

Stock Commentary

Subject: Sky Metals Limited

Strong Encouragement from Visit to NSW Core Library

Background

On 25th March 2021 Peloton Capital was invited by the management of Sky Metals Limited (ASX:SKY) to attend WB Clarke Geoscience Centre Londonderry Core Library. Sky has been taking advantage of the NSW state government's free service to analyse and re-sample historical Galwagere and Iron King Copper-Gold project's core stored at the facility. The Company was keen to show their findings.

About the WB Clarke Geoscience Centre Londonderry Core Library

The Londonderry core library is a NSW government owned core storage facility which plays a significant role by archiving a selection of the state's company and government drill core and rocks, and making the samples available to all. Mining and exploration companies can use this facility to analyse a region's potential before doing, or applying to do, exploration activities. This avoids duplication of effort, minimises environmental impact and reduces costs.

The outstanding facility currently holds over 1.4 million metres of drill core and drill chips and also houses a number of analytical instruments, including a HyLogger™, an innovative automated core-logging and imaging system developed by the CSIRO to assist geologists to identify minerals in drillcore.



Key Takeaway Points

Iron Duke Core

- 1) For SKY's Iron Duke project, the core library has a total of 10 historical holes drilled by Union Oil Inc. in 1971. Laid out for us for viewing were two 200m length holes.
- 2) What was immediately striking to a trained geological eye is the extent of the mineralisation which in places was tens of metres thick. Also strikingly was the amount of mineralisation which had never been sampled. However, the biggest "eye opener" was the observation that both holes had been pulled up short and had ended in mineralisation with one which could be classified as being pulled up in strong mineralisation.



Above: strong veining and sulphides in Iron Duke core not previously sampled

- 3) The company also briefed us on its intent to drill Iron Duke in the very near term showing us a “work in progress” drill collar plan overlaying an air photo. We observed that the current historical resource boundary is currently approximately 400m in strike length. With the mineralisation open on both ends and down dip SKY is in the process of designing a simple drilling program to effectively drill test the strike extensions and the mineralised shoot(s) at depth beneath the current resource. This program, when it occurs, will be a very exciting program and if successful could be a real game changer for the project with the potential to extend the copper-gold mineralisation to 800m strike and a down dip depth of circa 240-50m.



Above: Two historical holes ending in mineralisation not historically sampled

Galwadgere Core

1. The core library also has a number of historical drill holes available from the Company's Galwadgere copper-gold project. Similar to Iron Duke but not as distinct, we observed zones of mineralisation which historically had not been sampled in the laid out hole which SKY's geological team is now re-logging and sampling.

Concluding Remarks

We have been very encouraged with what observations we have seen from the visit and from discussion with management and staff. The visit has for us, further highlighted the potential of both projects to provide for two sizeable (several million tonne) copper gold resource bases in the short to medium term and it is our view that the Company should now bring these two projects to the forefront in a rising copper supply-demand market and renewed recognition and interest in the copper rich district.

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