

31 MARCH 2021

ASX: SKY

HIGH GRADE GOLD AT HUME & CALEDONIAN TARGETS

- ◆ More high grade gold and base metal results extend the Hume Target, Cullarin Project:
Hole HUD021: 6m @ 6.62 g/t gold, 3.72 % zinc and 3.68 % lead from 295m
- ◆ HUD021 confirms the continuity and high grade nature of the north-western extension to the Hume mineralisation and indicates excellent potential for further high grade gold mineralisation.
- ◆ Promising sulphide mineralisation and veining associated with the targeted structure noted in drillholes HUD023-HUD025 - assay results pending.
- ◆ Multiple shallow high grade gold results returned from Caledonian Target including:
Hole CAD001: 2m @ 11.4 g/t gold from 22m
Hole CARC011: 5m @ 4.46 g/t gold from 11m

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide an update on exploration activities at its Gold Projects in New South Wales (**Figure 4**).

SKY CEO Mark Arundell commented: "*The results from drillhole HUD021 yet again demonstrate the potential of the Hume high grade structure to host significant gold mineralisation. Shallow, high grade gold results from the Caledonian Target both validate the soil anomaly and indicate the prospectivity of this prospect. SKY looks forward to further drilling at both projects with the focus on extending the limits of mineralisation.*"

CULLARIN GOLD PROJECT (EL 7954; SKY 80%)

HUME TARGET - DIAMOND DRILLING

Evaluation by diamond drilling of the high grade Hume Target on the Cullarin project (**Figure 5**) continues with seven diamond drillholes completed since January 2021. These holes have been planned to test the strike and depth extent of the Hume high grade gold target, with final results now received from drillholes HUD021 and HUD022 (**Figure 1 & Table 1**). Drillholes HUD019 and HUD020 were reported in early March (ASX SKY 2nd March 2021).

Drillhole HUD021 was drilled to assess the north-west extent of the Hume mineralisation and intersected very encouraging zones of intense veining with strong to abundant base metal sulphide mineralisation at 80m and 300m. Assay results have confirmed high grade gold and lead-zinc mineralisation from the interpreted position of the Hume Structure:

Hole HUD021: 6m @ 6.62 g/t gold, 3.72 % zinc, 3.68 % lead from 295m

These results complement those reported from **HUD013** (ASX SKY 26 October 2020), **HUD014** (ASX SKY 18 November 2020) and **HUD020**.

Hole HUD013:	8m @ 4.93 g/t gold, 3.32% zinc, 4.33% lead from 172m
Hole HUD014:	5m @ 9.72 g/t gold from 233m
Hole HUD020:	4m @ 8.01g/t gold, 8.51% zinc, 5.43% lead from 284m

Significant and anomalous results received from drillholes HUD021 and HUD022 are presented in **Tables 2 & 3**.

Similar to drillholes **HUD013 & HUD014**, high grade gold mineralisation in drillhole **HUD021** is associated with intense quartz veining and base metal sulphide mineralisation. The zone of high-grade gold mineralisation coincides with the predicted position of the Hume high grade structure supporting SKY's current interpretation (**Figure 2 & Table 2**). Strong to moderate silica dominant alteration (+/- base metals mineralisation) was noted in both HUD021 & 022 which appears to be associated with consistent and very extensive anomalous gold mineralisation indicating the significant gold endowment of the Hume system (**Table 3**). These drillholes, and drillhole HUD020, confirm the down dip continuity of the Hume mineralisation and indicate that the mineralisation is still open at depth and along strike (**Figure 2**).

Drillhole **HUD022** was drilled to test the north-western extent of the Hume mineralisation in an "up dip" position and intersected encouraging zones of moderate to strong silica dominant alteration with high grade base metal mineralisation at the interpreted position of the Hume high grade structure. Gold mineralisation was relatively subdued compared with drillhole HUD021.

Encouraging zones of intense veining with strong base metal sulphide mineralisation were intersected in drillhole **HUD023-025**. Assay results from these drillholes are currently pending.

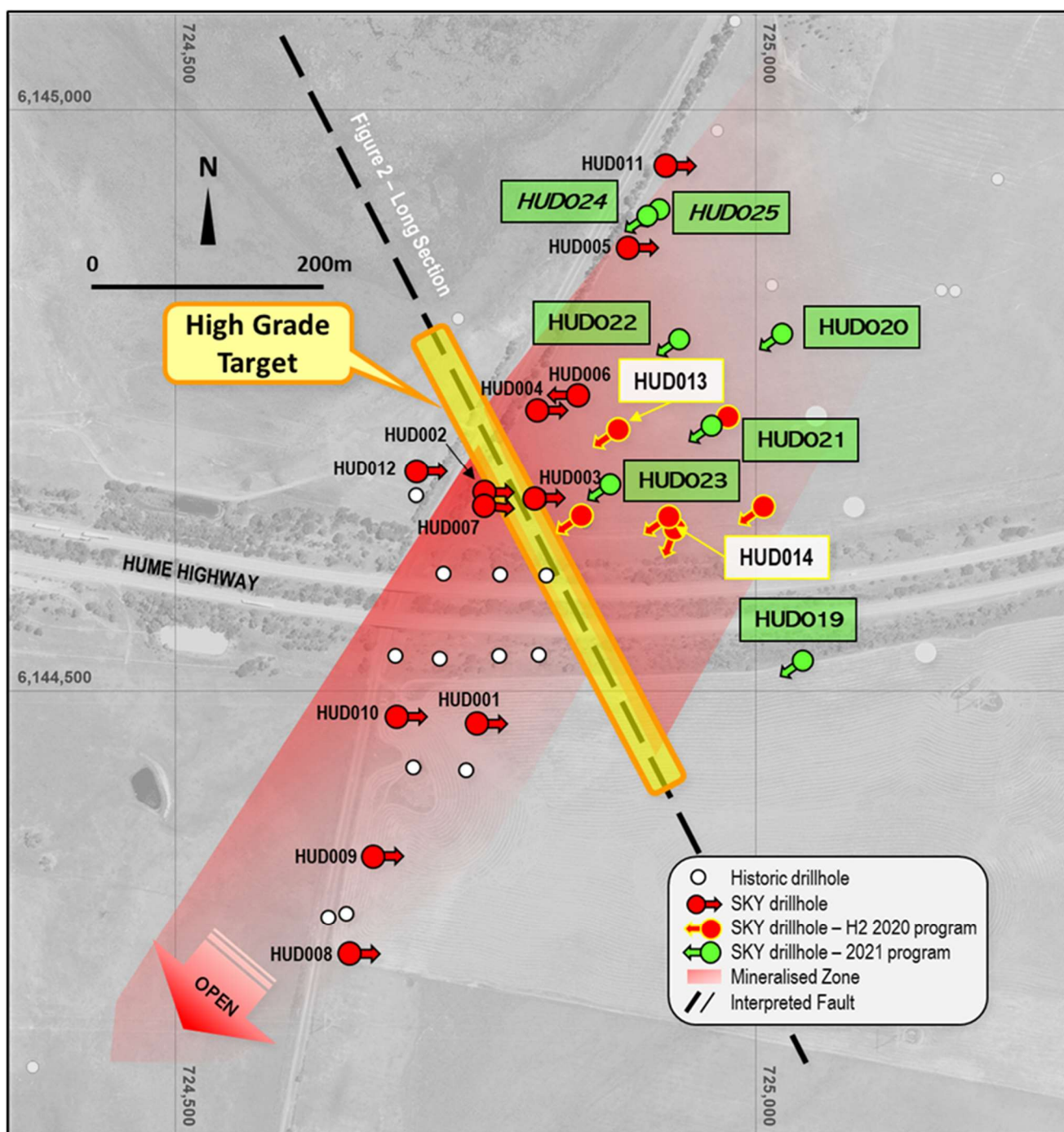


Figure 1 - Cullarin Gold Project - Hume Target - Drillhole Locations.

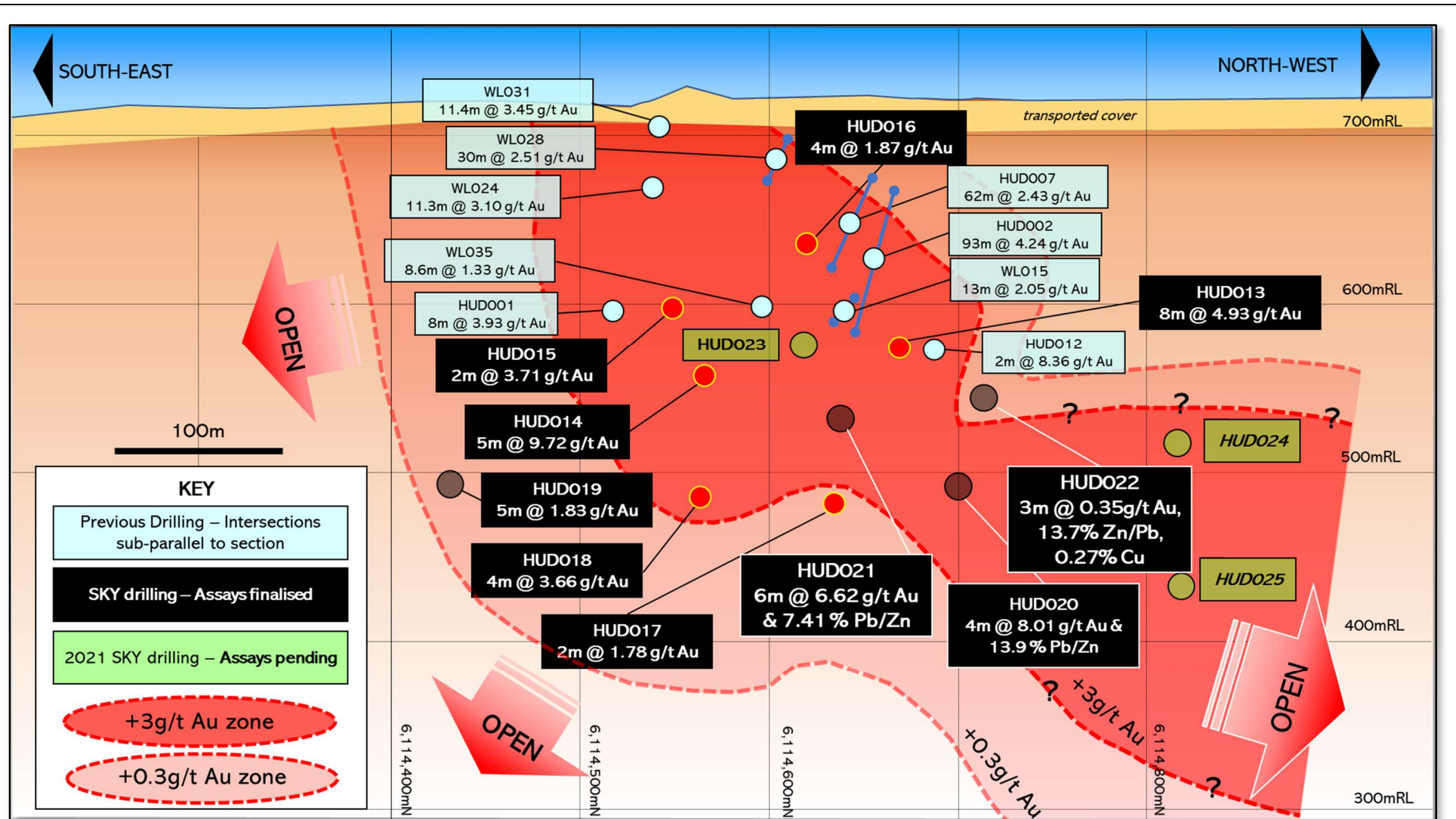


Figure 2 - Hume Target - Long Section (schematic). Intersections reported with 1.0g/t Au cut-off.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HUD019	725040	6144525	712	-60	235	357.6	Completed
HUD020	724937	6144802	715	-60	235	399.4	Completed
HUD021	724965	6144735	715	-53	235	381.5	Completed
HUD022	725024	6144808	714	-60	235	276.5	Completed
HUD023	724869	6144674	722	-60	235	271.4	Completed
HUD024	724880	6144870	721	-53	242	321.5	Completed
HUD025	724888	6144875	721	-65	242	405.7	Completed

Table 1 – Cullarin Project, Hume Target. Drillhole collar details.

Hume Target – Au > 1.0g/t

Hole ID	From	To	Interval	Au	Cu	Pb	Zn	Ag	Comment
	(m)	(m)	(m)	g/t	%	%	%	g/t	
HUD021	81	84	3	4.50	-	0.30	0.85	-	
and	295	301	6	6.62	0.15	3.68	3.72	18	Hume structure

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

Hume Target – Au > 0.1g/t

Hole ID	From	To	Interval	Au	Cu	Pb	Zn	Ag	Comment
	(m)	(m)	(m)	g/t	%	%	%	g/t	
HUD021	32	57	25	0.19	-	-	-	-	
and	68.3	94	25.7	0.85	-	-	0.23	-	
and	120	170	50	0.15	-	0.13	0.24	-	
and	247	315	68	0.77	-	0.86	1.66	-	
inc.	267	271	4	0.90	0.58	2.76	3.19	11	
and	364	370	6	0.14	0.16	0.44	1.48	-	
HUD022	64	71	7	0.19	0.22	2.15	3.07	-	
and	195	212	17	0.13	-	0.72	2.14	-	
inc.	197	200	3	0.35	0.27	3.31	10.35	-	

Table 3: Cullarin Project, Hume Target. Anomalous drillhole intersections.



CALEDONIAN GOLD PROJECT (EL 8920; ELA 603I SKY 100%)

RC PERCUSSION AND DIAMOND DRILLING

A ten hole drilling program (eight RC percussion and two diamond) was completed by SKY in February 2021 (**Table 4** and **Figure 4**). The drilling program was enacted to follow up strong shallow gold results obtained from drilling in December 2020 (ASX SKY 21st December 2020).

CARC002: 3m @ 13.6 g/t Au from 14m including,
 1m @ 38.4 g/t Au from 15m

The December 2020 program tested two parallel zones of gold mineralisation approximately 500m long and 50m wide delineated by a multi-element soil sampling survey completed by SKY (**Figure 3**). Previous explorers had not detected the eastern zone which contains exceptional gold results up to **65.3g/t Au** (ASX SKY 16th November 2020).

All assay results from the February 2021 Caledonian drilling have now been received and a number of shallow, high grade intersections have been recorded. Better results include:

CAD001: 2m @ 11.4 g/t Au from 22m including,
 1m @ 21.9 g/t Au from 22m

CARC011: 5m @ 4.46 g/t Au from 11m including,
 2m @ 8.82 g/t Au from 11m

The high grade gold mineralisation in drillhole CAD001 appears to be associated with iron rich box works and fragmented quartz veinlets within what is interpreted to be a rhyolite underlying a deeply weathered skarn unit. Hematite staining and goethite on fractures is also noted.

The high grade gold mineralisation in drillhole CARC011 appears to be associated with a deeply weathered sandy skarn unit. Trace goethite and manganese oxides were noted in the mineralised interval.

Results from this recent drilling program are currently being assessed in order to determine an appropriate follow up program.

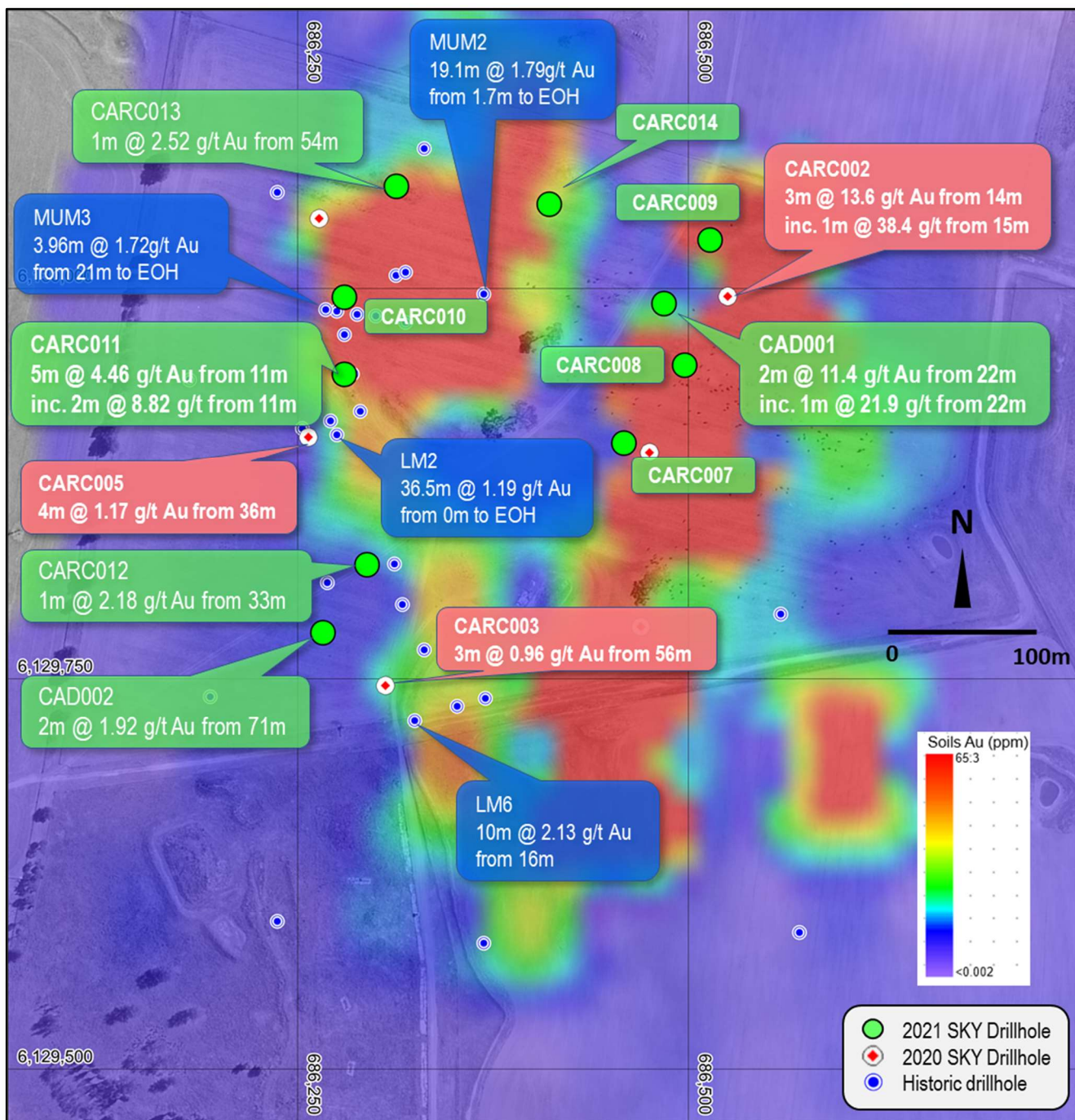


Figure 3 – Caledonian Target – SKY 2020 & 2021 drilling. Background image: SKY soil gold values.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
CARC007	686514	6130032	568	-60	90	85	Completed
CARC008	686498	6139952	568	-60	90	65	Completed
CARC009	686514	6130032	568	-60	90	67	Completed
CARC010	686290	613005	568	-60	90	78	Completed
CARC011	686257	6129957	568	-60	90	73	Completed
CARC012	686294	6130045	580	-60	90	66	Completed
CARC013	686300	6129747	588	-60	90	138	Completed
CARC014	686492	6129781	587	-60	90	84	Completed
CAD001	686257	6129905	583	-60	90	90	Completed
CAD002	686264	6130045	580	-60	90	66	Completed

Table 4 – Caledonian Project. Drillhole collar details.

Caledonian Target – Au > 1.0g/t

Hole ID	From	To	Interval	Au	Comment
	(m)	(m)	(m)	g/t	
CAD001	22	24	2	11.4	
inc.	23	24	1	21.9	
CAD002	71	73	2	1.92	
CARC011	11	16	5	4.46	
inc.	11	13	2	8.82	
and	59	62	3	1.68	
CARC012	33	34	1	2.18	
CARC013	54	55	1	2.52	

Table 5: Caledonian Target. Significant drillhole intersections.

Caledonian Target – Au > 0.1g/t

Hole ID	From	To	Interval	Au	Comment
	(m)	(m)	(m)	g/t	
CARC012	24	37	13	0.29	
inc.	23	24	1	21.9	
CARC011	11	16	5	4.46	
inc.	11	13	2	8.82	

Table 6: Caledonian Target. Anomalous drillhole intersections.

COVID-19: Through its exploration procedures SKY maintains a clear focus on protecting the health and wellbeing of our staff, contractors, landholders, and other stakeholders. All planned work is subject to advice on any restrictions on normal business activities associated with COVID-19 imposed by the Australian and/or NSW governments.

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, 80% SKY; HRR FARM-IN)

Under the HRR farm-in, SKY has now earned an 80% interest in the projects via the expenditure of \$2M prior to the formation of a joint venture (ASX: 9 October 2019). Highlight, 'McPhillamys-style' gold results from previous drilling at the Cullarin Project include 148.4m @ 0.97 g/t Au (WL31) including 14.6m @ 5.1 g/t Au from 16.2m, & 142.1m @ 0.89 g/t Au (WL28) including 12m @ 4.4 g/t Au from 25.9m. The Cullarin Project contains equivalent host stratigraphy to the McPhillamys deposit with a similar geochemical, geophysical & alteration signature. SKY's maiden drill program to follow up this historical work was very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

CALEDONIAN / TIRRANA PROJECTS (EL8920, EL9048, ELA6031 100% SKY)

Highlight, 'McPhillamys-style' gold results from previous exploration include 36m @ 1.2 g/t Au from 0m to EOH in drillhole LM2 and 81m @ 0.87g/t Au in a costean on EL8920 at the Caledonian Prospect, Caledonian Project. At the Caledonian Prospect, the distribution of multiple historic drill intersections indicates a potentially large, mineralised gold zone with discrete high-grade zones, e.g., 6m @ 8g /t Au recorded from lode at historic Caledonian Mines (GSNSW). A strong, robust soil gold anomaly (600 x 100m @ +0.1ppm) occurs and most drillholes (depth ~25m) terminate in the mineralised zone.

COPPER GOLD PROJECTS

GALWADGERE (EL6320, ALKANE OPTION)

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

IRON DUKE (EL6064, BALMAIN OPTION; 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 4: SKY Location Map

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mark Arundell, who is a Member of the Australasian Institute of Geoscientists (AIG) and CEO of Sky Metals Ltd. Mr Arundell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arundell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The results include historical pre-1989 exploration results. Exploration activity at the Cullarin Project was undertaken from 1985-1987 (pre-JORC) by Pan Australian Mining Ltd. As per ASX requirements for reporting pre-1989 historical data, SKY notes that the results are not reported in accordance with the JORC Code 2012; a competent person has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012; it is possible that following further evaluation and/or exploration work that the confidence in the prior reported exploration results may be reduced when reported under the JORC Code 2012; that nothing has come to the attention of SKY that questions the accuracy or reliability of the former owners exploration results, but SKY has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results. The previous drilling activity, which produced these results, involved multiple diamond drillholes and check assaying, providing SKY with confidence that the results are reliable, relevant and an accurate representation of the available data and studies undertaken by previous exploration activity.

PREVIOUSLY REPORTED INFORMATION

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

DISCLAIMER

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance, or potential growth of Sky Metals Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Sky Metals Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.

JORC CODE, 2012 - TABLE 1

Section 1 Sampling Techniques and Data –CULLARIN & CALEDONIAN PROJECTS

(Criteria in this section apply to all succeeding sections)

Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	<p>Drill core sampling is by sawn half core PQ & HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m.</p> <p>All RC samples were submitted to ALS Orange for preparation and assaying.</p> <p>All samples were submitted to ALS Orange for preparation and assaying.</p>
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<p>For RC drilling, assay standards or blanks are inserted at least every 30 samples.</p> <p>Assay standards or blanks are inserted at least every 30 samples for diamond drill core. All sample weights show consistency with core recovery and interval length.</p>
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Each sample was dried, crushed and pulverised as per standard industry practice.</p> <p>RC Drilling – the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling. Though the Permian overlying sequence, composite spear samples of 3m were taken.</p> <p>Diamond drilling - core samples were taken at nominally 1m, but with a range between 0.5-1.5m. Core samples are cut in half, dried, crushed and pulverised to 90% passing 75 microns.</p> <p>The primary metal of interest, Gold (Au) was determined by 50g fire assay (method Au-AA26) with a detection limit 0.01ppm. Multielement assaying was completed for 48 elements by 0.25g four-acid digest with ICPMS determination (method ME-ICP61).</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc) 	<p>Reverse circulation (RC) drilling using 110mm rods, 144mm face sampling hammer.</p> <p>Diamond Drilling completed using PQ core until fresh rock is reached then HQ coring.</p> <p>Core orientation was completed where possible</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed 	<p>RC drilling - high capacity RC rig was used to enable dry samples collected. Drill cyclone is cleaned between rod changes and after each hole to minimise cross-hole contamination.</p> <p>Diamond drill core recovery recorded against intervals drilled as part of geotechnical logging to determine recovery. Recoveries are generally greater than 95% once in fresh rock.</p>

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples 	Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core recovery.
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material 	There is no known relationship between sample recovery and grade. Where samples recoveries are less than 95% there is no relationship observed between grade and sample recovery. Relationships between sample recovery and grade are not considered significant where recoveries exceeded 95% in fresh rock.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies 	<p>Systematic geological and geotechnical logging was undertaken by NBH and their joint venture partners when the holes were originally drilled. Data collected includes:</p> <ul style="list-style-type: none"> Nature and extent of lithologies. Relationship between lithologies. Amount and mode of occurrence of ore minerals. Location, extent, and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core. Geotechnical data such as recovery, RQD, fracture frequency, qualitative IRS, microfractures, veinlets and number of defect sets. For some geotechnical holes the orientation, nature of defects and defect fill are recorded.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography 	<p>Both qualitative and quantitative data is collected.</p> <p>Half core (HQ) & ¾ core (PQ) samples are retained in trays for future reference.</p> <p>A representative sample of each one metre RC interval is retained in chip trays for future reference. Half core samples are retained in trays for future reference.</p>
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged 	All core was geologically and geotechnically logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken 	Diamond drilling - core was sawn with half core (HQ) or quarter core (PQ) submitted for assay. Sampling was consistently on one side of the orientation line so that the same part of the core is sent for assay.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry 	RC drilling - the total sample (~20-30kg) is delivered via cyclone into a large plastic bag which is retained for future use if required. 1m intervals are split using a cone splitter on the rig into a separate calico at the time of drilling.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique 	<p>Core samples were dried crushed and pulverised to 90% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.</p> <p>For RC samples: samples were dried crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.</p>

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples 	SKY: Certified Reference Material (CRM) and blanks were inserted at least every 30 samples to assess the accuracy and reproducibility of the drill core results. The results of the standards were to be within $\pm 10\%$ 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.
	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. 	<p>No field duplicates are taken for core samples. Core samples were cut in $\frac{1}{2}$ for HQ and $\frac{1}{4}$ for PQ generally in down hole intervals of 1m, however, intervals can range from 0.3-2.0m. This is considered representative of the in-situ material. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.</p> <p>No field duplicates are taken for RC samples. The sample was crushed and pulverised to 90% passing 75 microns. This was considered to appropriately homogenise the sample.</p>
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled 	Sample sizes are industry standard and considered appropriate
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total 	Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Gold (Au) was determined by 50g fire assay (method Au-AA26) with a detection limit 0.01ppm for drill core. Multielement assaying for drill core samples was completed for 48 elements by 30g four-acid total digest with ICPMS determination (method ME-ICP61).
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc 	Not applicable as no geophysical tools were used in the determination of assay results.
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established 	Certified reference material or blanks were inserted at least every 30 samples. Standards are purchased from Certified Reference Material manufacture companies: Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade, low grade, and trace ranges of elements, with a primary focus on gold.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	Drill data is compiled and collated and reviewed by senior staff. External consultants do not routinely verify exploration data until resource estimation procedures are deemed necessary. The intersection calculations were viewed by >1 geological personnel.
	<ul style="list-style-type: none"> The use of twinned holes. 	Twinned holes have not been used in the drilling.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<p>Drill Hole Data including: meta data, any gear left in the drill hole, lithological, mineral, survey, sampling, magnetic susceptibility was collected and stored as physical and electronic copies or entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet was combined into a master excel spreadsheet as the drill hole database.</p> <p>Assay data was provided by ALS via .csv spreadsheets. The data was validated using the results received from the known certified reference material. Hard copies of the assay certificates were stored with drill hole data such as drillers plods, invoices, and hole planning documents.</p>



Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> Discuss any adjustment to assay data 	Assay data is not adjusted.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. Conversion of the local grid co-ordinates has been undertaken by previous exploration companies. SKY has used handheld GPS to locate drillholes at this stage (accuracy $\pm 2\text{m}$). DGPS surveying of drillholes ($\pm 0.1\text{m}$) will be undertaken.
	<ul style="list-style-type: none"> Specification of the grid system used 	All coordinates are based on Map Grid Australia Zone 55E, Geodetic Datum of Australia 1994.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control 	Historic drill hole collars were located using either a licenced surveyor or on a local imperial or metric grid. SKY has used handheld GPS to locate drillholes at this stage (accuracy $\pm 2\text{m}$). DGPS surveying of drillholes ($\pm 0.1\text{m}$) will be undertaken.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results 	At this early exploration stage, the data spacing is variable as the focus is on geological mapping and identifying new zones of mineralisation.
	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied 	Not Applicable as no resource estimate has been completed
	<ul style="list-style-type: none"> Whether sample compositing has been applied 	Sample compositing is not applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type 	Drilling was orientated to cross the mineralisation trend at moderate to high angles. The use of orientated core allows estimates of the true width and orientation of the mineralisation to be made.
	<ul style="list-style-type: none"> 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 potential for bias is being investigated by the current drilling campaign
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security 	<p>Sample chain of custody has been managed by the employees of Sky Metals who commissioned the drilling from the drilling rig to assay laboratory.</p> <p>All samples are bagged in tied numbered calico bags, grouped into larger tied polyweave bags, or placed in a stillage box and transported to ALS in Orange by SKY personnel. All sample submissions are documented via ALS tracking system and all assays are reported via email.</p> <p>Sample pulps are returned to site and stored for an appropriate length of time (minimum 3 years). The Company has in place protocols to ensure data security.</p>
Audits or reviews	<ul style="list-style-type: none"> 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 – CULLARIN & CALEDONIAN PROJECTS
(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<p>The Cullarin Project is described by NSW Exploration Licence 7954.</p> <p>The tenement is 80% owned by SKY Metals Ltd with 20% owned by Tarago Exploration Pty Ltd, a 100% owned subsidiary of Heron Resources Ltd. This licence is one of three under the HRR-SKY JV. See SKY ASX announcement 9 October 2019 for more details.</p> <p>The Caledonian Project is described by NSW Exploration Licence 8920.</p> <p>The tenement is 100% owned by Aurum Metals Pty Ltd which is a 100% owned subsidiary of SKY Metals Ltd.</p>
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area 	<p>All exploration licences are in good standing.</p> <p>EL7954 expires on 19 June 2022.</p> <p>EL 8920 expires on 5th December 2025.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties 	<p>Significant exploration was carried out initially interested in base metals and shifting to gold in the 1980s with the Hume prospect identified as a Au-rich VMS system with similarities to the Henty Mine in western Tasmania. Shallow diamond drilling at the Hume prospect identified broad low-grade Au mineralisation including high grade zones suitable for underground mining before the 1990s. From the 1990s a period of exploration for largely intrusion-related deposit styles commenced and included the re-assay of historic drill core and collation of previous exploration data.</p> <p>Significant exploration was carried out initially focussed on base metals and shifting to gold in the 1980s with the Caledonian prospect identified as a Au-rich skarn system. Shallow diamond drilling identified broad low-grade Au mineralisation. From the 1990s limited exploration has occurred on the prospect.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation 	<p>Mineralisation at the Hume prospect is associated with sulphide-rich and intensely silica-sericite altered horizons hosted in a late Silurian volcanoclastic sequence interpreted to be equivalent to the stratigraphy to that which hosts the McPhillamys deposit near Blaney NSW. This stratigraphy is likely to represent basin opening of the Hill End Trough. The mineralisation is interpreted as Au-rich VMS with similarities to the Henty Mine in western Tasmania and the McPhillamys deposit in NSW. Gold mineralisation appears to be coincident with Zn, Pb, Cu and Ag mineralisation.</p> <p>Mineralisation at the Caledonian prospect appears to be associated with skarn units, particularly where iron oxides are more abundant than epidote. High gold grades were noted in the lowermost skarn unit; values in outcrop of the upper two horizons were not sustained in drill intersections down-dip. Previous drilling has largely been confined to a sequence of skarn and pelitic acid volcanoclastics. Three main skarn horizons, having an overall moderate westerly dip, have been recognised. Flexuring of these units, seemingly plunging to the south, is interpreted. Within the skarn, limonite/hematite development is extensive, probably in part after sericite/clay altered tremolite-actinolite, whilst nontronite is also common. Most of the pelite/volcanics interbedded with the skarn are extensively clay altered as well.</p>

Criteria	Explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level—elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length 	See body of announcement.
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	Not applicable as drill hole information is included.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. 	Where reported, drilling results have been length weighted. Grades greater than 0.1g/t Au and 1.0g/t Au have been used to calculate intercepts for the Cullarin and Caledonian Projects. No high cut-off has been applied.
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	Intercepts are length weighted with no cutting of grades. This may lead to elevation of intercept grades due to the presence of a narrow interval of high-grade material. Such high-grade zones are reported as included intercepts inside the broader intercept.
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated 	No metal equivalences quoted.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results- <ul style="list-style-type: none"> if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. if it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	Orientated drill core has been used by SKY to allow determination of orientation of structures and mineralisation. Orientation of the mineralisation and structural trends is constrained by previous drilling and outcrop though true widths are not yet estimated as there is insufficient data at this stage of exploration.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	See body of announcement, appendix of ASX announcement, 22 November 2018, ASX announcement 24 August 2020 and ASX announcement 16 November 2020.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	See table in appendix of ASX announcement, 22 November 2018 ASX announcement 24 August 2020 and ASX announcement 16 November 2020.

Criteria	Explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples—size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	See body of announcement
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). 	Further drill testing to assess the scale and grade of the mineralisation is planned along with investigation of related targets.
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	See body of announcement. ASX announcement 24 August 2020 and ASX announcement 16 November 2020.

