

\$5.6 MILLION SHARE PLACEMENT TO ACCELERATE DRILLING AT THE DORADILLA TIN-COPPER PROJECT, NSW

- ◆ Binding commitments received to raise \$5.6 million at \$0.085 per share
- ◆ Strong demand from existing shareholders and new investors
- ◆ Company now well-funded to accelerate drilling at the Doradilla Tin-Copper Project

Sky Metals Ltd (ASX:SKY) ('SKY' or the 'Company') is pleased to announce that it has received firm commitments to raise \$5.6 million (before costs) via a share placement to institutional, sophisticated and professional investors at A\$0.085 per share with approximately 65.9 million new fully-paid ordinary shares to be issued ('Placement').

The proceeds of the Placement will be used for:

- An accelerated exploration programme at SKY's tin, copper and gold projects with a focus on the Doradilla Tin-Copper Project, and;
- General working capital.

Canaccord Genuity acted as Lead Manager and Bookrunner to the Placement.

Placement Details

SKY received strong support from existing shareholders and new investors.

The Placement will comprise the issue of approximately 65.9 million new fully paid ordinary shares (New Shares) at an issue price of \$0.085 per share, which represents:

- A 13.3% discount to the last close price of \$0.098 as at 26 October 2021; and
- A 12.7% discount to the 15-day Volume Weighted Average Price of \$0.097 as at 26 October 2021.

The Placement will settle in one tranche. The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 (35,392,243 New Shares) and 7.1A (30,490,112 New Shares). Settlement of the Placement is expected to occur on Thursday, 4 November 2021. The New Shares will rank equally with the Company's existing shares on issue.

This announcement is authorised for release by the Board of Sky Metals Limited.

For Further Information

Richard Willson
Company Secretary
+61 (0) 411 411 485
Rwillson@skymetals.com.au

SKY METALS LIMITED

ABOUT SKY (ASX: SKY)

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

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 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 Project. The distribution of multiple historic drill intersections indicates a potentially large gold zone with discrete high-grade zones, e.g. 6m @ 8g /t Au recorded from lode at historic Caledonian Mines (GSNSW). A strong, robust soil gold anomaly (600 x 100m @ +0.1ppm) occurs and most drillholes (depth ~25m) terminate in the mineralised zone.

COPPER GOLD PROJECTS

GALWADGERE (EL6320, 100% SKY)

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

IRON DUKE (EL6064, BALMAIN OPTION; EL9191 100% SKY)

The Iron Duke project is located ~10km south-east of Tottenham in central NSW. High grade copper-gold mineralisation has been intersected by previous explorers (e.g. 13m @ 1.56% Cu & 4.48g/t Au) 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).

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

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



Figure 4: SKY Location Map