

26 MARCH 2020

ASX: SKY

## EXPLORATION UPDATE – CULLARIN PROJECT

## CULLARIN PROJECT

## Hume Target

- Over 1,600m (1,300 samples) of previously unsampled diamond drillcore from the NSW Government drillcore library submitted for analysis
  - Follow up drill testing of HUD002 (93m @ 4.2 g/t Au from 56m) to commence early next week
  - Geological mapping and soil sampling ongoing to evaluate the strike extent of the Hume Target and targets further north over 20km strike
- ◆ Exploration well funded for forward programmes

The Board of SKY Metals Limited ('SKY' or 'The Company') is pleased to provide an update on its exploration activities at the Cullarin Gold Project located approximately 20km west of Goulburn in NSW

## CULLARIN GOLD PROJECT - (EL 7954; SKY EARNING 80% FROM HRR)

As part of the follow up to the outstanding shallow gold mineralisation intersected in drillhole HUD002 (ASX SKY 10 February 2020), SKY identified a number of historic diamond drillholes at the NSW Government drillcore library at Londonderry in western Sydney (**Figures 1 & 2**). Some of these drillholes were identified as a high priority for sampling to evaluate the postulated strike of the HUD002 mineralisation (ASX SKY 9 March 2020). This programme of sampling is over 50% complete with 1,630m of core cut and 1,300 samples now submitted for analysis. Analytical results for the first of the high priority drillholes are expected in the next week.

Drill permits for follow up diamond core drilling of the HUD002 intersection have been received with drilling scheduled to commence next week subject to advice on any restrictions on normal business activities associated with COVID-19 imposed by the Australian and/or NSW government. SKY maintains a clear focus on protecting the health and wellbeing of our staff and contractors.

Geological mapping and soil sampling of the Hume Target is currently in progress. Approximately 200 soil samples will be submitted for analysis this week. Mapping and soil sampling of the Hamilton Target (ASX SKY 11 February 2020) will commence after work on the Hume Target is completed.

SKY CEO Mark Arundell commented; *"Geochemical analysis of unsampled drillcore at the Londonderry core library is allowing SKY to fast track the evaluation of the Hume Target. The data generated from the SKY sampling program will be both an enormous benefit in the follow up drill campaign and overall assessment of the Hume Target. Geological mapping and soil sampling of the Hume Target is allowing SKY, at low cost, to understand and evaluate the full strike extent of the Hume Target."*

This announcement is authorised for release by SKY's Board of Directors.



**Figure 1:** Londonderry core library – SKY Metals logging and sampling



**Figure 2:** Londonderry core library – drillcore logging and SKY Metals samples in foreground



## 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 and tin market in the world class mining jurisdiction of NSW.

### GOLD PROJECTS

SKY's emerging gold exploration strategy leverages the SKY exploration team's significant combined experience during the early stages of the McPhillamys gold discovery (60Mt @ 1.05g/t Au for 2.03MOz, NPV of ~ \$800M @\$1800/oz, Regis Resources Ltd 2017). The McPhillamys mineralisation represents a distinct and economically important gold target style in NSW. The McPhillamys Gold Deposit was discovered in 2006 during the Alkane/Newmont 'Orange District Exploration Joint Venture' and is currently being advanced by Regis Resources Ltd, with a proposed 7Mt/annum mining operation (ASX RRL 8 September 2017).

#### CULLARIN EL7954 / KANGIARA EL8400 & EL8573, HRR FARM-IN

Under the HRR farm-in, SKY may earn up to 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, and 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 (multielement pathfinders), geophysical (magnetics, radiometrics & IP) and alteration (white mica) signature. SKY's maiden drill programme to follow up this historical work has been very successful including core hole HUD002 which returned 93m @ 4.2 g/t Au from 56m.

#### DOURO PROJECT ( EL8915, EL8920 100% SKY)

Highlight, 'McPhillamys-style' gold results from previous exploration at the new 100% SKY tenements (Douro Project) include 36m @ 1.2 g/t Au from 0m to EOH in drillhole LM2 and Costeaning: 81m @ 0.87g/t Au in a costean on EL8920 at the Douro Project. At the Caledonian Prospect, the distribution of multiple historic drill intersections indicate 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

### TIN PROJECTS

#### TALLEBUNG PROJECT (EL6699, 100% SKY)

The Tallebung Project is located approximately 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 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).

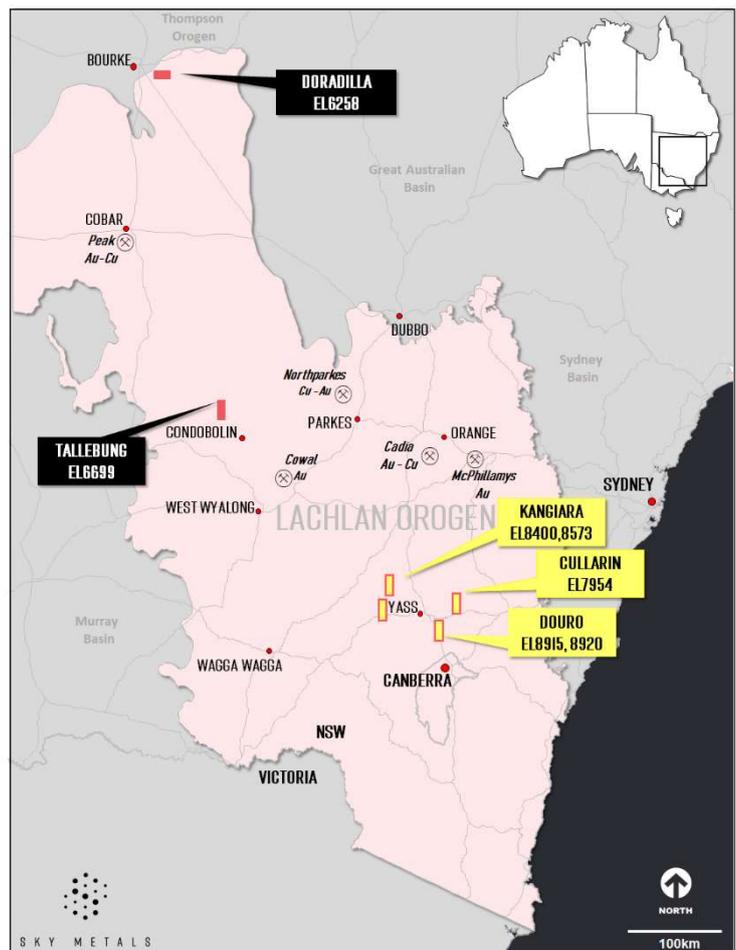


Figure 3: SKY Location Map

## COMPETENT PERSONS STATEMENT

The information in this announcement that relates to geology and exploration results and planning was compiled by Mr Mark Arundell, who is a Member of the Australasian Institute of Geoscientists (AIG) and an employee, 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](http://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.

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