

29 JULY 2019

ASX: SKY

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2019

HIGHLIGHTS

- ◆ Planet Gas re-commences trading as Sky Metals following oversubscribed Public Offer raising \$4.5M
- ◆ Refreshed Board and appointment of CEO
- ◆ Exploration team and office established in Orange, NSW
- ◆ Tallebung Tin Project drilling

PLANET GAS RE-COMMENCES TRADING AS SKY METALS

Following the announcement made by Planet Gas on 22 November 2018, the Company held its Annual General Meeting on 6 May 2019, where, amongst other business, the following Resolutions were approved:

- ◆ Change to nature and scale of activities
- ◆ Consolidation of Capital
- ◆ Issue of securities for the purchase of Big Sky Metals Pty Ltd ('BSM')
- ◆ Public offer to raise up to \$4.5M
- ◆ Change of name to Sky Metals Ltd (ASX:SKY)

The subsequent public and priority offers were oversubscribed, raising \$4.5M. BSM was subsequently acquired, along with its 100% interest in the Tallebung and Doradilla tin and specialty metals exploration projects in New South Wales. The Company commenced trading as Sky Metals Ltd on 1 July 2019.

APPOINTMENT OF CEO AND BOARD CHANGES

On completion of the successful BSM acquisition and capital raising, SKY was pleased to announce the appointment of Mr. Peter Duerden as Chief Executive Officer (CEO). Mr Duerden is a geologist and mineral exploration specialist, with over 20 years' experience in mineral exploration, including particular expertise in NSW mineral systems. Peter most recently held exploration management positions with established NSW operators Newcrest Mining and Alkane Resources. Peter holds a Masters of Economic Geology and is a Registered Professional Geoscientist (RPGeo) and member of the Australasian Institute of Geoscientists (AIG).

Mr. Rimas Kairaitis and Mr. Richard Hill were appointed as non-executive directors with the resignation of Mr. Anthony McClure, Mr. Anthony McDonald, Mr. Peter Nightingale and Mr. Robert Bell (ASX 24 June 2019). Mr Norman Seckold remains as non-executive Chairman.

EXPLORATION TEAM AND OFFICE ESTABLISHED IN ORANGE

The Company has changed its principal place and administrative office to 207 Byng Street, Orange, New South Wales (ASX 15 July 2019). The establishment of an exploration team and office close to the Company's exploration projects provides greater operational efficiency with Orange providing a service hub for many exploration groups in New South Wales.

TALLEBUNG DRILLING

At the end of the quarter, SKY was in the final stages of planning and mobilising drilling rigs for the imminent commencement of drilling activity at the Tallebung Tin Project, as detailed in the Prospectus (ASX 18 April 2019). At time of reporting (29 July 2019) the shallow RC drilling phase of the drilling programme had been completed, and the diamond core drilling programme was underway. Drilling activity is designed to test beneath high-grade tin lodes recently identified at surface as well as testing the large tonnage, porphyry tin target identified beneath the historic Tallebung Mine.

ABOUT SKY (ASX: SKY)

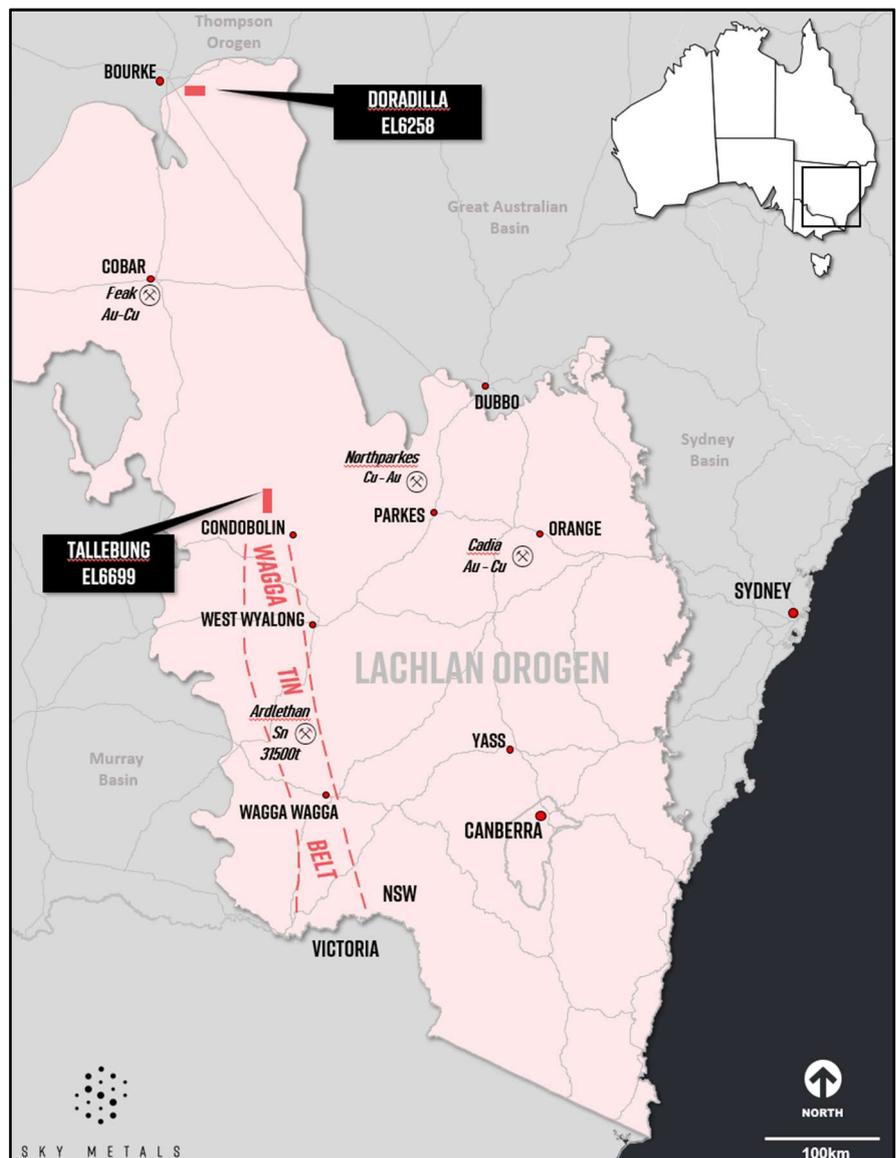
SKY is an ASX listed public company focused on the exploration and development of high value mineral resources in Australia.

SKY's project portfolio offers exposure to the tin market, where a long-term growth in prices reflects challenged supply and growing demand amid new applications for the metal.

SKY's tin exploration strategy incorporates the high quality Tallebung and Doradilla assets, most recently advanced by YTC Resources (now Aurelia Metals ASX:AMI) prior to their focus on the Hera Project.

Tallebung Project (100% SKY)

The Tallebung Project is located approximately 50km north-west of Condoobolin in central NSW and is prospective for high-grade lode and porphyry-style tin-silver-tungsten mineralisation. Outcropping mineralisation is developed over one kilometre as sheeted/stockwork quartz-cassiterite-wolframite sulphide veins above a mineralising granite. The prospectivity of the targets are further enhanced by the presence of the Ardlethan Tin Deposit located along strike and representing mainland Australia's largest historic tin producer.



DORADILLA PROJECT (100% SKY)

The Doradilla Project is located approximately 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). The area lies between the Lachlan and Thompson Orogens, with known mineralisation hosted within the extensive Doradilla-Midway-3KEL skarn ('DMK-skarn') which marks a 20-100m wide zone extending over 16 kilometres along strike.

Immediate exploration upside is recognized at Doradilla, with sporadic historical multielement assaying highlighting potential for economically significant polymetallic mineralisation (40m @ 0.56% Cu, 1.6% Sn, 0.38% Zn from 6m to EOH, 3KAC004) (see ASX announcement: 22 November 2018).

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Peter Duerden, who is a Registered Professional Geoscientist (RPGeo) and Member of the Australasian Institute of Geoscientists (AIG) and an employee, and option holder of the Company. Mr Duerden 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 Duerden 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

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.

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.

