



S K Y M E T A L S

INVESTOR UPDATE – FEBRUARY 2020

DISCLAIMER - IMPORTANT INFORMATION

Disclaimer

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including risks associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company's subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of gold, copper and base metals, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

No Liability/Summary Information

The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation Materials. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Commonwealth of Australia)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it. Post 1989, exploration results detailed in this presentation have previously been reported to the ASX or in the independent geologist report contained in the Prospectus lodged on 18 April 2018. References to metal endowments are current to January 2017. Endowment = current resource plus production. Coordinate system on maps is MGA94 Zone55 unless otherwise stated.

The results include historical pre-1989 exploration results. The exploration activity at the HRR JV was undertaken from 1985-1987 (pre-JORC) by Electrolytic Zinc Company Ltd and Kennecott Exploration Ltd. These Historical Estimates do not use a category of mineralisation defined in the JORC code. 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 levels of gold reported, from past drilling activity, is a key factor in guiding SKY's exploration strategy in relation to these projects. The previous drilling activity, which produced these results, involved multiple diamond drillholes and check assaying, providing SKY confidence that the results are reliable, relevant and an accurate representation of the available data and studies undertaken by previous exploration activity. Drilling was based on follow-up of robust, coincident IP chargeability and zinc-lead-copper soil anomalism. Proposed verification work includes further drilling and resampling of historical drillcore which SKY expects to undertake in 2019 using existing funds. Relevant original exploration reports are referenced and can be found at <http://skymetals.com.au/index.cfm/investors/reports-and-presentations/technical-reports/>.

Competent Persons Statement

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Mark Arundell, who is a Member of the Australasian Institute of Geoscientists (AIG) and CEO of the Company. 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.

SKY METALS AT A GLANCE

CAPITAL STRUCTURE

Shares on issue	254.7M
Unlisted Options	37.5M
Share price (7 Feb 2020)	\$0.105
Market capitalisation	\$26.7M
Est Cash (31 Dec 2019)	\$2.2M
Debt	Nil

BOARD & MANAGEMENT

Norm Seckold	Chairman
Mark Arundell	CEO
Richard Hill	Non-Executive Director
Rimas Kairaitis	Non-Executive Director
Richard Willson	Company Secretary

SHAREHOLDERS

Aurelia Metals	7%
Board and Management	12.4%
Top 20 holders	40.7%



NORMAN SECKOLD – Chairman



30+ years in the full-time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver, Kings Minerals NL, Mogul Mining NL and Gold Corp. Currently Chairman of Santana Minerals Limited and Alpha HPA Ltd and Deputy Chairman of Nickel Mines Limited.

RIMAS KAIRAITIS – Non-Executive Director



25+ years experience in minerals exploration and resource development in gold, base metals and industrial minerals. In his most recent role, Mr Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company to a profitable NSW based gold and base metals producer. Mr Kairaitis is also the Managing Director of Alpha HPA Limited.

MARK ARUNDELL – CEO



30+ years experience in mineral exploration, mining, mining project assessment and equity capital markets. Mr Arundell has extensive experience in gold and base metals, with deep and relevant experience in NSW across porphyry copper-gold and orogenic gold exploration. Mr Arundell's background includes senior roles with RGC, North Ltd and Rio Tinto operating across WA, NSW and internationally.

RICHARD HILL – Non-Executive Director

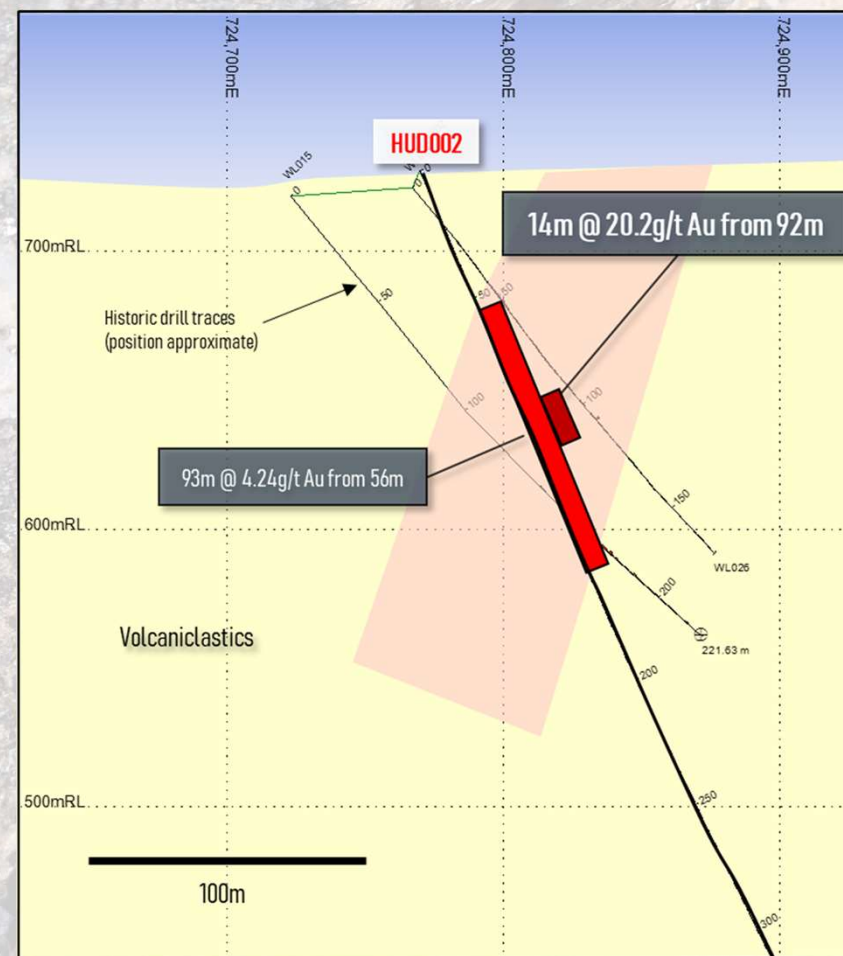


25+ years experience in the mineral resources sector as a geologist and solicitor. Mr. Hill has a successful track record of guiding ASX listed mining companies from the exploration and discovery phase through to development in a range of commodities. These have included past roles as founding Director for Aurelia Metals Ltd and Strandline Resources Ltd as well as Chairman of Genesis Minerals Ltd.

GOLD STRATEGY

DISCOVERING HIGH VALUE MCPHILLAMYS STYLE GOLD

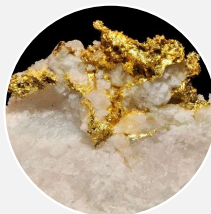
- ◆ Maiden SKY drilling programme at the Hume Prospect returns:
- ◆ Hole HUD002: 93m @ 4.24 g/t gold from 56m (66% recovery) including:
36m @ 2.88 g/t gold from 56m (28% core recovery), &
14m @ 20.2 g/t gold from 92m (63% core recovery), &
43m @ 1.30 g/t gold from 106m (>95% core recovery)
- ◆ Hole HUD001: 54m @ 0.84g/t gold from 116m, including
5m @ 5.76g/t gold from 128m
23m @ 0.76 g/t gold from 224m
- ◆ Geophysics & recent soil results indicate a target zone extending 4km N of HUD002
- ◆ Planning of a follow up drill focussed exploration programme is well advanced



SKY GOLD STRATEGY

HIGH VALUE OPPORTUNITIES IN THE WORLD CLASS LACHLAN OROGEN

GOLD



■ Shallow, large scale, McPhillamys-Style Gold (Cullarin & Douro Projects)

- Targeting high-value large tonnage gold in the Silurian of NSW
- Cullarin Project (EL 7954; Heron JV), Hume Prospect – Previous Drilling.
 - 148.4m @ 0.97g/t Au from 16.2m, inc. **14.6m @ 5.1g/t Au** and
 - 142.1m @ 0.89g/t Au from 25.9m, inc. **12m @ 4.4g/t Au**
- Cullarin Project – multiple untested co-incident geophysical / geochemical targets
- Kangiara Project (EL 8573; Heron JV)
 - Inf Res: 2.75Mt @ 2.3% Pb+Zn, 0.18% Cu, 0.51g/t Au & 24g/t Ag
- Douro Project – Caledonian Target (EL 8920; 100% SKY)
 - Soil anomaly (600 x 100m +0.1ppm), 6m @ 8g/t Au recorded from lode at historic Caledonian Mines (GSNSW), MUM-2 19.1m @ 1.79g/t Au from 1.7m to EOH

MAJOR PRODUCING MINES

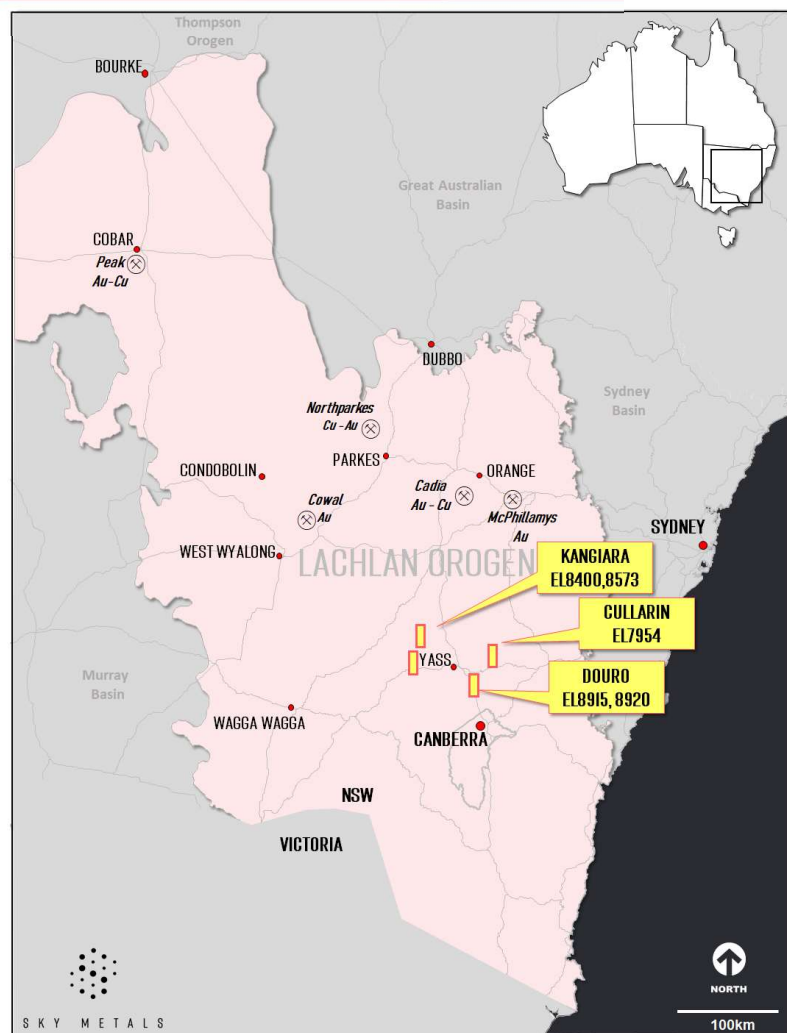
- *Newcrest, Cadia Valley* >**52Moz Au** / 8.7 Mt Cu / 69 Moz Ag, (Newcrest 2018)
- *Evolution, Cowal* >**11Moz Au** (Evolution 2018)
- *CMOC, Northparkes* >**4 Moz Au**, 3.4Mt Cu (CMOC 2018)

MAJORS ACTIVE

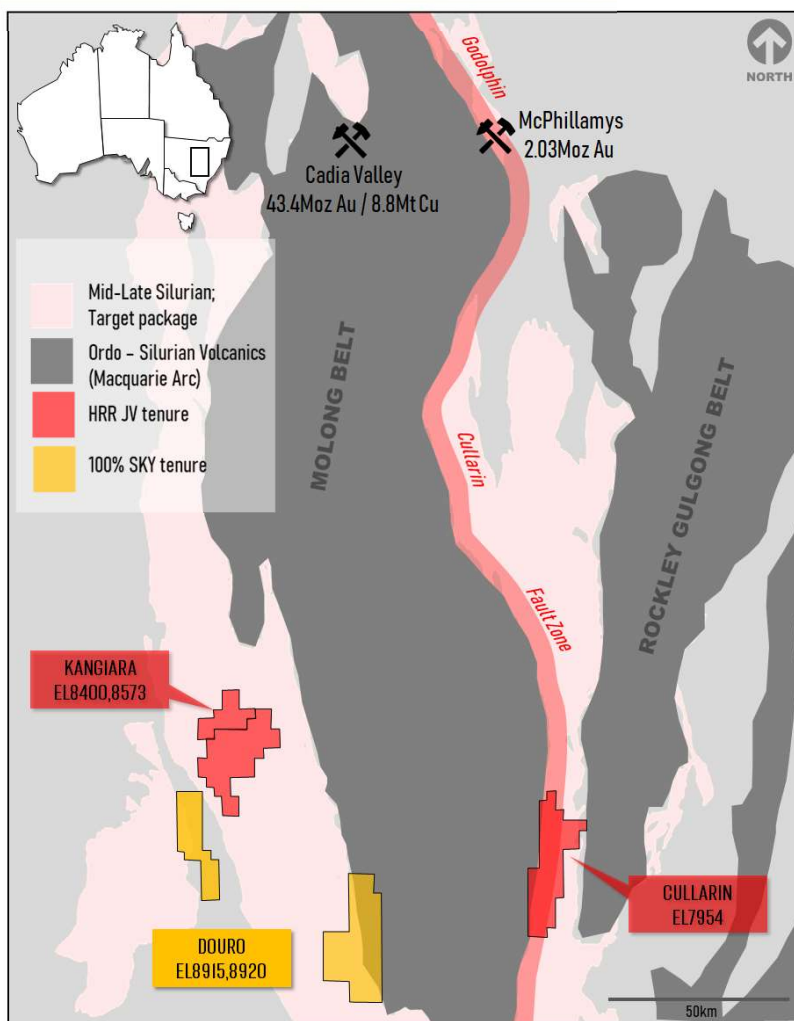
- Newmont
- Freeport-McMoran
- FMG
- Rio Tinto

RECENT DISCOVERIES

- Boda Porphyry (ASX ALK 9 Sept 2019)
- Tomingley South (ASX ALK 11 July 2018)
- Thursday's Gossan (ASX SWY 26 Sept 2019)



SKY GOLD STRATEGY



TARGETING HIGH VALUE MCPHILLAMYS STYLE GOLD

UNDEREXPLORED / HIGH VALUE EXPLORATION OPPORTUNITY IN NEW SOUTH WALES

- McPhillamys Deposit, 69Mt @ 1.04g/t Au (+2Moz)
- ODEJV purchased by Regis Resources Ltd in 2012 for ~\$150M, NPV @ A\$1800/oz ~A\$800M (Regis 2017)

STRATEGY LEVERAGES THE SKY TEAM'S EXPERIENCE

- Rimas Kairaitis and Oliver Davies collective experience during the initial discovery of the McPhillamys Gold Deposit, Mark Arundell with 20+ years experience operating in NSW including Silurian gold projects - Oakland Resources Ltd

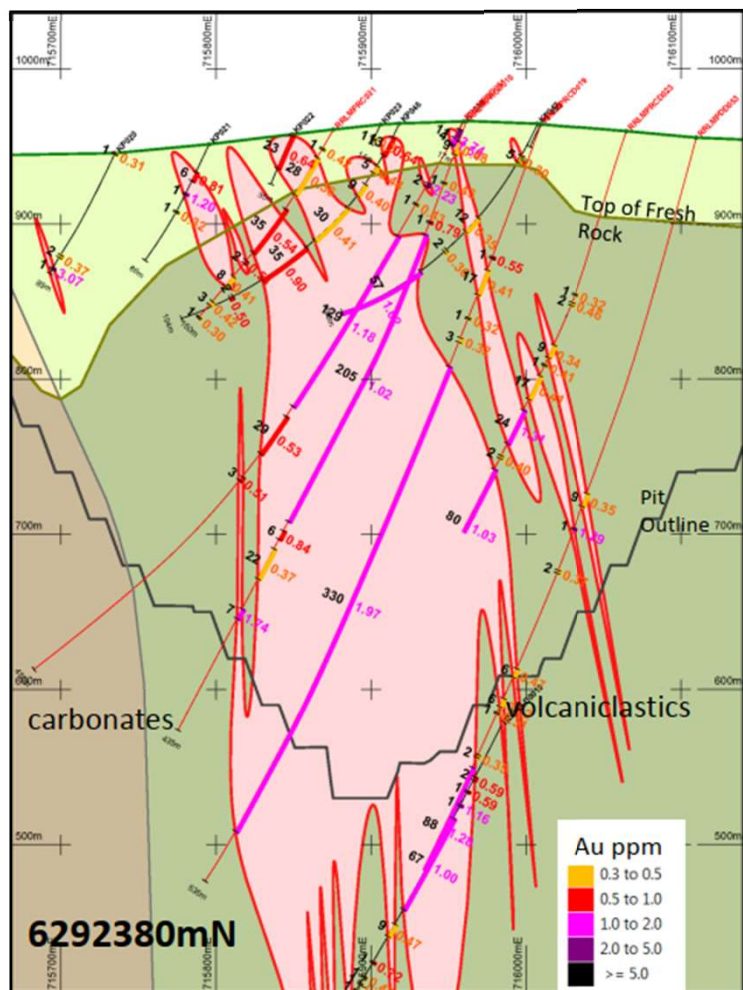
FARM-IN AGREEMENT WITH HERON RESOURCES

- Cullarin / Kangiara JV - SKY earning 80%
- Previous exploration held a strong base-metal focus - **McPhillamys-style gold unrecognised**

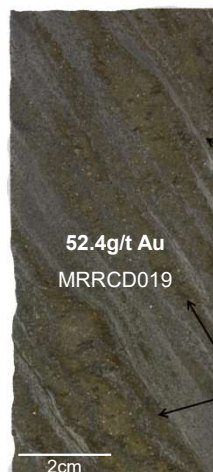
SKY MAIDEN DRILLING INTERSECTIONS

- HUD002 - 93m @ 4.24 g/t Au from 56m inc. 14m @ 20.2 g/t Au from 92m
- HUD001 - 54m @ 0.84g/t Au from 116m inc. 5m @ 5.76g/t Au from 128m

GOLD STRATEGY



French et al., 2015



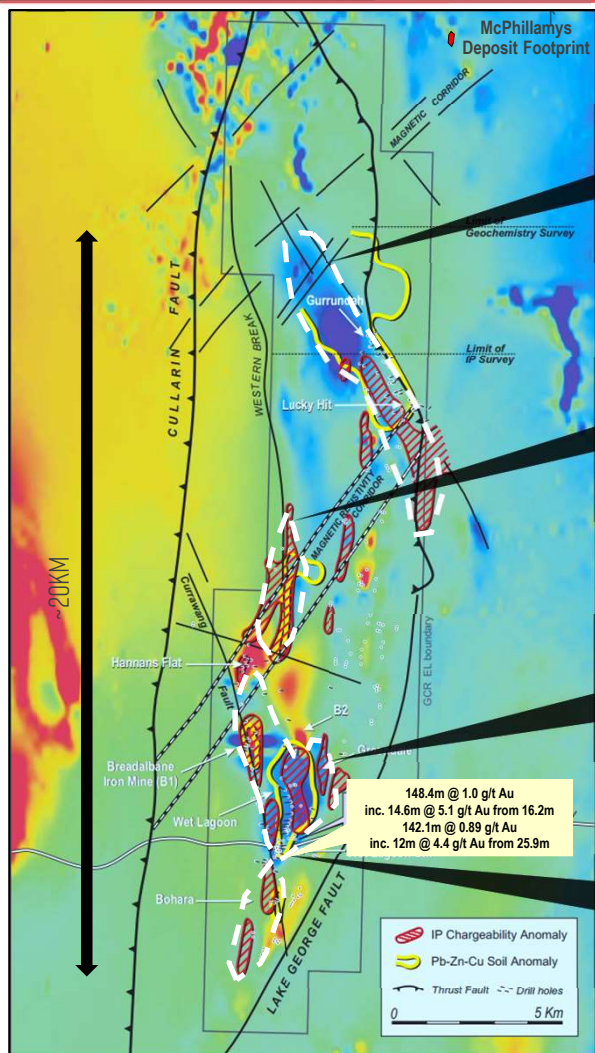
French et al., 2015

TARGETING HIGH VALUE MCPHILLAMYS STYLE GOLD

- McPhillamys Deposit, 60.1Mt @ 1.05g/t Au -> 2mOz Au Ore Reserves, (Regis 2017)
- Proposed 7Mt/200k oz per annum development (Regis 2017)
- Alkane-Newmont ODEJV purchased by Regis in 2012 for ~\$150M, Current NPV @ A\$1800/oz ~A\$800M (Regis 2017)
- Significant greenfields discovery in a highly mineralised province

MCPHILLAMYS STYLE GOLD CHARACTERISED BY DISTINCT GEOLOGICAL, GEOCHEMICAL & GEOPHYSICAL EXPLORATION CRITERIA

CULLARIN PROJECT



RTP Magnetics

KEY MCPHILLAMYS CRITERIA SATISFIED OVER 20KM

Gurrundah Target

Coincident - IP chargeability, strong pathfinder soil geochem, target stratigraphy

Hamilton Target

Coincident - IP chargeability, strong pathfinder soil geochem, target stratigraphy

Hume North Target

Coincident - drill intersections, IP chargeability, strong pathfinder soil geochem, target stratigraphy

Hume Target

Coincident - IP chargeability, strong pathfinder soil geochem, target stratigraphy, sig. drill intersections

EQUIVALENT HOST STRATIGRAPHY

Right rocks, stratigraphy

SURFACE GEOCHEMICAL SIGNATURE

Right multi-element geochemical pathfinder signature

GEOPHYSICAL SIGNATURE

Right IP chargeability/magnetic response

ALTERATION SIGNATURE

Right alteration and mineralogy

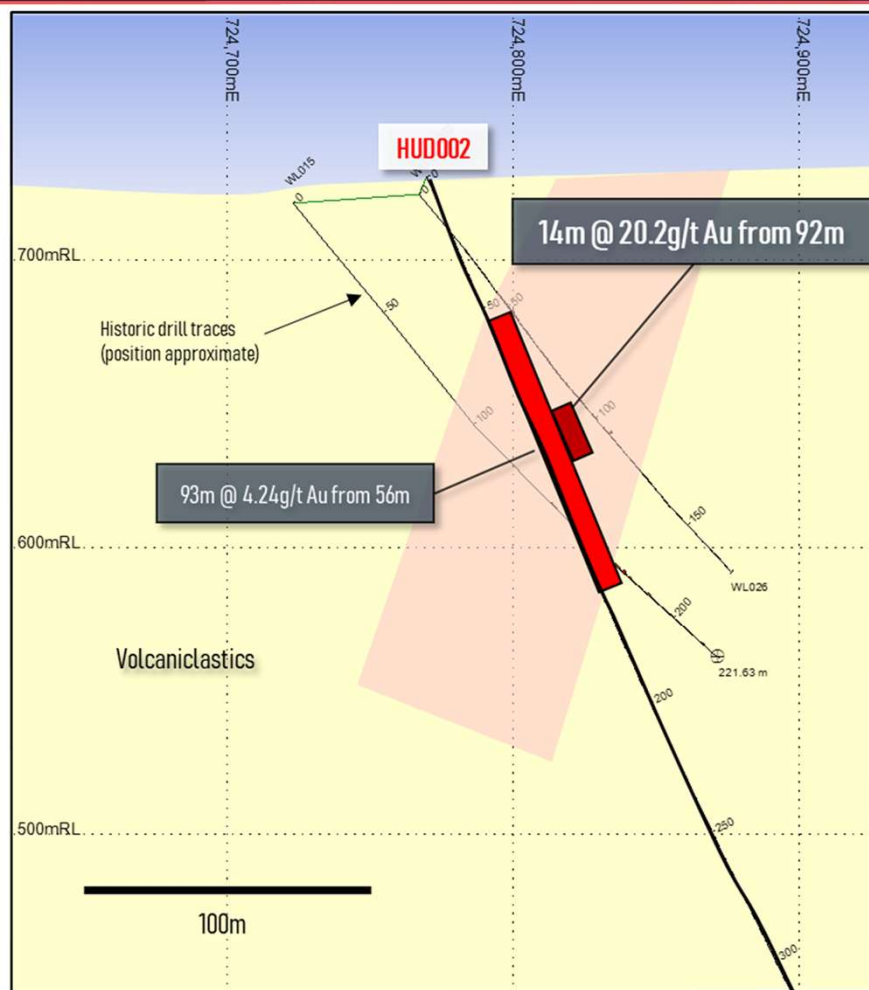
EXISTING DRILL INTERSECTIONS

142.1m @ 0.89 g/t Au
inc. 12m @ 4.4 g/t Au from 25.9m (WL28 - Hume Prospect)

148.4m @ 0.97 g/t Au
inc. 14.6m @ 5.1 g/t Au from 16.2m (WL31 - Hume Prospect)

TARGET RANKING IDENTIFIES 20KM PROSPECTIVE CORRIDOR

CULLARIN PROJECT



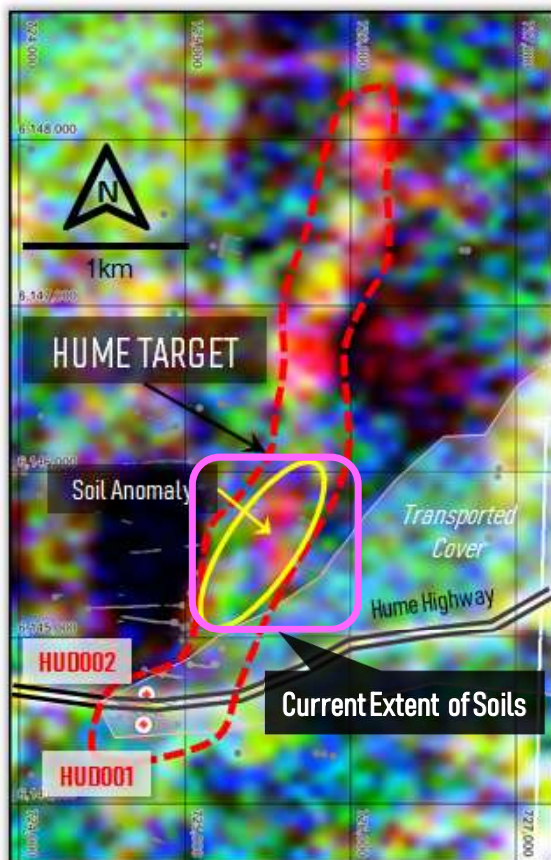
Section 6,144,650N – looking North

DIAMOND DRILLING

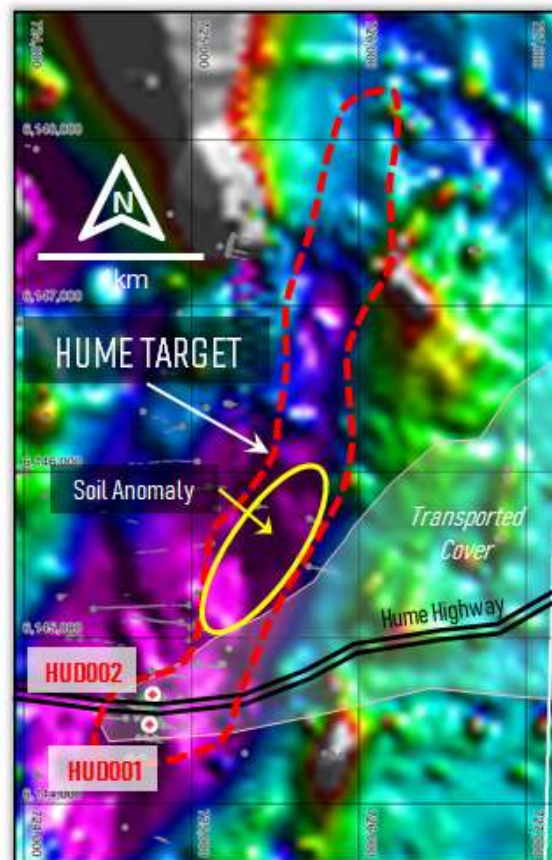
- Hume target was comparable to McPhillamys at equivalent stage of exploration i.e. drilling depth and coverage
- HUD002
 - 93m @ 4.24 g/t gold from 56m (66% recovery) including:
 - 36m @ 2.08 g/t gold from 56m (28% core recovery), and
 - 14m @ 20.2g/t gold from 92m (63% core recovery), and
 - 43m @ 1.30g/t gold from 106m (>95% core recovery)
- SKY drilling has validated (exceeded) historic results
- How big is the system?

FOLLOW UP DRILLING TO COMMENCE ASAP

CULLARIN PROJECT



KTU RADIOMETRICS



RTP MAGNETICS

HUME TARGET

- Potassium radiometrics indicative of targeted footwall alteration trending NNE away from HUD002
- Four kilometres of strike potential defined
- McPhillamys pathfinder geochemical soil anomaly co-incident with radiometrics
- Multi-element soils & geological mapping to be deployed as initial targeting tool to test full strike extent of the Hume Target
- This strategy to then be deployed over Hamilton and Gurrundah Targets
- SKY drilling has validated historic results, determine geometry / controls on mineralisation
- Historic drillholes identified for sampling / re-sampling – NSW DRG Drill Core Library

4KM OF STRIKE POTENTIAL TO BE TESTED

SKY INVESTMENT PROPOSITION

ACTIVE HIGH VALUE EXPLORATION & NEWSFLOW

- Focus on high value exploration opportunities in the Lachlan Orogen
- Focussed, high value NSW gold strategy
- Follow up drilling planned into advanced, near surface, McPhillamys-style gold targets

		CY2020								
		MAR QTR			JUNE QTR			SEPT QTR		
GOLD	ACTIVITY									
	Target Definition									
	Drilling (Cullarin)			P1				P2		
	Cullarin - Soils									
	Cullarin - Legacy Core Sampling									
	Cullarin - Mapping									

Estimates of times are indicative only and are subject to change



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Regis Resources Limited., 2017, Maiden Ore Reserve of 2.03 Million Ounces at McPhillamys Gold Project, ASX Announcement, 8 September 2017

SKY ASX GOLD STRATEGY ANNOUNCEMENTS

ASX 22 November 2018 – SKY ASX Announcement ‘Planet Gas Limited to Acquire High Quality Tin-Tungsten Focused Projects’

ASX 9 October 2019 – SKY ASX Announcement ‘SKY Launches NSW Gold Strategy’

ASX 19 December 2019 – SKY ASX Announcement ‘Exploration Update’

ASX 10 February 2020 – SKY ASX Announcement ‘Outstanding Gold Results at the Cullarin Project’



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