

Stock Commentary

Subject: Sky Metals Limited

“More of the Good Stuff”

Drilling Confirms NW Extension of High-Grade Hume Target

Additional Shallow High-Grade Intercepts at Caledonian Target

Background

Sky Metals Limited (ASX:SKY) announced on 31st March 2021 the latest results from current drilling activities at the Hume Target on the Company's Cullarin Gold Project, located near Goulburn, NSW and the Company's Caledonian Project located SE of Yass, NSW.

Cullarin Project (SKY 80%) Hume Target new results include:

- **6m grading 6.62gpt Au, 3.72% Zn and 3.68% Pb from 295m** (Hole HUD021)

Caledonian Project (SKY 100%) Caledonian Target new results include:

- **2m grading 11.4gpt Au from 22m** (Hole CAD001)
- **5m grading 4.46gpt Au from 11m** (Hole CARC011)

Key Takeaway Points

Hume Target Results

- 1) This hole (HUD021) was drilled to test the northwest extension to the Hume mineralisation and was very successful in doing so with intense veining and strong base metal mineralisation delivering a solid high grade gold and base metal result.
- 2) As mentioned in our commentary in early March, the new result provides us with definitive evidence that SKY is now becoming confident at recognising, defining and targeting high grade shoots from within the large lower grade mineralised envelope. We note SKY on this announcement saying, “*The zone of high grade gold mineralisation coincides with the predicted position of the Hume high grade structure supporting SKY's current interpretation*”. HUD021,22 & earlier reported 20, stating to “*confirm the down dip continuity of the Hume mineralisation and indicate that the mineralisation is still open at depth and along strike*”.
- 3) We note commentary in this announcement that a further three drill holes have also returned intense veining and strong base metal mineralisation. This strongly suggests to us that the company is quietly anticipating receiving some additional high grade results in near future announcement(s).

Caledonian Target Results

- 4) It is still early days for this encouraging result. CAD001 is reported to be associated with iron and fragmented quartz veinlets within a rhyolite underlying a highly weathered skarn. CARC011 also appears to be associated with a highly weathered skarn unit. We haven't formed a view on Caledonian yet and await further information from the Company on these early encouraging results.

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