ASX ANNOUNCEMENT

SKY METALS

27 JANUARY 2021

ASX: SKY

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2020

HIGHLIGHTS

- SKY drilling at Hume Target, Cullarin Project, continues to return excellent gold results:

  Hole HUD014: **4.92m @ 8.13 g/t gold from 92m, and**
  5m @ 9.72 g/t gold from 233m

- New zone of shallow, high grade gold mineralisation intersected at Caledonian Gold Project:

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

- Extremely encouraging results from initial drilling of Galwadgere Copper-Gold Project:

  Hole GARC002: **53m @ 0.55% copper & 0.75 g/t gold from 142m, including**
  6m @ 1.04% copper & 4.93 g/t gold from 142m and
  5m @ 1.98% copper & 3.91 g/t gold from 183m

- Maiden drilling program completed at Hamilton Target, Cullarin Project – assays pending
- Follow up drilling underway at Hume Target and commencing at Caledonian in February
- Drilling also proposed for Galwadgere & Iron Duke Projects in coming months

SKY CEO Mark Arundell commented; "*The December 2020 Quarter has seen SKY successfully test a suite of high quality drill targets across three project areas. Strong gold results continue to be produced from the Hume Target, new shallow high-grade mineralisation has been intersected at Caledonian and solid copper-gold mineralisation has been intersected at Galwadgere. SKY looks forward to 2021 as it continues to rigorously evaluate its highly prospective portfolio of assets.*"

MARCH 2021 QUARTER – PROPOSED WORK PROGRAM

- Continuing multi drill rig program planned to test numerous targets across four projects
- 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 9**). 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

A program of six diamond drilling to test the strike and depth extent of the Hume high grade gold target was completed in the December 2020 quarter (**Figure 1**).

Drillholes completed (**HUD013-018A**) intersected very encouraging widths of alteration and sulphide mineralisation (pyrite + sphalerite + galena) within the targeted structure at the predicted position (**Figure 2**). Assay results for drillhole HUD014 confirmed two zones of high-grade gold mineralisation intersected:

Hole HUD014: **4.9m @ 8.13 g/t gold from 92m and,**
5m @ 9.72 g/t gold from 233m

These results complement those reported from **HUD013** (ASX SKY 26 October 2020)

Hole HUD013: **19m @ 3.04 g/t gold from 161m including,**
8m @ 4.93 g/t gold from 172m

Assays for drillholes HUD015-HUD018A (**Table 1**), remain pending. Full results received from HUD014 are presented in **Table 2**.

Similar to **HUD013**, high grade gold mineralisation in drillhole **HUD014** is associated with intense silica dominant alteration and base metal sulphide mineralisation. Of note, quartz veining in HUD014 was noticeably stronger than that intersected in HUD013. The zone of high-grade mineralisation at 235m correlates with the predicted position of the Hume high grade structure supporting SKY's revised interpretation and exploration approach (**Figure 2 & Table 2**). Intense silica dominant alteration was also noted between 91-97m with significant gold mineralisation (**Photo 1 & Table 2**).

Drilling recommenced at the Hume Prospect in early January 2021. Drillhole **HUD019** was recently completed to test the strike extent of mineralisation intersected in drillhole HUD014 (**Table 1**). Three zones of veining with encouraging alteration and mineralisation were intersected in HUD019. Drillhole **HUD020** is currently in progress.

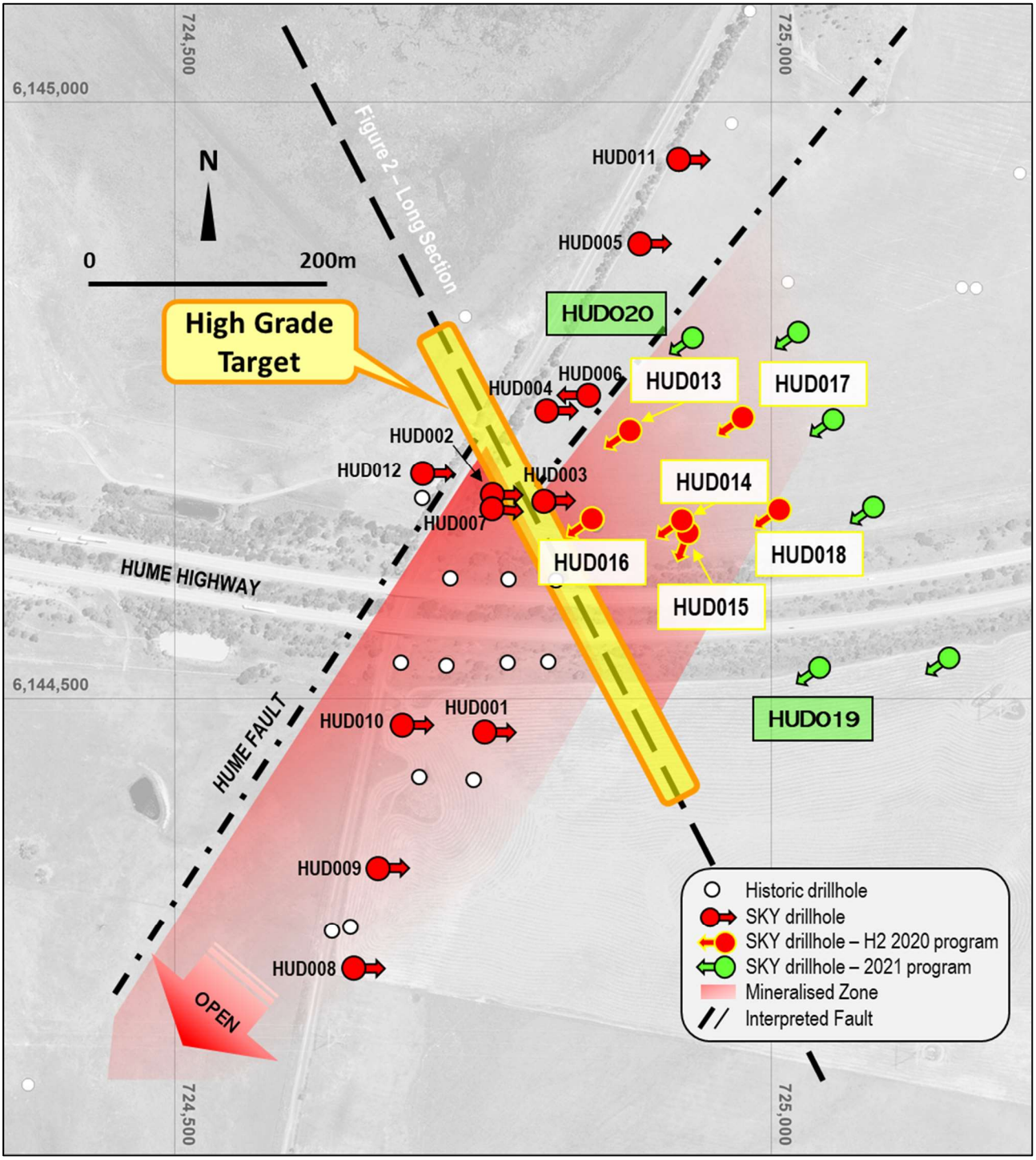

Figure 1 – Cullarin Gold Project - Hume Target – Drillhole Locations

SKY METALS

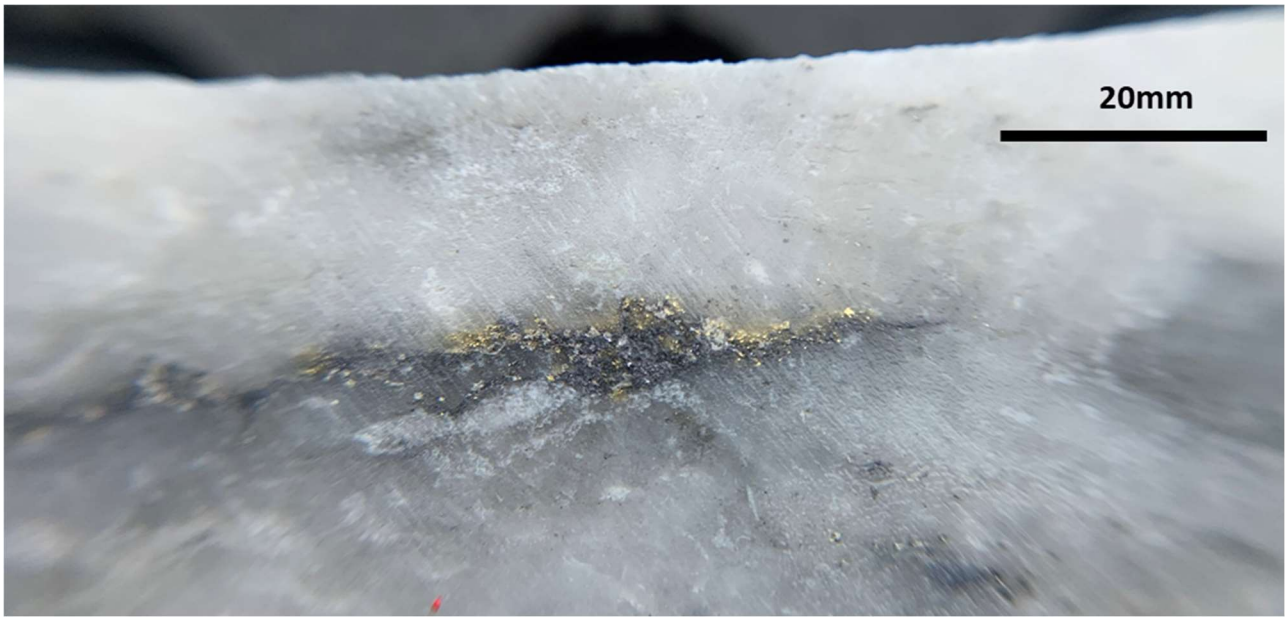

Photo 1 – HUD014 – 95m: visible gold with galena, sphalerite & pyrite in quartz vein

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HUD017	724975	6144740	712	-60	235	369.3	Completed
HUD018	724975	6144740	712	-60	235	399.4	Completed
HUD019	725040	6144525	712	-60	235	357.7	Completed
HUD020	724937	6144802	715	-60	235	400 (planned)	In progress

Table 1 – Cullarin Gold Project, Hume Target. Collar summary for drill holes - December 2020 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	
HUD014	**92**	**96.9**	**4.9**	**8.13**	**0.04**	**0.16**	**0.35**	**7**	
and	150	154	4	1.09	-	-	-	2	
and	**233**	**238**	**5**	**9.72**	**0.06**	**0.94**	**1.03**	**6**	**Hume high grade target**

Table 2: Cullarin Gold Project, Hume Target. Significant drillhole intersections – December 2020 quarter

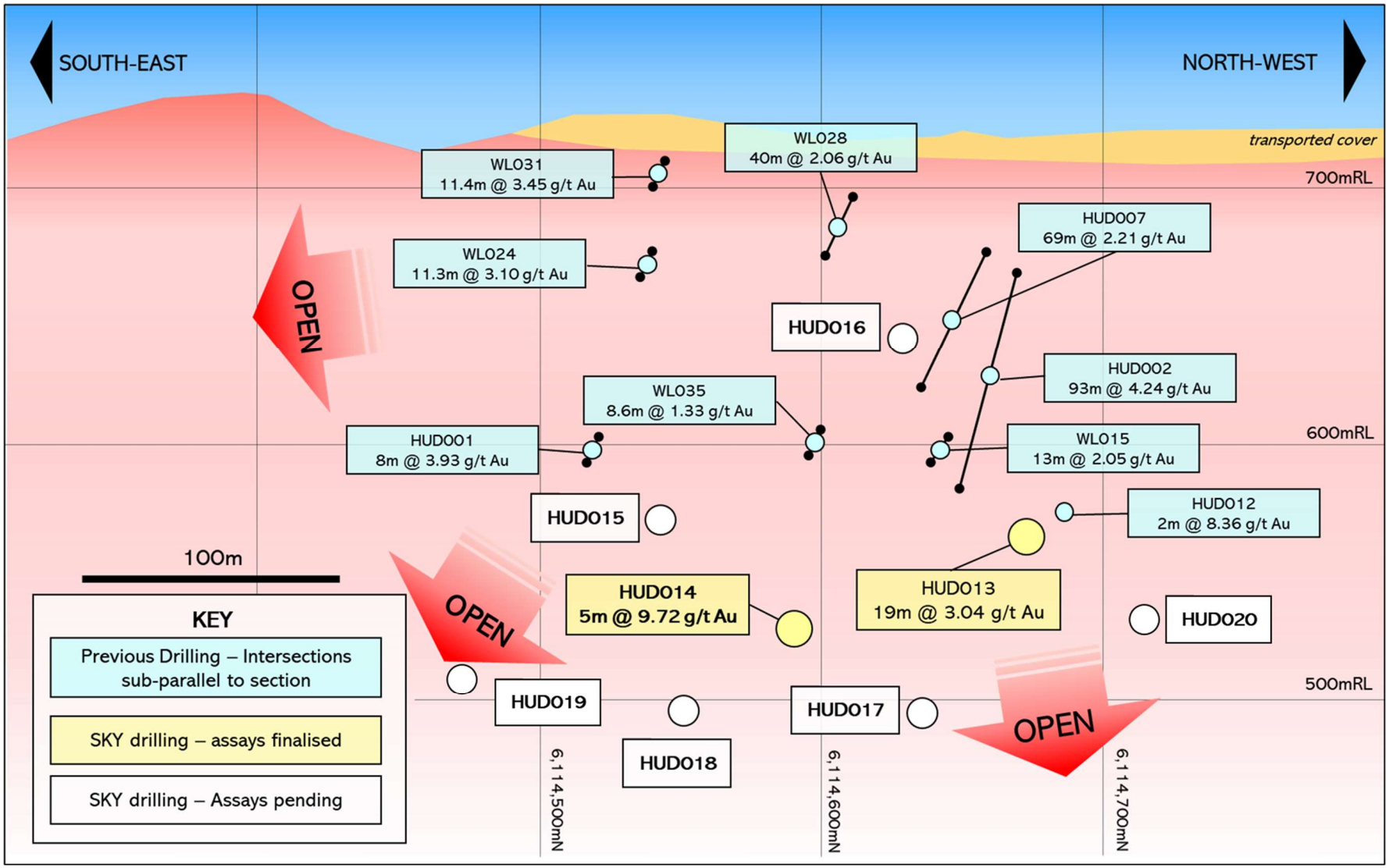

Figure 2 - Hume Target – Long Section (schematic). Intersections reported with 1.0g/t Au cut-off

SKY METALS

HAMILTON TARGET - RC PERCUSSION & DIAMOND DRILLING

The **Hamilton Target** is located approximately 5km north of the Hume Target (**Figure 3**). Soil sampling delineated a coherent gold plus multi-element pathfinder anomaly with a strike length of +400m and a width of up to 300m. The gold soil anomaly is co-incident with a distinctive radiometric anomaly and a pronounced magnetic low – key criteria for the identification of McPhillamys style gold targets.

RC percussion and diamond drill testing of this target was completed in the December quarter (**Table 3**). Four RC percussion holes (**HAR001, 003-005**) were completed with encouraging mineralisation and alteration intersected. Mineralisation is characterised by sulphide-rich (predominately pyrite) quartz veining with sericite dominate alteration selvages containing sphalerite-galena. The mineralisation is hosted in volcaniclastic sandstone units interbedded with shales. The RC drilling was hampered by difficult drilling conditions - only one hole reached planned depth - and thus a diamond drilling rig was mobilised to site to complete the drilling program.

Three diamond drillholes (**HAD001-003**) were completed to test the main part of the soil gold target. Drillholes intersected a package of interbedded felsic volcanics and volcaniclastics with intervals of strong disseminated and vein pyrite mineralisation and lesser sphalerite.

Samples from all drillholes have been submitted for analysis and final results are currently pending.

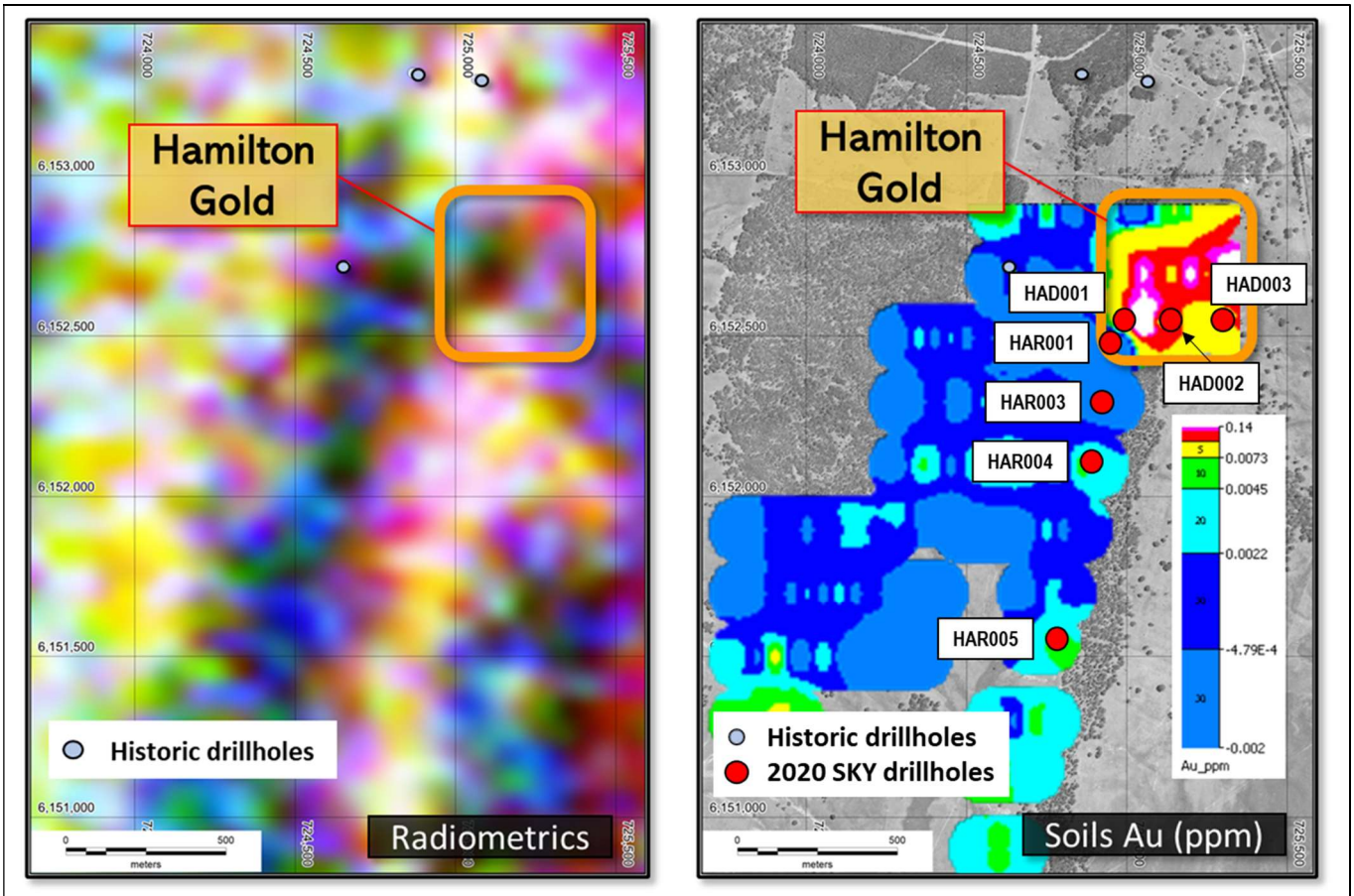

Figure 3 – Hamilton Target – SKY drillholes overlain on SKY soil samples (colour by Au grade) & radiometrics (Potassium-Thorium-Uranium)

SKY METALS

Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
HAR001	724950	6152470	714.3	-60	92	66	Completed
HAR003	724924	6152280	711.5	-60	90	204	Completed
HAR004	724890	6152101	711	-60	90	119	Completed
HAR005	724780	6151550	697	-60	108	54	Completed
HAD001	724992	6152546	727	-60	90	290.1	Completed
HAD002	725145	6152540	731	-60	90	264.4	Completed
HAD003	725300	6152550	715	-60	90	252.6	Completed

Table 3 – Cullarin Project, Hamilton Prospect. Collar summary for drill holes - December 2020 quarter

BREADALBANE IRON MINE – HISTORIC DRILLHOLE SAMPLING

A gold soil anomaly was identified by SKY soil sampling to the northwest of the Hume Target proximal to the **Breadalbane Iron Mine** (**Figure 4**). A multi-element soil anomaly covering an area of 500m x 400m peripheral occurs associated with a distinct magnetic high co-incident with the iron mine.

Six diamond drillholes at the Breadalbane Iron Mine (**B1 Prospect**) completed in the 1970's & 1980's were located at the NSW Government Core Library that cover this soil anomaly but had previously received limited assaying for gold. Logging and sampling of these drillholes was completed by SKY in the September quarter. Assay results for drillhole – B1/6 – were pending at the end of the last quarter but no significant gold mineralisation was intersected.

Although sampling by SKY did not located any new zones of significant gold mineralisation, compilation of historic results from previous resampling conducted by other explorers revealed significant mineralisation in two of the Breadalbane drillholes – B1/3 & B1/4. Gold mineralisation is hosted by a magnetite chlorite breccia and is associated with anomalous copper mineralisation (~0.1% Cu). Given the narrow widths (5-6m downhole) and the gold grades (1-1.4g/t) intersected in B1/3 & B1/4, the Breadalbane Iron Mine has been assigned a low priority for follow up at this time.

HUME NORTH TARGET

The **Hume North** soil anomaly occurs over ~1,200m strike extent and is located approximately 1.5km north of the Hume Target (**Figure 4**). 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 six 200m holes (minimum) was proposed as an initial test of the soil anomaly.

Drilling was suspended due to wet ground conditions in the September quarter at Hume North with the program ~40% completed. Drill testing of the northern part of the soil anomaly – considered to be potentially more prospective - is scheduled to be completed in the 2021 March quarter.

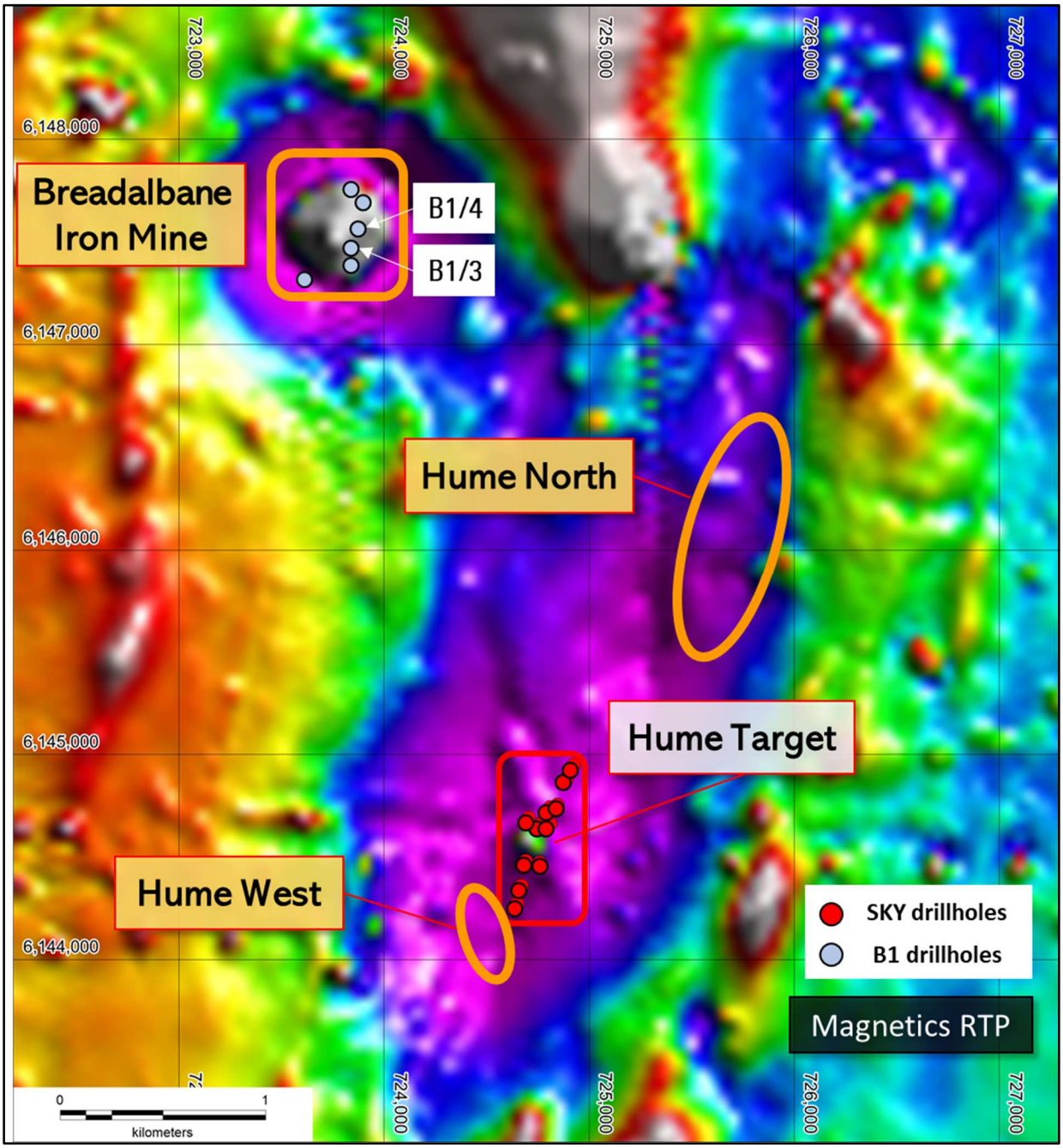

Figure 4 – Cullarin Gold Project - Hume Area– Drill targets

HUME WEST TARGET

A program of soil sampling (**Hume West**) was completed to the south and west of the Hume Target to evaluate the southern 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. Negotiations are currently being undertaken to drill test this anomaly.

SKY METALS

CALEDONIAN PROJECT – GOLD

100% SKY (EL8920)

The Caledonian Project (EL8920) is located 30km southeast of Yass in the Southern Tablelands of New South Wales (**Figure 9**). 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 6**) 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.

SOIL SAMPLING

A multi-element soil sampling survey over the historic Caledonian gold mine was completed by SKY. This was enacted to follow up the coherent gold soil anomaly over the historic Caledonian mine defined by previous explorers.

Soil sampling by SKY delineated two parallel zones of gold mineralisation approximately 500m long and 50m wide (**Figure 5**). Previous explorers had not detected the eastern zone which contains exceptional gold results up to **65.3g/t Au**.

RC PERCUSSION DRILLING

During the quarter, a six hole RC percussion drilling program (**Table 4**) was completed by SKY (**Figure 5**). The drilling program was enacted to test the gold mineralisation delineated by SKY's soil sampling survey.

Assay results have been received for drillholes CARC001 & CARC002 only. Strong, shallow high-grade gold results have been recorded from the eastern gold soil zone (**Figure 5** and **Table 5**).

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

Results for drillholes CARC003-006 are expected in early February.

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 (**Figure 6**). Drillholes CARC003, 005 & 006 all intersected substantial downhole thicknesses of the targeted skarn alteration package albeit heavily weathered (**Figure 6**). Drillhole CARC001 intersected sediments and rhyolite only and is considered to have been collared too far to the east to have intersected the eastern skarn unit.

A drill program to follow up these results has been prepared with drilling planned to commence in early February.

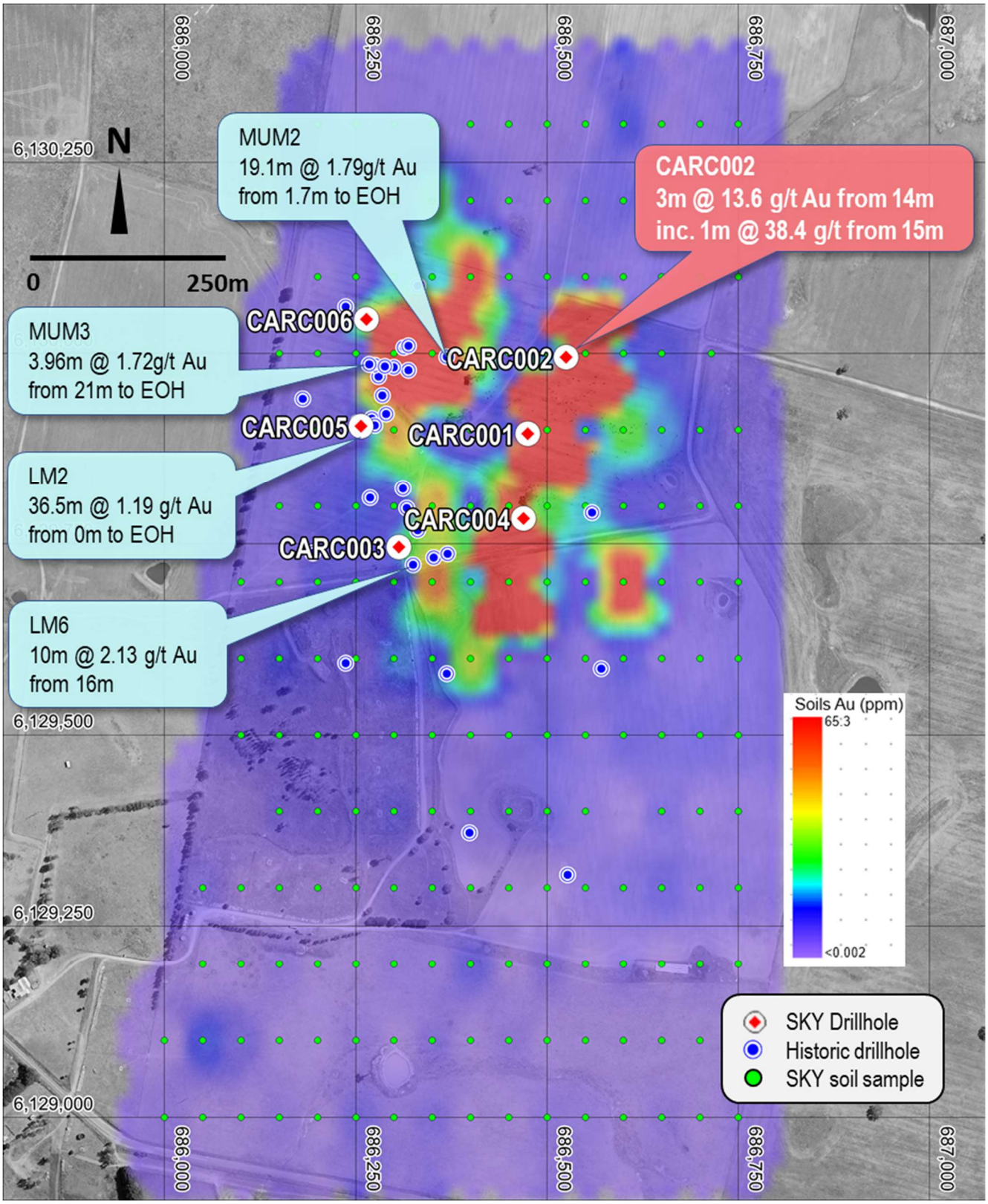

Figure 5 - Caledonian Target – SKY drilling. Background image: SKY soil gold values

SKY METALS

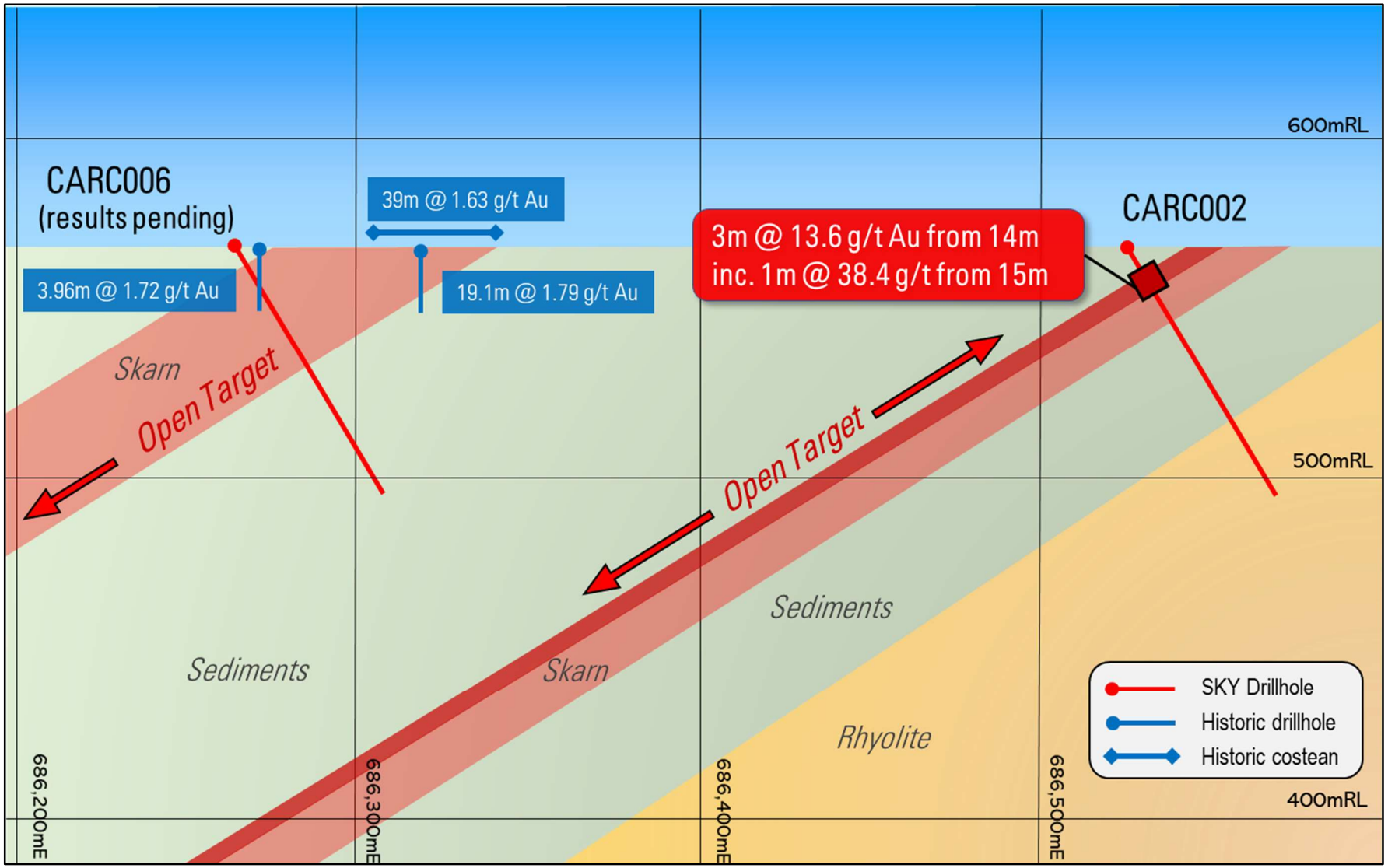

Figure 6 - Caledonian Target – Schematic cross section - 6,130,000mN

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Hole ID	Easting (MGA)	Northing (MGA)	RL (m)	Dip	Azimuth (MGA)	Total Depth (m)	Comments
CARC001	686475	6129895	583	-60	90	90	Completed
CARC002	686475	6129995	580	-60	90	84	Completed
CARC003	686300	6129747	588	-60	90	138	Completed
CARC004	686492	6129781	587	-60	90	84	Completed
CARC005	686257	6129905	583	-60	90	90	Completed
CARC006	686264	6130045	580	-60	90	66	Completed

Table 4 – Caledonian Project. Drillhole collar details

Hole ID	From	To	Interval	Au	Comment
	(m)	(m)	(m)	g/t	
CARC001					No significant mineralisation
CARC002	10	23	13	3.24	0.1 g/t cut-off
inc.	**14**	**17**	**3**	**13.6**	
inc.	**15**	**16**	**1**	**38.4**	
	65	68	3	0.36	0.1 g/t cut-off

Table 5: 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 9**). 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 commenced in the December quarter.

MYLORA PROJECT – GOLD

100% SKY (EL8915)

The Mylora Project (EL8915) is located 20km west of Yass in the Southern Tablelands of New South Wales (**Figure 9**). Historic gold occurrences in the Mylora area display extensive disseminated/stringer pyrite-sericite alteration zones within Late Silurian volcaniclastics associated with a distinctive multielement geochemical signature considered to be prospective for McPhillamys-type gold mineralisation. At the Mylora prospect, extensive 'gossanous' phyllic alteration extends over ~1.5km of strike. Historic drillhole DDH1 returned 3m @ 1.84g/t Au from 150m which was considered very encouraging.

As an initial test of gold potential of the Mylora area, a detailed desktop review of previous exploration covering EL8915 was followed up by geological reconnaissance combined with mineral occurrence sampling. No high priority areas were delineated from this work and thus the decision was made to relinquish EL8915 in the December quarter.

TIRRANA PROJECT - GOLD

100% SKY (ELA5968)

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 9**).

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 June quarter once ELA5968 is granted.

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 9**). 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 extensively altered Silurian felsic to intermediate volcanic sequence hosting base metal sulphide (predominately copper) and gold mineralisation.

SKY has completed a program of RC percussion and diamond drilling to test the strike and depth extent of the Galwadgere copper-gold deposit in the December 2020 quarter (**Figure 7**). Seven holes have been completed as part of this program (**Table 6**).

Drillholes intersected very encouraging widths of copper sulphide mineralisation (chalcopyrite), pyrite, quartz veining and associated alteration. Assay results for the first two drillholes GARC001 and GARC002 have been received. Two zones of high-grade copper-gold mineralisation have been intersected in GARC002 within a wide zone of copper-gold mineralisation:

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

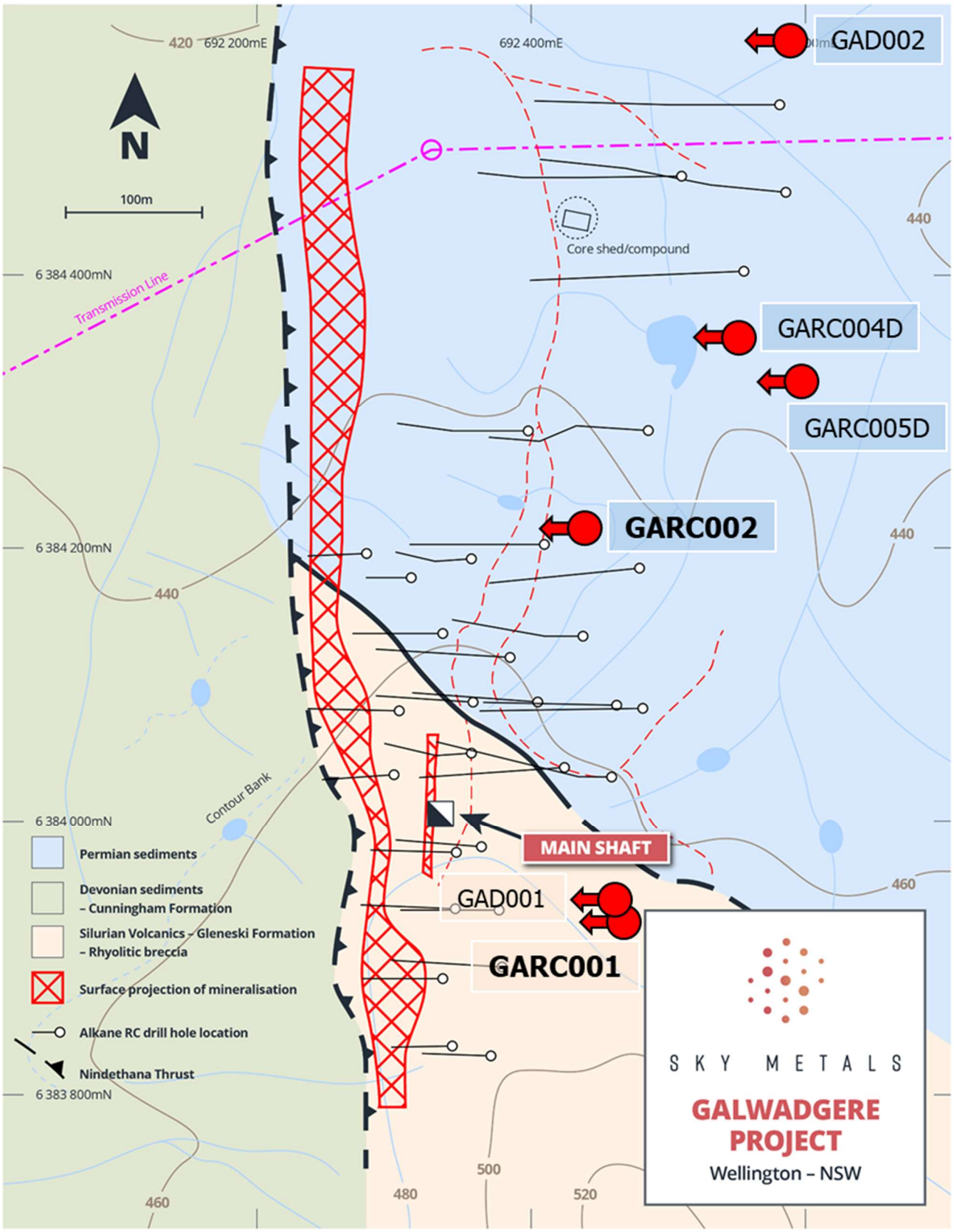

Figure 7 – Galwadgere Copper-Gold Project – Drillhole Locations.

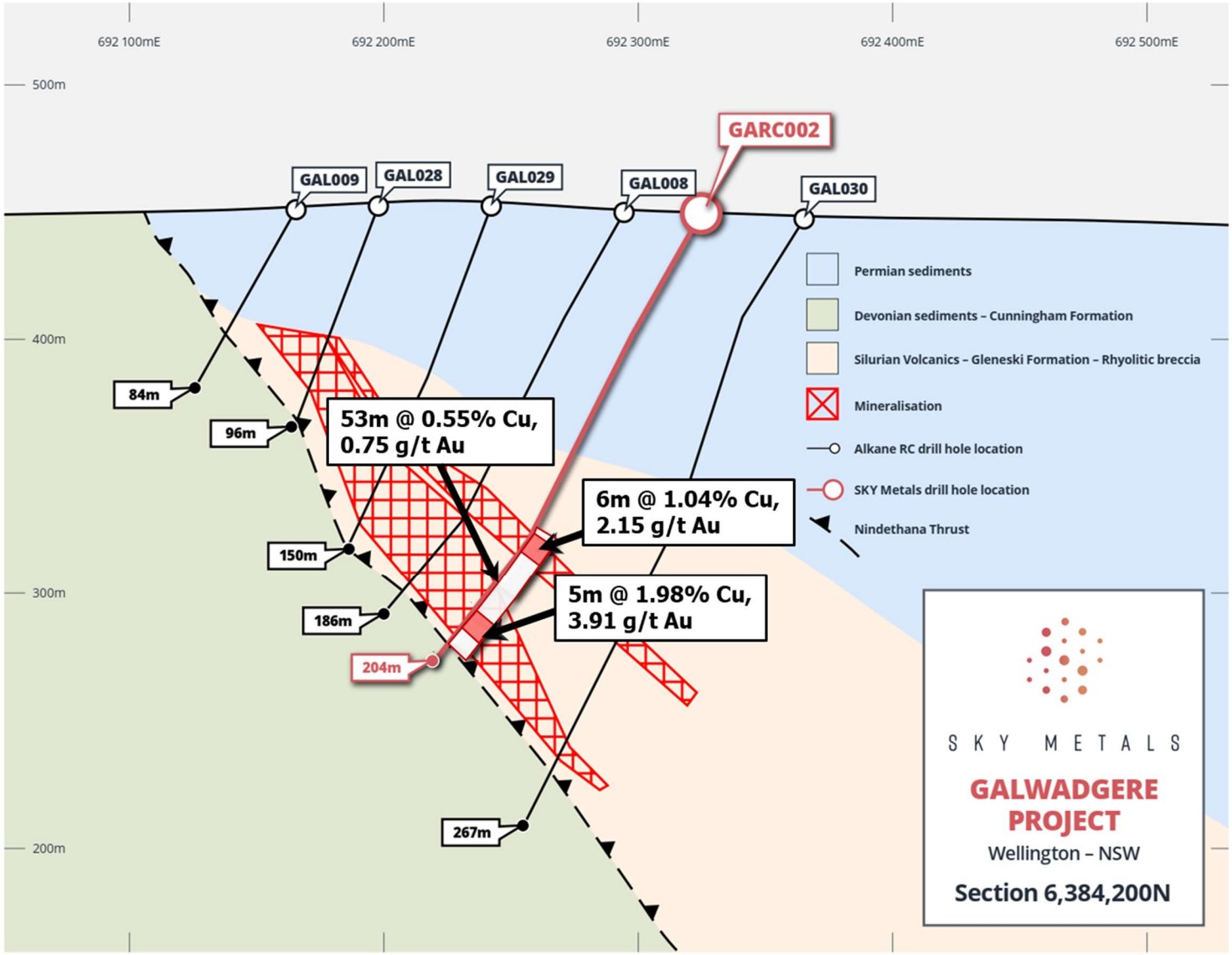

Figure 8 – Galwadgere Copper-Gold Project – Cross Section 6,384,200N (schematic)

These results correlate well to a nearby drillhole completed by Alkane Resource Ltd (Alkane) (ASX SKY 26 October 2020)

Hole GAL008: 47m @ 0.90% Cu & 1.58g/t Au from 122m including,
8m @ 4.93 g/t gold from 172m

Significant results received from GARC001 & GARC002 are presented in **Table 7**.

Drillhole **GARC002** intersected a zone of copper sulphide (chalcopyrite), pyrite and quartz veining between 140 and 190m (**Figure 8**). Two zones (140-150m & 180-190m) of very strong chalcopyrite/pyrite and quartz veining were noted in logging and these correlate well with the reported high grade copper-gold intervals (**Figure 8**). GARC002 is located approximately 20m east of Alkane drillhole GAL008.

Drillhole **GARC001** (150m) did not reach the planned target depth of 200m due to excessive drillhole deviation (**Figure 7**). Encouraging sulphide (pyrite) mineralisation and alteration was noted near the bottom of GARC001 thus diamond hole **GAD001** was drilled as a follow up. **GAD001** intersected a zone of encouraging copper sulphide mineralisation between 160-180m depth.

Promising intervals of visual copper sulphide mineralisation have also been observed in the logging of diamond drillholes **GARC004D, GARC005D, GAD002 & GAD002A.** Samples from these drillholes, as well as GAD001, have been submitted for analysis and results are pending.

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 6 – 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	
GARC002	142	195	53	0.55	0.75	
inc.	**142**	**148**	**6**	**1.04**	**2.15**	
and	**183**	**188**	**5**	**1.98**	**3.91**	

Table 7: Galwadgere Project. Significant drillhole intersections

IRON DUKE PROJECT – COPPER-GOLD

OPTION TO PURCHASE 100% (EL6064); 100% SKY (ELA5991)

SKY has been granted an exclusive Option to Purchase of the Iron Duke Copper-Gold Project from Balmain Minerals Pty Ltd (**Figure 9**). Previous exploration has delineated a shallow, open-ended Copper-Gold resource at Iron Duke (ASX KBL Mining 4 June 2012).

SKY has identified the Iron Duke prospect for drill testing. SKY has also devised a program to assess the regional potential of EL 6064 including the Christmas Gift workings. An airborne EM survey is now planned to be completed in the first half of 2021 in order to generate "walk up" drill targets. Negotiations for land access are continuing with field activities planned to commence in the March 2021 quarter.

TALLEBUNG PROJECT – TIN

100% SKY (EL6699)

The Tallebung Project is located approximately 70km north-west of Condobolin in central NSW (**Figure 9**). 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 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 9**).

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 quarter. Interpretation of these data and drill targeting will be completed in the March 2021 quarter.

CORPORATE

GALWADGERE PROJECT : In late November, SKY notified Alkane that it had completed the required expenditure and thus elected to exercise its right to purchase a 100% interest in the Galwadgere Project from Alkane. Under the agreement, SKY is entitled to purchase a 100% interest in the Galwadgere Project by completing $250,000 in-ground expenditure and issuing 6,000,000 fully paid ordinary shares in the capital of SKY to Alkane. Completion of the purchase is subject to NSW Government Ministerial approval for the transfer of the Galwadgere tenement.

During the quarter $1,473k 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 30 December 2020 v Prospectus 2 YEAR Use of Funds		
	Prospectus 2 Year Use of Funds	**Actual Expenditure to Date (31 December 2020)**
	$A'000	$A'000
Cost of Acquisition & Capital Raise	500	453
Tallebung Project Exploration Expenditure	2,000	887
Doradilla Project Exploration Expenditure	800	395
Gold Projects Exploration Expenditure	-	4,051
Working Capital	1,684	1,917
Total	**4,984**	**7,703**

Table 5: Actual Expenditure to 31 December 2020 v Prospectus 2 YEAR Use of Funds as required by ASX Listing Rule 4.7C.2

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)	Earning 80%	EL7954	19-6-2012	19-6-2022	51	144 km^2	Cullarin Project, earning up to 80% + Heron JV
Ochre Resources Pty Ltd (HRR sub)	Earning 80%	EL8400	20-10-2015	20-10-2024	52	147 km^2	Kangiara Project, earning up to 80% + Heron JV
Ochre Resources Pty Ltd (HRR sub)	Earning 80%	EL8573	23-5-2017	23-5-2023	17	48 km^2	Kangiara Project, earning up to 80% + 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%	ELA6031	-	-	50	141 km^2	Caledonian Project – Murrum application
Aurum Metals Pty Ltd (SKY sub)	100%	EL8915	18-11-2019	18-11-2024	29	82 km^2	Mylora Project - relinquished
Aurum Metals Pty Ltd (SKY sub)	100%	ELA5968	-	-	52	147 km^2	Tirrana Project - application
Alkane Resources Ltd	Option to Purchase 100%	EL6320	12-10-2004	11-10-2020 *	14	41 km^2	Galwadgere Project
Balmain Minerals Pty Ltd	Option to Purchase 100%	EL6064	21-3-2003	20-3-2022	5	15 km^2	Iron Duke Project
Aurum Metals 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	10-1-2021 *	14	41 km^2	Tallebung Project – renewal sought

Table 8: Tenement Summary, changes in the December quarter highlighted

* Renewal Sought

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.

MYLORA / CALEDONIAN / TIRRANA PROJECTS (EL8915, EL8920, ELA5968, ELA6031 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 9: SKY Location Map

COMPETENT PERSONS STATEMENT

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

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 December 2020 Quarter are listed below:

21 Dec 2020 – SKY ASX Announcement 'Caledonian Project - Shallow High Grade Gold Intersected'
30 Nov 2020 – SKY ASX Announcement 'High Grade Copper-Gold Intersected at Galwadgere'
18 Nov 2020 – SKY ASX Announcement 'Further Strong Gold Intersections at Hume Target'
16 Nov 2020 – SKY ASX Announcement 'Caledonian Gold Project - New Drill Targets Defined'
26 Oct 2020 – SKY ASX Announcement 'Cullarin Project - Strong Gold from Hume Target'
20 Oct 2020 – SKY ASX Announcement 'Drilling Commences at Galwadgere Project'

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.