Skyharbour Partner Company Azincourt Announces Drill Results at East Preston Property and Upcoming Summer/Fall Field Program

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VANCOUVER, June 08, 2020 - Skyharbour Resources Ltd. (TSX-V: SYH) (OTCQB: SYHBF) (Frankfurt: SC1P) (the “Company”) announces that partner company Azincourt Energy Corp. (“Azincourt”) has released results from its winter 2020 phase two drill program at the East Preston uranium project, located in the western Athabasca Basin, Saskatchewan, Canada. A summer/fall 2020 work program is already being planned to follow up on the drill program.

Preston Uranium Project Claims Map:
http://skyharbourltd.com/_resources/maps/SYH_Patterson_Lake_Area_Promo_20161212_blue_hi_res.pdf

Skyharbour and Dixie Gold Inc. (“Dixie Gold”) entered into an Option Agreement (the “Agreement”) with Azincourt whereby Azincourt has an earn-in option to acquire a 70% working interest in a portion of the Preston Uranium Project known as the East Preston Property. Under the Agreement, Azincourt has issued common shares and will contribute cash and exploration expenditure consideration totaling up to CAD $3,500,000 in exchange for up to 70% of the applicable property area over three years. Of the $3,500,000 in project consideration, $1,000,000 will be in cash payments to Skyharbour and Dixie Gold, as well as $2,500,000 in exploration expenditures over the three-year period. Skyharbour and Dixie Gold agreed to extend the deadline for the remaining obligations owing to complete the acquisition of a 70% interest in the Project, which include incurring a small portion of the exploration expenditures remaining on the Project and completion of a final cash payment of CAD $400,000 (see News Release dated April 16, 2020). The deadline for these obligations has been extended through until March 31st, 2021 and in consideration for the extension, Azincourt issued 5,000,000 common shares to Skyharbour and Dixie Gold.

The 2020 Winter drill campaign continues to advance and enhance the prospectivity of the East Preston project. Three main target areas were drill tested with promising basement lithologies and graphitic structures intersected along with associated, anomalous Rare Earth Element (“REE”) mineralization and favourable alteration. The basement lithologies and litho-tectonic setting at East Preston are very similar and appear analogous to the Patterson Lake South-Arrow-Hook Lake/Spitfire uranium deposits’ host rocks and setting, and the recognition of REE mineralization setting appears to represent abasement mineralizing system similar to sandstone-hosted REE mineralization associated with uranium deposition observed at the Wheeler River project in the eastern Athabasca.

Nine diamond drill holes totalling 2,431 meters were completed in three zones within a 7km x 2km area. All drill holes targeted combined electromagnetic ? gravity geophysical and geochemical anomalies in concert with structural/topographic discontinuities. East Preston hosts multiple closely spaced discreet graphitic conductor trends with coincident gravity low anomalies often indicative of alteration or thicker overburden due to enhanced glacial scouring over altered, or structurally disrupted basement.

“We are very encouraged with the results from the 2020 winter drill program at East Preston,” said Ted O’Connor, Director and Technical Advisor for East Preston. “We continue to see the right basement unconformity uranium setting – rocks, structure and alteration from drilling on the project. The recognition of what is believed to be a basement analogue to uranium deposit related REE mineralization and alteration suggests that mineralizing fluid systems were active on the project, at the right time. The winter results combined with the number and strike extent of the existing, untested prospective conductor corridor system target areas, ensures that the East Preston project is advancing as we continue to vector towards our discovery goal,” continued Mr. O’Connor.

“Drilling continues to show us we are on the right track at East Preston,” said Azincourt

president & CEO, Alex Klenman. “The presence of Rare Earth Element mineralization, similar to Wheeler River, adds to the growing prospectivity of the project. This data is a positive development that demonstrates East Preston continues to reveal it has the necessary environment for uranium deposition,” continued Mr. Klenman.

Numerous untested graphitic conductive corridor trends remain on the project for additional drill testing. A summer 2020 ground geophysical targeting program is currently being planned and scoped to support future drill programs based on the existing property-wide heli-borne VTEM survey interpretation and results.

Drilling Details:

The 2020 winter diamond drilling program at the Five Island Lakes area comprised a total of 2,431m drilled in nine holes (Figure 1 – East Preston Drill Hole Location Map, below). The drilling tested three zones within a 7km x 2km area, with targets prioritized on basis of combined geophysical and geochemical anomalies in concert with structural/topographic discontinuities. All drill holes were analyzed downhole with a Mt. Sopris 2SNA gamma probe. Representative lithologies and anomalous core samples were collected and shipped to SRC Geoanalytical laboratories in Saskatoon for complete geochemical analysis.

Figure 1 – East Preston Drill Hole Location Map is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/814c0a07-c8a0-46e3-b0da-ff9f3c4e61e7

The East Preston project lies immediately south of the interpreted southern edge of the Athabasca Basin, so no Athabasca sandstone was expected. Overburden thickness ranged from 15 to 33 m thick, and as expected, no Athabasca sandstone was intersected.

Results of the drilling confirms interleaved sequences of moderately to strongly deformed orthogneissic basement rocks with compositions ranging from granodiorite to diorite, monzonite to syenite, and gabbro with rare anorthosite. Most areas of the property have been further intruded by minor 0.5 to 2m simple pegmatite and/or mafic (+-lamprophyre) dykes, generally at or near major lithologic contacts. Cohesive deformation fabrics abound, with ductile mylonitic fabrics the most common, along with occasional more brittle-cohesive cataclastic fabrics, and rare brittle fault gouge. In general, the more strongly deformed zones are associated with increased alteration intensity, with mafic host rocks exhibiting elevated chlorite-garnet-biotite+-hematite+-epidote and rare clay, and intermediate to felsic host rocks altered with elevated sericite(illite)-chlorite-hematite+-garnet.

Graphite-rich (1-25%) intervals are notable in most holes with thicknesses ranging from 0.5 to 10m. Not surprisingly, they are generally found within the most strongly deformed rock sequences and are invariably associated with vein and disseminated pyrite (1-20%), and broad halos of moderate to strong blue and grey quartz alteration. Although graphite-bearing deformation zones may be found in any lithology, they are inordinately associated with darker (more mafic) schistose host rocks. Collectively, these strongly altered and variably deformed graphitic orthogneisses and schists constitute what Saskatchewan government geologists coined “pseudopelite” (i.e. mimicking altered metasedimentary [semi-pelite] paragneiss). This rock “type” is one of the main uranium hosting units along the Patterson Lake uranium deposit trend. Additional details by zone are highlighted below:

A-Zone:

The A-zone was tested by three holes (EP20001 to 003) all of which intersected two or more parallel graphite+ pyritic horizons mantled by strong bluish quartz-chlorite alteration over intervals of 10’s of meters. Drilling in the A-zone confirms the presence of a basement-hosted north to northeast trending cohesive fault zone, associated with strong hydrothermal fluid interactions centred around graphite-rich strata. Anomalous probe radioactivity was detected bracketing the graphite-rich horizons in 2 out 3 of the A-zone holes and is also associated with anomalous REE contents.

B-Zone:

The B-zone was tested by holes EP20006 to 009, with all four holes intersecting similar sequences of

graphite-rich rocks mantled by strong quartz-chlorite alteration. Hole EP20007 encountered significant radioactivity at 281m depth, with a best count of 2202 counts-per-second (cps) over a 2m intercept averaging 816 cps. Analytical results for this interval returned 3.5 ppm U, and 587 ppm Th over 4.25m with associated trace element enrichment (Cu, Zn, Pb, REEs). Drilling in the B-zone confirms the presence of a second basement hosted northeast trending cohesive fault zone with a history of strong hydrothermal fluid interactions which includes the presence of anomalous radioactivity.

The strong chlorite-silica alteration zones noted at both the A and B-zones that mantle the graphitic rocks display ductile older structures with later semi-brittle to brittle reactivation associated with anomalous radioactivity also display highly anomalous Rare Earth Element (REE) contents. At the B-zone, Heavy REE (HREE) contents are far more enriched than Light REE (LREE). HREE examples include Ce (up to 8660 ppm), La (up to 4800 ppm) and Nd (up to 2720 ppm) that are up to 100 times enriched relative to ‘normal’ background basement values, whereas LREE examples Sm, Dy, Ho, etc. are enriched 5-10 times background. The anomalous intervals, sampled over several metres have associated enrichment in S, B, P2O5, Zr and Th interpreted, from chemical element associations, to represent some combination of sulphide, apatitite-xenotime-zircon REE-bearing mineralizing fluids in silicified and reactivated fault zones. This structural mineralizing system is interpreted to be post-Athabasca sandstone deposition and could represent a basement-hosted analogue to the sandstone-hosted MAW Zone REE mineralization on Denison Mines’ Wheeler River Project in Saskatchewan’s eastern Athabasca.

The MAW Zone is a sandstone-hosted HREE-Yttrium dominant mineralized system without uranium, associated with silica-chlorite-dravite alteration, located directly along strike 5 km southeast of the Phoenix Uranium Deposit. The MAW Zone is also surrounded by multiple uranium mineralized zones and uranium deposits along strike and along sub-parallel graphitic-structural corridors, which is similar to the East Preston basement litho-tectonic setting. According to historical researchers, the Maw Zone REE phosphate mineralization could represent the distal, near surface expression of the diagenetic-hydrothermal system above developing unconformity-type uranium deposits.

The presence of similar HREE mineralization in basement structures displaying silica and boron enrichment at East Preston confirms mineralizing basement fluid systems were active and, although this system is not uranium-bearing, the litho-tectonic setting and conditions remain highly prospective for basement-host uranium mineralization discovery in the vicinity. Follow-up drilling is warranted at both A-Zone and B-Zone conductor trends as both infill drilling and strike extension testing.

Swoosh Zone:

Two holes (EP20004 and 005) tested the Swoosh zone which is a target of interest due to especially strong surface geochemical and radon anomalies over a 4km long drainage lineament. Neither hole intersected significant radioactivity or graphitic strata, but a number of rubbly sections bounded by quartz-chlorite+-hematite alteration indicates the presence of late brittle fault structures in this sparsely tested zone. This zone returned the best hydrothermal sulphide pathfinder results with up to 1.5 ppm Ag over 1m and 673 ppm Zn over 1m in hole EP20005. No immediate follow-up drilling is presently warranted for the Swoosh area.

Follow-Up Summer 2020 Program:

Based on the recent drilling results and the similar geological and structural setting to the prolific Patterson Lake trend, detailed follow-up drilling is recommended for the existing A- and B- zones, along with step-out drilling to the northeast and south along the B-zone trend, to the South zone along the SW strike extension of the A-zone. The additional target areas that have yet to be drill tested are also recommended for target refinement and future drill testing (Figure 2 – East Preston Project Target Area Location Map with VTEM Interpretation, below).

Figure 2 – East Preston Project Target Area Location Map with VTEM Interpretation is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/64a4278f-8382-496a-8b91-709d3be42207

A summer 2020 work program is currently being planned. Helicopter-supported ground geophysical surveys including Horizontal Loop Electromagnetic (HLEM) and/or ground gravity methods are being scoped for completion later this summer/fall 2020. The surveys will be utilized to refine, prioritize, and better locate

conductive corridors more precisely in several of the currently untested areas depicted in Figure 2. Survey planning, layout and specifications will be started ideally this month, however, with the current COVID-19 travel restrictions into and out of northwestern Saskatchewan, in particular, there is presently no indication of potential survey execution timing.

Three prospective conductive, low magnetic signature corridors have been discovered on the Property. The three distinct corridors have a total strike length of over 25 km, each with multiple EM conductor trends identified. Ground prospecting and sampling work completed to date has identified outcrop, soil, biogeochemical and radon anomalies, which are key pathfinder elements for unconformity uranium deposit discovery. The East Preston Project has multiple long linear conductors with flexural changes in orientation and offset breaks in the vicinity of interpreted fault lineaments – classic targets for basement-hosted unconformity uranium deposits. These are not just simple basement conductors; they are clearly upgraded/enhanced prospectivity targets because of the structural complexity. The targets are basement-hosted unconformity related uranium deposits similar to NexGen’s Arrow deposit and Cameco’s Eagle Point mine. East Preston is near the southern edge of the western Athabasca Basin, where targets are in a near surface environment without Athabasca sandstone cover – therefore they are relatively shallow targets but can have great depth extent when discovered. The project ground is located along a parallel conductive trend between the PLS-Arrow trend and Cameco’s Centennial deposit (Virgin River-Dufferin Lake trend).

Quality Assurance, Quality Control and Data Verification:

Drill core samples were interval grab samples of interesting lithologies from 0.7m to 2 m in length, split in half longitudinally, with one-half of the core retained, and the other half placed in sealed bags and shipped to SRC Geoanalytical Laboratories (SRC) in Saskatoon, SK for sample preparation, processing and ICP-MS multi-element analysis using Total and Partial digestion, gold by fire assay and boron by fusion. SRC is an ISO/IEC 17025/2005 and Standards Council of Canada certified analytical laboratory. The Company’s Qualified Persons for the drill program, Mr. Jarrod Brown, P.Geo. of TerraLogic Exploration Inc. and Mr. Ted O’Connor, P.Geo. have verified the data disclosed, including drilling, sampling and analytical data. The program is designed to include analytical quality assurance and control routines comprising the systematic use of standards, blanks and duplicate samples.

Qualified Person:

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed and approved by Richard Kusmirski, P.Geo., M.Sc., Skyharbour’s Head Technical Advisor and a Director, as well as a Qualified Person.

About Skyharbour Resources Ltd.:

Skyharbour holds an extensive portfolio of uranium and thorium exploration projects in Canada's Athabasca Basin and is well positioned to benefit from improving uranium market fundamentals with six drill-ready projects. Skyharbour has acquired from Denison Mines, a large strategic shareholder of the Company, a 100% interest in the Moore Uranium Project which is located 15 kilometres east of Denison's Wheeler River project and 39 kilometres south of Cameco's McArthur River uranium mine. Moore is an advanced stage uranium exploration property with high grade uranium mineralization at the Maverick Zone with drill results returning up to 6.0% U_3O_8 over 5.9 metres including 20.8% U_3O_8 over 1.5 metres at a vertical depth of 265 metres. Skyharbour has signed option agreements with Orano Canada Inc. and Azincourt Energy whereby Orano and Azincourt can earn in up to 70% of the Preston Project through a combined $9,800,000 in total exploration expenditures, as well as $1,700,000 in total cash payments and Azincourt shares. Preston is a large, geologically prospective property proximal to Fission Uranium's Triple R deposit as well as NexGen Energy's Arrow deposit. The Company also owns a 100% interest in the Falcon Point Uranium Project on the eastern perimeter of the Basin which contains a NI 43-101 inferred resource totaling 7.0 million pounds of U_3O_8 at 0.03% and 5.3 million pounds of ThO_2 at 0.023%. The Company's 100% owned Mann Lake Uranium project on the east side of the Basin is strategically located adjacent to the Mann Lake Joint Venture operated by Cameco, where high-grade uranium mineralization was recently discovered. Skyharbour's goal is to maximize shareholder value through new mineral discoveries, committed long-term partnerships, and the advancement of exploration projects in geopolitically favourable jurisdictions.

Skyharbour’s Uranium Project Map in the Athabasca Basin:
http://skyharbourltd.com/_resources/SYH_Landpackage_2014.jpg

To find out more about Skyharbour Resources Ltd. (TSX-V: SYH) visit the Company’s website at www.skyharbourltd.com.

Skyharbour Resources Ltd.

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