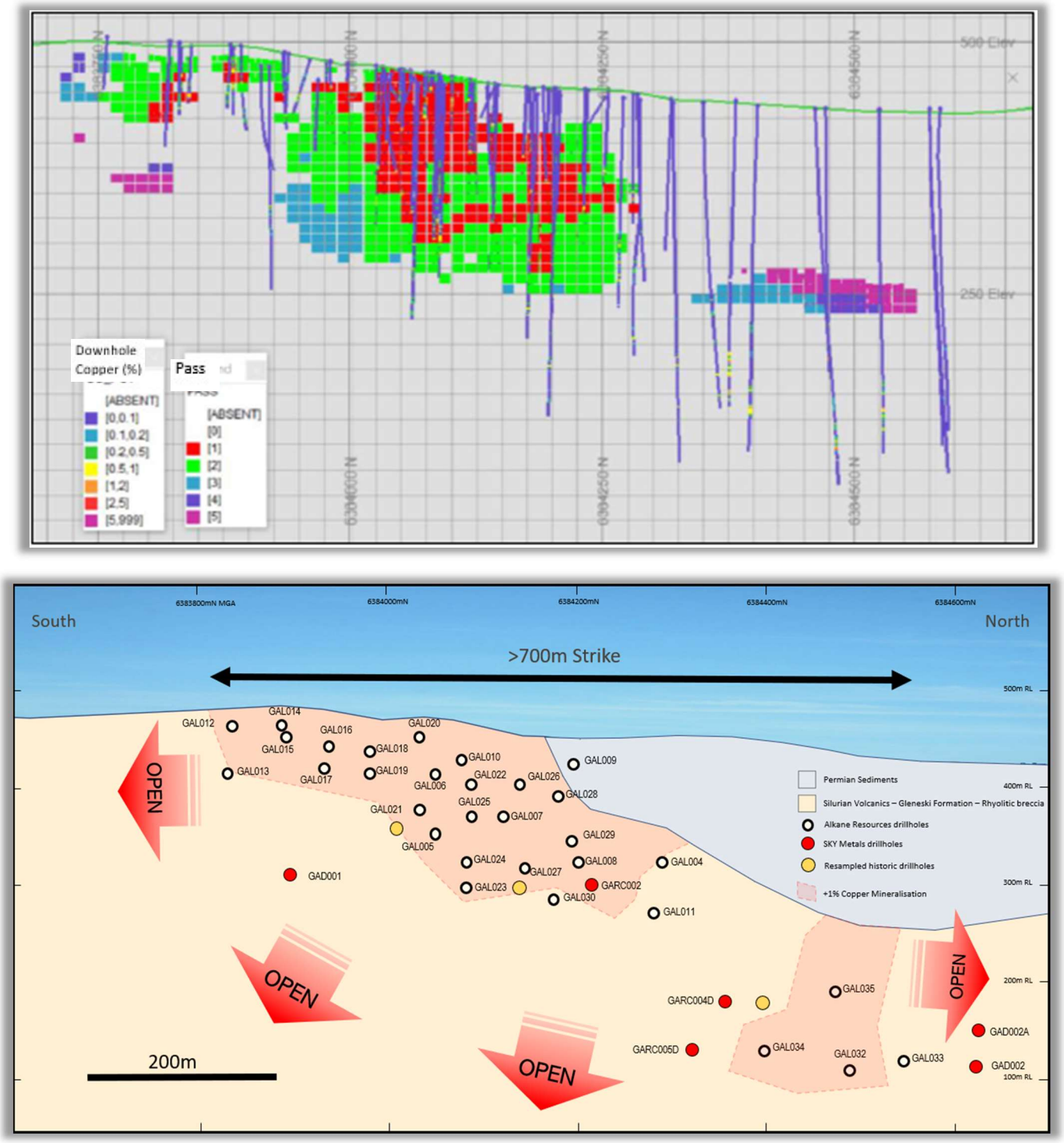

Figure 4 – Galwadgere Copper-Gold Project – Long section with block model coloured by pass number and drillhole traces colour by Cu %, underneath is the schematic long section with pierce points.

SKY METALS

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, 100% SKY)

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 5: SKY Location Map

SKY METALS

COMPETENT PERSONS STATEMENTS

Compilation of exploration and drilling data, assay validation and geological interpretation for the mineral resource estimate were prepared by Arnold van der Heyden, who is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy. Arnold van der Heyden is a Director of H & S Consultants 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 van der Heyden consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.

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 – GALWADGERE PROJECT

(Criteria in this section apply to all succeeding sections)

<table>
<tr><th>Criteria</th><th>Explanation</th><th>Commentary</th></tr>
<tr>
<td>Sampling techniques</td>
<td>

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.
Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.
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.

</td>
<td>

The Galwadgere deposit has been explored over a period of more than fifty years by a number of companies including Sky Metals Limited (SKY), Alkane Exploration Ltd (Alkane), Veltox Pty Ltd (Veltox), Compass Resources NL (Compass), Newmont Holdings Pty Ltd (Newmont), Woodsreef Mines Limited (Woodsreef), K.R. Besley, Hastings Exploration NL and Placer Prospecting (Aust) Pty Ltd (Placer).
A summary of holes used in the Mineral Resource Estimate is tabulated below by year, company and hole type:

<table>
<tr><th>Year</th><th>Company</th><th>Holes</th><th>Metres</th><th>Type</th></tr>
<tr><td>1967</td><td>Placer Prospecting</td><td>3</td><td>294.7</td><td>DD</td></tr>
<tr><td>1970</td><td>Hastings Exploration</td><td>2</td><td>262.1</td><td>DD</td></tr>
<tr><td>1970</td><td>K. R. Besley</td><td>2</td><td>178.5</td><td>DD</td></tr>
<tr><td>1971</td><td>Woodsreef Mines Ltd.</td><td>31</td><td>4,263.3</td><td>DD</td></tr>
<tr><td>1981</td><td>Woodsreef Mines Ltd.</td><td>2</td><td>621.0</td><td>DD</td></tr>
<tr><td>1981</td><td>ICI/Woodsreef/Hastings/Newmont</td><td>2</td><td>657.2</td><td>RC/DD</td></tr>
<tr><td>1989</td><td>Compass Resources</td><td>11</td><td>601.0</td><td>RC</td></tr>
<tr><td>1996</td><td>Veltox Pty Ltd</td><td>3</td><td>415.3</td><td>RC/DD</td></tr>
<tr><td>2004</td><td>Alkane Exploration Ltd</td><td>27</td><td>3,622.0</td><td>RC</td></tr>
<tr><td>2005</td><td>Alkane Exploration Ltd</td><td>1</td><td>267.5</td><td>RC</td></tr>
<tr><td>2011</td><td>Alkane Exploration Ltd</td><td>1</td><td>418.3</td><td>RC/DD</td></tr>
<tr><td>2012</td><td>Alkane Exploration Ltd</td><td>2</td><td>767.3</td><td>RC/DD</td></tr>
<tr><td>2013</td><td>Alkane Exploration Ltd</td><td>1</td><td>303.3</td><td>DD</td></tr>
<tr><td>2020</td><td>SKY Metals</td><td>7</td><td>2,160.1</td><td>RC&DD</td></tr>
<tr><td></td><td>Total</td><td>95</td><td>14,831.6</td><td></td></tr>
</table>

The Mineral Resource Estimate for Galwadgere is based only on core samples from diamond drill (DD) holes and drill chip samples from reverse circulation (RC) percussion holes.
Core/sample recovery has been recorded in many cases and it appears that efforts were made to maximise recovery and therefore sample representivity.
Details of sampling procedures for earlier holes are limited but it is assumed that 'industry standard' methods of the time were employed. Available details are reported in subsequent sections.
Newmont relogged and reassayed some older Woodsreef core in 1981 and this data supersedes older information in the Mineral Resource Estimate. The core was filleted or ¼ core was taken for

</td>
</tr>
</table>

Criteria	Explanation	Commentary
		these reassays, which total at least 438 samples in 23 holes. • SKY resampled and assayed a number of intervals of old Woodsreef core available in the Londonderry Drillcore Library, part of the W B Clarke Geoscience Centre western Sydney. This comprised 609 samples for 655.5m in eight holes. These new assays supersede any old assays in the Mineral Resource Estimate. Sky Metals: • 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. • 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. Earlier Holes: • Alkane RC holes were sampled at 1m intervals, while Compass RC holes were sampled at 2m intervals. Historical DD holes were sampled at intervals up to 5 metres, although the average length was around 1m or 3 feet. Soil sampling: • Soil samples were collected from holes approximately 15cm in depth and sieved to 0.2mm, a 50-100g sample was collected for assay. • Standards and field duplicates were used at least every 50 samples for soil sampling with field duplicates to ensure sample representivity. • Gold was determined by 30g fire assay for trace Au with Au-AA21 with a detection limit of 0.002ppm. Multielement assaying was completed for 48 elements by 30g four-acid digest with ICPMS determination (method ME-ICP61).
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc)*	• DD holes were typically drilled as NQ/BQ size core for older holes, with triple tube PQ/HQ for recent SKY holes. It is assumed that earlier DD holes were drilled with a standard core barrel. SKY completed core orientation where possible but there are no records of core orientation for older holes. The Reflex core orientation tool was used for the SKY holes. • It is assumed that all RC drilling was completed using face sampling hammers, although this can only be confirmed for SKY and Alkane holes. The 1989 Compass holes are simply recorded as "reverse circulation". Available records indicate that RC holes were generally drilled with a diameter of 140 or 127mm (5.5 or 5.0 inches respectively). • RC/DD holes were generally drilled as RC in the overlying Permian sediments, with diamond tails in the potentially mineralised Silurian volcanics.

Criteria	Explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed* • *Measures taken to maximise sample recovery and ensure representative nature of the samples* • *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*	Sky Metals: • Diamond drill core recovery recorded against intervals drilled as part of geotechnical logging to determine sample recovery. Recoveries are generally greater than 95% once in fresh rock. The average core recovery for the recent SKY DD holes is 99.55%, with 98% of intervals with recovery greater than 90%. • RC samples for SKY holes were weighed for each metre and assessed for recovery, contamination and effect of water if present. Sample quality is assessed by the sampler by visual approximation of sample recovery and if the sample is dry, damp or wet. A high capacity RC rig was used to enable dry samples to be collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination. Sample split weights were provided for two SKY RC holes. Average RC sample weight is 3.65 kg, which equates to 70% recovery for a 1/8th split in fresh rock. • There is no obvious evidence of a bias in copper or gold grades due to low core recovery in the data provided. Earlier Holes: • Core recovery data is available for a number of the older DD holes, although not currently in digital format; visual inspection of this data suggests that core recovery was generally reasonable, although some intervals of poor recovery were noted. This data needs to be digitised to enable statistical analysis. • There are no sample weights or recovery data currently available for historical RC holes, including those drilled by Compass and Alkane.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography*
	• *The total length and percentage of the relevant intersections logged*
		Sky Metals:
		• Systematic geological logging was undertaken, with data collected including:
		  ○ 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.
		• Both qualitative and quantitative data is collected.
		• Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference. A representative sample of each one metre RC interval is retained in chip trays for future reference.
		• All core was geologically and geotechnically logged and all RC chips were geologically logged.
		• Core photography exists from the SKY and Alkane holes, and photos were taken of 13 of the historic G Series DDH from 1971 that were reviewed at Londonderry. No chip tray photos exist for any of the RC holes.
		Earlier Holes:
		• All of the historic information was converted to Alkane's scheme of logging, which SKY then adopted.
		• All holes used in the Mineral Resource Estimate have been logged in their entirety.

Criteria	Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled*	Sky Metals: • Diamond drilling - core was sawn with half core (HQ) or quarter core (PQ) submitted for assay, generally in down hole intervals of 1m, however, intervals can range from 0.3-2.0m. Sampling was consistently on one side of the orientation line so that the same part of the core is sent for assay. This is considered representative of the in-situ material. • 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. • No field duplicates are taken for core samples. • 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. • RC 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. • No field duplicates are taken for RC samples. • Sample sizes are industry standard and considered appropriate. Alkane: • Selected intervals of the overlying Permian units were assayed by 3m composites and the mineralised Silurian sequence was sampled at 1m intervals. One metre samples were collected as a 1/8 riffle split direct from the drill rig, 3m composite samples were collected using a PVC spear. • RC samples were collected at one metre intervals into large plastic bags. Intervals from below the Permian were riffle split to approximately 3kg for assay. Intervals from within the Permian were not assayed unless significant sulphide percentages were observed. Half core samples were collected over approximately one metre intervals from GAL030. Samples were submitted to ALS Laboratory in Orange NSW for preparation by drying, grinding and sub-setting. • Standard and duplicate samples were submitted at regular intervals as control. A total of 107 duplicates were analysed as part of the same program; these appear to be RC field duplicates. Compass: • No details of sub-sampling techniques and sample preparation are available for the Compass RC holes apart from the sample interval of 2 metres. It is assumed that 'industry standard' procedures of the time were applied. Earlier DD Holes: • No details of sub-sampling techniques and sample preparation are available for the earlier DD holes drilled at Galwadgere. It is assumed that 'industry standard' procedures of the time were applied. Soil sampling: • Soil samples were collected from holes approximately 15cm in depth and sieved to 0.2mm, a 50-100g sample was collected for assay. • Standards and field duplicates were used at least every 50 samples for soil sampling. The

Criteria	Explanation	Commentary
		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. • Field duplicate soil samples were collected and demonstrated representivity of soils samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total* • *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* • *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*	Sky Metals: • 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). "Over range" base metal values (>1%) were analysed by method OG62 – ore grade digest. These methods are considered appropriate and are total assay techniques. • 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. Acceptable levels of accuracy have been established for assay results. • There are no field duplicate samples or independent analytical check assays to assess precision. Alkane: • Gold was determined by 50g fire assay (lab code Au-AA26), while copper was analysed using an aqua regia digest with ICPMS finish (lab code ME-ICP42); assays were performed at ALS Chemex, Orange. • Six standards/blanks were used throughout phase two of the drilling program. These were inserted into the sample sequence at irregular intervals. A total of 113 standards were used in 19 holes with 1896 samples, which is an insertion rate of ~1:19 samples. Results for standards and blanks are acceptable. • 107 RC field duplicate samples show reasonable precision and no obvious bias. Veltox: • Gold assays were performed using method PM219 (fire assay), while copper was determined by methods G001 or A101; assays were performed by Analabs. • There is no record of QAQC data or analysis for Veltox holes. Compass: • Gold assays were performed using method PM209 (50g fire assay), while copper was determined by methods G001(perchloric digest with AAS finish) or A101 (perchloric digest and hydrochloric leach with AAS finish); assays were performed by ALS. • "A total of 32 samples were taken from 7 of the drill locations and assayed for both copper and gold or gold alone. The samples were split directly from the main sample to a size of approximately 2 kilograms. They were code numbered and sent to Australian Laboratory Services in Orange (the company which assayed the original samples)." "The results show some significant variations. Very little correlation exists between the change in value of the copper and gold values." • "Check assaying for gold showed considerable variation in recorded grades and highlighted a potential problem. It is clear from the work undertaken to date that a gold sampling or assaying

Criteria	Explanation	Commentary
		problem exists probably due to the presence of coarse gold. Further assay checks are planned." Earlier DD Holes: • Samples for the earliest DD holes (G001-G007) were analysed at Geochemical and Mineralogical Laboratories Pty Ltd. Gold was determined by "Fire Assay or Extraction" while copper was assayed by "Assay or AAS". • The majority of holes drilled by Woodsreef (G008-G037) were analysed by Analchem Consultants Pty Ltd. Gold was determined by "Fire Assay" while copper was assayed by "Geochemical Scan, Wet Chemical or AAS". • The later Woodsreef holes (G038-G041) were analysed at Comlabs Pty Ltd. Gold was determined by "AAS5 50g sample" or "AAS5A" while copper was assayed by "AAS1, 1A or AA51". • It is assumed that these methods were 'industry standard' at the time they were applied. It is not known if these methods are total or partial assays. Only limited quality control procedures are documented in available historical records. • There are 59 check assays for copper in nine of the old DD holes, although it is unclear at what sample preparation stage the samples were duplicated. However, it seems likely that these are internal laboratory checks. Results show reasonable precision but a small bias, probably due to sample selection. • A substantial amount of old Woodsreef core was later reassayed by Newmont and SKY, producing a significant set of duplicate samples. Unfortunately, samples intervals do not necessarily correspond, so assays are not always directly comparable. However, analysis suggests that the old and new assays are broadly comparable for copper, but there are potential issues with sampling or assaying for gold. • No results from geophysical tools, spectrometers, handheld XRF instruments, etc, have been used in the Mineral Resource Estimate. Soil sampling: • Soils samples were determined by 30g fire assay for trace Au with Au-AA21 with a detection limit of 0.002ppm. Multielement assaying for soil samples was completed for 48 elements by 30g four-acid total digest with ICPMS determination (method ME-ICP61). • Certified reference material or blanks were inserted at least every 50 samples in soil samples alternating with field duplicates. Standards are purchased from Certified Reference Material manufacture companies: Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade, low grade and trace ranges of elements, with a primary focus on gold and copper.

Criteria	Explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data*	Sky Metals: • Drill data is compiled, collated and reviewed by senior staff. External consultants do not routinely verify exploration data. The intersection calculations were viewed by >1 geological personnel. • Twinned holes have not been used in the drilling. • Drill hole data including meta data, any gear left in the drill hole, lithological, mineral, survey, sampling, magnetic susceptibility was collected and stored as physical and electronic copies or entered directly into an excel spread sheet using drop down codes. When complete, the spreadsheet was combined into a master excel spreadsheet as the drill hole database. • Assay data was provided by ALS via .csv spreadsheets. The data was validated using the results received from the known certified reference material. Hard copies of the assay certificates were stored with drill hole data such as drillers plods, invoices, and hole planning documents. • Assay data is not adjusted. Earlier holes: • There is no documentation available relating to the verification of significant intersections by either independent or alternative company personnel. However, it seems unlikely that significant intersections were not verified by alternative personnel at the time. • There is no evidence of the use of twinned holes. However, in 2004 LFB Resources NL (a subsidiary of Alkane Exploration Ltd) reported that: "A reconnaissance RC drilling programme of eight holes was completed at the Galwadgere copper-gold prospect to validate previous exploration work completed in the 1970's. The drilling confirmed substantial and potentially economic intersections of copper-gold ± zinc± silver sulphide mineralisation hosted within strongly altered rhyolitic volcanics." • All primary data was sourced from historical records, either physical or electronic. Records of historical data entry procedures, data verification and data protocols are lacking. • There is no evidence of any adjustments to historical assay data. Soil sampling: • Soil sampling data including location, soil type and colour, details regarding nearby outcrop and regolith details were all recorded manually in the field and then scanned and added into spreadsheets to store data electronically.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control*	• SKY has used handheld GPS to locate drillholes at this stage (accuracy ± 2m). DGPS surveying of drillholes (± 0.1m) will be undertaken. • 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. • All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994. • SKY sourced a topographic surface from Geoscience Australia; it is SRTM (Shuttle Radar Topography Mission) DTM 1 second data. Soil samples were located using handheld GPS. All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994. Accuracy was to +/-3m.

Criteria	Explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *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* • *Whether sample compositing has been applied*	• Hole spacing varies from around 25 by 25 m and locally closer in central portions of the deposit to more than 50 by 50 m in peripheral areas. • The data spacing and distribution establishes geological and grade continuity adequately for the current Inferred Mineral Resource Estimate. Samples were composited to nominal 1.0m intervals for the Mineral Resource Estimate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type* • *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*	• Drilling was designed to intersect the mineralisation trend as close to perpendicular as practicable, oriented to achieve unbiased sampling of possible structures to the extent to which this is known, considering the deposit type. • The relationship between the orientation of drilling and the key mineralised structures is not considered to have introduced a sampling bias.
Sample security	• *The measures taken to ensure sample security*	• SKY has protocols in place to ensure data security. Sample chain of custody has been managed by the employees of SKY who commissioned the drilling from the drilling rig to assay laboratory. All samples are bagged in tied numbered calico bags, grouped into larger tied polyweave bags, or placed in a stillage box and transported to ALS in Orange by SKY personnel. All sample submissions are documented via ALS tracking system and all assays are reported via email. Sample pulps are returned to site and stored for an appropriate length of time (minimum 3 years). • Sample security measures for earlier drilling programs are not documented, but it is assumed that 'industry standard' procedures of the time were applied.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• SKY does not routinely have external consultants verify exploration data. • There is no documentation of the results of any audits or reviews of sampling techniques and data for historical drilling.

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

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area*	• The Galwadgere Project is described by NSW Exploration Licence 6320. The tenement is held 100% by SKY. • EL 6320 has been approved for renewal until 12/10/2026 by the NSW MEG.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties*	• Exploration by various companies has taken place intermittently in the Galwadgere area since 1967, as described in previous sections. The bulk of the work comprised DD drilling completed during the 1970s by Woodsreef Mines. Alkane's RC drilling in 2004 intersected altered volcanics hosting broad widths of pyrite-chalcopyrite mineralisation with occasional massive sulphide lenses up to 5 metres

Criteria	Explanation	Commentary
		thick.
Geology	• *Deposit type, geological setting and style of mineralisation*	• Drilling at Galwadgere 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 Galwadgere 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.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* - *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level–elevation above sea level in metres) of the drill hole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not applicable as there are no Exploration Drilling Results being reported as part of this statement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where 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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated*	• Not applicable as this release is in relation to a Mineral Resource Estimate, with no Exploration Drilling Results being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results-* - *if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *if it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Orientated drill core has been used by SKY to allow determination of orientation of structures and mineralisation. Orientation of the mineralisation and structural trends is constrained by previous drilling and outcrop though true widths are not yet estimated as there is insufficient data at this stage of exploration.

Criteria	Explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See body of announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable as there are no Exploration Results reported as part of this statement.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples–size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• SKY recently undertook dry bulk density measurements on 132 samples from recent core holes – these represent the first known density measurements for the prospect.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drill testing to assess the scale and grade of the mineralisation is planned along with investigation of related targets. • See ASX announcements on 24 August 2020 and 16 November 2020 for further details.

Section 3 Estimation and Reporting of Mineral Resources –GALWADGERE PROJECT
(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	All geological data is stored electronically with limited automatic validation prior to upload into the secure SKY Access database, managed in Orange office by the Database Geologist. The master drill hole database is located on a server, which is backed up on a daily basis. Basic systematic checks were performed prior to this resource estimate to ensure data consistency, including checks for FROM-TO interval errors, missing or duplicate collar surveys, excessive down hole deviation, and extreme or unusual assay values. H&SC also performed detailed validation on selected holes from different drilling programs; a number of issues were identified and most were subsequently addressed by SKY. • All data errors/issues were reported to the Database Geologist to be corrected or flagged in the primary SKY Access database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person has not visited the Galwadgere project site because most of the data used in the Mineral Resource Estimate (MRE) is historical and there is little to see on site. The MRE is based on compilations from old reports, which were made available to the Competent Person.

Criteria	Explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	There is a reasonable level of confidence in the geological interpretation of the Galwadgere deposit. SKY has developed a geological interpretation of the Galwadgere deposit based on drilling and surface mapping. The mineralisation is hosted by felsic volcanics of Silurian Gleneski Formation, adjacent to the Nindethana Thrust, a major regional structure. Devonian sediments of the Cunningham Formation occur to the west of the thrust and a small basin of Permian sediments unconformably overlies the northern part of the deposit. Within the Gleneski Formation, the mineralisation tends to occur preferentially as lenses close and parallel to the Nindethana Thrust, dipping between 50° and 60° towards 080°. The top of fresh rock was interpreted from geological logging, defining a thin oxide zone averaging around 20m thick over the mineralisation. It is unclear if there is depletion or enrichment of copper and gold due to oxidation because there is little drilling intersecting the oxide zone. There is limited scope for alternative geological interpretations of the deposit, which appear unlikely to have a significant effect on MRE. For example, there may be small slices of mineralised Gleneski Formation within the Nindethana Thrust. Geology guides and controls Mineral Resource estimation through constraining the mineralisation to the Gleneski Formation, unconformably overlain by barren Permian sediments and truncated to the west by the Nindethana Thrust. • The continuity of geology at Galwadgere is controlled by stratigraphy and faulting. Continuity of grade has a stratigraphic control and faulting acts as a factor in localising mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Mineral Resource at Galwadgere has an approximate extent of: • 800m north-south • Up to 60m in plan width • From surface to a depth of 200m below surface • Mineralisation is somewhat patchy and discontinuous and occurs as a number of discrete lenses.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	Copper and gold were estimated by Ordinary Kriging (OK), which is considered appropriate because the coefficients of variation (CV=SD/mean) are generally low to moderate and the grades are reasonably well structured spatially. Variography was generated using GS3M software, while OK estimates were produced in Datamine software. Only the Silurian Gleneski Formation was estimated, using a dynamic search to reflect changes in mineralisation orientation, i.e., changes in dip of the Nindethana Thrust between 50° and 60° East.

Criteria	Explanation	Commentary
	• *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* - *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Samples were composited to nominal 1.0m intervals within each unit for data analysis and resource estimation. Unsampled intervals were assigned low default values for copper and gold, based on the assumption that any obvious copper mineralisation would have been assayed. This assumption may be less valid for gold because it has no obvious visual cue, so gold estimates may be somewhat conservative. A four pass search strategy was used for the OK estimates: 1. 35x35x5m search, 16-32 samples, minimum of 4 octants informed 2. 70x70x10m search, 12-32 samples, minimum of 4 octants informed 3. 105x105x15m search, 8-32 samples, minimum of 4 octants informed 4. 105x105x15m search, 8-32 samples, no octants constraints The oxide zone was estimated together with the fresh rock. The maximum extrapolation distance will be around the maximum search radius of 105m. It is assumed that a Cu-Au sulphide concentrate will be produced and each element has been estimated independently. No potentially deleterious elements have been estimated at this stage. Dry bulk density was assigned to the model using an average value from drill hole samples of 2.72 t/m^3 for fresh rock and a historically assumed value of 2.25 t/m^3 for oxide. The resource model block size is 2.5x12.5x10m, while drill hole spacing is nominally 25x25m in the plane of mineralisation in better drilled areas of the deposit. So, the block size is around half the hole spacing in the plane of mineralisation, which is considered appropriate for OK estimation. Minimum sub-blocks are 1.25x6.25x1.0m in X Y and Z, respectively. The resource model uses Map Grid Australia (MGA) Zone 55E, Geodetic Datum of Australia 1994 (GDA94). No assumptions were made regarding the correlation of variables during estimation as each element was estimated independently. There is weak correlation between copper and gold in the drill hole samples, and the estimation process has preserved this correlation in the MRE. The geological interpretation controls the MRE through the use of stratigraphic boundaries, which were effectively used as hard boundaries during estimation. The Nindethana Thrust also controls the MRE locally, with mineralisation parallel to this structure. The new model was validated in a number of ways – visual comparison of block and drill hole grades, statistical analysis, examination of grade-tonnage data, and comparison with previous estimates. All the validation checks indicate that the new MRE is reasonable.

Criteria	Explanation	Commentary
		No grade cutting was applied to copper samples because the grade distribution is not strongly skewed and there are no extreme values. However, there are a small number of extreme values for gold, so a top-cut of 9g/t Au was applied based on statistical analysis. This top-cut represents the 99.88th percentile or 6/5743 samples. The new MRE is broadly comparable to the previous 2005 estimate by Alkane. Differences are attributed the additional drilling and sampling by SKY, the inclusion of more historical data and the use of actual density measurements in the new MRE. Therefore, the new MRE is considered to take appropriate account the previous estimate. • Total recorded historical gold production from the Dawn of Galwadgere mine was 507 tons at around 2.4 oz/ton; there is no record of any copper production. This tiny amount of material has no significant impact on the current MRE.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry weight basis and moisture content has not been determined.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The nominal cut-off grade of 0.5% Cu is considered to be potentially economic for the conceptual mining method and scale of operation envisioned for Galwadgere.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.*	Surface mining by open pit method is the most likely current option for Galwadgere. • The MRE implicitly incorporates internal mining dilution at the scale of the model blocks, but no specific assumptions were made about external mining dilution.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.*	• It is assumed that a Cu-Au sulphide concentrate would be produced but no record of metallurgical test-work demonstrating this option has been located.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* •	It is assumed that all process residue and waste rock disposal will take place on site in purpose built and licensed facilities. • All waste rock and process residue disposal will be done in a responsible manner and in accordance with any mining license conditions.

Criteria	Explanation	Commentary
Bulk density	1. *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Dry bulk density was only recently measured on-site by SKY using a simple water immersion method (Archimedes principle) on selected core intervals for nominal 20cm samples. Measurements were taken at room temperature with samples air dried and moisture content was not recorded. Data consists of 132 measurements in 3 drill holes. The average value for fresh rock from drill hole samples of 2.72 t/m^3. This method was considered inappropriate for the few available oxide samples so a historically assumed value of 2.25 t/m^3 was used for oxide, which seems reasonable.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* 2. *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The MRE was limited to blocks within 200m of surface to account for potential open-pit mining and blocks extrapolated from a single hole were only included if the distance to the nearest sample was less than ~50m. All mineralised blocks meeting these criteria were classified as Inferred Mineral Resources. A higher confidence classification was not considered appropriate at this time due to concerns about some historical data, missing assays, collar locations for SKY holes, potential local variations in density and topographic control. This scheme is considered to take appropriate account of all relevant factors, including the relative confidence in tonnage and grade estimates, confidence in the continuity of geology and metal values, and the quality, quantity and distribution of the data. The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	3. *The results of any audits or reviews of Mineral Resource estimates.*	This MRE has been reviewed by SKY personnel and no material issues were identified.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated 2012 JORC Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the estimator's experience with a number of similar deposits elsewhere. The main factors that affect the relative accuracy and confidence of the MRE are drill hole spacing and data quality, because there are no strong geological controls on the primary mineralisation. The estimates are local, in the sense that they are localised to model blocks of a size considered appropriate for local grade estimation. There are no tonnages relevant to technical and economic analysis because all Mineral Resources are currently classified as Inferred. There is no meaningful production data to compare to the MRE.