# LARGE-SCALE RARE EARTH ELEMENT MINERALISATION DISCOVERED AT DORADILLA

- Significant rare earth elements (REE) grades over wide intercepts have been discovered in all three (3) tin deposits along the 16km long 'DMK' Line at the Doradilla project.
- Total rare earth oxide (TREO) results from assaying existing drill samples include:

**AMW10:** **33*m @ 4981ppm (0.50%) TREO from 15m, including;**
**12m @ 8781ppm (0.88%) TREO from 25m.**

**DRAC012:** **8*m @ 4379ppm (0.44%) TREO from 32m, including;**
**2m @ 8011ppm (0.80%) TREO from 34m.**

**3KDD018:** **6m @ 2828ppm (0.28%) TREO from 13m, including;**
**0.7m @ 13910ppm (1.39%) TREO from 16.4m.**

**AMW20:** **35*m @ 2002ppm (0.20%) TREO from 15m, including;**
**10m @ 3703ppm (0.37%) TREO from 20m.**

**3KRC006:** **10*m @ 2951ppm (0.30%) TREO from 11m.**

***Intercept is either open up hole, open down hole, or open in both directions.**

- Results suggest that over the total 16km strike length of the DMK line, the three (3) main prospects of Doradilla, Midway and 3KEL, all have multiple kilometres of shallow REE mineralisation – a majority of the DMK Line remains untested for REE.
- Further REE assaying of samples from historic drilling at Doradilla will be completed to develop and evaluate the extent of the REE mineralisation rapidly and cost-effectively.
- Drill planning is being expediated to build on these extremely encouraging results as soon as conditions will allow and preliminary metallurgical testwork has commenced.

SKY CEO Oliver Davies commented: *"The discovery of REE mineralisation at Doradilla further demonstrates what an extraordinary and unique system SKY is exploring at Doradilla. The scale of mineralisation of the DMK system is already remarkable, at over 16km long, it has the potential to develop into an extremely large source of REE, particularly with the valuable Nd + Pr + Dy + Tb representing over 20% of the TREO on average and up to over 40% in some intervals. SKY is eager to grow the discovery of the widespread and strong REE mineralisation with a follow up drilling program and further sampling of historic drilling to assay for REE. SKY plans to work quickly to advance the excellent REE opportunity which has been discovered at Doradilla."*

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to advise of the discovery of strong and widespread REE mineralisation over the three (3) targets, Doradilla, Midway and 3KEL, on the DMK line at the Doradilla Project.

# DORADILLA PROJECT (EL 6258, SKY 100%)

## 'DMK' LINE TARGETS – RARE EARTH ELEMENT MINERALISATION

The Doradilla-Midway-3KEL or 'DMK' line is a 16km long skarn that has been the focus of extensive exploration for tin and tungsten, particularly during the 1970s and 1980s. SKY has selected a number of samples from historic drilling in 1979, 2007 and 2012, along with samples from SKY's drilling over the last 3 years. These samples were assayed for rare earth elements (REE), with results reported as total rare earth oxides (TREO).

A selection of samples were taken from a total of 26 holes and returned consistent intercepts of over +1,000ppm TREO from all holes from all three deposits on the DMK Line. The results to date have established strong REE mineralisation over multiple kilometres at all three targets, demonstrating that there is very large scale REE mineralisation present. Furthermore, the results to date show the most valuable Nd + Pr + Dy + Tb represents over 20% of the TREO on average at present (**Table 2**).

All holes tested for REE are open in all directions with a majority of the REE intercepts also open either up hole, down hole or open both up hole and down the hole. Importantly, none of the holes re-assayed for REE were drilled to specifically target REE mineralisation. In addition to the three known deposits on the DMK line, there are also multiple kilometres of strike along the DMK line which has not been tested with any drilling, as shown in **figures 1 & 6**.

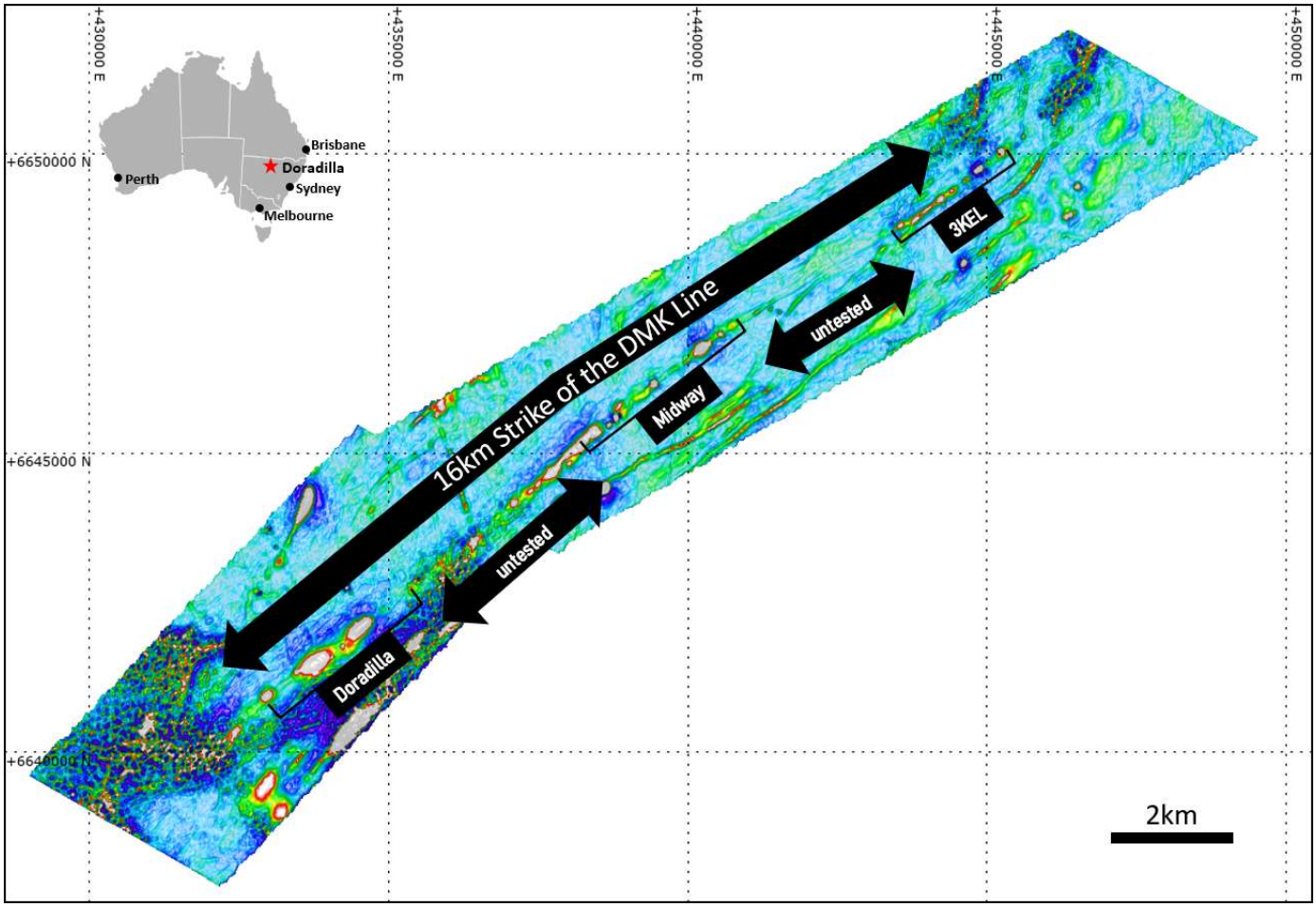


***Figure 1:*** *Doradilla Project – Plan view showing the prospects on the DMK Line overlaid on the 1st vertical derivative magnetics image. The strikes of the three 'DMK' targets, Doradilla, Midway and 3KEL are labelled and there are large untested areas (kilometres) between each target.*

## DORADILLA TARGET – RARE EARTH ELEMENT MINERALISATION

A selection of historic drill samples were re-assayed for REE to test the Doradilla Target for the potential to host REE mineralisation. The samples were predominately from aircore holes drilled by YTC Resources in 2012, which were then drilled to test the oxide-near surface tin mineralisation (YTC ASX Announcement 1 November 2012). Re-assaying of this selection of samples has shown strong, broad and widespread REE mineralisation at Doradilla with consistent +1,000 TREO grades and broad, open intervals (**Figure 2**).

Highlight TREO results at Doradilla from this work:

**DRAC012: 8*m @ 4379ppm (0.44%) TREO from 32m, including;**
**2m @ 8011ppm (0.80%) TREO from 34m.**

*Intercept is either open up hole, open down hole, or open in both directions.

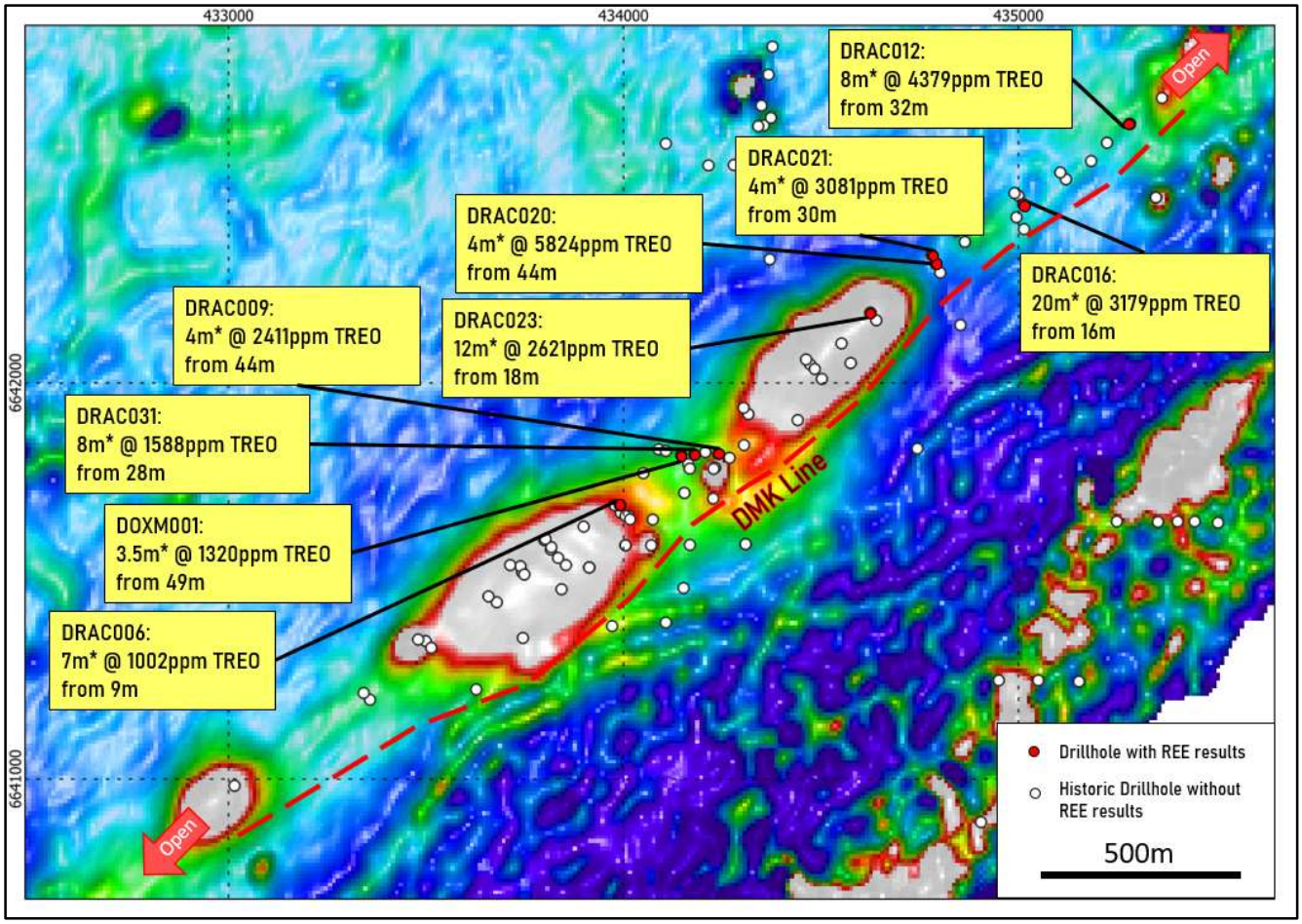


***Figure 2:*** *Doradilla Target – New REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

## MIDWAY TARGET – RARE EARTH ELEMENT MINERALISATION

The Midway Target has also been shown to host shown strong, broad and widespread REE mineralisation. The most recent drilling of the Midway Target was in 1984 and SKY has fortuitously secured samples from the 1979 drilling of 27 shallow drag

bit air drillholes (named AMW01-27) from the W B Clarke Geoscience Centre which houses the NSW Core Library and also stored samples from this 1979 drilling. SKY resampled and assayed 7 of these holes and all have returned wide intercepts of +1,000ppm TREO mineralisation (**Figures 3** and **4**).

The best TREO results to date have been from the Midway Target. This is to be expected as the REE grades are predicted to be highest closer to the mineralising granite and the Midway Target is the nearest target to the mineralising Midway Granite at Doradilla. The samples taken from the drilling at Midway have the highest REE grades and widest intervals to date and is extremely encouraging to host a significant REE deposit.

Highlight TREO results at Midway from this work::

**AMW10:** **33*m @ 4981ppm (0.50%) TREO) from 15m, including;**
**12m @ 8781ppm (0.88%) TREO from 25m.**

**AMW20:** **35*m @ 2002ppm (0.20%) TREO from 15m, including;**
**10m @ 3703ppm (0.37%) TREO from 20m.**

*Intercept is either open up hole, open down hole, or open in both directions.

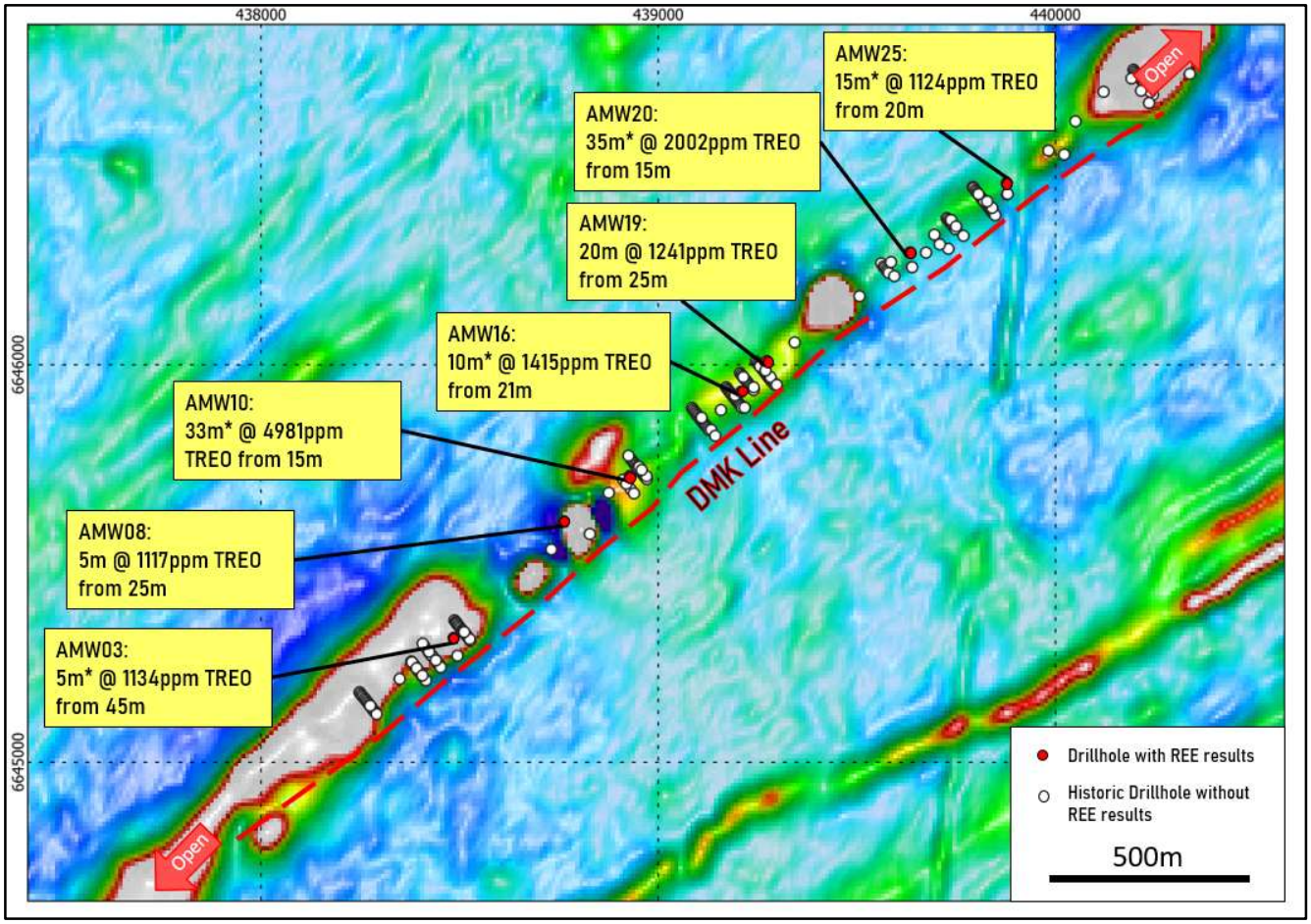


***Figure 3:*** *Midway Target – New REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

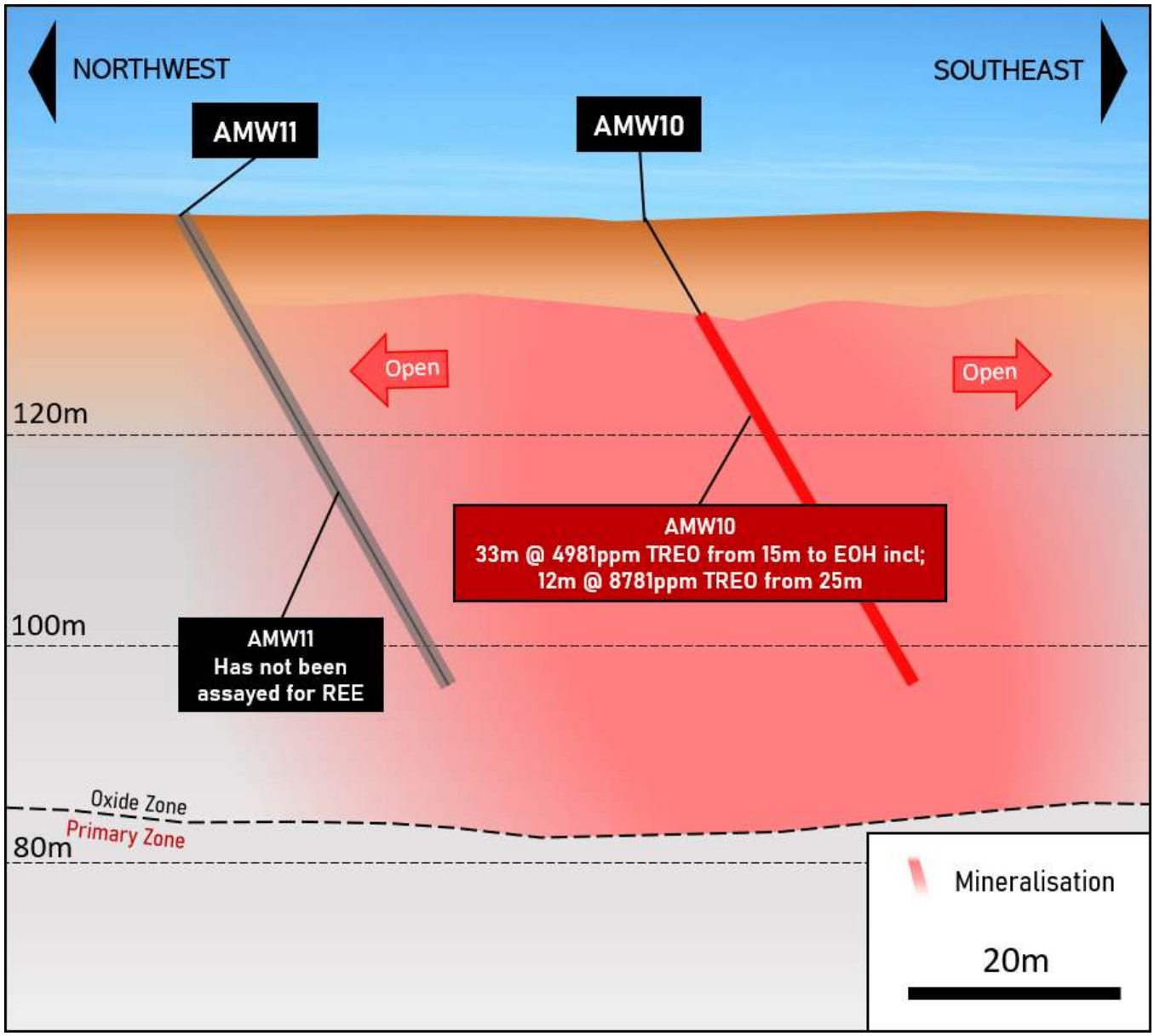


***Figure 4:*** *Midway Target – Schematic cross-section with 50m wide window of hole AMW10 looking northeast. AMW10 has the highest TREO grades and greatest widths achieved to date at the Doradilla Project and mineralisation is open to end of hole (EOH) and open in all directions.*

## 3KEL TARGET – RARE EARTH ELEMENT MINERALISATION

As at the Doradilla Target, many of the samples assayed at 3KEL for REE have come from aircore drilling completed by YTC in 2007, drilled to test the tin mineralisation, along with drilling completed by SKY over the last 3 year from 2019 (YTC ASX Announcement 31 August 2007). As with the other two Targets on the DKM line, Doradilla and Midway, the 3KEL Target shows excellent potential to host strong and widespread REE mineralisation (**Figure 5**). This will also warrant further work to develop this potential over the coming months.

Highlight TREO results at 3KELfrom this work:

**3KDD018:** **6m @ 2828ppm (0.28%) TREO from 13m, including;**
**0.7m @ 13910ppm (1.39%) TREO) from 16.4m.**

**3KRC006:** **10*m @ 2951ppm (0.30%) TREO from 11m**

*Intercept is either open up hole, open down hole, or open in both directions.

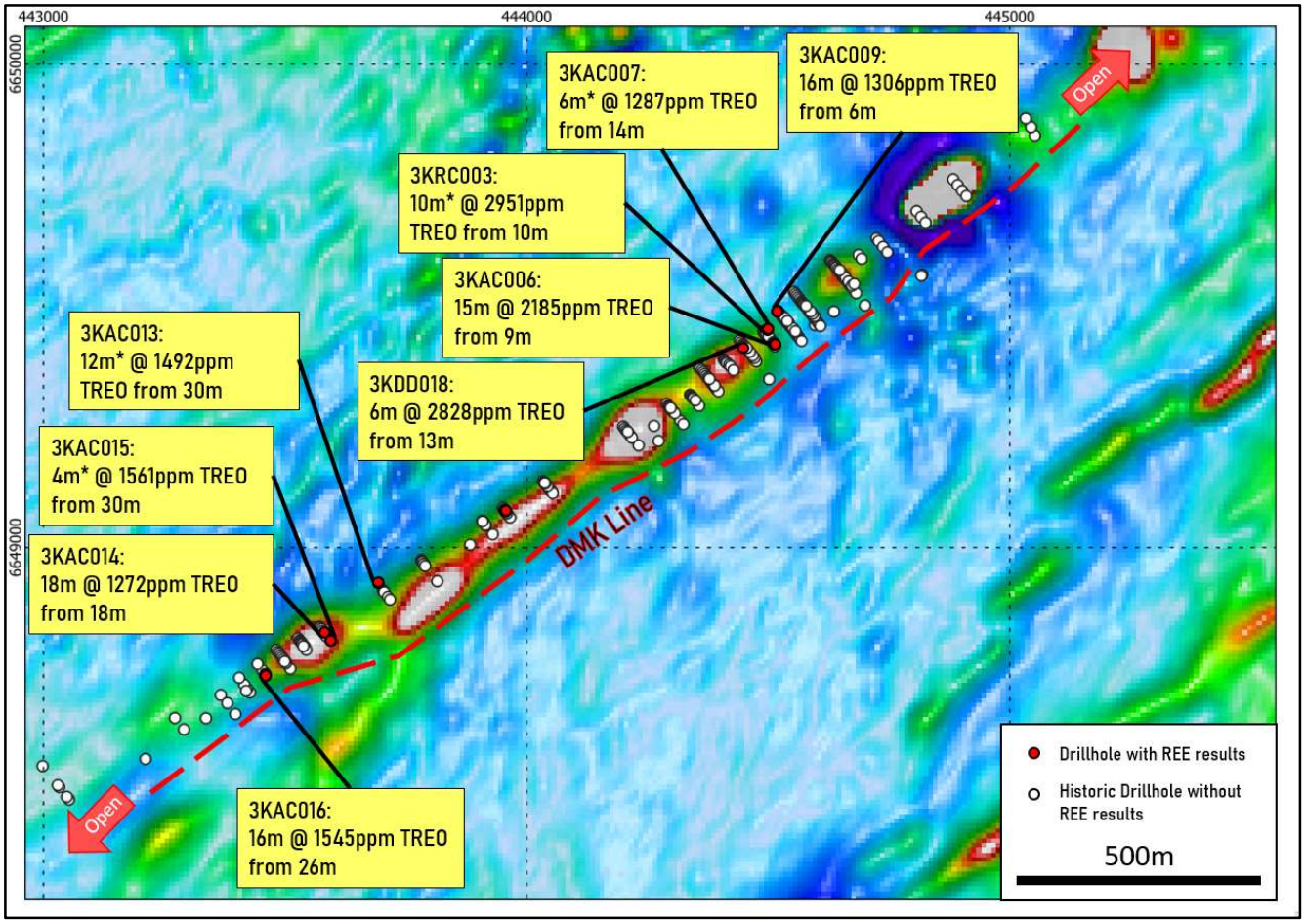


***Figure 5:*** *3KEL Target – New REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

## 'DMK' LINE TARGETS – FOLLOW UP WORK

In combination with the metallurgical testwork, SKY aims to further grow this exciting discovery along the 16km 'DMK' Line with re-assaying of available samples from the historic drilling and SKY's early drilling in 2019. This is a uniquely cost-effective opportunity to continue to grow this promising discovery quickly. The recent drilling of the 3KEL Target in the last 12-18 months will also be resampled to test for REE mineralisation.

The re-sampling is planned to be combined with a drilling program of shallow aircore drillholes to test the weathered profile over the 16km 'DMK' Line. The REE mineralisation has been discovered to be hosted in the weathered clays which form over 60m deep, overlying the 'DMK' line for int's entire length. The multiple kilometres of untested strike between the Doradilla and Midway Targets and the Midway and 3KEL Targets will also be a priority area for future drilling. This is all aimed to advance the project quickly. This work will commence as soon as conditions will allow at Doradilla.

## MIDWAY GRANITE – REE TARGET GENERATION

The Midway Granite has been recognised as the source of the widespread mineralisation at Doradilla. In similar REE systems worldwide, the REE mineralisation has been found to be highest closer to the mineralising granite. As such, the Midway Granite may represent a significant source of REE and it is likely that still higher REE grades will be found proximal and possibly within the Midway Granite itself.

Mapping from compiling field mapping with analysis of magnetic and radiometric data has successfully identified the area where the Midway Granite outcrops and where it appears that the Midway Granite may occur shallowly at depth (**Figure 6**). These areas will be a focus for SKY in the follow up program to evaluate and aim to expand the extensive REE mineralisation discovered to date at Doradilla.

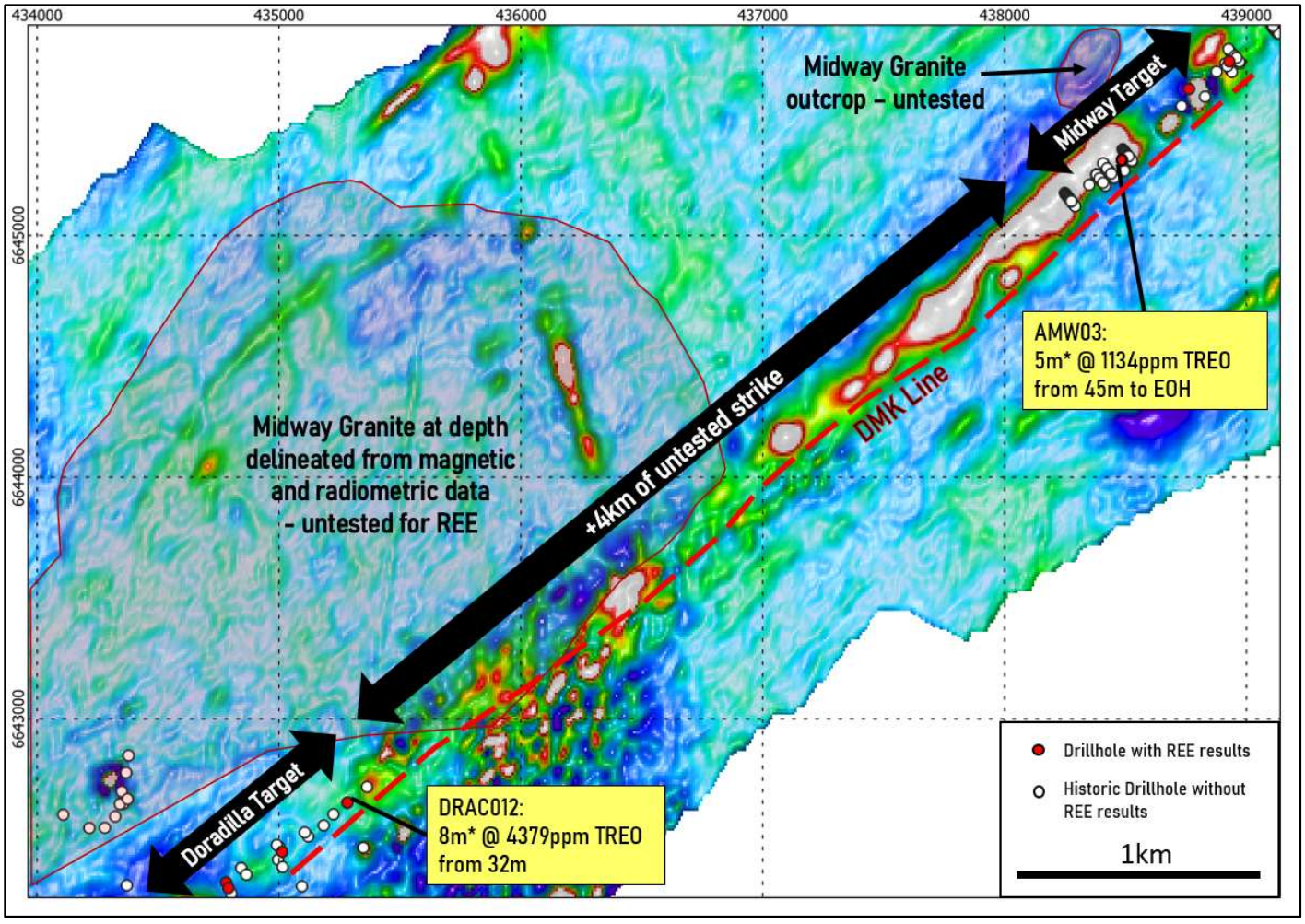


***Figure 6:*** *Untested Midway Granite Targets – New REE intercepts over 1st vertical derivative magnetics image. NB: * demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts and may be much larger than reported to date.*

## DORADILLA REE MINERALISATION – METALLURGICAL TESTING

SKY has already commenced preliminary work on the nature and potential metallurgical pathways for the extraction of the REE mineralisation at Doradilla. REE mineralisation characterisation work will now be completed to begin investigating potential metallurgical pathways. A first pass trial of ammonium sulphate leaching at a solution pH of 4 by ANSTO for samples from only the Doradilla and 3KEL Deposits has been completed. The ammonium sulphate leaching testwork indicates that the REE mineralisation at 3KEL and Doradilla are not amenable to ammonium sulphate leaching and, therefore, are unlikely to represent ion-adsorption-clay-style REE mineralisation which is typically responsive to this metallurgical process.

However, there has been no REE metallurgical testwork for the higher-grade results at Midway and further testwork is planned for the samples from the Doradilla and 3KEL Deposits to investigate other potential methods for extracting the REE mineralisation along with the other value metals including tin, copper, zinc, silver and indium.

SKY will next conduct a first pass trial of ammonium sulphate leaching at a pH of 4 for samples from the Midway deposit REE mineralisation with ANSTO while also commencing characterisation work on the Midway REE mineralisation to begin investigating other potential metallurgical pathways. Also, other processing options will be investigated for the Doradilla and 3KEL REE mineralisation with the valuable combination of Sn, Cu, Ag, In and Zn mineralisation, previously described at Doradilla, being proximal and, in places, coincident with the REE mineralisation.

Additionally, the Midway Granite targets (described above and shown in **Figure 6**) show the greatest geological similarities to Chinese REE ion adsorption clay deposits, for which the extraction of REE via simple ammonium sulphate leaching at a pH of 4 was designed. Any REE mineralisation discovered in future testing of the Midway Granite targets will also be tested via the simple ammonium sulphate leaching at a pH of 4 as well as with any other extraction methods found for the REE mineralisation at Doradilla.

***Table 1:*** *Doradilla Project – Drillhole Collar Details.*

| Hole ID | Easting (MGA) | Northing (MGA) | RL (m) | DIP | Azimuth (MGA) | Total Depth (m) | Year Drilled | Comments |
|---|---|---|---|---|---|---|---|---|
| 3KRC003 | 444509 | 6649424 | 132 | -60 | 319 | 102 | 2019 | |
| 3KDD018 | 444426 | 6649385 | 135 | -75 | 132 | 168.5 | 2022 | |
| AMW03 | 438484 | 6645314 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW08 | 438761 | 6645607 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW10 | 438927 | 6645721 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW16 | 439207 | 6645933 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW19 | 439272 | 6646010 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW20 | 439632 | 6646283 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| AMW25 | 439876 | 6646458 | 140 | -60 | 142 | 50 | 1979 | Samples secured from W B Clarke Geoscience Centre |
| 3KAC006 | 444511 | 6649422 | 136 | -90 | 0 | 45 | 2007 | Samples from YTC Resources drilling |
| 3KAC007 | 444498 | 6649451 | 130 | -90 | 0 | 55 | 2007 | Samples from YTC Resources drilling |
| 3KAC009 | 444519 | 6649490 | 136 | -60 | 145 | 50 | 2007 | Samples from YTC Resources drilling |
| 3KAC011 | 443954 | 6649077 | 132 | -90 | 0 | 45 | 2007 | Samples from YTC Resources drilling |
| 3KAC013 | 443692 | 6648928 | 132 | -60 | 145 | 50 | 2007 | Samples from YTC Resources drilling |
| 3KAC014 | 443582 | 6648825 | 135 | -90 | 0 | 52 | 2007 | Samples from YTC Resources drilling |
| 3KAC015 | 443594 | 6648809 | 140 | -60 | 145 | 80 | 2007 | Samples from YTC Resources drilling |
| 3KAC016 | 443458 | 6648739 | 142 | -90 | 0 | 69 | 2007 | Samples from YTC Resources drilling |
| DOXD001 | 434145 | 6641818 | 146 | -70 | 311 | 92.9 | 2009 | Samples from YTC Resources drilling |
| DRAC006 | 433990 | 6641692 | 147 | -60 | 320 | 51 | 2012 | Samples from YTC Resources drilling |
| DRAC009 | 434239 | 6641822 | 146 | -60 | 320 | 94 | 2012 | Samples from YTC Resources drilling |
| DRAC012 | 435281 | 6642655 | 144 | -60 | 322 | 120 | 2012 | Samples from YTC Resources drilling |
| DRAC016 | 435011 | 6642452 | 145 | -60 | 325 | 51 | 2012 | Samples from YTC Resources drilling |
| DRAC020 | 434780 | 6642324 | 145 | -60 | 320 | 53 | 2012 | Samples from YTC Resources drilling |
| DRAC021 | 434789 | 6642302 | 144 | -60 | 320 | 76 | 2012 | Samples from YTC Resources drilling |
| DRAC023 | 434624 | 6642178 | 144 | -60 | 320 | 39 | 2012 | Samples from YTC Resources drilling |
| DRAC031 | 434178 | 6641820 | 146 | -90 | 0 | 101 | 2012 | Samples from YTC Resources drilling |

***Table 2:*** *Doradilla Project – Significant Drillhole Intercepts – NB: * on the interval demotes that the interval is open either up hole, down hole or both up and down hole and as only a small selection of samples have been assayed for REE to date, most holes have open intercepts, and the intercepts may be significantly larger than reported below.*

| Hole ID | From | To | Interval | La2O3 | CeO2 | Nd2O3 | Pr6O11 | Sm2O3 | Eu2O3 | Gd2O3 | Tb4O7 | Dy2O3 | Ho2O3 | Er2O3 | Tm2O3 | Lu2O3 | Yb2O3 | Y | TREO | Nd+Pr+Tb+Dy | Nd+Pr+Tb+Dy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (m) | (m) | (m) | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | % |
| AMW03 | 45 | 50 | 5* | 204 | 425 | 209 | 61 | 37 | 6.8 | 25 | 3.59 | 22 | 4.20 | 12.12 | 1.71 | 12.07 | 1.68 | 108 | **1134** | 296 | 26 |
| AMW08 | 25 | 30 | 5 | 171 | 595 | 183 | 56 | 29 | 4.7 | 14 | 1.86 | 10 | 1.63 | 4.57 | 0.67 | 4.78 | 0.65 | 40 | **1117** | 251 | 22 |
| **AMW10** | **15** | **48** | **33*** | **1141** | **616** | **1262** | **316** | **251** | **50.0** | **248** | **36.15** | **223** | **42.50** | **121.82** | **17.66** | **118.06** | **16.69** | **1090** | **4981** | **1837** | **37** |
| **including** | **25** | **37** | **12** | **2017** | **872** | **2344** | **566** | **479** | **99.1** | **508** | **75.10** | **472** | **91.01** | **262.1** | **38.26** | **256.2** | **36.42** | **2368** | **8781** | **3457** | **39** |
| AMW16 | 21 | 31 | 10* | 277 | 383 | 221 | 60 | 43 | 8.6 | 44 | 6.57 | 44 | 9.08 | 26.36 | 3.72 | 23.97 | 3.29 | 262 | **1415** | 331 | 23 |
| AMW19 | 25 | 45 | 20 | 340 | 399 | 211 | 66 | 28 | 7.6 | 27 | 3.38 | 22 | 4.13 | 11.92 | 1.52 | 9.65 | 1.49 | 109 | **1241** | 303 | 24 |
| **AMW20** | **15** | **50** | **35*** | **501** | **334** | **407** | **107** | **77** | **17.5** | **79** | **10.93** | **68** | **12.57** | **37.00** | **4.70** | **30.50** | **4.56** | **310** | **2002** | **593** | **30** |
| **including** | **20** | **30** | **10** | **1006** | **487** | **777** | **202** | **147** | **34.9** | **162** | **22.16** | **135** | **24.00** | **68.67** | **8.58** | **55.97** | **7.94** | **565** | **3703** | **1136** | **31** |
| AMW25 | 20 | 35 | 15 | 222 | 336 | 217 | 57 | 41 | 8.9 | 38 | 5.20 | 32 | 5.71 | 16.31 | 2.17 | 15.49 | 2.05 | 125 | **1124** | 311 | 28 |
| DOXD001 | 49 | 52.5 | 3.5* | 214 | 484 | 307 | 72 | 49 | 10.1 | 37 | 4.98 | 24 | 4.59 | 11.97 | 1.87 | 12.58 | 1.76 | 85 | **1320** | 408 | 31 |
| DRAC006 | 44 | 51 | 7* | 126 | 761 | 47 | 17 | 9 | 1.7 | 6 | 0.97 | 6 | 0.96 | 2.83 | 0.44 | 3.22 | 0.43 | 20 | **1002** | 71.2 | 7 |
| DRAC009 | 44 | 48 | 4* | 260 | 1197 | 304 | 83 | 66 | 11.4 | 49 | 8.74 | 61 | 11.35 | 37.22 | 5.81 | 41.50 | 6.01 | 269 | **2411** | 457 | 19 |
| and | 80 | 90 | 10* | 215 | 777 | 159 | 51 | 25 | 6.0 | 18 | 2.93 | 19 | 3.34 | 10.41 | 1.69 | 13.03 | 1.92 | 69 | **1372** | 232 | 17 |
| **DRAC012** | **32** | **40** | **8*** | **788** | **1800** | **700** | **181** | **139** | **27.1** | **115** | **16.15** | **95** | **15.85** | **44.48** | **5.96** | **36.21** | **5.04** | **412** | **4379** | **992** | **23** |
| **including** | **34** | **36** | **2*** | **1208** | **3992** | **1106** | **286** | **223** | **42.6** | **182** | **25.32** | **147** | **24.63** | **69.41** | **9.50** | **56.48** | **7.84** | **631** | **8011** | **1565** | **20** |
| DRAC016 | 16 | 36 | 20* | 510 | 1010 | 550 | 132 | 115 | 24.8 | 110 | 15.78 | 96 | 17.20 | 47.82 | 6.43 | 38.36 | 5.54 | 500 | **3179** | 794 | 25 |
| including | 18 | 20 | 2* | 103 | 5196 | 131 | 34 | 29 | 5.8 | 22 | 4.03 | 24 | 4.14 | 12.24 | 1.85 | 13.89 | 1.75 | 75 | **5657** | 192 | 3 |
| DRAC020 | 44 | 48 | 4* | 1397 | 1081 | 1447 | 363 | 284 | 48.4 | 201 | 26.39 | 147 | 24.40 | 70.38 | 8.91 | 50.78 | 7.02 | 667 | **5824** | 1984 | 34 |
| including | 44 | 46 | 2* | 1982 | 1449 | 2047 | 518 | 399 | 67.4 | 286 | 37.87 | 211 | 35.51 | 103.71 | 13.13 | 74.58 | 10.21 | 956 | **8191** | 2814 | 34 |
| DRAC021 | 30 | 34 | 4* | 547 | 1083 | 629 | 163 | 124 | 23.3 | 87 | 12.30 | 69 | 11.16 | 29.79 | 3.85 | 24.25 | 3.14 | 272 | **3081** | 872 | 28 |
| and | 64 | 70 | 6* | 248 | 1141 | 369 | 84 | 83 | 16.1 | 69 | 9.93 | 58 | 9.26 | 25.88 | 3.93 | 23.68 | 3.09 | 192 | **2335** | 520 | 22 |
| DRAC023 | 18 | 30 | 12* | 286 | 1954 | 225 | 73 | 26 | 3.8 | 10 | 1.43 | 8 | 1.20 | 3.53 | 0.53 | 4.06 | 0.52 | 24 | **2621** | 308 | 12 |
| DRAC031 | 28 | 36 | 8* | 100 | 1602 | 111 | 30 | 20 | 3.3 | 12 | 1.65 | 9 | 1.41 | 4.23 | 0.56 | 4.21 | 0.56 | 29 | **1929** | 151 | 8 |
| 3KAC006 | 9 | 24 | 15 | 406 | 512 | 373 | 102 | 68 | 14.4 | 61 | 8.40 | 48 | 9.13 | 25.16 | 3.36 | 294.4 | 2.77 | 259 | **2185** | 531 | 24 |

| Hole ID | From | To | Interval | La2O3 | CeO2 | Nd2O3 | Pr6O11 | Sm2O3 | Eu2O3 | Gd2O3 | Tb4O7 | Dy2O3 | Ho2O3 | Er2O3 | Tm2O3 | Lu2O3 | Yb2O3 | Y | **TREO** | Nd+Pr+ Tb+Dy | Nd+Pr+ Tb+Dy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (m) | (m) | (m) | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | **ppm** | ppm | % |
| 3KACO07 | 14 | 20 | 6* | 340 | 173 | 235 | 64 | 43 | 11.1 | 59 | 8.35 | 44 | 9.53 | 24.60 | 3.45 | 19.89 | 2.95 | 250 | **1287** | 351 | 27 |
| 3KACO09 | 6 | 22 | 16 | 298 | 211 | 318 | 89 | 58 | 9.6 | 38 | 5.32 | 28 | 4.82 | 12.76 | 1.72 | 124.3 | 1.49 | 109 | **1309** | 440 | 34 |
| 3KACO11 | 20 | 24 | 4 | 213 | 537 | 148 | 43 | 29 | 6.8 | 33 | 5.25 | 29 | 6.34 | 17.50 | 2.61 | 16.74 | 2.47 | 149 | **1239** | 225 | 18 |
| 3KACO13 | 30 | 42 | 12* | 287 | 361 | 254 | 70 | 49 | 11.0 | 42 | 6.57 | 37 | 6.99 | 18.82 | 2.62 | 183.2 | 2.23 | 161 | **1492** | 368 | 25 |
| 3KACO14 | 18 | 36 | 18 | 227 | 450 | 193 | 55 | 37 | 8.2 | 30 | 4.55 | 25 | 4.48 | 11.80 | 1.61 | 119.09 | 1.37 | 105 | **1272** | 277 | 22 |
| 3KACO15 | 30 | 34 | 4* | 283 | 518 | 232 | 66 | 43 | 11.3 | 51 | 7.61 | 41 | 8.99 | 23.30 | 3.27 | 19.04 | 2.68 | 251 | **1561** | 347 | 22 |
| 3KACO16 | 26 | 42 | 16 | 243 | 461 | 245 | 69 | 49 | 13.6 | 46 | 6.88 | 37 | 7.17 | 19.01 | 2.65 | 183.2 | 2.25 | 161 | **1545** | 358 | 23 |
| 3KRC003 | 11 | 21 | 10* | 666 | 703 | 560 | 152 | 106 | 19.8 | 97 | 14.12 | 83 | 16.13 | 44.37 | 5.81 | 34.57 | 5.18 | 443 | **2951** | 809 | 27 |
| 3KDD018 | 13 | 31.6 | 18.6 | 432 | 311 | 429 | 116 | 75 | 13 | 51 | 6.50 | 32.88 | 5.13 | 12.97 | 1.67 | 10.56 | 1.33 | 105 | **1444** | 584 | 40 |
| **including** | **13** | **19** | **6** | **1003** | **428** | **998** | **271** | **173** | **30** | **114** | **13.95** | **67.07** | **9.79** | **22.68** | **2.78** | **16.24** | **1.92** | **169** | 2828 | **1350** | **48** |
| **including** | **16.4** | **17.1** | **0.7** | **4562** | **1284** | **4421** | **1172** | **756** | **132** | **512** | **60.31** | **283.5** | **38.37** | **78.33** | **8.39** | **45.77** | **4.67** | **553** | 13910 | **5936** | **43** |

This report has been approved for release by the 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 tin, gold, and copper markets in the world class mining jurisdiction of NSW.

## 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, REE).

### NEW ENGLAND PROJECT (EL9200 & 9210, 100% SKY)

SKY has been granted two exploration licences in the New England Orogen covering areas of significant historical tin production – Emmaville & Gilgai. These areas were selected as they have considerable potential to host hardrock tin resources and limited modern exploration has been conducted.

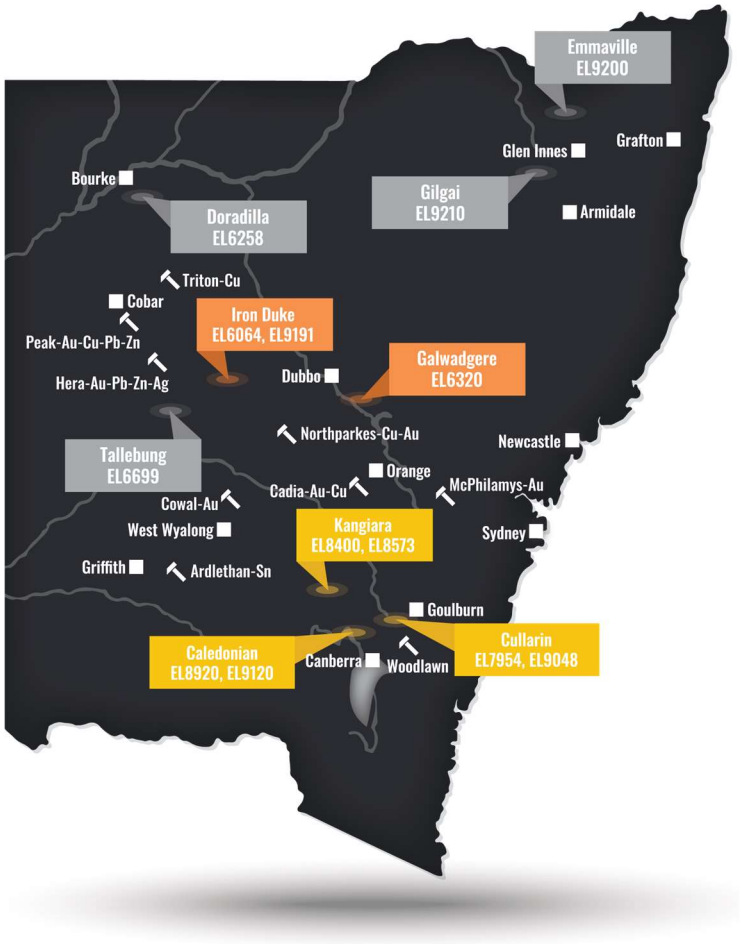


***Figure 7:*** *SKY Tenement Location Map*

## COPPER GOLD PROJECTS

### IRON DUKE (EL6064, BALMAIN OPTION; EL9191 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).

### 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.

## GOLD PROJECTS

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

The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. '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. SKY's maiden drill program was successful, including HUD002 which returned 93m @ 4.2 g/t Au from 56m.

### CALEDONIAN / TIRRANA PROJECTS ( EL8920, EL9048, EL9120 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 Project. The distribution of multiple historic drill intersections indicates a potentially large 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.

## 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 information in this report that relates to Metallurgical Results is based on information compiled by Michael Gunn, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Michael Gunn is a contractor 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 Gunn 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 – DORADILLA PROJECT**

**(Criteria in this section apply to all succeeding sections)**

| Criteria | Explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *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.* | All pulps, RC chips and drill cores were submitted to ALS Orange for preparation and assaying. Drill core sampling is by sawn half core HQ core or quarter PQ core. Nominal sample intervals are 1m with a range from 0.3m to up 10.0m composite samples. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | For RC and diamond drilling and reassaying, assay standards or blanks are inserted at least every 30 samples. All sample lab received weights show consistency with core recovery and interval length. |
| | • *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.* | Each sample was dried, crushed and pulverised as per standard industry practice.<br><br>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.<br><br>Diamond drilling - core samples were taken at nominally 1m, but with a range between 0.3-2m. Core samples are cut in half, dried, crushed and pulverised to 90% passing 75 microns.<br><br>Pulps were also pulverised to ensure the sample is homogenised.<br><br>REE (principally: La, Ce, Nd, Pr, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Lu, Yb Y) are analysed at ALS via ME-MS81h by lithium meta-borate fusion and ICP-MS. Overlimit samples are analysed via ME-XRF30 fusion. |
| ***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)* | Reverse circulation (RC) drilling using 110mm rods, 144mm face sampling hammer, drag bit air drilling or RAB drilling was completed for the AWM-series of holes at the Midway Target. The 2007 and 2012 aircore drilling by YTC Resources were completed with a Mole Pioneer and KD150 drill rig, respectively, with 76mm rods and bit. Diamond Drilling completed by drilling PQ through the top weathered portion of the hole until fresh rock is reached and then HQ coring begins from the base of the PQ. For the hole for metallurgical test work sample, PQ was drilled to EOH to produce the largest sample. Core orientation was completed where possible for the any HQ drill core. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed* | Sample quality is assessed by the sampler by visual approximation of sample recovery and if the sample is dry, damp or wet. 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. Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core recovery. |
| | • *Measures taken to maximise sample recovery and ensure representative nature of the samples* | Drill cyclone and sample buckets are cleaned between rod changes and after each hole to minimise cross-hole contamination and all sampling instruments are cleaned thoroughly minimise any possibility of contamination. 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. |

| Criteria | Explanation | Commentary |
|---|---|---|
| | • *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 no sample has been recovered within the intercepts, intercepts have been calculate assuming 0ppm TREO grade for the interval. |
| ***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* | Systematic geological and geotechnical logging was undertaken by NBH and their joint venture partners, YTC Resources and SKY when the holes were originally drilled. Data collected includes:<br>• Nature and extent of lithologies.<br>• Relationship between lithologies.<br>• Amount and mode of occurrence of ore minerals.<br>• Location, extent, and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core.<br>• 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. |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography* | Both qualitative and quantitative data is collected.<br>RC chips are retained in trays for future reference. Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference. |
| | • *The total length and percentage of the relevant intersections logged* | All core was geologically and geotechnically logged. |
| ***Sub-sampling techniques and sample preparation*** | • *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. |
| | • *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 riffle splitter on the rig into a separate calico at the time of drilling. YTC aircore – Spear samples were taken as composites for 2m, 3m, 4m composite samples in calico bags. |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique* | Samples were dried crushed and pulverised to 85% passing 75 microns. 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. |
| | • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples* | Certified Reference Material (CRM) and blanks were inserted at least every 30-50 samples to assess the accuracy and reproducibility of the 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 for multielement assay. |
| | • *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.* | Field duplicates were taken for RC samples with spear sampling every 50 samples, previously assayed samples were also reassayed to compare with recent assaying. Duplicates performed well. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample. |

| Criteria | Explanation | Commentary |
|---|---|---|
| | • *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*** | • *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. REE are analysed at ALS via ME-MS81h by lithium meta-borate fusion and ICP-MS. Overlimit samples are analysed via ME-XRF30 fusion. |
| | • *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. |
| | • *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 REE. |
| ***Verification of sampling and assaying*** | • *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. |
| | • *The use of twinned holes.* | Twinned holes have been used at the early stage in exploration. |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | 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.<br>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. |

<table>
<tr><th>Criteria</th><th>Explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• Discuss any adjustment to assay data</td><td>Assay data is adjusted to reflect oxide values by multiplication of the raw assay values for each element by the factors of equivalent chemical oxide weight in the table below:
<table>
<tr><th>Element</th><th>Oxide</th><th>Factor</th></tr>
<tr><td>Ce</td><td>CeO2</td><td>1.228</td></tr>
<tr><td>Dy</td><td>Dy2O3</td><td>1.148</td></tr>
<tr><td>Er</td><td>Er2O3</td><td>1.143</td></tr>
<tr><td>Eu</td><td>Eu2O3</td><td>1.158</td></tr>
<tr><td>Gd</td><td>Gd2O3</td><td>1.153</td></tr>
<tr><td>Ho</td><td>Ho2O3</td><td>1.146</td></tr>
<tr><td>La</td><td>La2O3</td><td>1.173</td></tr>
<tr><td>Lu</td><td>Lu2O3</td><td>1.137</td></tr>
<tr><td>Nd</td><td>Nd2O3</td><td>1.166</td></tr>
<tr><td>Pr</td><td>Pr6O11</td><td>1.208</td></tr>
<tr><td>Sm</td><td>Sm2O3</td><td>1.160</td></tr>
<tr><td>Tb</td><td>Tb4O7</td><td>1.151</td></tr>
<tr><td>Tm</td><td>Tm2O3</td><td>1.142</td></tr>
<tr><td>Y</td><td>Y</td><td>1</td></tr>
<tr><td>Yb</td><td>Yb2O3</td><td>1.139</td></tr>
</table></td></tr>
<tr><td>Location of data points</td><td>• 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.</td><td>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 and has been checked by SKY staff and contract surveyors to provide SKY with a +/-5m accuracy of historic drillhole collars. SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate them once completed and an initial handheld GPS (+/-3m) reading is used before holes are surveyed via DGPS.</td></tr>
<tr><td></td><td>• Specification of the grid system used</td><td>All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.</td></tr>
<tr><td></td><td>• Quality and adequacy of topographic control</td><td>Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. SKY has used DGPS surveying of drillholes (± 0.1m) to accurately locate them and an initial handheld GPS (+/-3m) reading is used before holes are surveyed via DGPS.</td></tr>
<tr><td>Data spacing and distribution</td><td>• Data spacing for reporting of Exploration Results</td><td>At this early exploration stage, the data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.</td></tr>
<tr><td></td><td>• 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</td><td>Not Applicable as no JORC-2012 resource estimate has been referenced.</td></tr>
</table>

| Criteria | Explanation | Commentary |
|---|---|---|
| | • *Whether sample compositing has been applied* | Sample compositing is not applied. |
| ***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* | 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.<br><br>In the case of the hole for metallurgical sample, however, drilling was orientated to drill sub-parallel to mineralisation to maximise sample of the mineralisation to provide the largest sample possible for metallurgical test work. |
| | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced sampling bias, this should be assessed and reported if material* | No sample bias due to drilling orientation is known, however, the unique orientation of the metallurgical drillholes may introduce some sampling bias. The structural controls on mineralisation is considered well understood and consistent. |
| ***Sample security*** | • *The measures taken to ensure sample security* | Sample chain of custody has been managed by the employees of Sky Metals who commissioned the drilling and transport samples from the drilling rig to assay laboratory.<br>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.<br>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. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data* | The Company does not routinely have external consultants verify exploration data until resource estimation procedures are deemed necessary. |

**Section 2 Reporting of Exploration Results – DORADILLA 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 Doradilla Project is described by NSW Exploration Licence 6258<br>The tenement is 100% owned by Stannum Pty Ltd, a 100% owned subsidiary of Big Sky Metals Pty Ltd and Sky Metals Ltd. |
| | • *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 conditions of the license for the Doradilla Project require the prior written consent from NSW Minister for Planning (Minister) before any change in effective control of the licence holder or foreign acquisition of substantial control of the licence holder. No impediments known. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties* | The Doradilla Project area has an extensive exploration history, with the tenement area subject to extensive past exploration within 22 previous exploration licences. The main DMK line skarn zone was discovered by North Broken Hill Ltd in 1972. Between 1972 and 1984 several companies, (North Broken Hill Ltd, Renison Ltd, Aberfoyle Exploration Pty Ltd, Metals Exploration Ltd, and Preussag Australia Pty |

| Criteria | Explanation | Commentary |
|---|---|---|
| | | Ltd), drilled multiple diamond, percussion and auger drill holes on the prospect, defining a stratigraphically persistent, low grade, tin-bearing calc-silicate skarn. Significant exploration efforts were also completed by Shell Minerals, Cleveland Tin, Aberfoyle, Eastmet and Metals Exploration. More recent exploration was completed by Goldminco Corporation and YTC Resources (now Aurelia Metals), who completed aircore drilling programmes on 3KEL, the Doradilla deposit, as well as aircore and diamond core holes across a number of ultramafic serpentinite bodies, exploring for Avebury-style related nickel mineralisation. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation* | The bedrock geology of EL6258 comprises units of low to moderate metamorphic grade phyllite, schist, slate, siltstone, and conglomerate that have been previously interpreted to be part of the Ordovician Girilambone Group. The mineralisation at Doradilla is mainly skarn/replacement tin/tungsten mineralisation hosted with the DMK Line. The DMK Line is a belt of calc-silicate skarns after limestone and marl that is up to 100m thick. This unit is considered to be a conformable part of the Devonian stratigraphy. Other calc silicates have been located at Doradilla Trig, Wednesday Shaft and Northern Shaft. Post-dating deformation and regional metamorphism is the emplacement of a large fractioned A-type granite batholith with an evolved suite of quartz porphyry dykes (the Midway Granite), interpreted to be the source of mineralising fluids at Doradilla. Recent dating has demonstrated a Triassic age for these intrusions. Mineralisation appears to be related to emplacement of this batholith. |
| ***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:*<br>- *easting and northing of the drill hole collar*<br>- *elevation or RL (Reduced Level–elevation above sea level in metres) of the drill hole collar*<br>- *dip and azimuth of the hole*<br>- *down hole length and interception depth*<br>- *hole length* | See body of announcement. |
| | • *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 drill hole information is included. |
| ***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 reported, drilling results from the Doradilla Project have been length weighted. Grades greater than 500ppm TREO have been used to calculate intercepts. No high cut-off has been applied. |
| | • *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. |
| | • *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*** | • *These relationships are particularly important in the reporting of Exploration Results-*<br>- *if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>- *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 used to allow determination of orientation of structures and mineralisation. Lode orientation of the 3KEL mineralisation is well constrained by previous drilling, outcrop and orientated drillcore measurements. |

| 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, and SKY ASX announcement 9 March 2020, SKY ASX announcement 22 September 2021, SKY ASX announcement 25 October 2021 SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 2022.. |
| ***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.* | See body of announcement, and SKY ASX announcement 9 March 2020, SKY ASX announcement 22 September 2021, SKY ASX announcement 25 October 2021 SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 2022. |
| ***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.* | N/A. |
| ***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).* | Further work is imminent to continue exploring the tenement. See body of announcement, and SKY ASX announcement 9 March 2020, SKY ASX announcement 25 October 2021, SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 2022. |
| | • *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, and SKY ASX announcement 9 March 2020, SKY ASX announcement 22 September 2021, SKY ASX announcement 25 October 2021 SKY ASX announcement 17 January 2022, SKY ASX announcement 27 January 2022, SKY ASX announcement 7 March 2022, SKY ASX announcement 1 June 2022, SKY ASX announcement 20 September 2022 and SKY ASX announcement 1 November 2022. |