

28 June 2019

Mr George Tharian
Adviser, Listings Compliance (Sydney)
ASX Limited
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

Dear George,

SKY METALS LIMITED – PRE-QUOTATION DISCLOSURE

Introduction

1. We refer to the listing application of Sky Metals Limited (the **Company**) dated 24 April 2019 (**Application**) including the prospectus dated 18 April 2019 (**Prospectus**).
2. We wish to confirm to ASX and update the market regarding certain conditions set out in the admission letter from ASX to the Company dated 12 June 2019 to ensure full disclosure of relevant matters prior to the Company's re-admission to ASX's official list and commencement of trading.
3. Capitalized terms not defined in this letter shall have the same meaning as those defined in the Prospectus.

Conditions precedent to the completion of the Public Offer

4. The Company confirms that the following conditions precedent to the completion of the Public Offer have been satisfied:
 - (a) Shareholders approving (amongst other things) the Acquisition and the issue of securities under the Public Offer - this occurred on 6 May 2019;
 - (b) the Company complying with Chapters 1 and 2 of the Listing Rules for re-admission to ASX - this occurred on 20 June 2019;
 - (c) the renewal of the licence for the Tallebung project - this occurred on 18 April 2019;
 - (d) the NSW Minister for Planning consenting to the change in control over the BSM Tenements - this occurred on 2 May 2019;
 - (e) the Completion of the Acquisition - this occurred on 20 June 2019; and
 - (f) the Company has raised \$4,500,000 under the Public Offer - this occurred on 20 June 2019.

Consolidation, allotment of the shares under the offers and the completion of Acquisition

5. The Company confirms that the Company's existing share capital has been consolidated on a 10:1 basis.
6. The Company confirms that the following offers closed and securities under such offers were allotted on 20 June 2019:
 - (a) 112,500,000 ordinary shares at an issue price of \$0.04, pursuant to the offer under the Prospectus.

- (b) 70,000,000 ordinary shares to the existing shareholders (Vendors) of Big Sky Metals Pty Ltd (BSM) and 20,000,000 free attaching options to the Vendors, exercisable at \$0.08 and each expiring on or before the date that is four years from the date of issue as consideration for acquisition by the Company of all the issued capital of BSM.
 - (c) 14,233,450 ordinary shares to various related and unrelated creditors of the Company pursuant to a debt comprise of existing obligations; 27,375 Debt Conversion Shares to Robert Neal as disclosed in the Prospectus will not be issued, the amount of \$1,095 owed by the Company to Robert Neal will be satisfied by cash payment from the Company.
 - (d) 5,000,000 options with various exercise prices and expiry dates to Mr Peter Duerden, to be appointed as Chief Executive Officer at re-admission of the Company's securities to quotation, as part of the incentive component of his remuneration.
7. The Company confirms that it has received cleared funds in the total amount of \$4,500,000 for the complete amount of the issue price of every security issued to every successful applicant for securities under the Public Offer under the Prospectus.
8. The Company confirms that:
- (a) all the conditions precedent to the completion of the acquisition agreement between the Company and the Vendors, dated 22 November 2018, under which the Company will acquire all the issued capital of BSM from the Vendors (**Acquisition Agreement**) have been satisfied; and
 - (b) the completion of the Acquisition occurred on 20 June 2019.

Restricted securities

9. The Company confirms the issue of restricted securities as detailed below:

Restricted for 12 months commencing from the date of issue:

Fully Paid Ordinary Shares	302,475
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Restricted for 24 months commencing from the date of official quotation:

Fully Paid Ordinary Shares	58,251,287
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Total Fully Paid Ordinary Shares held in escrow:	58,553,762
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Unrestricted Fully Paid Ordinary Shares:	191,941,883
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Total Fully Paid Ordinary Shares:	250,495,645
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Restricted for 24 months commencing from the date of official quotation:

Unlisted Options expiring 4 years from date of issue exercisable at \$0.08	12,734,375
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Unlisted Options expiring 5 years from date of issue exercisable at \$0.08	1,000,000
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Unlisted Options expiring 5 years from date of issue exercisable at \$0.12	2,000,000
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Unlisted Options expiring 5 years from date of issue exercisable at \$0.16	2,000,000
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Total Unlisted Options held in escrow:	17,734,375
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Unrestricted Unlisted Options expiring 4 years from date of issue exercisable at \$0.08	7,265,625
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Total Unlisted Options:	25,000,000
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Name change

10. The Company confirms that it has received a copy of the ASIC change of name certificate confirming the Company's name has been changed to Sky Metals Limited.

Tenements

11. The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the Tallebung (Exploration Licence No. 6258) and Doradilla (Exploration Licence No. 6699) project tenements and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

Retiring directors, new directors and CEO

12. The Company confirms that:
- (a) Rimas Kairaitis and Richard Hill have been appointed to the Company's board as directors;
 - (b) Peter Nightingale, Robert Bell, Anthony McClure and Anthony McDonald have resigned from the Company's board as directors; and
 - (c) Peter Duerden has been appointed as Chief Executive Officer of the Company.

For and on behalf of the Board

Norman Seckold
Non-executive Chairman