



QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2021

HIGHLIGHTS

DORADILLA: TIN-COPPER

- ◆ Drilling at 3KEL Target to follow up high-value intercepts from 2019 SKY RC drilling return multiple strong tin-copper intercepts including:

3KRC011: 32m @ 0.42% Sn from 66m including;
9m @ 0.99% Sn & 0.31% Cu from 81m

3KRC012: 37m @ 0.31% Sn from 91m including;
1m @ 4.23% Sn & 0.20% Cu from 121m

- ◆ Drilling to follow-up these consistent and strong results at the 3KEL Target is imminent.

CULLARIN: GOLD-LEAD-ZINC-COPPER

- ◆ Two diamond drillholes completed for a total of 819.2m at the Hume Target.
- ◆ Diamond drill hole HUD031 intercepted broad, massive sulphide mineralisation, results include:

HUD031: 32m @ 5.09% Pb+Zn, 0.15% Cu, 6g/t Ag from 420m including;
6m @ 8.93% Pb+Zn, 0.51% Cu, 18g/t Ag, 0.13g/t Au from 446m

- ◆ Further drilling and geophysics planned to follow-up these results.

The Board of Sky Metals Limited ('SKY' or 'The Company') is pleased to provide a Quarterly Activities Report outlining SKY's aggressive exploration of the Doradilla, Cullarin and Caledonian Projects. SKY's exploration program has continued into the December quarter with SKY accelerating exploration at the Doradilla-3KEL tin-copper target as per below:

DECEMBER 2021 QUARTER – PROPOSED WORK PROGRAM

- Diamond drilling at the 3KEL Target, Doradilla Tin-polymetallic Project
- RC drilling at the 3KEL Target
- Evaluation of the oxide copper and tin mineralisation at the 3KEL Target
- Further metallurgical work on the 3KEL Target

DORADILLA PROJECT: TIN- COPPER (EL 6258, SKY 100%)

3KEL TARGET – RC AND DIAMOND DRILLING

The 3KEL tin deposit represents the north-eastern 2.5km strike of the larger +14km long DMK tin skarn. The oxide zone at 3KEL, together with the neighbouring Midway deposit, represent a significant oxide tin deposit, which was the subject of a JORC 2008 mineral resource estimate (AM:ASX Announcement 3 March 2008).

Previous drilling into the primary zone beneath the oxide tin deposit at 3KEL was extremely limited, with SKY's maiden drilling in 2019 recognising high grade, primary tin-copper mineralisation in hole 3KRC002:

3KRC002: 6m @ 1.11% Sn & 1.48% Cu from 105m

In 2020, SKY completed a detailed regional magnetics survey flown at 40m line spacing over the entire DMK line including the 3KEL Target. This has provided a strong targeting tool for SKY to design the most recent and successful drilling program to intercept primary mineralisation at the 3KEL Target. Results from RC and diamond drilling at 3KEL completed by SKY in August 2021 has confirmed broad, high-grade tin-copper mineralisation over more than 2km strike length in the primary zone, beneath the oxide tin-copper resource.

Highlight results include:

3KRC010: 4m @ 1.10% Sn & 0.21% Cu from 135m

**3KRC011: 32m @ 0.42% Sn & 0.1% Cu from 66m including,
9m @ 0.99% Sn & 0.31% Cu from 81m**

**3KRC012: 37m @ 0.31% Sn from 91m including,
1m @ 4.23% Sn & 0.20% Cu from 121m**

These results complement December 2019 results from SKY drilling into the 3KEL primary zone, which included:

3KRC002: 6m @ 1.11% Sn & 1.48% Cu from 105m

Prior to SKY, few drillholes had been completed into the primary zone with most historic drilling in the oxide zone, however all historic drillholes into the primary zone recorded potential economic intervals of >0.5% Sn (**Figure 1 and 2**). The primary mineralisation remains open along strike for at least **2.5km**, evidenced by SKY's detailed magnetics data and rock chips collected assaying over 0.5% Sn (**Figure 2**). The target also remains open down dip for the entire +2km strike of the 3KEL target with predominately only shallow drilling to target near-surface oxide mineralisation completed in the past.

A diamond drilling rig is being mobilised to continue exploring the large strike and further depth extents of this exceptional 3KEL Target.

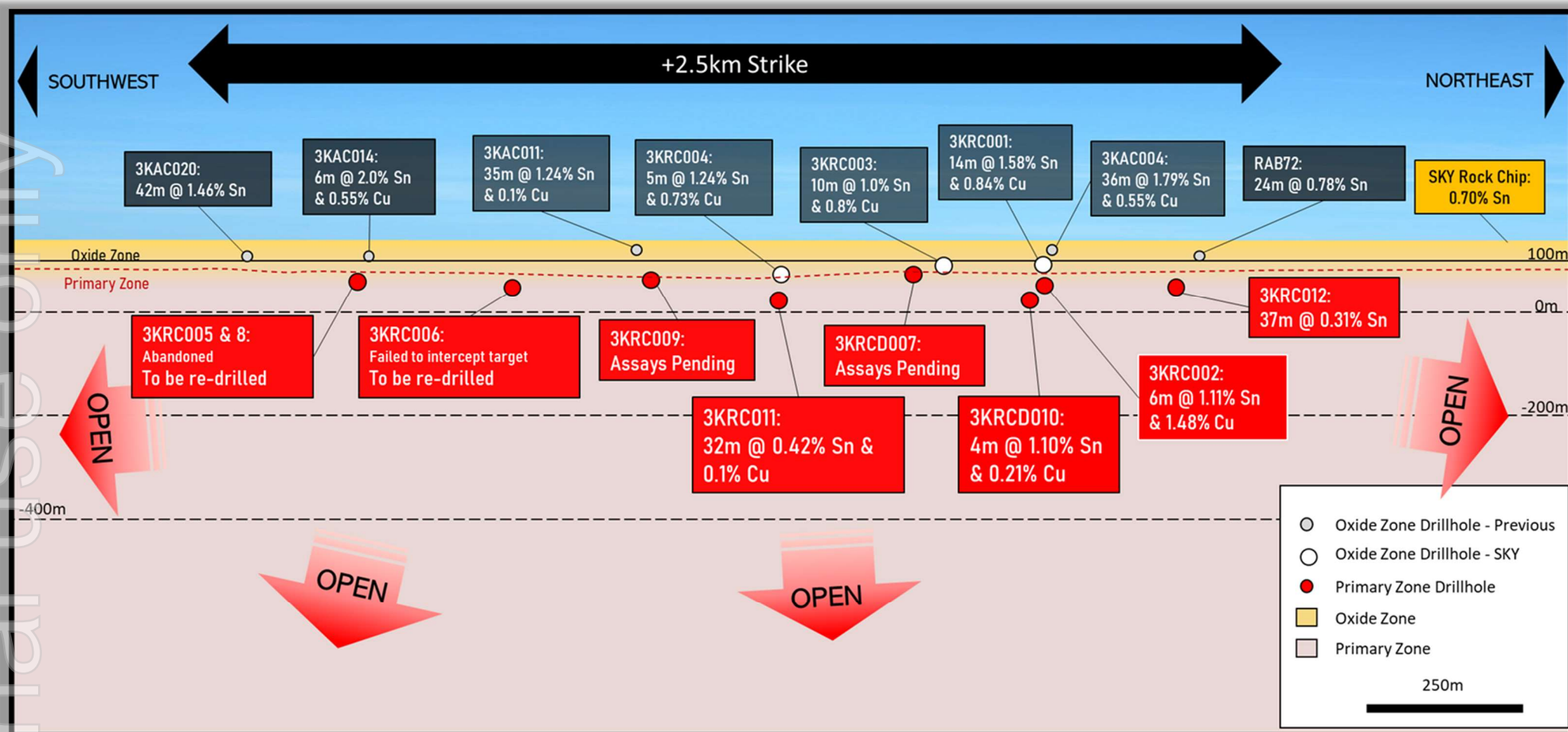


Figure 1: Schematic Long Section of the 3KEL Target.

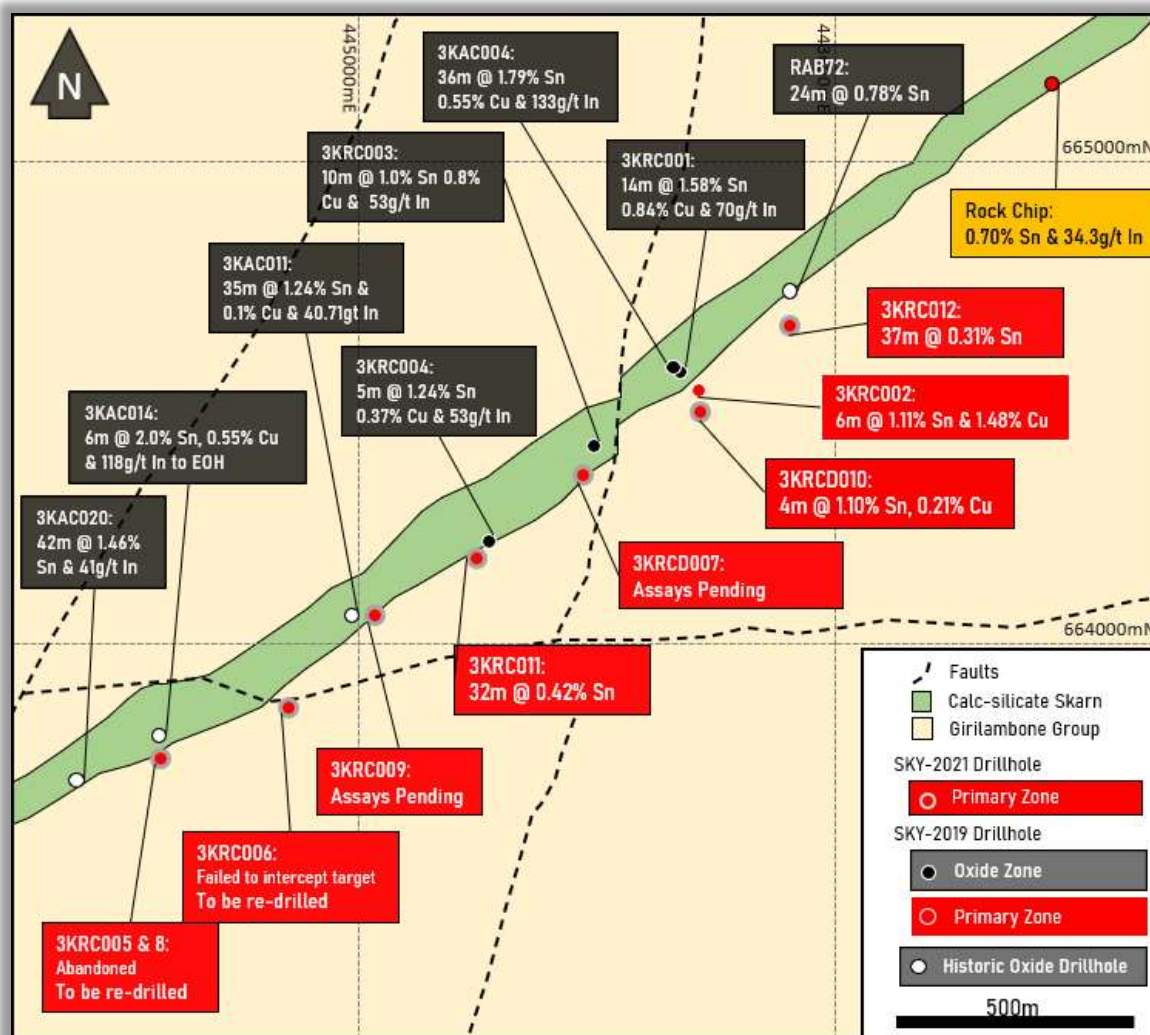


Figure 2: Plan View of the 3KEL Target with drillhole and rock chip locations overlying the first vertical derivative magnetics.

Drillholes **3KRC005** and **3KRC008** were both drilled to intercept primary mineralisation on the south-western zone of the 3KEL target. Both holes were abandoned due to poor drilling conditions before reaching the planned target depth. These holes will be re-drilled using the diamond drilling rig in the imminent follow up campaign.

3KRC006 was targeted using the magnetics, however, preliminary assays and logging of this hole indicate it was terminated before reaching the target. This hole will also be redrilled to reach target depth in the follow-up drilling campaign.

3KRC007 was drilled as an RC pre-collar for a diamond tail to enable retrieval of diamond core to assist in characterising the primary mineralisation. Assays were not returned within September quarter.

3KRC009 was targeted using the magnetics survey and successfully intercepted the DMK skarn with strong mineralisation intercepted from approximately 90m. Assays were not returned within September quarter.

3KRC010 was drilled as an RC pre-collar with a diamond tail and was designed to intercept and characterise the mineralisation from 3KRC002 which was successfully achieved (**Figure 3**), with the hole recording a high-grade interval, which remains open at depth.

3KRC010: 4m @ 1.10% Sn & 0.21% Cu from 135m

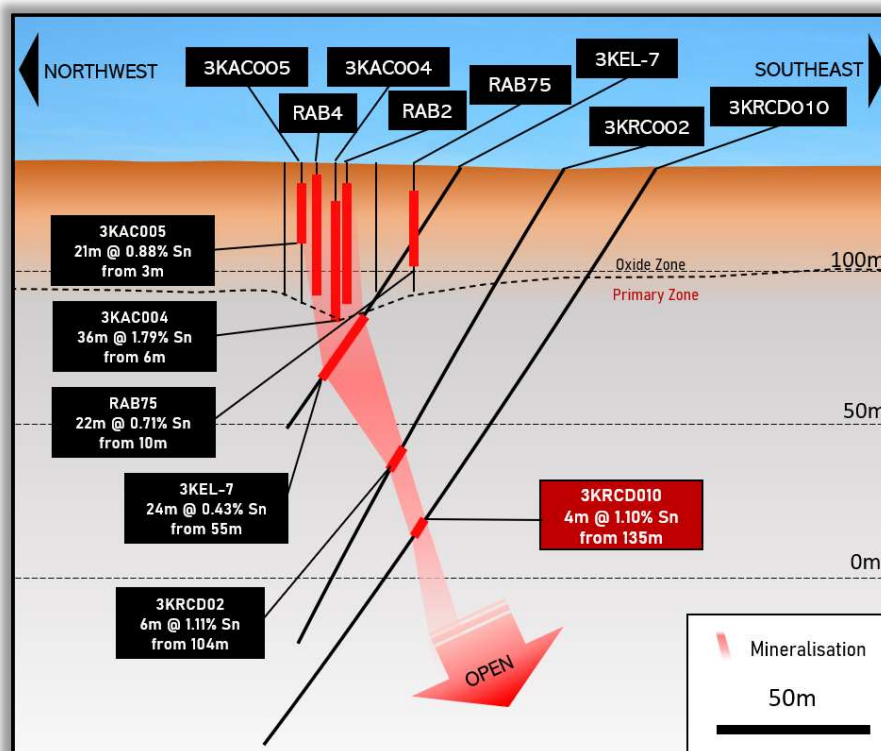


Figure 3: Cross section of drillhole 3KRC010 with a 50m wide window looking north-east.

3KRC011 was designed using the magnetics data to target a broad magnetic high. This hole successfully intercepted the DMK skarn with strong alteration and mineralisation present within the target from 66m (Figure 4).

3KRC011: 32m @ 0.42% Sn & 0.1% Cu from 66m Including,
9m @ 0.99% Sn & 0.31% Cu from 81m

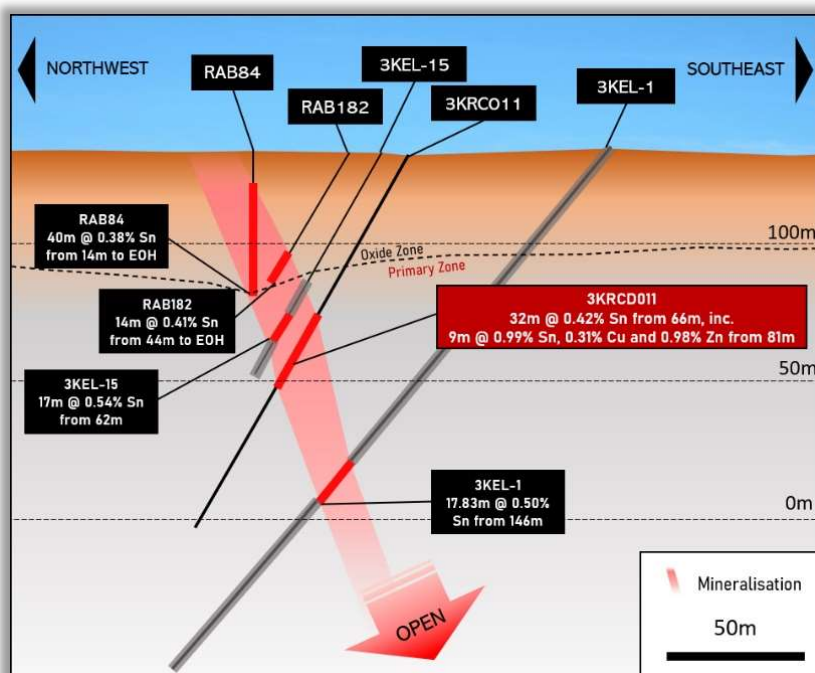


Figure 4: Cross section of drillhole 3KRC011 with a 50m wide window looking northeast. Grey zones mark where historic assays have not been recorded by past explorers.

3KRC012 was designed to intercept a broad magnetic high and successfully intercepted strong alteration and mineralisation over several intervals with three lodes containing tin mineralisation beginning from 44m down to 128m with EOH at 138m (Figure 6).

3KRC012: 37m @ 0.31% Sn from 91m including,
1m @ 4.23% Sn and 0.20% Cu from 121m

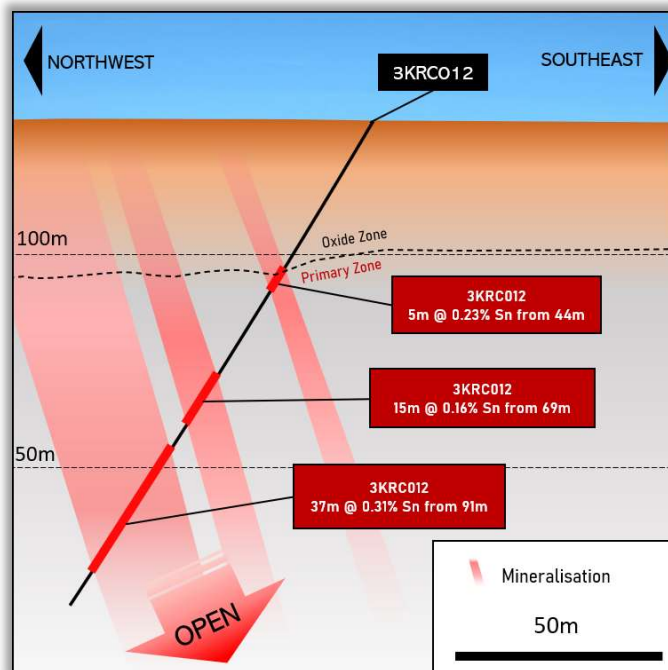


Figure 5: Cross section of drillhole 3KRC012 with a 50m wide window looking north-east.

CULLARIN PROJECT: GOLD-LEAD-ZINC-COPPER (EL 7954, SKY 80%; HRR JV)

HUME TARGET – DIAMOND DRILLING

Diamond drilling completed at the Hume Target during the quarter was aimed at extending the high-grade, gold-lead-zinc-copper mineralisation. **HUD030** was drilled to test repetitions of the Hume Structure, which controls the high-grade mineralisation at Hume and **HUD031** was drilled to test down plunge extensions of the Hume Target. **HUD031** intercepted intervals of massive sulphides and strong base metal mineralisation, extending the known mineralisation by over 80m down plunge, more than any previous drilling at Hume. Assays received from **HUD031** show broad intervals of base metal mineralisation at depth (Figure 6). These results demonstrate that the Hume Target not only remains open at depth but also appears to be thickening. Results received to date include:

HUD031: 32m @ 5.09% Pb+Zn, 0.15% Cu, 6g/t Ag from 420m including;
6m @ 8.93% Pb+Zn, 0.51% Cu, 18g/t Ag, 0.13g/t Au from 446m

SKY is very encouraged by these results for **HUD031** and thicker intervals of mineralisation at the Hume Target. This demonstrates the potential of broader zones of mineralisation which warrant further exploration. SKY intends to follow-up these promising results by re-entering **HUD030** and drilling on to intercept the Hume Structure approximately 150m below **HUD031**. This will test further extensions of the high-grade mineralisation in **HUD031** and test for any other potential mineralisation by using the hole as a platform for an DHEM survey.

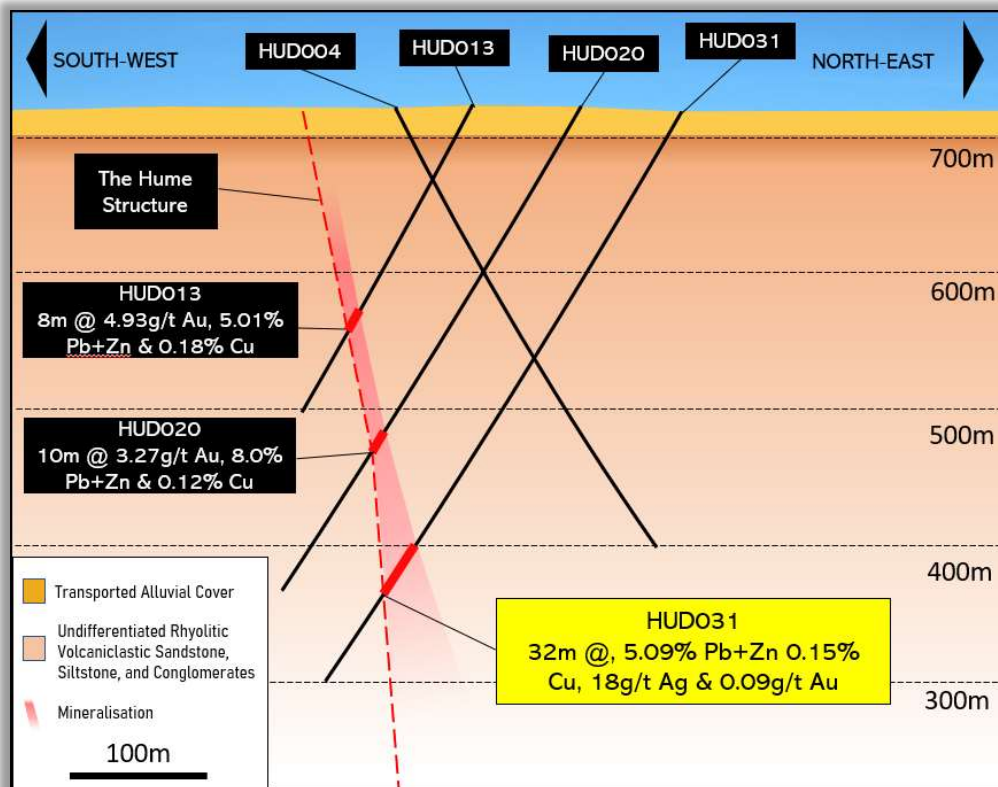


Figure 6: Schematic Cross Section of HUD013, HUD020 and HUD031. HUD030 will intercept below HUD031 off section.

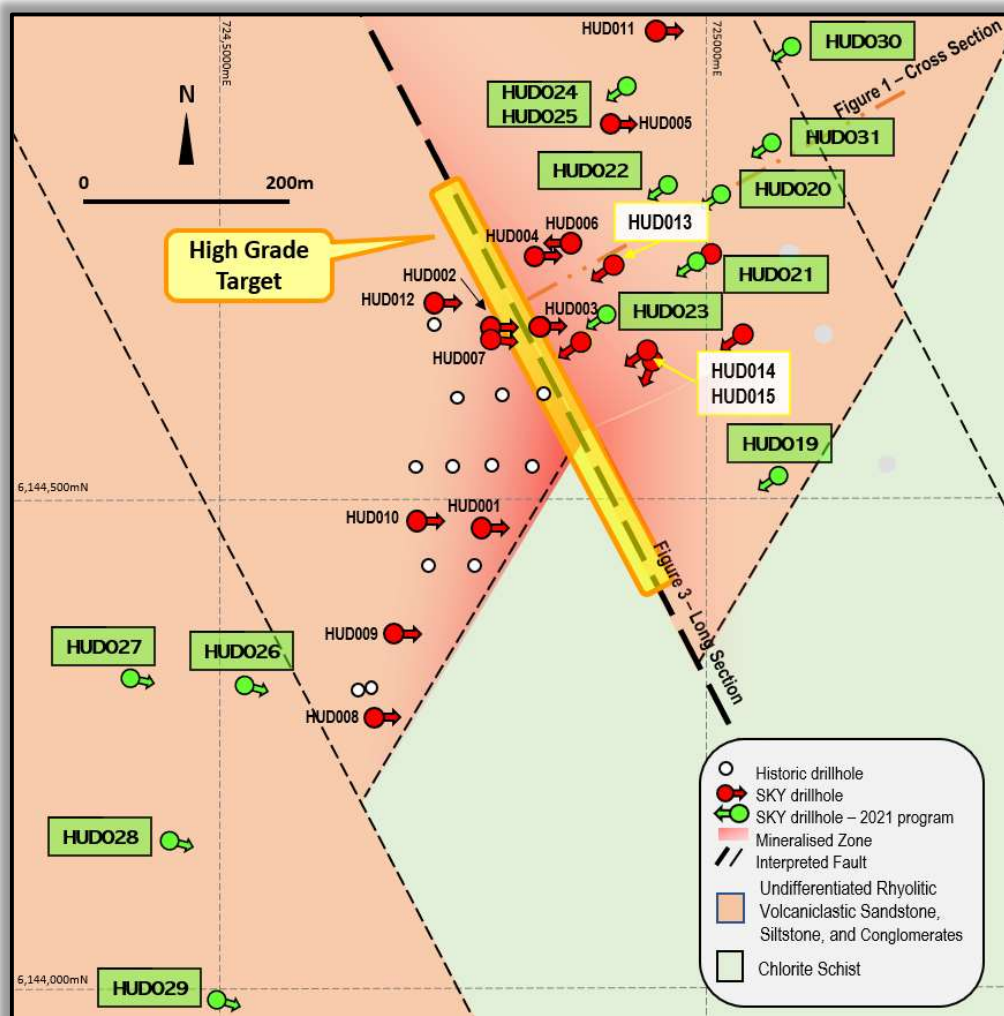


Figure 7 - Cullarín Gold-Lead-Zinc-Copper Project - Hume Target - Drillhole locations plan view.

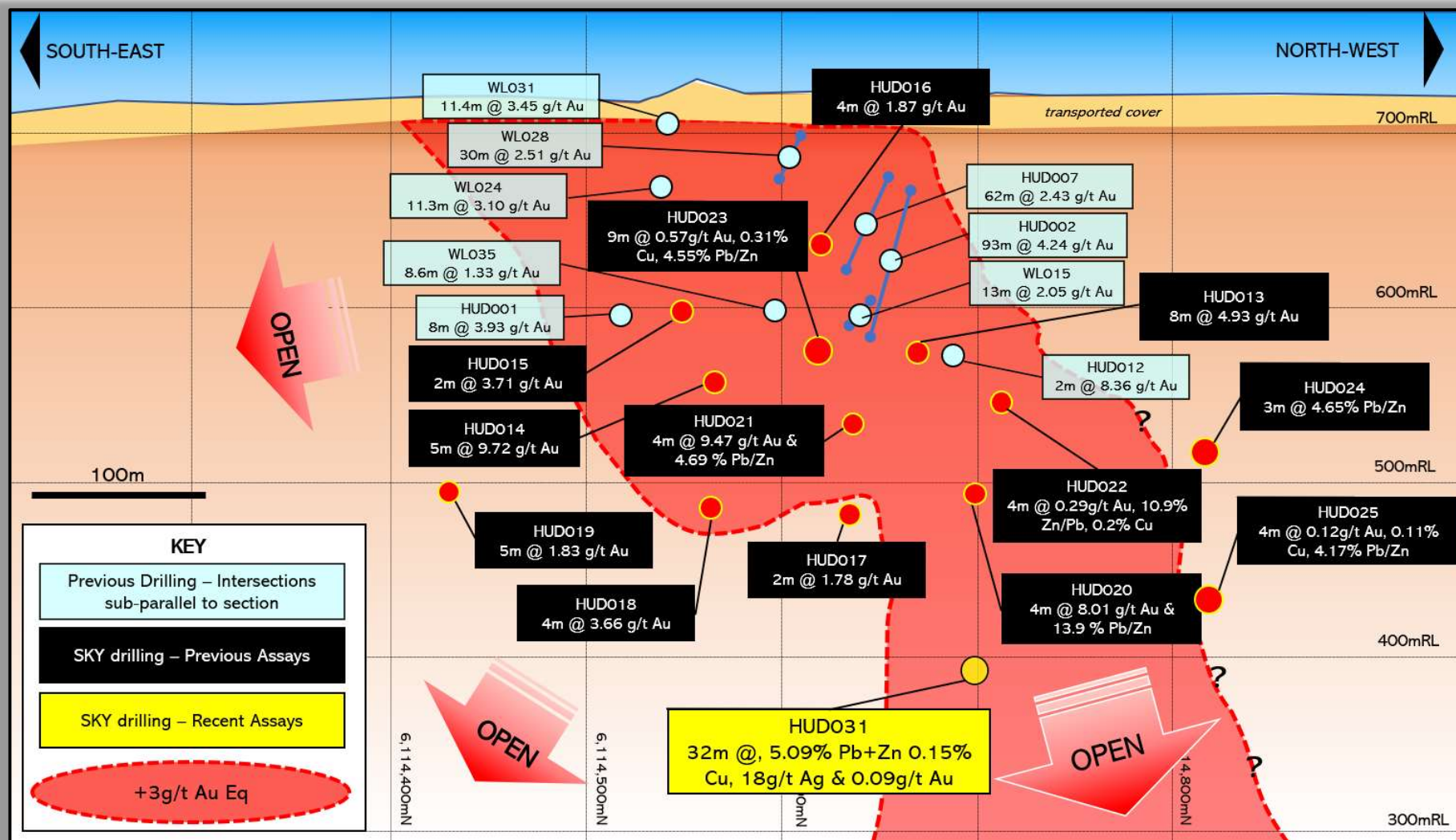


Figure 8 - Hume Target - Long Section (schematic). Significant Intersections

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HUD030	725121	6144959	737	-60	235	303.6	Completed
HUD031	725021	6144777	725	-60	245.5	515.6	Completed

Table 1 – Cullarín Gold-Lead-Zinc-Copper Project, Hume Target. Collar summary for drill holes – September 2021 quarter

Hume Target – Au > 0.2g/t, Cu > 0.1%, Pb/Zn > 1%

Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Cu %	Pb %	Zn %	Ag g/t	Comment
HUD031	348	452	104	0.05	0.06	1.22	1.68	3.59	
Incl.	420	452	32	0.09	0.15	2.35	2.73	6.28	
Incl.	436	452	16	0.13	0.23	3.85	3.36	10.3	
Incl.	446	452	6	0.13	0.51	6.36	2.57	18	

Table 2: Cullarín Gold-Lead-Zinc-Copper Project, Hume Target. Significant drillhole intersections

CALEDONIAN PROJECT: GOLD (EL 8920, EL 9120, SKY 100%)

CALEDONIAN TARGET – AC DRILLING

SKY has now completed a soil sampling program, two phases of RC drilling and two diamond drill holes at the Caledonian Target. Results from these programs have delineated shallow high-grade gold mineralisation over a 700m x 500m area, results include:

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

A review of SKY's and historic results indicates the Caledonian gold mineralisation likely represents a shallow, sub-horizontal blanket of oxide and supergene gold mineralisation developed over an oxidised skarn. SKY completed a shallow aircore (AC) drilling program over the area of gold mineralisation to delineate this target (**Figure 10**). The drilling program consisted of 38 vertical AC holes for a total of 697m on 50-100m spacing over the 600m x 400m area of mineralisation defined by the previous drilling, soil sampling and costeaning.

Significant ground waters were intercepted by the AC drilling which prevented all but 4 of the 38 holes from reaching refusal. As such, many of the holes were abandoned prematurely and may not have reached target depth to intercept significant mineralisation. SKY does not consider the target concept to have been effectively tested. Better results include:

- CAAC029:** 3m @ 2.08g/t Au from 8m to EOH including;
1m @ 4.29g/t Au from 9m

CAAC016: 9m @ 0.4g/t Au from 7m
 CAAC015: 1m @ 0.49g/t Au from 13m
 CAAC036: 3m @ 0.49g/t Au from 0m

These results will be evaluated, along with the previous drilling, to direct SKY to further shallow high-grade oxide gold mineralisation in the target area.

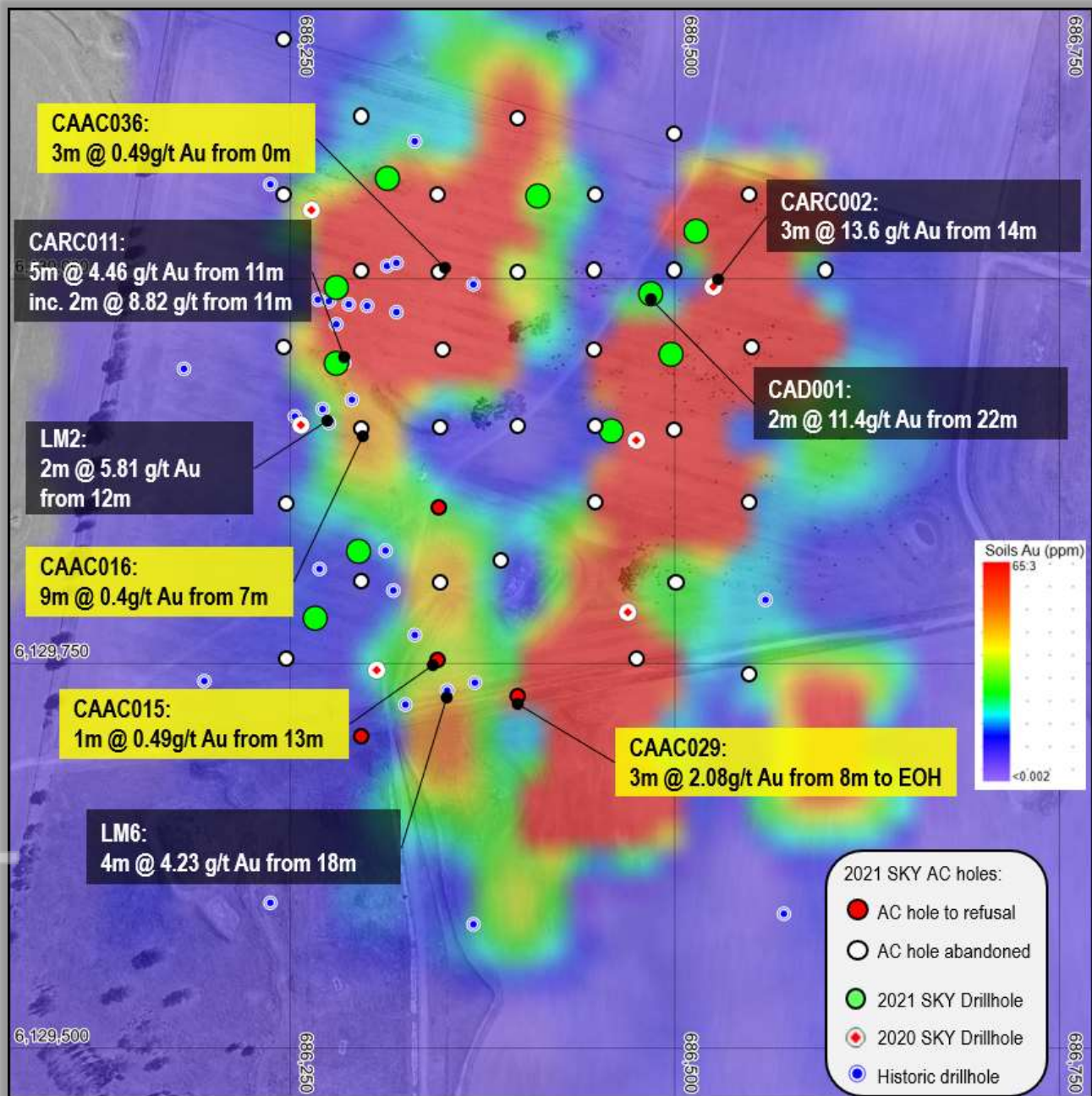


Figure 9 – Caledonian Gold Project – Plan view of the Caledonian Target area with drilling intercepts overlaid on gold in soils.

IRON DUKE PROJECT: COPPER-GOLD

BALMAIN OPTION 100% (EL6064), SKY 100% (9191)

The Iron Duke Project covers the Iron Duke Shear Zone which is at least 4km in strike and open to the south. Several historic copper mines occur along the Iron Duke Shear Zone including the Iron Duke, Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines, along with several unnamed copper workings and shafts. In the previous quarter, SKY completed a maiden drilling program at the Iron Duke Mine, in conjunction with a VTEM survey and DHEM, to identify extensions to the high-grade copper-gold mineralisation along the Iron Duke Shear Zone (SKY:ASX Announcement 2nd June 2021).

An RC and diamond drilling program is planned to test for further extensions to the Iron Duke mine and test the previously undrilled historic mines at the Christmas Gift Workings (comprising of the Christmas Gift, Monarch, Mount Pleasant and Silver Linings mines). However, this program has been delayed due to extremely wet ground condition preventing access to the area. Currently, this program is planned for the following quarter after a detailed review of the geophysics, mining records, historic data and previous drilling to develop robust targets for further drill testing and expansion of the Iron Duke mineralisation.

GALWADGERE PROJECT: COPPER-GOLD

100% SKY (EL6320)

In the June quarter, SKY announced the Galwadgere maiden JORC-2012 Inferred Resource of **3.6Mt at 0.82% Cu & 0.27g/t Au** prepared by H&S Consultants (H&SC). H&S were engaged by SKY to complete the maiden resource using drilling completed by SKY in 2020 and previous drilling completed by Alkane Resources (ALK) and other past explorers. A drilling program at the Galwadgere Target is planned for the next quarter to expand on the maiden JORC-2012 resource.

Soil sampling undertaken along strike from the Galwadgere resource has identified two copper-gold, multielement pathfinder soil anomalies. The northern soil sampling program has delineated a 200m x 100m soil anomaly which is coincident with several historic mine shafts with copper carbonate bearing rocks discovered near these workings. Soil sampling south of the Galwadgere Target has identified another soil anomaly which appears similar in tenor to the anomaly identified at the McDowell's mine. These anomalies are within 3km of the Galwadgere resource and provide strong support for expanding the copper-gold resource at Galwadgere with along strike exploration. These are priority drill targets to be tested in the next quarter.

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. Further desktop studies and follow-up field investigations are planned for the next 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. A detailed desktop review of previous exploration covering Tirrana was completed in the December 2021 quarter. This review identified two areas for follow up. The follow-up work is planned to be completed in the following quarters.

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 the 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. Further work to explore the potential of these workings for IRG mineralisation is anticipated in the March quarter.

NEW ENGLAND PROJECT: TIN

100% SKY (EL9200 & 9210)

The New England Projects in the New England Orogen of NSW cover areas of significant historical tin production – Emmaville & Gilgai. These areas were selected as they were considered to have significant 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 following quarters with field work planned to follow-up any prospective targets which are identified.

CORPORATE

During the quarter \$982k was spent on the exploration activities outlined in this report.

No mining production and development activities undertaken for the quarter.

During the quarter \$29k was paid as Non-Executive Director fees.

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
Gradient Energy Pty Ltd (SKY sub)	100%	EL6320	12-10-2004	12-10-2026	14	41 km ²	Galwaddere Project
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%	EL9191	8-6-2021	8-6-2021	60	174 km ²	Iron Duke Project - Albert
Stannum Pty Ltd (SKY sub)	100%	EL6258	21-6-2004	21-6-2026	38	110 km ²	Doradilla Project
Stannum Pty Ltd (SKY sub)	100%	EL6699	10-1-2007	10-1-2027	14	41 km ²	Tallebung Project
Stannum Pty Ltd (SKY sub)	100%	EL9200	21-06-2021	21-06-2027	74	221 km ²	Emmaville Project
Stannum Pty Ltd (SKY sub)	100%	EL9210	01-07-2021	01-07-2027	82	244 km ²	Gilgai Project

Table 3: Tenement Summary.

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

ABOUT SKY (ASX: SKY)

SKY is an ASX listed public company focused on the exploration and development of high value mineral resources in Australia. SKY's project portfolio offers exposure to the 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 Cullarín 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 Cullarín 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 significant potential to host hardrock tin resource and limited modern day exploration has been conducted.



Figure 10: 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 September 2021 Quarter or referenced in the announcement are listed below:

- 19 July 2021 – SKY ASX Announcement 'SKY Continues Active Exploration Work Program'
- 7 July 2021 – SKY ASX Announcement 'Galwagere Acquisition Complete & Maiden JORC Resource'
- 11 August 2021 – SKY ASX Announcement 'Thick Base Metals – Cullarin & Drilling Started – Doradilla'
- 22 September 2021 – SKY ASX Announcement 'Major Tin-Copper System Confirmed at 3KEL-Doradilla'

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, DORADILLA and 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 HQ core. Nominal sample intervals are 1m with a range from 0.3m to 2.0m.</p> <p>All diamond drill core AC and RC 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 AC and RC drilling, assay standards or blanks are inserted at least every 50 samples.</p> <p>Assay standards or blanks are inserted at least every 30 samples for diamond drill core. All sample lab received 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>AC and 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.</p> <p>Diamond drilling - core samples were taken at nominally 1m, but with a range between 0.3-2m. Core samples are cut in half, dried, crushed and pulverised to 90% passing 75 microns.</p> <p>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). Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85) – considered appropriate for these elements.</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>Aircore (AC) drilling was completed using 75mm rods.</p> <p>Diamond Drilling completed by drilling an RC hole pre-collar, when the mineralisation is reached then HQ coring begins from the base of the RC pre-collar.</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 and AC drilling - high capacity AC/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>
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples 	<p>Diamond drilling utilising triple tube drilling and short drilling runs employed to maximise core recovery.</p>

Criteria	Explanation	Commentary
	<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) & ¼ core (PQ) samples are retained in trays for future reference.</p> <p>A representative sample of each one metre AC and 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 	AC and 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. Where 5m composites have been made, a riffle splitter is used to split equal amounts of each metre into the 5m composite.
	<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 AC/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>
	<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 50 samples to assess the accuracy and reproducibility of the drill core results. The results of the standards were to be within ±10% variance from known certified result. If greater than 10% variance the standard and up to 10 samples each side were re-assayed. ALS conducted internal check samples every 20 for multielement assay.

Criteria	Explanation	Commentary
	<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>AC/RC drilling - duplicate samples are collected of re-split intervals. Duplicates generally show excellent repeatability.</p> <p>No field duplicates are taken for core samples. Core samples were cut in ½ for HQ and ¼ 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>
	<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 	<p>Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Forty-eight elements including Ag, As, Cu, Fe, Pb, S, Zn are digested by four-acid digest then analysed by ICPMS (method ME-MS61).</p> <p>Sn and W assays were generated by lithium borate fusion XRF (method ME-MS85) – considered appropriate for these elements.</p> <p>Gold (Au) was determined by 50g fire assay (method Au-AA26) with a detection limit 0.01ppm.</p>
	<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 50 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 Au, Sn and Cu.
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 been used by past explorers to validate the results achieved and have confirmed these historic results and results achieved by SKY.
	<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>
	<ul style="list-style-type: none"> Discuss any adjustment to assay data 	Assay data is not adjusted.

Criteria	Explanation	Commentary
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 DGPS surveying of drillholes ($\pm 0.1\text{m}$) to accurately locate them.
	<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 DGPS surveying of drillholes ($\pm 0.1\text{m}$) to accurately locate them.
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 JORC-2012 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. The structural controls on mineralisation is considered well understood and consistent.
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 and transport samples 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, DORADILLA and CALEDONIAN PROJECTS

(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Mineral tenement and	<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, 	The Cullarin Project is described by NSW Exploration Licence 7954.

Criteria	Explanation	Commentary
land tenure status	<p><i>historical sites, wilderness or national park and environmental settings.</i></p> <ul style="list-style-type: none"> <i>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</i> 	<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 Doradilla Project is described by NSW Exploration Licence 6258.</p> <p>The tenement is 100% owned by Stannum Pty Ltd which is a 100% owned subsidiary of Big Sky Metals Pty Ltd and Sky Metals Ltd.</p> <p>The Caledonian Project is described by NSW Exploration Licence 8920 and 9120.</p> <p>The tenements are 100% owned by Aurum Metals Pty Ltd which is a 100% owned subsidiary of Sky Metals Ltd.</p> <p>All exploration licences are in good standing.</p> <p>EL 7954 expires on 19 June 2022.</p> <p>EL 6258 expires on 21 June 2026.</p> <p>EL 8920 expires on 5 December 2025.</p> <p>EL 9120 expires on 30 March 2027.</p>
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties</i> 	<p>Cullarin: 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>The Doradilla Project area has an extensive exploration history, with the tenement area subject to extensive past exploration within 22 previous exploration licences. The main DMK line skarn zone was discovered by North Broken Hill Ltd in 1972. Between 1972 and 1984 several companies, (North Broken Hill Ltd, Renison Ltd, Aberfoyle Exploration Pty Ltd, Metals Exploration Ltd, and Preussag Australia Pty Ltd), drilled multiple diamond, percussion and auger drill holes on the prospect, defining a stratigraphically persistent, low grade, tin-bearing calc-silicate skarn. Significant exploration efforts were also completed by Shell Minerals, Cleveland Tin, Aberfoyle, Eastmet and Metals Exploration. More recent exploration was completed by Goldminco Corporation and YTC Resources (now Aurelia Metals), who completed aircore drilling programmes on 3KEL, the Doradilla deposit, as well as aircore and diamond core holes across a number of ultramafic serpentinite bodies, exploring for skarn related nickel mineralisation</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"> <i>Deposit type, geological setting and style of mineralisation</i> 	<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</p>

Criteria	Explanation	Commentary
		<p>to be coincident with Zn, Pb, Cu and Ag mineralisation.</p> <p>The bedrock geology of Doradilla-EL6258 comprises units of low to moderate metamorphic grade phyllite, schist, slate, siltstone, and conglomerate that have been previously interpreted to be part of the Ordovician Girilambone Group. The mineralisation at Doradilla is mainly skarn/replacement tin/tungsten mineralisation hosted with the DMK Line. The DMK Line is a belt of calc-silicate skarns after limestone and marl that is up to 100m thick. This unit is considered to be a conformable part of the Devonian stratigraphy. Other calc silicates have been located at Doradilla Trig, Wednesday Shaft and Northern Shaft. Post-dating deformation and regional metamorphism is the emplacement of a large fractionated A-type granite batholith with an evolved suite of quartz porphyry dykes (the Midway Granite), interpreted to be the source of mineralising fluids at Doradilla. Recent dating has demonstrated a Triassic age for these intrusions. Mineralisation appears to be related to emplacement of this batholith.</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 volcanics. Three main skarn horizons, having an overall moderate westerly dip, have been recognised. Flexure 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>
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. 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.

Criteria	Explanation	Commentary
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. SKY:ASX Announcement 22 September 2021, SKY:ASX Announcement 19 July 2021, SKY:ASX Announcement 7 July 2021, SKY:ASX Announcement 2 Jun 2021, SKY:ASX Announcement 14 May 2021, SKY:ASX Announcement 8 April 2021, SKY:ASX Announcement 31 March 2021, SKY:ASX Announcement 2 March 2021, SKY:ASX Announcement 16 November 2020, SKY:ASX Announcement 10 March 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 body of announcement. SKY:ASX Announcement 22 September 2021, SKY:ASX Announcement 19 July 2021, SKY:ASX Announcement 7 July 2021, SKY:ASX Announcement 2 Jun 2021, SKY:ASX Announcement 14 May 2021, SKY:ASX Announcement 8 April 2021, SKY:ASX Announcement 31 March 2021, SKY:ASX Announcement 2 March 2021, SKY:ASX Announcement 16 November 2020, SKY:ASX Announcement 10 March 2020.
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. SKY:ASX Announcement 22 September 2021, SKY:ASX Announcement 2 Jun 2021, SKY:ASX Announcement 14 May 2021, SKY:ASX Announcement 8 April 2021, SKY:ASX Announcement 31 March 2021, SKY:ASX Announcement 2 March 2021, SKY:ASX Announcement 16 November 2020, SKY:ASX Announcement 10 March 2020.
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. SKY:ASX Announcement 22 September 2021, SKY:ASX Announcement 2 Jun 2021, SKY:ASX Announcement 14 May 2021, SKY:ASX Announcement 8 April 2021, SKY:ASX Announcement 2 March 2021, SKY:ASX Announcement 16 November 2020, SKY:ASX Announcement 10 March 2020.