

23 APRIL 2021

ASX: SKY

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2021

HIGHLIGHTS

- ◆ More high grade gold and base metal results extend the Hume Target, Cullarin Project:
 - Hole HUD018A: 2m @ 5.56 g/t gold from 293m
 - Hole HUD020: 4m @ 8.01 g/t gold, 8.51 % zinc and 5.43% lead from 284m
 - Hole HUD021: 6m @ 6.62 g/t gold, 3.72 % zinc and 3.68 % lead from 295m
- ◆ 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
- ◆ SKY rock chip sampling from the Iron Duke Project, returned exceptional high grade copper results, including: 26.1% Cu, 11% Cu and 8.3% Cu
- ◆ Drilling proposed for Galwadgere & Iron Duke Projects in coming months

The March quarter saw SKY continue to aggressively advance its exploration program across its high quality gold and copper-gold projects in NSW. Very strong results from Cullarin, Caledonian and the Iron Duke Projects have set the scene for an exciting exploration program into the June quarter, with SKY continuing its multi drill rig program across four projects, per below:

JUNE 2021 QUARTER – PROPOSED WORK PROGRAM

- Diamond drilling continues at the Hume Target, Cullarin Gold Project
- RC/Diamond drilling of Caledonian Gold Target
- Diamond drilling of Galwadgere Copper-Gold Target
- RC drilling of Iron Duke Copper-Gold Project
- Airborne EM surveys at Iron Duke, Doradilla & Galwadgere
- Soil sampling at Cullarin, Galwadgere and Iron Duke Projects

CULLARIN PROJECT – GOLD

80% SKY (EL7954; HERON JV)

The Cullarin Project (EL7954) is located 25km west of Goulburn in the Southern Tablelands of New South Wales (**Figure 8**). The area contains a number of prospects including the historic Breadalbane Iron and Copper Mines. SKY is targeting McPhillamys-style, gold targets in the Late Silurian stratigraphy in the Cullarin area and historic gold results from previous drilling at the Hume Target were considered indicative of this style of mineralisation.

HUME TARGET – DIAMOND DRILLING

Diamond drilling of the high grade Hume Target continued in the March 2021 quarter. Six diamond drillholes to test the strike and depth extent of the Hume high grade gold target were completed in late 2020 and a further seven holes were completed in the March 2021 quarter (**Table 1** and **Figure 1**). Significant results received during the March 2021 quarter are presented in **Table 2** and on **Figure 2**.

Drillholes **HUD013-018A**, completed in 2020, intersected encouraging widths of alteration and sulphide mineralisation (pyrite + sphalerite + galena) within the targeted structure at the predicted position of the Hume structure (**Figure 2**). Assay results confirmed the continuity of the Hume Target zone, with higher-grade gold mineralisation, reported this quarter, intersected in the following drillholes:

Hole HUD015:	2m @ 3.71 g/t gold from 152m
Hole HUD017:	2m @ 3.94 g/t gold from 55m
Hole HUD018A:	2m @ 5.56 g/t gold from 293m

Drillholes **HUD020** and **HUD021** were 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 (**HUD020: Photo 1 & Photo 2**) and from 360m to end of hole. Assay results confirmed high grade gold and lead-zinc mineralisation from the interpreted position of the Hume Structure:

Hole HUD020:	4m @ 8.01g/t gold, 8.51% zinc, 5.43% lead from 284m
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) and **HUD014** (ASX SKY 18 November 2020)

Hole HUD013:	8m @ 4.93 g/t gold from 172m
Hole HUD014:	5m @ 9.72 g/t gold from 233m

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.



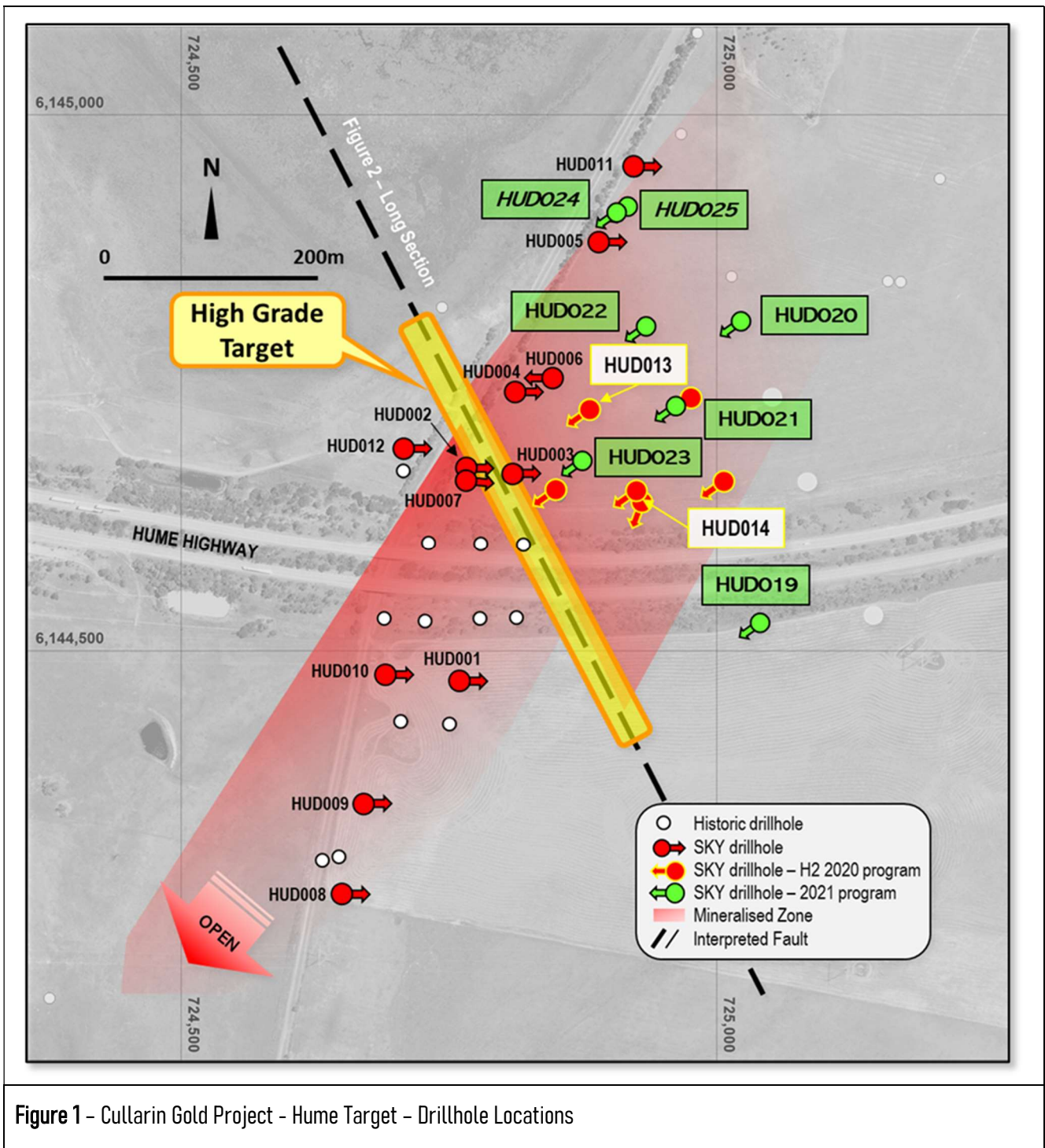


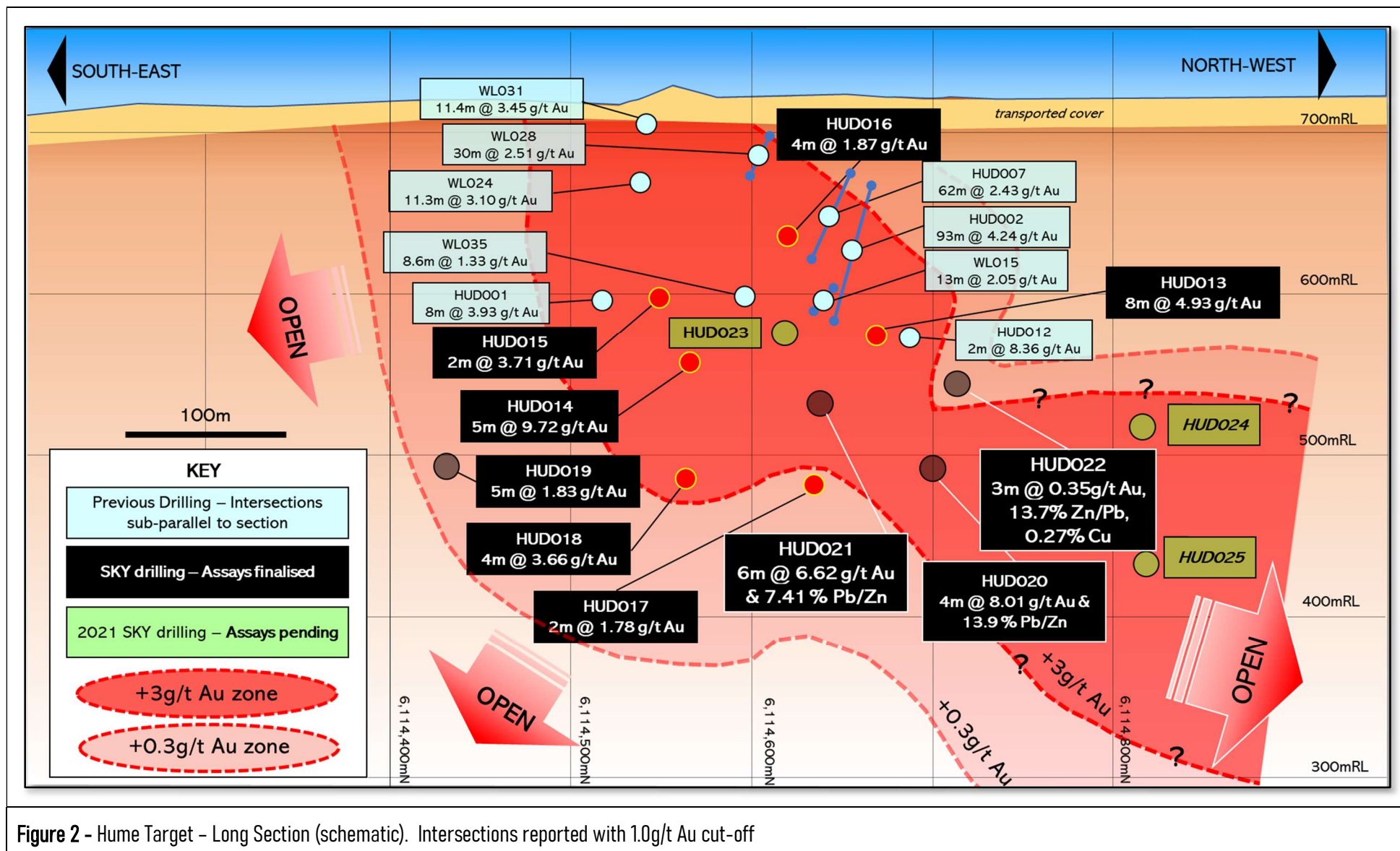
Photo 1 – Cullarin Gold Project - Hume Target – Drillhole HUD020 – 287.5m – massive sphalerite & galena.



Photo 2 – Cullarin Gold Project - Hume Target – Drillhole HUD020 – 290-293.5m – intense, banded quartz-carbonate-veining with sphalerite & galena.







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 Gold Project, Hume Target. Collar summary for drill holes – March 2021 quarter

Hume Target – Au > 1.0g/t

Hole ID	From	To	Interval	Au	Cu	Pb	Zn	Ag	Comment
	(m)	(m)	(m)	g/t	%	%	%	g/t	
HUD015	152	154	2	3.71	-	-	-	-	Hume structure
and	184	186	2	1.94	-	0.13	0.17	-	
and	212	214	2	1.10	-	-	-	-	
HUD016	97	101	4	1.87	-	0.38	1.73	-	Hume structure
HUD017	55	57	2	3.94	-	0.19	0.24	7	
and	363	365	2	1.78	0.11	0.26	0.35	9	Hume structure
HUD018A	166	171	5	1.38	-	0.11	0.17	12	
and	293	295	2	5.56	-	0.15	0.16	-	Hume structure
and	301	305	4	3.66	-	0.35	0.68	5	
and	317	319	2	3.28	0.14	0.44	0.68	6	
HUD019	324	329	5	1.83	-	-	-	10	Hume structure
HUD020	284	296	12	2.73	0.12	2.44	4.44	10	Hume structure
inc.	284	288	4	8.01	0.20	5.43	8.51	22	
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 Gold Project, Hume Target. Significant drillhole intersections – reported March 2021 quarter



MURRAYS TARGET (BREADALBANE IRON MINE) – DIAMOND DRILLING

A gold soil anomaly was identified by SKY soil sampling to the northwest of the Hume Target proximal to the historic Breadalbane Iron mine and Cullarin Copper mine – **Murrays Target (Figure 3)**. A multi-element soil anomaly covering an area of 500m x 400m occurs associated with a distinct magnetic high co-incident with the iron and copper mines.

Evaluation of the copper potential of the Murray Target indicated that copper mineralisation was open at depth. A three hole drill program to test this was completed in early April (**Table 3**). Drillhole MUD001 was drilled under the Cullarin Copper Mine and drillholes MUD002 & 003 were drilled under the Breadalbane Iron Mine targeting copper mineralisation associated with ironstone.

MUD001 & MUD002 intersected interbedded sediments and a series of faults with trace pyrite and chalcopryite stringers in some sections of the hole. MUD003 intersected a zone of magnetite, chlorite and pyrite rich core from 77m–118m with chalcopryite associated with sections of this interval. Assay results from these drillholes are currently pending.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
MUD001	723920	6147380	740	-60	260	290.9	Completed
MUD002	723930	6147485	735	-60	260	307.8	Completed
MUD003	723865	6147645	732	-69	260	250.1	Completed

Table 3 – Cullarin Gold Project, Murrays Target. Collar summary for drill holes – March 2021 quarter

HUME NORTH TARGET - DIAMOND DRILLING

The **Hume North** soil anomaly occurs over ~1,200m strike extent and is located approximately 1.5km north of the Hume Target (**Figure 3**). The combination of the potassium (K) radiometric signature together with a pronounced magnetic low, and gold and multi-element pathfinder anomaly in the soil results, describe a high ranking ‘McPhillamys style’ target at Hume North. A program of RC drillholes was initiated in the September 2020 quarter as a test of the soil anomaly but the program was suspended due to wet ground conditions.

Drill testing of the northern part of the soil anomaly – considered to be potentially more prospective – was completed in the 2021 March quarter (**Table 4**). A single diamond drillhole was completed which intersected minor base metal sulphide mineralisation at 50m and minor copper mineralisation at approximately 200m. Assay results from this drillhole are currently pending.

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HND001	725767	6146403	741	-60	090	270.8	Completed

Table 4 – Cullarin Gold Project, Hume North Target. Collar summary for drill holes – March 2021 quarter

HUME WEST TARGET- DIAMOND DRILLING

A program of soil sampling was completed to the south and west of the Hume Target to evaluate the southwestern strike extent of the Hume mineralisation intersected in HUD008 (**Figure 4**). Assay results from these samples indicate a coherent gold plus multi-element pathfinder anomaly with a strike length of +400m and a width of 50m (**Hume West**).

Drill testing of the Hume West target commenced in mid-April and is ongoing.

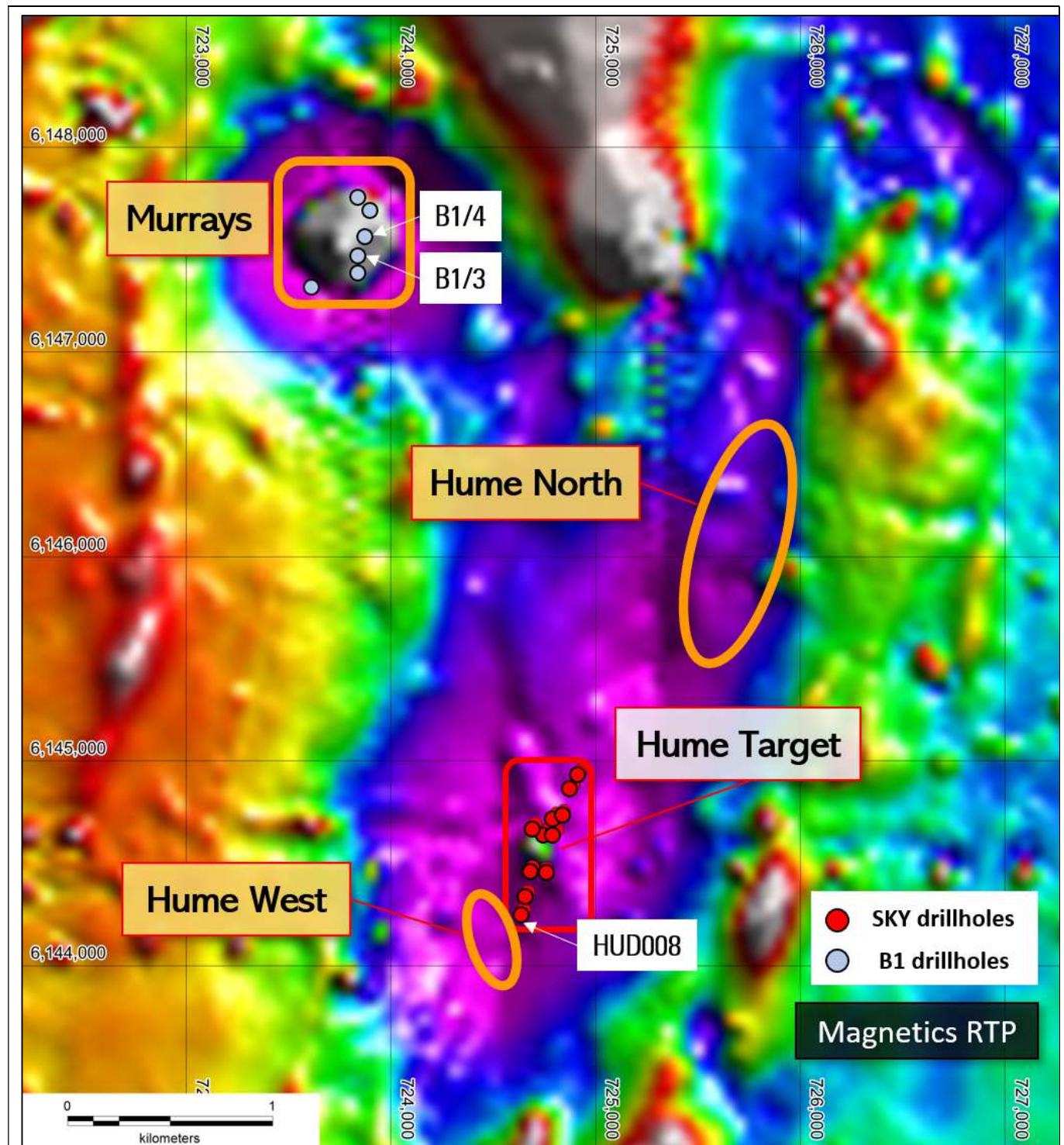


Figure 3 – Cullarin Gold Project – Hume Area– Drill targets

CALEDONIAN PROJECT – GOLD

100% SKY (EL8920 & EL 9120)

The Caledonian Project is located 30km southeast of Yass in the Southern Tablelands of New South Wales (**Figure 8**). The area contains the historic Caledonian Gold Mine. A potentially large and shallow mineralised gold system at Caledonian Prospect is indicated by multiple historic drill and costean intersections (**Figure 4**) including:

LM2:	36m @ 1.2 g/t Au from 0m to EOH, and
LM6:	10m @ 2.15g/t Au from 16m, and
Costean A:	81m @ 0.87g/t Au, including 39m @ 1.63g/t Au

The deepest historical drillhole is 62m and most holes are ~25m deep with a number of drillholes ending in mineralisation. These drillholes and costeans were mostly located within a coherent 600 x 100m soil gold anomaly (+0.1ppm) defined by a joint venture between Central West Gold NL / Mineral Management & Securities Pty Ltd / Kennecott in 1985.

RC PERCUSSION DRILLING

A six hole RC percussion drilling program was completed by SKY in December 2020. The drilling program was enacted as an initial test of two parallel zones of gold mineralisation approximately 500m long and 50m wide delineated by a multi-element soil sampling survey recently completed by SKY over the historic Caledonian gold mine (**Figure 4**). Previous explorers had not detected the eastern zone which contains exceptional gold results up to **65.3g/t Au** (ASX SKY 16th November 2020).

Strong, shallow high-grade gold results (ASX SKY 21st December 2020) were recorded from the eastern gold soil zone (**Figure 4**).

CARC002:	3m @ 13.6 g/t Au from 14m including, 1m @ 38.4 g/t Au from 15m
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High grade gold mineralisation in drillhole CARC002 appears to be associated with a zone of intense quartz veining (up to 50%) hosted by a strongly weathered unit interpreted to be a skarn. Narrow intervals of lower grade gold mineralisation were intersected in two other drillholes:

CARC005:	4m @ 1.17 g/t Au from 36m
CARC003:	3m @ 0.96 g/t Au from 56m

A follow up ten hole drilling program (eight RC percussion and two diamond) was completed by SKY in February 2021 (**Table 5 & Figure 4**). A number of shallow, high grade intersections were recorded (**Table 6**) with better results including:

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 strongly weathered skarn unit. The high grade gold mineralisation in drillhole CARC011 appears to be associated with a strongly weathered sandy skarn unit.

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

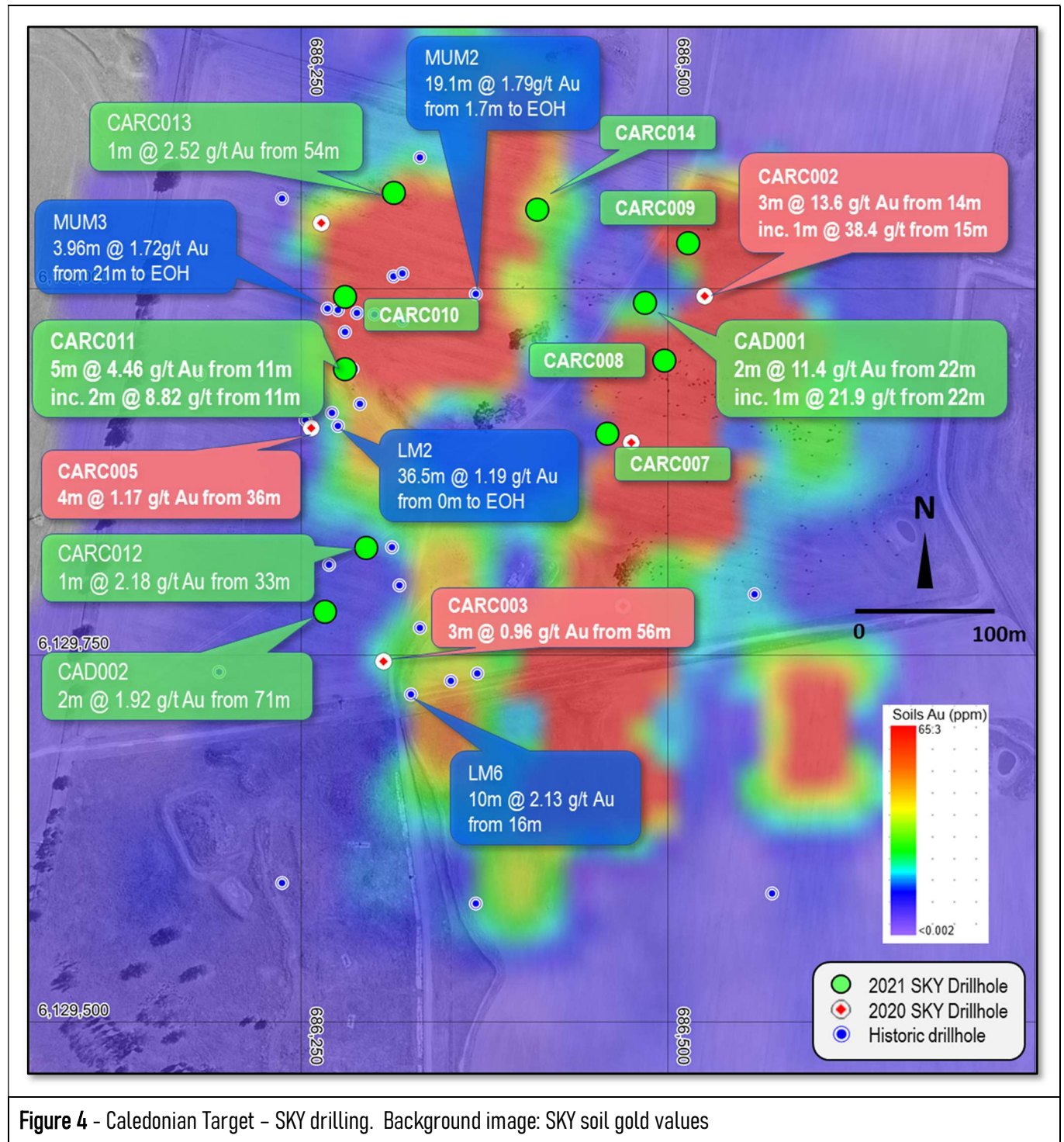


Figure 4 - Caledonian Target - SKY drilling. Background image: SKY soil gold values

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
CAD001	686484	6129991	568	-60	90	101.2	Completed
CAD002	686264	6130045	580	-60	90	66	Completed
CARC007	686459	6129902	568	-60	90	85	Completed
CARC008	686498	6129952	568	-60	90	65	Completed
CARC009	686514	6130032	568	-60	90	67	Completed
CARC010	686280	6129995	568	-60	90	78	Completed
CARC011	686280	6129946	568	-60	90	73	Completed
CARC012	686294	6129824	568	-60	90	91	Completed
CARC013	686313	6130066	568	-60	90	73	Completed
CARC014	686411	6130055	568	-60	90	48	Completed

Table 5 – Caledonian Project. Drillhole collar details – February 2021 program

Hole ID	From	To	Interval	Au	Comment
	(m)	(m)	(m)	g/t	
CARC005	36	40	4	1.17	
CARC003	43	60	17	0.29	
incl.	56	59	3	0.96	
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 6: Caledonian Project. Significant drillhole intersections



KANGIARA PROJECT – GOLD

80% SKY (EL8400, EL8573; HERON JV)

The Kangiara Project (EL8400, EL8573) is located 30km northwest of Yass in the Southern Tablelands of New South Wales (**Figure 8**). The project contains volcanic/volcaniclastic rocks of the Silurian Douro Group considered prospective for gold and base metal (copper-zinc) mineralisation. The high grade Kangiara Mine operated during the early 1900s, with documented production of ~40,000 tonnes at 16% Pb, 3% Cu, 5% Zn, 280g/t Ag and 2g/t Au from narrow north-south trending sulphide veins (ASX PDM 18 June 2009). Previous work by Paradigm Metals led to the calculation of an Indicated and Inferred Mineral Resource at Kangiara.

Evaluation of the regional potential of the Kangiara Project identified a number of discrete colour anomalies in Sentinel-2 satellite data. These colour anomalies are interpreted to represent areas of outcropping alteration. Field investigation of these areas is planned for the June quarter.

TIRRANA PROJECT – GOLD

100% SKY (EL9048)

As part of a regional review of the Cullarin area for McPhillamys-style gold mineralisation, SKY identified an area on open ground to the south-east of the Cullarin project that satisfied a number of the key McPhillamys criteria. SKY has thus applied for an exploration licence (ELA5968) to cover this highly prospective area (**Figure 8**).

A detailed desktop review of previous exploration covering Tirrana was completed in the December quarter. This review identified two areas for follow up. This work is planned to be completed in the following quarters.



IRON DUKE PROJECT – COPPER-GOLD

OPTION TO PURCHASE 100% (EL6064); 100% SKY (ELA599I)

SKY secured the Iron Duke Copper-Gold Project (**Figure 8**) from Balmain Minerals Pty Ltd in 2020 by way of an exclusive Option to Purchase (ASX SKY 20 June 2020). Previous exploration has delineated a shallow, open-ended Copper-Gold resource at Iron Duke (ASX KBL Mining 4 June 2012). The Iron Duke prospect has seen no exploration activity for over nine years and other historic copper workings on the tenement have remained undrilled and largely untested prior to the current SKY work program.

A program of RC drilling is in progress at the Iron Duke Mine to test both the down dip and strike extent of the previously defined copper-gold mineralisation.

ROCK CHIP SAMPLING – CONSISTENT HIGH GRADE RESULTS

As part of initial reconnaissance of the Iron Duke Project, rock sampling was conducted at the Christmas Gift & Monarch mines, located approximately 2.5km south along strike from the Iron Duke Mine (**Figure 5**). Copper carbonates (malachite & azurite) in quartz breccias were noted at both mines similar to the style of the Iron Duke mineralisation. Chalcocite was also noted at the Monarch mine. Both workings present as “walk up and drill” targets, which has been confirmed by these high grade copper rock chips.

Twenty one samples were collected from the Christmas Gift & Monarch mines with more than half returning greater than 1% Cu as shown in **Table 7** and **Photos 3-5**. Highest results include:

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

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

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

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

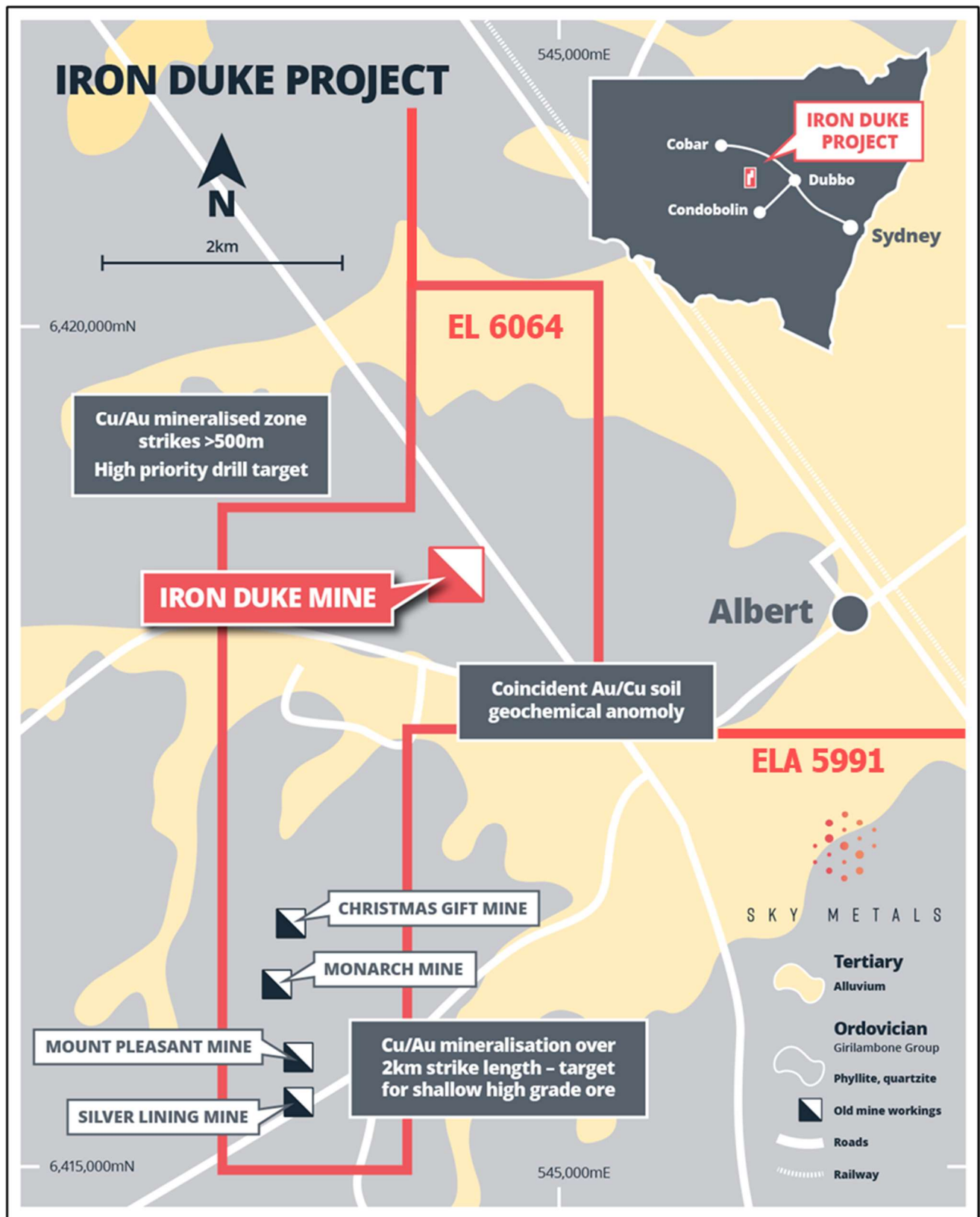


Figure 5 – Iron Duke Project. Prospect location plan.



Photo 3 - EL6064 - Monarch - 26.1% Cu, 0.41g/t Au, 29g/t Ag. Spectacular assay result from the >1cm azurite vein and may also contain some chalcocite. Width of view 20cm.



Photo 4 - EL6064 - Christmas Gift - 11.0% Cu, 0.11g/t Au, 24g/t Ag. Quartz, stained with malachite, peppered with malachite on freshly broken surface and also contains fresh disseminated sulphide - pyrite & chalcopyrite. Narrow (~1cm) band suspected chalcocite. Width of view 15cm.



Photo 5 - EL6064 - Christmas Gift & Monarch

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



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

Table 7 – Iron Duke Project: Significant rock chip results (Cu > 1%)

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

AIRBORNE EM

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

HISTORIC DRILL CORE REVIEW

A review of historic diamond drilling from Iron Duke at the NSW Mines Department core library in western Sydney has been completed. The review proven to be more encouraging than originally anticipated. Some of the historic holes were terminated in ore and only high grade (>1.0%) copper zones, likely visually identified, were previously sampled. Broader zones of lower grade copper mineralisation (0.5-1.0%) were largely ignored and thus the current SKY sampling program has the opportunity to increase the size of the Iron Duke deposit. Assays of the resampled intercepts are anticipated to be received late April / early May.



GALWADGERE PROJECT – COPPER-GOLD

OPTION TO PURCHASE 100% (EL6320)

The Galwadgere Project is located 15km south-east of Wellington township in the Central West of New South Wales (**Figure 8**). The project hosts several targets including the Galwadgere Copper-Gold deposit and the McDowells & Christies prospects. The Galwadgere deposit has been the focus of most of the recent exploration effort where drilling has located an extensive altered Silurian felsic to intermediate volcanic sequence hosting base metal sulphide (predominately copper) and gold mineralisation.

RC PERCUSSION & DIAMOND DRILLING

SKY completed a program of RC percussion and diamond drilling to test the strike and depth extent of the Galwadgere copper-gold deposit in 2020 (**Figure 6**). Besides drillhole GARC002, the holes were designed as major “step outs” from known mineralisation to test the extents of the Galwadgere deposit (**Table 8**).

Drillholes intersected encouraging widths of visible copper sulphide mineralisation (chalcopyrite), pyrite, quartz veining and associated alteration. Final assay results for all the drillholes were received in the March 2021 quarter with encouraging copper-gold mineralisation intersected in the following drillhole:

Hole GARC004D: 6m @ 0.31 % copper, 0.86 g/t gold from 326m

These results complement those reported from GARC002 (SKY ASX 30 November 2020):

**Hole GARC002: 53m @ 0.55 % copper, 0.75 g/t gold from 142m including,
6m @ 1.04 % copper, 2.15 g/t gold from 142m and,
5m @ 1.98 % copper, 3.91 g/t gold from 183m**

Significant results reported in the March quarter from the SKY drilling program are presented in **Table 9 & Figure 7**.

DOWNHOLE ELECTROMAGNETICS (DHEM)

A program of downhole EM (DHEM) is planned to be conducted at Galwadgere in April/May. Drillholes GAD001 and GAD002 will be probed to test for potential extensions of the mineralisation at the southern and northern ends, respectively, of the Galwadgere deposit. DHEM has the potential to detect “off-hole conductors” which are likely to be associated with high grade sulphide mineralisation at Galwadgere.

SOIL SAMPLING

Soil sampling programs have been completed to the south of Galwadgere to assess a distinctive airborne radiometric anomaly and to the north of Galwadgere covering the McDowells prospect. Reprocessing of Alkane’s detailed magnetics/radiometric survey over Galwadgere revealed what is interpreted to be a zone of potassium-rich alteration in this area to the south of Galwadgere. SKY rock sampling in this area has encountered anomalous values of gold (0.07g/t), arsenic (450ppm), barium (1040ppm) and antimony (33ppm) which is considered very encouraging. A distinct potassic high radiometric anomaly was also delineated associated with McDowells.



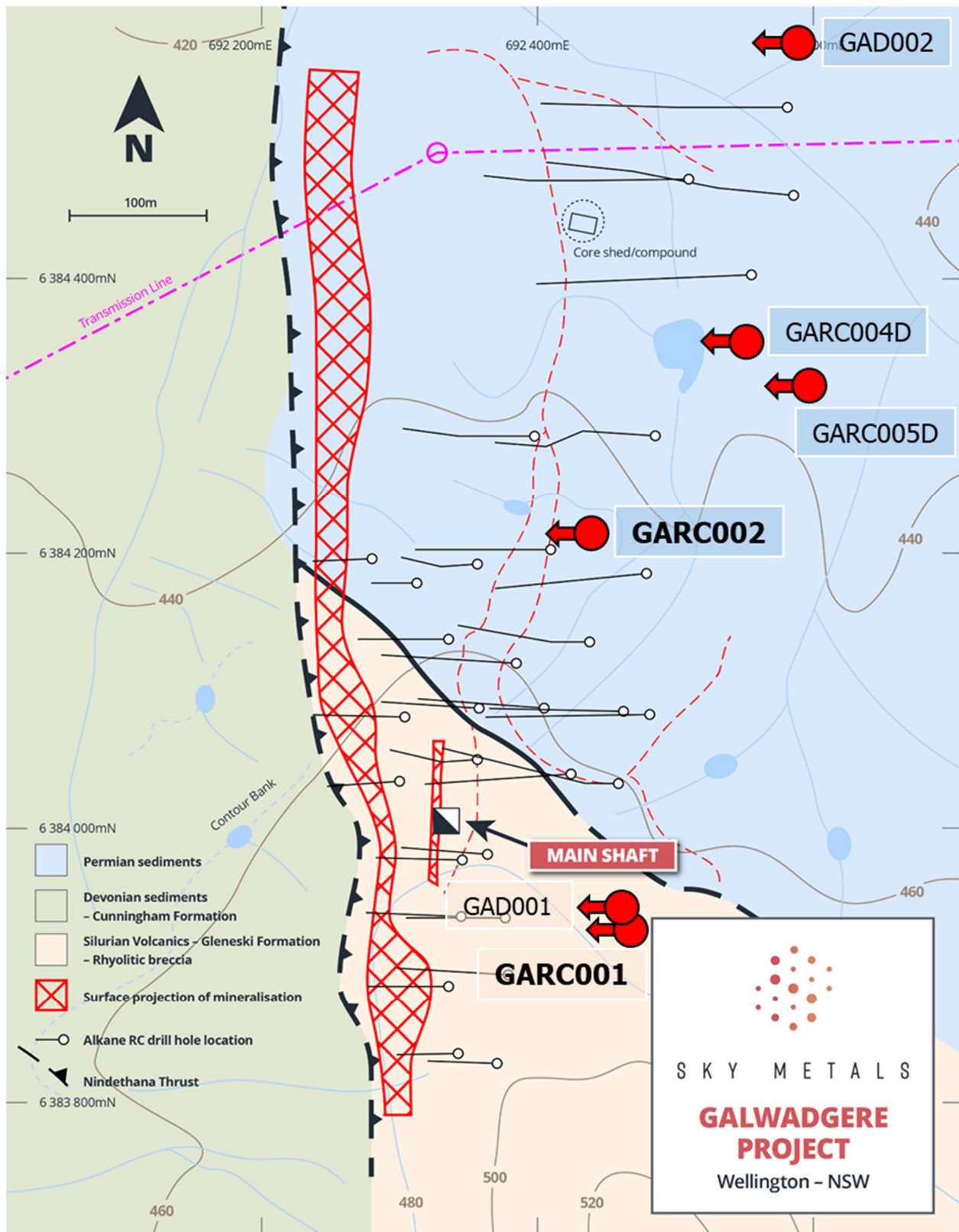


Figure 6 - Galwadgere Copper-Gold Project - Drillhole Locations.

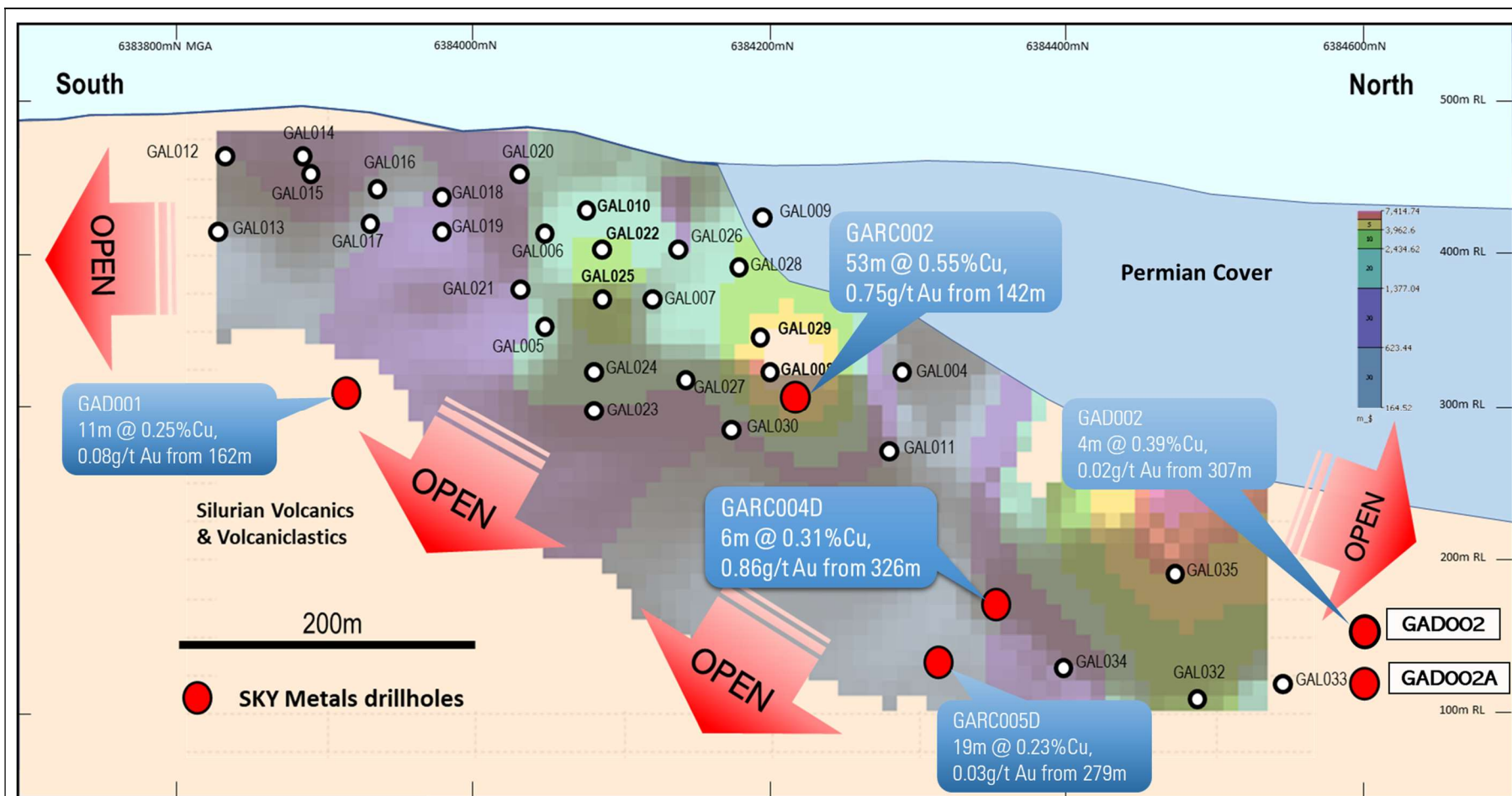


Figure 7 – Galwadgere Copper-Gold Project – Long Section (schematic).

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
GARC001	692486	6383912	471	-60	270	150	Completed
GARC002	692430	6384207	447	-60	270	204	Completed
GARC004D	692553	6384348	433	-60	270	342	Completed; RC pre-collar
GARC005D	692580	6384320	433	-60	270	398	Completed; RC pre-collar
GAD001	692480	6383920	471	-60	270	262	Completed
GAD002	692590	6384575	418	-60	270	394	Completed
GAD002A	692590	6384575	418	-60	270	409	Completed; wedge hole off GAD002

Table 8 – Galwadgere Project. Drillhole collar details

Galwadgere Project – Cu > 0.5% & Au > 0.5g/t

Hole ID	From	To	Interval	Cu	Au	Comment
	(m)	(m)	(m)	%	g/t	
GARC004D	302	305	3	0.59	0.11	
and	326	332	6	0.31	0.86	

Table 9: Galwadgere Project. Significant drillhole intersections

TALLEBUNG PROJECT – TIN

100% SKY (EL6699)

The Tallebung Project is located approximately 70km north-west of Condobolin in central NSW (**Figure 8**). 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-style tin - tungsten mineralisation. Outcropping mineralisation is developed over two kilometres as sheeted/stockwork quartz-cassiterite-wolframite sulphide veins above a mineralising granite.

A review of the potential of the Tallebung Project to host intrusion related gold (IRG) was completed in the December 2020 quarter. This review identified the potential of the Theirman Tin & Whytes Wolfram Mines to host IRG mineralisation and it was recommended to complete a program of surface sampling (soil and/or lag) to test their gold potential. This work is currently planned for the June 2021 quarter.

DORADILLA PROJECT – TIN, POLYMETALLIC

100% SKY (EL6258)

The Doradilla Project is located approximately 30km south of Bourke in north-western NSW and represents a large and strategic tin project with potential for significant polymetallic mineralisation (tin, tungsten, copper, bismuth, indium, nickel, cobalt, gold) (**Figure 8**).

A program of RC drilling of multiple targets at the Doradilla Tin and 3KEL Prospects was completed in 2019. As previously reported (ASX SKY 10 March 2020), a number of drillholes intersected high grade tin, copper, indium and silver from the 3KEL & Doradilla Prospects. Of particular significance is the results from 3KEL in hole 3KRC002 (**6m @ 1.11% Sn, 1.48% Cu, 44g/t Ag, 65g/t In** from 105m) which represent the first time significant primary tin and copper mineralisation has been recognised at 3KEL. This mineralisation remains open along strike and at depth.

A detailed low level airborne magnetic/radiometric survey was completed between the Doradilla and 3KEL Prospects on the Doradilla Project during the September 2020 quarter. Interpretation of these data and drill targeting is currently in progress and results will be reported in the June 2021 quarter.

NEW ENGLAND PROJECT – TIN

100% SKY (ELA 6217 & 6218)

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

A detailed desktop review of previous exploration covering these areas is proposed for the June quarter.



CORPORATE PROJECT:

During the quarter \$1,475k was spent on the exploration activities outlined in this report.

No mining production and development activities undertaken for the quarter.

During the quarter \$32k was paid as Non-Executive Director fees.

Actual Expenditure to 31 March 2021 v Prospectus 2 YEAR Use of Funds		
	Prospectus 2 Year Use of Funds	Actual Expenditure to Date (31 March 2021)
	\$A'000	\$A'000
Cost of Acquisition & Capital Raise	500	453
Tallebung Project Exploration Expenditure	2,000	898
Doradilla Project Exploration Expenditure	800	439
Gold Projects Exploration Expenditure	-	3,998
Working Capital	1,684	2,001
Total	4,984	7,789

Table 5: Actual Expenditure to 31 March 2021 v Prospectus 2 YEAR Use of Funds

Comments

- Cost of Acquisition & Capital Raise less than forecast.
- Tin exploration activities initially in line with prospectus.
- NSW Gold project strategy not planned at time of prospectus. Current focus on gold projects.
- Working Capital, includes \$204k for acquisition of vehicles, plant & equipment. Larger than forecast as a result of a higher level of corporate activity associated with gold project strategy.

This report has been approved for release by the Board of Directors.

Holder	Equity	Licence ID	Grant Date	Expiry Date	Units	Area	Comment
Tarago Exploration Pty Ltd (HRR sub)	80%	EL7954	19-6-2012	19-6-2022	51	144 km ²	Cullarin Project, SKY Heron JV
Ochre Resources Pty Ltd (HRR sub)	80%	EL8400	20-10-2015	20-10-2024	52	147 km ²	Kangiarra Project, SKY Heron JV
Ochre Resources Pty Ltd (HRR sub)	80%	EL8573	23-5-2017	23-5-2023	17	48 km ²	Kangiarra Project, SKY Heron JV
Aurum Metals Pty Ltd (SKY sub)	100%	EL8920	5-12-2019	5-12-2025	65	183 km ²	Caledonian Project
Aurum Metals Pty Ltd (SKY sub)	100%	EL9120	30-3-2021	30-3-2027	50	141 km ²	Caledonian Project – Murrumbidgee granted
Aurum Metals Pty Ltd (SKY sub)	100%	EL9048	15-2-2021	15-2-2026	52	147 km ²	Tirranra Project – granted
Alkane Resources Ltd	Option to Purchase 100%	EL6320	12-10-2004	12-10-2026	14	41 km ²	Galwagere Project – renewed
Balmain Minerals Pty Ltd	Option to Purchase 100%	EL6064	21-3-2003	20-3-2022	5	15 km ²	Iron Duke Project
Gradient Energy Pty Ltd (SKY sub)	100%	ELA5991	-	-	60	174 km ²	Iron Duke Project – Albert application
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	110 km ²	Doradilla Project – renewed
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km ²	Tallebung Project – renewed
Stannum Pty Ltd (SKY sub)	100%	ELA6217	-	-	74	221 km ²	Emmaville Project – application
Stannum Pty Ltd (SKY sub)	100%	ELA6218	-	-	82	244 km ²	Gilgai Project – application

Table 9: Tenement Summary, changes in the March quarter highlighted

ABOUT SKY (ASX: SKY)

SKY is an ASX listed public company focused on the exploration and development of high value mineral resources in Australia. SKY's project portfolio offers exposure to the gold, copper, and tin markets in the world class mining jurisdiction of NSW.

GOLD PROJECTS

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

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

CALEDONIAN / TIRRANA PROJECTS (EL8920, EL9048, 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 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 8: SKY Location Map

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Sky Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.

SKY ASX releases released during the March 2021 Quarter or referenced in the announcement are listed below:

8 Apr 2021 – SKY ASX Announcement 'High Grade Copper at Iron Duke – Drilling Imminent'

31 Mar 2021 – SKY ASX Announcement 'High Grade Gold at Hume & Caledonian Targets'

11 Mar 2021 – SKY ASX Announcement 'Exploration Update Presentation'

2 Mar 2021 – SKY ASX Announcement 'High Grade Gold Results Extend Hume Target'

15 Feb 2021 – SKY ASX Announcement 'Exploration Update'

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.