SKYHARBOUR RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

NINE MONTHS ENDED DECEMBER 31, 2016

This Management Discussion and Analysis ("MD&A") of Skyharbour Resources Ltd. (the "Company") provides an analysis of the Company's financial results for the nine months ended December 31, 2016. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements.

The Company reports in accordance with International Financial Reporting Standards ("IFRS") and the following disclosure, and associated unaudited financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Forward Looking Information and Date of Report **February 24, 2017**

This MD&A contains certain forward-looking information. All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitations and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's continuous disclosure filings that are available under the Company's profile at www.sedar.com.

The forward-looking information is only provided as of the date of this MD&A, February 24, 2017 (the "Report Date").

Nature of Business and Overall Performance

Skyharbour Resources Ltd. is a public company listed on the TSX Venture Exchange under the symbol "SYH". The Company is primarily a junior exploration company with no revenues from mineral producing operations. Activities include the process of exploring its mineral properties, reviewing and subsequently acquiring potential new mineral properties and conducting exploration programs to determine whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

Exploration and Evaluation Assets:

As at December 31, 2016 the Company has capitalized exploration and evaluation assets of $3,706,273 which are all located in Canada. The most recent developments on the properties are as follow:

Moore Lake Uranium Project, Eastern Athabasca Basin, Saskatchewan:

July 14, 2016 - Skyharbour Secures Option to Acquire 100% of Moore Lake Uranium Project from Denison and Announces David Cates to Join Board of Directors

On July 14, 2016, the Company announced the signing of an agreement with Denison Mines Corp. that grants the Company an option to acquire a 100% interest in the Moore Lake Uranium Project. The 35,705 hectare Moore Lake Project is an advanced uranium exploration property strategically located in the eastern portion of the Athabasca Basin region, which is known for its large scale and high grade uranium deposits and producing uranium mines. Previous exploration efforts on the property discovered high grade uranium mineralization highlighted by drill hole ML-61, which intersected 4.03% eU_3O_8 over 10 metres at the Maverick Zone. The depth to the unconformity on the property is relatively shallow and significant additional discovery potential remains over several conductive trends.

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

Highlights:

- Option to acquire 100% interest in the Moore Lake Uranium Project, a mature uranium exploration property in the eastern Athabasca Basin near existing infrastructure with known high grade uranium mineralization and significant discovery potential
- As part of the Option Agreement, Skyharbour will issue 18,000,000, on a pre-consolidated basis, common shares and make staged cash payments over five years totaling $500,000 to Denison as well as incur $3,500,000 in exploration expenditures over five years to complete its acquisition of a 100% interest in the property (detailed terms provided below)
- Denison to become large, strategic shareholder of Skyharbour, holding approximately 18.7% of the shares outstanding (including Denison's existing share position in the Company) and David Cates, Denison President and CEO, to join Skyharbour's Board of Directors
- Moore Lake hosts a high grade uranium pod called the Maverick Zone, which was discovered by JNR Resources in 2002; drill results include 4.03% eU_3O_8 over 10 metres, including 20% eU_3O_8 over 1.4 metres starting at a depth of 264.68 metres in hole ML-61, plus 5.14% U_3O_8 over 6.2 metres in hole ML-55, and 4.01% U_3O_8 over 4.7 metres in hole ML-48
- The property has been the subject of extensive exploration with approx. $30 million in expenditures and over 132,000 metres of diamond drilling in 370 drill holes
- In addition to the Maverick Zone, diamond drilling in several other target areas has intersected multiple conductors associated with significant structural disruption, strong alteration and anomalous uranium and pathfinder element concentrations
- Skyharbour adds a high grade uranium asset to its project portfolio with significant exploration upside to complement its other projects in the Basin

Moore Lake Uranium Project

The Moore Lake Uranium Project consists of 12 contiguous claims totaling 35,705 hectares located 42 kilometres northeast of the Key Lake mill, approx. 20 kilometres east of Denison's Wheeler River project, and 39 kilometres south of Cameco's McArthur River mine. Unconformity-hosted uranium mineralization was discovered on the property at the Maverick Zone in 2002 and several high grade intercepts have been drilled since. Drill hole ML-61 contained the best result drilled on the property to date, which returned 4.03% eU_3O_8 over 10 metres, including 20% eU_3O_8 over 1.4 metres, starting at a depth of 264.68 metres. Drill holes ML-55 and ML-48 also encountered high-grade mineralization, returning 5.14% U_3O_8 over 6.2 metres, and 4.01% U_3O_8 over 4.7 metres, respectively. The depth to the unconformity on the property is relatively shallow, with the thickness of the sandstone cover varying from less than 125 metres on the property's eastern side to over 325 metres on the property's northwestern side. Basement rocks are predominantly paragneisses belonging to the Wollaston Domain. A large mafic sill known as the "Moore Lake complex" partially overlies a portion of the eastern side of the property. The property has been the subject of extensive historic exploration with approx. $30 million in expenditures, and over 132,000 metres of diamond drilling completed in 370 drill holes. The project is accessible via ice roads from the McArthur River mine haul road and float or ski equipped aircraft.

Moore Lake Uranium Project Claims Map:
http://skyharbourltd.com/_resources/maps/MooreLakeRegionalTenure.jpg

Since 1969, the property has undergone episodic exploration by several companies including Noranda, AGIP, BRINEX, Cogema, Kennecott/JNR Resources and IUC/Denison. In April of 2002 the Maverick Zone was discovered and in the fall of 2003, International Uranium Corporation, who then merged with Denison, optioned 75% of the property from JNR and took over operatorship. Subsequently Denison acquired the remaining 25% interest from JNR for an undivided 100% in February of 2013, when it acquired all of the outstanding shares of JNR. Skyharbour's head geologist and director Rick Kusmirski was the President and CEO of JNR Resources during that time. Exploration programs carried out on the project lands include an assortment of airborne and ground electromagnetic and magnetic surveys, ground gravity, seismic, IP/resistivity and geochemical surveys, mapping, prospecting, lake sediment sampling programs and the drilling of some 370 diamond drill holes. From mid-2000 onwards, the primary focus of exploration has been the 3.5 kilometre long Maverick structural corridor where pods of high grade unconformity-type uranium mineralization have been intersected. The best intercepts to date were obtained from drill holes testing the southwestern portion of this corridor. The potential of intersecting additional mineralization along this corridor is very good and as such it will continue to be a high priority target area. Also of note is that both basement and unconformity-type uranium mineralization have been intersected in a number of underexplored target areas on the property.

Moore Lake Uranium Project Geophysics Map:
http://skyharbourltd.com/_resources/maps/MooreLake-Basic-geo-revamp.jpg

In addition to the Maverick Zone, diamond drilling in several other geophysical target areas, has intersected multiple conductors associated with significant structural disruption, strong alteration and anomalous uranium and pathfinder element concentrations. This bodes well for the possibility of discovering additional high grade uranium zones in these areas.

Under the Option Agreement, Skyharbour will become the operator of the Moore Lake project and is planning to complete additional infill and exploratory drilling on the Maverick Zone as well as on other high priority target areas on the property. The initial drill program is being planned with input from both the Skyharbour and Denison technical teams.

David Cates, President and CEO of Denison, Joins Board of Directors

The Company also announced that David Cates, President and CEO of Denison and Uranium Participation Corp. (TSX: U), will be joining Skyharbour's Board of Directors. Mr. Cates is a Chartered Professional Accountant (CPA, CA) and holds Master of Accounting (MAcc) and Honours Bachelor of Arts (BA) degrees from the University of Waterloo. Prior to his appointment as President and CEO of Denison, Mr. Cates served as Denison's Vice President Finance, Tax and CFO. As CFO, Mr. Cates played a key role in the Company's mergers and acquisitions activities - leading the acquisition of Rockgate Capital Corp. and International Enexco Ltd. Mr. Cates joined Denison in 2008 and held the position of Director, Taxation prior to his appointment as Chief Financial Officer. Prior to joining Denison, Mr. Cates held positions at Kinross Gold Corp. and PwC LLP with a focus on the resource industry. As part of the Option Agreement, Denison is entitled to nominate a member to Skyharbour's Board of Directors, so long as Denison maintains a minimum ownership position of 5% in the Company.

Terms of the Agreement

Under the terms of the Option Agreement, which is subject to TSX Venture Exchange approval, Skyharbour may acquire a 100% interest in the Moore Lake project in consideration for the issuance of 4,500,000 shares (issued at a deemed value of $1,710,000) and staged cash payments totaling $500,000 over the next five years (all dollar figures are Canadian dollars). Skyharbour has also agreed to fund $3,500,000 in exploration expenditures on the Moore Lake Project over the same five year period and will act as project operator. Skyharbour must make the aggregate cash payment of $500,000 to Denison and incur expenditures of $3,500,000 on the property on or before July 31st, 2021 in accordance with the following schedule:

- $50,000 in cash and $500,000 in exploration expenditures on or before July 31st, 2017
- $50,000 in cash and $500,000 in exploration expenditures on or before July 31st, 2018

- $100,000 in cash and $500,000 in exploration expenditures on or before July 31st, 2019
- $100,000 in cash and $1,000,000 in exploration expenditures on or before July 31st, 2020
- $200,000 in cash and $1,000,000 in exploration expenditures on or before July 31st, 2021

Once Skyharbour acquires its 100% interest in the property, Denison may exercise a buyback option ("Buyback Option") to repurchase a 51% interest in the property by making a cash payment of $200,000 and spending $6,750,000 in exploration expenditures on the property over the following three year period. The parties would then form a joint venture. If Denison fails to complete the Buyback Option, Skyharbour would retain 100% ownership in the property.

Provided this first Buyback Option is not exercised by Denison, Skyharbour would own 100% of the property and would have an additional five year period to incur an additional $3,000,000 in exploration expenditures on the project ("Additional Expenditures"). At this point, Denison may elect to exercise a second buyback option to repurchase a 51% interest in the property by making a cash payment of $500,000 and spending $16,500,000 in exploration expenditures on the property over the following four year period. The parties would then form a joint venture. If Denison fails to complete this second buyback option, Skyharbour would retain 100% ownership in the property.

Provided the first Buyback Option was not exercised by Denison and Skyharbour does not complete the Additional Expenditures within the allotted five year period, Denison may elect to exercise a buyback option at any time to repurchase a 51% interest in the property by making a cash payment of $500,000 and spending at least 2.5 times the expenditures incurred by Skyharbour since the beginning of the Option Agreement. The parties would then form a joint venture.

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.

Moore Lake Project, Saskatchewan Option Agreement Approval:

The Company received exchange acceptance on August 11, 2016, on securing the option to acquire 100% of the Moore Lake uranium project from Denison. As part of the Option Agreement, Skyharbour issued 4,500,000 common shares to Denison, subject to a four month and one day hold period under applicable securities laws and imposed by the TSX Venture Exchange. Skyharbour will also make staged cash payments over five years totaling $500,000 to Denison as well as incur $3,500,000 in exploration expenditures over five years to complete its acquisition of a 100% interest in the property.

NI 43-101 Technical Report Filed on Moore Lake Property:

The Company announced on October 6, 2016 that it has completed and filed an NI 43-101 Technical Report on the Moore Lake property currently being optioned from Denison Mines Corp. (TSX: DML) (NYSE MKT: DNN) ("Denison"). The Technical Report is the culmination of previously reported and compiled historical data and geological reports and was commissioned in preparation for an upcoming drill program Skyharbour plans to carry out on the project. It provides a detailed description of the project including the historical exploration and drill results previously reported, as well as recommendations for future exploration programs. The Technical Report may be found on the Company website or under the Company's profile at www.sedar.com.

The independent NI 43-101 technical report dated October 3, 2016, entitled "TECHNICAL REPORT on the MOORE LAKE PROPERTY", was issued by Cypress Geoservices Limited. Independent qualified person, Mr. Dave Billard, P.Geo., is responsible for the contents of the technical report.

Moore Lake Uranium Project Claims Map:
http://skyharbourltd.com/_resources/maps/MooreLakeRegionalTenure.jpg

Moore Lake Uranium Project Geological Description:

The Moore Lake Property is located approximately 15 km west of the eastern margin of the Athabasca Basin and lies along the eastern edge of the Wollaston-Mudjatic Transition Zone (WMTZ) and the eastern Wollaston Domain. The property is unconformably overlain by 200 to 325 metres of Athabasca sandstone. The sub-Athabasca crystalline basement rocks on the property consists of Archean granitic gneisses overlain by graphitic and aluminous pelitic gneisses, psammopelitic gneisses, psammites and Hudsonian granites. The dominant structural fabric is northeast trending, cut by several interpreted east-west and 070° trending structures.

Moore Lake Uranium Project Geophysics Map:
http://skyharbourltd.com/_resources/maps/MooreLake-Basic-geo-revamp.jpg

Skyharbour has yet to carry out any exploration on the property but the previous Kennecott-JNR-Denison joint ventures identified zones of mineralization including the main Maverick Zone as well as the "527" Zone and the Maverick NEX "525" Zones. Several other significant zones of potential mineralization also exist on the property. The Maverick Zone is found proximal to the Athabasca unconformity, typically just below and extending below the unconformity, at approximately 275 metres depth. The mineralization is thought to be controlled by a sub-vertical to a steeply dipping dextral strike-slip fault zone that controls the main Maverick Structural Corridor and intersecting moderately dipping graphitic stratigraphy. Intense fracturing and de-silicification, bleaching and clay alteration affect the sandstone over the fault zone. The basement rocks in turn are intensely bleached or clay replaced up to several metres below the unconformity along with sheared, brecciated and gouged intervals in the graphitic units. Some of the better previously reported historical drill results include: ML-48 which returned 4.015% U_3O_8 over 4.7 m; ML-55 which returned 5.14% U_3O_8 over 6.2 m, ML-61 which returned 4.03% eU_3O_8 over 10.0 m including 19.96% eU_3O_8 over 1.4 m; and ML-83 which returned 11.1 m of 1.81% U_3O_8, including 3.0 m of 5.64% U_3O_8, 7.1% nickel and 2.55% cobalt.

Approximately 350 metres northeast of the Maverick Zone a similar zone of mineralization named the "527" Zone was identified. The best result obtained was from drill hole ML-101 which returned 1.53% U_3O_8 over 6.6 metres, including 2.22% U_3O_8 over 4.0 metres. These intervals of mineralization were accompanied by highly anomalous cobalt, copper, nickel and other pathfinder elements including boron in the sandstone and basement rocks. Despite the positive drilling results to date no reserve or resource calculations have been completed for any of the mineralized zones.

Significant potential exists along the Maverick NEX target zone which occupies the northeastern 1.3 km of the Northeast Maverick Structural Corridor. Three northeast trending sub parallel graphitic conductors over a width of 450 metres were intersected accompanied by local structural disruption, clay alteration and anomalous copper, lead, nickel, zinc, boron, vanadium and uranium. The overlying sandstone column is likewise locally geochemically anomalous and affected by structural disruption, bleaching and desilicification but not to the extent that it is over the Maverick Zone. The best result from the Maverick NEX target was 4.5 metres of sandstone mineralization just above the unconformity grading 0.226% U_3O_8 in drill hole ML-525. There are several other exploration targets of note that occur on the property as well, that have yet to be fully tested.

The Moore Lake Project is at an advanced stage of uranium exploration with extensive work having been carried out on numerous target areas property wide, but in particular on the Maverick Structural corridor. In the opinion of the Author of the Technical Report, there still remains a great deal of exploration potential remaining on the project lands.

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.

Preston Uranium Project, Patterson Lake Area, Western Athabasca Basin, Saskatchewan:

During fiscal 2013, the Company entered into an agreement to acquire a 100% interest in certain properties located in the Athabasca area in the province of Saskatchewan. In order to acquire its interests, the Company paid $30,000 during fiscal 2013, and $50,000 in fiscal 2014, and issued 250,000 common shares valued at $80,000 in fiscal 2014. The vendor retained a 2% NSR royalty on non-uranium minerals and a 2% gross revenue royalty on uranium minerals.

During fiscal 2014, pursuant to a series of agreements, the Company granted an option to acquire a 25% interest in these properties to each of Rojo Resources Ltd. ("Rojo"), Clean Commodities Corp. ("Clean") (formerly Athabasca Nuclear Corp.) and Noka Resources Inc. ("Noka"). In order to acquire their interests, each optionee is required to incur $500,000 in exploration expenditures by September 30, 2014 (incurred), incur an additional $500,000 in exploration expenditures by September 30, 2015 and make the following payments:

Optionee	Cash	Common Shares
Rojo	$100,000 (received)	2,000,000 (received)
Noka	$100,000 (received)	640,000 (received)
Clean	$100,000 (received)	721,313 (received)

Concurrently, the Company entered into an option to acquire a 25% interest in certain mineral properties from Clean.

To acquire its 25% interest, the Company is required to pay $100,000 (paid), issue 388,349 common shares (issued at fair value of $155,340) and incur $500,000 in exploration expenditures by September 30, 2014 (incurred) and an additional $500,000 in exploration expenditures by September 30, 2015. Collectively, this constituted the formation of the strategic alliance between the four companies known as the Western Athabasca Syndicate (the "Syndicate").

Under terms of the Western Athabasca Syndicate Agreement, the Company combined its Athabasca Properties with Clean's Preston Property to develop and explore a uranium project base (the "Western Athabasca Syndicate Project") that became one of the largest mineral claim positions along the highly prospective margin of the Western Athabasca Basin controlled by a single group.

The Western Athabasca Syndicate Project is strategically located proximal to Fission Uranium Corporation's Patterson Lake South ("PLS") uranium discovery and the Western Athabasca Syndicate Project is contiguous to projects being advanced by Fission Uranium Corp., Forum Uranium Corp., Aldrin Resources Corp., NexGen Energy Ltd., and other regional exploration companies. The Company cautions that past results or discoveries on proximate land are not necessarily indicative of the results that may be achieved on Athabasca's properties or on those belonging to the Syndicate.

The flagship Preston Uranium Property is one of the largest individual properties proximal to Fission's PLS high-grade uranium discovery and the recent discovery made by NexGen Energy on the Rook 1 Project (see NexGen's news release dated Feb. 19, 2014). Over $4,700,000 dollars in exploration has been carried out to date by the Syndicate on the Preston property and many priority targets remain for further follow up with both fieldwork and drill testing.

Three initial drill target areas, out of a growing target base currently standing at fifteen, were selected by the Syndicate's Technical Committee for drilling in 2014 based on encouraging fieldwork results and coincident anomalies from ground gravity, airborne and ground EM and magnetic (graphitic conductors and structures), radon, soil, biogeochem, lake sediment, prospecting and geological mapping surveys. This drill campaign represented the first modern-day drill exploration program on the Preston Uranium Property. The Company provided inaugural drill assay results from the Preston property in the summer of 2014. Three out of 15 existing targets received preliminary drill testing this spring, including the Swoosh (seven holes), CHA (one hole) and FSA (one hole) targets. The drilling totalled 1,902.7 metres over nine holes.

Highlights:

- Anomalous radioactivity discovered in the drilling is proximal to electromagnetic conductors and associated with gravity low anomalies, which are the result of strong hematite, chlorite and clay alteration of the structurally disrupted lithologies; this is consistent with being in a mineralization halo and is common to many Athabasca basin uranium deposits.
- The best intercept to date from the Swoosh area returned 8.82 parts per million uranium and 360 parts per million thorium over 0.5 metre in hole PN14003.
- Thorium/uranium and lead isotope ratios, and evidence for deformation/alteration, suggest that most zones at the Swoosh area have undergone uranium depletion and may have at one time hosted significant uranium mineralization; as such, directly adjacent targets should be investigated for places where the uranium could have been redeposited.
- Loss of circulation near the bottom of the FSA drill hole occurred just prior to the geophysical target depth; blue clay encountered at the bottom of the hole is likely altered graphite, strongly anomalous in silver, and with a relatively high radiometric-sourced Pb isotopic signature that warrants further follow-up.
- The syndicate's technical team considers these findings in the first drill program at Preston to be a breakthrough toward potentially identifying economic levels of uranium mineralization at shallow depths; further exploration work and drill campaign planning are under way.

The results from the field work and drilling were very encouraging and confirmed the presence of widespread alteration, structural disruption and radioactivity that are typically associated with uranium deposits in the Athabasca basin. The Syndicate then carried out a field program at the Preston property in March 2015. Based on the combined results of the 2014-2015 gravity and RadonEx surveys, six high priority targets were identified on which ground-based HLEM surveys were performed and the surveys confirmed the presence of moderate to strong steep southeast-dipping conductors underlying the FSA, Dixon and Canoe targets. The conductors are indicative of significant faulting, graphitic-bearing rocks or geological contacts all of which may lead to the potential concentration of uranium mineralization. Anomalous RadonEx results from the 2014 and 2015 surveys within these conductor zones significantly enhance their uranium-hosting potential. The Canoe target is a particularly noteworthy target based on radon results of up to 55 pCi/l returned above the LCE-grid conductor trace array. The results from these geophysical surveys, combined with exploration results from the previous field work, were used to prioritize and refine targets for a drill program which started in August 2015 at the Preston Uranium Project.

On October 23rd, 2015 Skyharbour reported the results of its summer drill program at its 50% owned Preston Uranium Property. Five holes totaling 1,318 metres were completed which included three in the Canoe Lake target area and two in the FSA target area.

Highlights:

- Diamond drilling of EM conductors and coincident gravity lows successfully intersected anomalous radioactivity and sulphide mineralization associated with strongly altered (hematite-chlorite-sericite and clay) and structurally disrupted lithologies, and in particular graphitic units. This is conceptually consistent with being within a mineralization halo and is common to many Athabasca Basin uranium deposits.
- A minimum of three well defined, hydrothermally altered and structurally disrupted graphitic conductors were intersected in the Canoe Lake target area. The hydrothermal alteration is most pronounced in holes PN15001 and PN15003. Sulphide mineralization is common to all three holes.
- Well-defined, hydrothermally altered and structurally disrupted graphitic conductors were also intersected in the FSA target area. Of particular interest is PN15005, where nearly the entire hole was altered, sheared and contained sulphide mineralization including a 25 metre wide graphitic unit.
- Skyharbour's Technical Team considers these findings at Preston to be significant in that they advance the project towards potentially identifying economic levels of uranium mineralization at shallow depths; further exploration work planning is underway.

The 2015 summer diamond drill program consisted of five drill holes (PN15001 – PN15005) totaling 1,318 metres. These holes targeted assorted ground geochemical anomalies associated with recently completed ground EM and gravity surveys conducted in furtherance of a 2013 airborne EM and magnetometer survey.

All five of the holes intersected between one to three well-defined conductors consisting of significant amounts of structurally disrupted and altered graphite hosted by sedimentary and high-grade plutonic assemblages. The graphitic units are up to 25 metres wide. Pegmatites (sills and dykes) are common, particularly at or near lithological contacts. Holes PN15001, PN15003 and PN15005 are the most strongly deformed and exhibit a wide variety of structural patterns ranging from brittle fracturing to well-developed mylonitic fabrics. Hydrothermal alteration (chlorite-sericite-hematite-clay) is strongest in drill holes PN15003 and PN15005.
Localized silicification was also noted, and quartz veining was common and contained variable amounts of pyrite and chalcopyrite. Pyrite (3 to 10%) was the most common sulphide present and occurred in most of the graphitic units as smeared disseminations and semi-massive fracture fill.

Upon completion of this drill program, Skyharbour Resources and Athabasca Nuclear (now named Clean Commodities) formed a 50% - 50% joint venture on the Preston Project verses a joint venture between the original four companies with each company owning a 25% interest in the project. Rojo Resources and Noka Resources did not meet the Western Athabasca Syndicate cash call for this drill program and thus defaulted on the Syndicate option agreement. After finishing the drill program, just over $4.7 million in exploration expenditures had been incurred by the Syndicate on the Preston Project over the last two years.

The Company announced on February 18, 2016, the completion of a NI 43-101 technical report on the Preston Uranium project (the "Preston NI 43-101 Report") prepared by Cypress Geosciences Ltd. and completed in conjunction with its project partner, Clean Commodities (previously Athabasca Nuclear Corporation). The Preston NI 43-101 Report, a copy of which was filed under the SEDAR profile of each respective issuer, is the first NI 43-101 prepared for the exploration-stage project.

In light of the encouraging results to-date, the Preston NI 43-101 Report has recommended further work totalling $3,210,000. Phase 1 would consist of a 2,000 metre helicopter supported summer diamond drilling program focused on following up on encouraging results to-date. A geological mapping, prospecting and geochemical sampling program would be carried out in conjunction with the drilling. The cost of the Phase 1 exploration program would be $1,210,000 including $100,000 for prospecting and geochemistry, $1,000,000 for diamond drilling and a 10% overhead. Phase 2 would be carried out afterwards with the final program being in part a function of the results from Phase 1.

The author of the Preston NI 43-101 Report is Dave Billard, B.Sc., P.Geo., an independent Qualified Person (QP) responsible for the content of the report. The report includes information compiled through both public sources and data sets previously held confidential by the project proponents. It was prepared for Skyharbour Resources Ltd. and Athabasca Nuclear Corp. in compliance with National Instrument 43-101 and is summarized in part herein.

Airborne Geophysical Program Commenced at Preston Uranium Project in the Athabasca Basin, Saskatchewan

On October 31, 2016, Skyharbour announced it had commenced a field program, in conjunction with project partner Clean Commodities Corp., consisting of an airborne electromagnetic (EM) and magnetic survey on the Preston Uranium Project, which is one of the largest tenure positions in the Patterson Lake (PLS) area totalling over 121,249 hectares (nearly 300,000 acres). The Preston Uranium Project is a strategic, district-scale tenure position located near NexGen Energy Ltd.'s high grade Arrow deposit hosted on its' Rook-1 property and Fission Uranium Corp.'s Triple R deposit located within their PLS Project area.

Preston Uranium Property Map and Regional Exploration Corridors:
http://skyharbourltd.com/_resources/SYH_Regional_Corridors.jpg

The helicopter-borne EM and magnetic geophysical survey will be flown using Geotech Ltd.'s VTEM *plus* time-domain system at a line spacing of 300m over 300 line kilometers in the north-central region of the Preston project. The survey intends to define the extensions of prospective conductive trends identified during previously completed surveys, similar in nature to those that host the high-grade Triple R and Arrow deposits located less than 25 kilometres to the north.

Prior airborne surveys have delineated more than 360 linear kilometres of prospective EM conductors in 6 distinct uranium exploration corridors, out of which less than 10 kilometres have been investigated by widely-spaced diamond drilling. Surveying is anticipated to be completed during the first-half of November.

The significant potential of the Western Athabasca Basin is highlighted by recent discoveries in the area by NexGen Energy and Fission Uranium which now rank as some of the highest grade and largest undeveloped uranium deposits in the world. Skyharbour and its partner in the Western Athabasca Syndicate carried out a large regional exploration program in the relatively underexplored south-western side of the Athabasca Basin over the last three years. A total of over $4.7 million in expenditures on the Preston Uranium Project has been incurred including ground gravity, airborne and ground EM and magnetics, radon, soil, silt, biogeochem, lake sediment, and geological mapping surveys, as well as boulder prospecting and exploratory diamond drilling programs. Fifteen high-priority drill target areas associated with six prospective exploration corridors have been successfully delineated through this methodical, multi-phased exploration initiative which has culminated in an extensive, proprietary geological database for the project area.

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.

Skyharbour Announces Binding Term Sheet to Option up to 70% of a Portion of the Preston Uranium Project for up to $8 Million in Project Consideration

Skyharbour Resources in conjunction with Preston Uranium Project partner Clean Commodities Corp. announced on December 15, 2016 the signing of a binding term sheet with a uranium company (the "Partner") which provides that the parties will work to negotiate a definitive option agreement that, if entered into by March 15th, 2017, would provide the Partner an option to acquire up to a 70% working interest in a portion of the Preston Uranium Project (the "Preston Segment"). In consideration for the 70% interest, the Partner would be required to spend up to CAD $8 million consisting of cash payments to the Company and Clean Commodities and accelerating exploration programs.

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

Highlights of the Binding Term Sheet:

- Outlines the general terms of a potential Definitive Agreement whereby the Partner may earn up to a 70% interest in the Preston Segment totaling 52,428 hectares of the total 121,148 hectare Preston Project through $8 million of total project consideration over six years, including up to $7,300,000 of exploration work programs and $700,000 of cash payments.
- If carried to completion, a three-way joint venture would form allocated as to 70% Partner and 30% to be jointly split between Skyharbour and Clean Commodities.
- Skyharbour and Clean Commodities would continue to retain ownership (50% / 50%) of the balance of the Preston Uranium Project consisting of a further 68,720 hectares of minerals claims contiguous to the Preston Segment optioned to the Partner.
- The Preston Uranium Project is one of the largest tenure positions in the Patterson Lake region and currently consists of 121,148 hectares strategically located near NexGen Energy Ltd.'s high grade Arrow deposit hosted on its Rook-1 property and Fission Uranium Corp.'s Triple R deposit located within their PLS Project area.

Preston Uranium Property Map and Regional Exploration Corridors:
http://skyharbourltd.com/_resources/SYH_Regional_Corridors.jpg

The significant potential of the Western Athabasca Basin has been highlighted by recent discoveries in the area by NexGen Energy Ltd. (Arrow), Fission Uranium Corp. (Triple R) and a joint-venture consisting of Cameco Corporation, AREVA

Resources Canada Inc. and Purepoint Uranium Group Inc. (Spitfire). Through its involvement in the Western Athabasca Syndicate and the Preston Uranium Project, the Company has been involved in a large regional exploration program in the relatively under-explored southwestern side of the Athabasca Basin since 2013. In excess of $4.7 million in expenditures on the Preston Uranium Project have been incurred to-date including ground gravity, airborne and ground EM and magnetics, radon, soil, silt, biogeochem, lake sediment, and geological mapping surveys, as well as two exploratory drill programs. Fifteen high-priority drill target areas associated with six prospective exploration corridors have been successfully delineated through this methodical, multi-phased exploration initiative which has culminated in an extensive, proprietary geological database for the project area.

The Term Sheet was signed by all parties on December 14th, 2016 and represents an arm's length transaction with no finder's fees being paid.

Mann Lake Uranium Project, Saskatchewan:

In fiscal 2014, the Company entered into an Assignment and novation agreement with Triex Minerals Corp ("Triex"), a wholly owned subsidiary of Canterra Minerals Corp. ("Canterra"), whereby the Company acquired Triex/Canterra's 60% interest in the Mann Lake Uranium Project (the "Property"). The 3,473 hectare property is strategically located on the east side of the Athabasca Basin approximately 25 km southwest of Cameco's McArthur River Mine and 15 km northeast and along strike of Cameco's Millennium uranium deposit. Under the terms of the agreement, Skyharbour paid $15,000 in cash (paid in fiscal 2014) and issued 250,000 common shares (issued in fiscal 2014 at a fair value of $120,000) and incurred other costs of $1,050 in consideration for Canterra's 60% interest and their option to purchase up to 1.5% of the property's underlying 2.5% NSR for $1.5 million.

The Company's Mann Lake property is also adjacent to the Mann Lake Joint Venture operated by Cameco (52.5%) with partners Denison Mines (30%) and AREVA (17.5%). Recently, Denison acquired International Enexco and its 30% interest in the Mann Lake Joint Venture after the 2014 winter drill program discovered high-grade, basement-hosted uranium mineralization. The drill program intersected 2.31% eU3O8 over 5.1 metres including 10.92% eU3O8 over 0.4 metres (see International Enexco News Release dated March 10th 2014).

The Company successfully identified basement conductor targets in a setting proximal to other high-grade discoveries in the area at its Mann Lake uranium project. In the fall of 2014, the Company completed a phase 1 field program consisting of a ground-based electromagnetic survey on the property. EMpulse Geophysics of Dalmeny, Sask., conducted the ground EM survey and Phil Robertshaw (PGeo, Saskatchewan) reviewed the collected data and provided an interpretation of the survey.

The natural source transient magnetotelluric survey consisted of a block of four profiles totalling 10 km of coverage using the internal field gradient (IFG) technique. The survey focused on a zone in the southern portion of the Mann Lake property where a favourable, 2 km long aeromagnetic low coincides with possible basement conductor trends indicated by prior ground EM surveys. The survey was successful in confirming the presence of a broad, northeast-southwest-trending corridor of conductive basement rocks which are probably graphitic metapelites. The corridor appears to be about one km in width, straddling the border between Skyharbour's Mann Lake property and Cameco's adjacent claims, and is inferred to become more strongly conductive toward the southwest. Within the conductive corridor, IFG and bearing difference anomalies possibly indicate two or more graphitic conductor trends, of which one falls within Skyharbour's Mann Lake property. In view of the favourable aeromagnetic setting of the conductive corridor, additional geophysical coverage, including gravity and TEM, is recommended.

On November 18th, 2015 the Company signed a definitive agreement to purchase the remaining 40% interest in its Mann Lake uranium project in Saskatchewan from Aben Resources Ltd. For the 40% interest in the property, Skyharbour issued 250,000 common shares valued at $30,000 to Aben as payment and now has an undivided 100% interest in the project. Aben will retain a 2.5% net smelter royalty (NSR) in the Mann Lake property with Skyharbour having the right to purchase 1.5% of the NSR for $1.5 million.

The Mann Lake Uranium Project has seen over $3.5 million of previous exploration expenditures including recent geophysics and two diamond drill programs totaling 5,400 metres carried out by Triex in 2006 and 2008. Skyharbour carried out a ground-based EM survey focused on a zone where a favourable, 2 km long aeromagnetic low coincides with possible basement conductor trends indicated by prior EM surveys. The survey was successful in confirming the presence of a broad, NE-SW trending corridor of conductive basement rocks which are probably graphitic metapelites. These features trend onto the adjacent ground held by Cameco. In 2006, a diamond drill program intersected a 4.5 metre wide zone of anomalous boron (up to 1,758 ppm) in the sandstone immediately above the unconformity in hole MN06-005. Boron enrichment is common at the McArthur River uranium mine, and along with illite and chlorite alteration, is a key pathfinder element for uranium deposits in the Basin. In the same drill hole, an altered basement gneissic rock with abundant clay, chlorite, hematite and calc-silicate minerals was intersected about 7.6 metres below the unconformity, and contained anomalous uranium up to 73.6 ppm over a 1.5 metre interval. Background uranium values are commonly between 1 and 5 ppm.

Falcon Point (previously called Way Lake) and Yurchison Lake Projects, Saskatchewan:

In fiscal 2015, the Company entered into a purchase agreement with Denison Mines Corp. whereby Skyharbour acquired Denison's 100% interests in the 79,003 hectare Way Lake uranium project (renamed to Falcon Point uranium project) as well as the 12,660-hectare Yurchison Lake project, both located on the eastern flank of the Athabasca basin, Saskatchewan. Under the terms of the agreement, Skyharbour paid $20,000 in cash and issued 500,000 common shares valued at $180,000 in consideration for Denison's 100% interest in both projects. Denison retains a 2% net smelter returns royalty (NSR) on each of the projects of which 1% may be purchased by the company for $1-million on each project.

The Falcon Point Uranium Project is now comprised of 20 contiguous claims totaling 79,003 hectares located 55 kilometres east of the Key Lake mine. Uranium mineralization discovered to date at Falcon Point is shallow and is hosted in two geological settings with the northern half of the property characterized by structurally controlled uranium mineralization (Hook Lake, West Way and Nob Hill zones), whereas the southern half hosts classic Athabasca-style basement mineralization associated with well-developed EM conductors (EWA, Walker and JNR Fraser Lakes zones). Drilling to date on the Falcon Point Uranium Project totals over 21,000 metres in 110 holes. Over $13 million has been invested in exploration consisting of airborne and ground geophysics, multi-phased diamond drill campaigns, detailed geochemical sampling and surveys, and ground-based prospecting culminating in an extensive geological database for the project area.

Discovered in 2008, Zone B is located within the broader 6 kilometre by 7 kilometre JNR Fraser Lakes target area where multiple mineralized zones have been discovered along a 65 kilometre long, folded EM conductor system comprised of Wollaston Group graphitic pelitic gneisses and uraniferous granitic pegmatites. Previous diamond drilling consisting of 25 holes totaling 4,603 metres defined a zone of moderately dipping, multiple-stacked uranium and thorium mineralized horizons down to 175 metres that is open to the southwest and east-northeast as well as at depth.

Previous operator JNR Resources Inc., a company acquired by Denison in 2013, announced an initial mineral resource estimate in 2012 for the JNR Fraser Lakes Zone B deposit. This resource estimate was updated by Skyharbour in March 2015 and shows the JNR Fraser Lakes Zone B deposit consisting of a current NI 43-101 inferred resource totaling 7.0 million pounds of U3O8 at 0.03% and 5.3 million pounds of ThO2 at 0.023% within 10,354,926 tonnes using a cutoff grade of 0.01% U3O8.

The independent NI 43-101 technical report by GeoVector Management Inc. supporting this mineral resource estimate was filed on SEDAR on March 20, 2015 by Skyharbour Resources. Independent qualified person, Dr. Allan Armitage, P.Geo., is responsible for the contents of the technical report and comments related to the resource estimate and its parameters.

On the northern side of the Falcon Point property at the Hook Lake target, high grade uranium mineralization has been discovered with up to 48% U3O8 in historic grab samples. The massive pitchblende vein containing the high grade uranium mineralization is hosted in basement intrusive rocks exposed at surface. Previous operators have been unable to definitively explain and locate the source of the high grade uranium in the massive pitchblende vein that assayed up to 48% U3O8.

The Company reported diamond drill assay results from a winter/spring 2015 drill program at the Falcon Point Uranium and Thorium Property. The drill program consisted of five diamond drill holes totaling 1,278 metres with four of the five holes intersecting uranium and thorium mineralization. Drill hole FP-15-05 intersected a 14.0 metre wide mineralized zone starting at 134.5 metres down-hole depth consisting of the highest grade mineralization found to date in the deposit area.

These intersections include 0.172% U3O8 and 0.112% ThO2 over 2.5 metres as well as 0.165% U3O8 and 0.112% ThO2 over 2.0 metres within a broader interval containing 0.103% U308 and 0.062% ThO2 over 6.0 metres. This fifth and last hole of the program was lost in the mineralized horizon due to technical issues with the drill rig.

Highlights:

- Drill program returned best mineralized intersections to date at the Falcon Point Uranium/Thorium Project
- Drill hole FP-15-05 intersected 0.172% U3O8 and 0.112% ThO2 over 2.5 metres as well as 0.103% U308 and 0.062% ThO2 over 6.0 metres; drill hole FP-15-03 intersected 0.100% U3O8 over 2.0 metres
- Skyharbour's Technical Team considers these results a breakthrough towards identifying additional and higher grade uranium mineralization at shallow depths at Falcon Point; further drilling is being planned
- The mineralized intervals are associated with structural disruption of the host lithologies and accompanied by varying degrees of clay, chlorite and hematite alteration; these features are common to mineralization halos, associated with high-grade basement uranium deposits in the Athabasca Basin

Highly encouraged by the results of exploration to date on the property, Skyharbour commenced a follow-up field program at the Falcon Point Uranium and Thorium Property carried out through August and September of 2015. This program consisted of detailed prospecting and vegetation/soil sampling at the Hook Lake target area where historical exploration returned the high grade uranium grab samples with up to 48% U3O8 from a massive pitchblende vein exposed at surface. Previous operators were unable to definitively explain and locate the source of the high grade uranium and thorium mineralization at the Hook Lake target.

On October 27th, 2015 Skyharbour reported that it had confirmed the presence of high grade uranium mineralization with up to 68.0% U3O8 in a grab sample from a trench located on its Falcon Point Project at the Hook Lake showing. The Company randomly selected three grab samples from the Hook Lake showing to verify historic results. These grab samples returned 68.0% U3O8, 35.7% U3O8 and 29.8% U3O8. Previous operators were unable to definitively explain and locate the source of the high grade outcropping uranium mineralization. The Hook Lake area is located near the northern end of the property approximately 35 kilometres northeast of the JNR Fraser Lakes Zone B deposit on the property,

In addition to the immediate Hook Lake area, the prospecting program was also carried out in an area up to three kilometres northeast of the Hook Lake showing primarily around Piskwa Lake. Bouldery overburden dominates the land surface and outcrops are rare. Nonetheless several anomalous uranium and/or thorium values were obtained from both boulder and outcrop samples. This included samples of radioactive pegmatites (up to 3800 cps) returning up to 223 ppm U and 137 ppm Th near the north shore of Piskwa Lake, a cluster of outcrop samples of radioactive granites (up to 7200 cps) returning up to 30 ppm U and 523 ppm Th from east of the central portion of Piskwa Lake, and a radioactive (2300 cps) granitic boulder sample returning 140 ppm U and 523 ppm Th from the south shore pf Piskwa Lake. Also of interest is a granitic outcrop sample returning 608 ppm Th located on an adjoining claim to the east and up to 276 ppm Th from radioactive (up to 1,200cps) pegmatitic granites located on an adjoining claim to the southeast. Grab samples are selective by nature and are unlikely to represent average grades of deposits.

Qualified Person:

The technical information in this document has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed and approved by Richard Kusmirski, PGeo, MSc, the Company's head technical adviser and a director, as well as a qualified person.

Baird Township, Red Lake Area, Kenora Mining Division, Ontario:

The Company acquired a 50% interest in certain claims located in the Baird Township, Ontario by paying $30,150 and issuing 15,875 common shares at a value of $117,300 to a company with common directors. The Company subsequently optioned up to 65% of its interest.

The optionee, Goldcorp, acquired a 51% interest in the property, leaving the Company with a 24.5% interest, by paying the Company $10,000 in fiscal 2003 and incurring exploration costs of $800,000. In order to acquire an additional 14%, the optionee is required to complete a feasibility study. The property is subject to a 2% net smelt returns ("NSR") royalty. Due to a delay in developing the project, the cost of the property was written down to $1 in fiscal 2008. Goldcorp is the operator of the Baird property and future drilling costs will be shared based on percentage ownership, with Skyharbour Resources being responsible for its 24.5% interest.

On September 26, 2016, the Company announced it had signed a definitive agreement to sell its 24.5% interest in the Baird Gold Project. In consideration for the property interest, the Company received 600,000 common shares with a deemed valued at $90,000. The Baird property is owned by operator Goldcorp (51%) and New Gold (24.5%) and lies in the central Red Lake gold belt six kilometres north of the Madsen Mine and fourteen kilometres southwest of the Goldcorp Red Lake Mine.

Other Recent Developments and News Releases:

Skyharbour Consolidates its Share Capital on a Four Old for One New Basis:

The Company announced on July 19, 2016, pursuant to a board resolution passed on July 5, 2016, that the Company has consolidated its share capital on a four (4) old for one (1) new basis. The name of the Company and trading symbol have not changed. Effective at market opening on July 20, 2016, the shares of Skyharbour Resources Ltd. commenced trading on TSX Venture Exchange on a consolidated basis. The Company is classified as a 'Junior Natural Resource - Mining' company. The Company had 22,260,671 shares issued and outstanding post consolidation but before the share issuances for the Moore Lake Option Agreement and private placement financings. The Company's new CUSIP Number is 830816 60 9.

Administrative Services:

Effective June 30, 2016, the privately owned company mentioned herein, no longer provided administrative services to the Company. On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

Paul Matysek Joins Skyharbour's Advisory Board:

The Company was pleased to announce on July 28, 2016 that Mr. Paul Matysek, M.Sc., P.Geo, joined Skyharbour's Advisory Board. Mr. Matysek is a mining entrepreneur, professional geochemist and geologist with over 35 years of experience in the mining industry. He has held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder.

Mr. Matysek was the Founder, President and CEO of Energy Metals Corporation ("EMC"), a premier uranium company that traded on the New York and Toronto Stock Exchanges. Mr. Matysek led EMC as one of the fastest growing Canadian companies in recent years, increasing its market capitalization from $10 million in 2004 to approximately $1.8 billion when it was acquired by a larger uranium producer, Uranium One Inc., in 2007. Mr. Matysek is currently the President and CEO of Goldrock Mines Corp. (TSX-V: GRM) which on June 7th, 2016 announced it had entered into a definitive agreement to be acquired by Fortuna Silver Mines (NYSE: FSM) (TSX: FVI). Goldrock's principal asset is the 100% owned Lindero Project located in Salta Province, Argentina and the transaction values Goldrock at $129 million on a fully-diluted in-the-money basis. Mr. Matysek is also the Executive Chairman and on the Board of Directors of Lithium X (TSX-V: LIX), a lithium resource explorer with projects in Salta, Argentina and Clayton Valley, Nevada. Previously, Mr. Matysek was the President and CEO of Lithium One Inc., which developed a high quality lithium project in northern Argentina. In July 2012, Lithium One and Galaxy Resources merged with a $112 million plan to create a fully integrated lithium company. Prior to Lithium One, Mr. Matysek was the President and CEO of Potash One Inc. where he was the architect of the $434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011.

Skyharbour's, President and CEO, Jordan Trimble commented, "We are very pleased that Paul Matysek has agreed to join Skyharbour's Advisory Board. He is an incredibly well respected leader in the resource industry and his expertise will be invaluable to the future development of the Company and our portfolio of projects in the Athabasca Basin. Having recently completed a significant deal with Denison Mines to acquire a 100% interest in the Moore Lake Uranium Project, we remain focused on building a preeminent uranium company with a strong management and advisory team. Paul's specific experience in building and selling uranium company Energy Metals to Uranium One, his knowledge of the capital markets and his proven ability to maximize the value of resource assets for the benefit of all stakeholders will be of great value to Skyharbour going forward."

Stock Options Granted:

Skyharbour announced that pursuant to its stock option plan, the Company granted incentive stock options to its various directors, officers, employees and consultants to purchase up to an aggregate of 2,000,000 common shares in the capital stock of the Company, exercisable for a period of five years, expiring September 29, 2021, at a price of $0.30 per share. These options are subject to a four-month hold period.

Skyharbour Resources Ltd. Commences Trading on the OTCQB Marketplace Under the Symbol SYHBF:

The Company announced on December 5, 2016, that it has commenced trading on the OTCQB marketplace. Skyhabour Resources' common shares commenced quotation on the OTCQB Venture Marketplace under the symbol SYHBF, effective at the market open on December 5th 2016. Skyharbour's common shares are also quoted on the TSX Venture Exchange and the Frankfurt Exchange.

OTC Markets Group Inc., located in New York, N.Y., operates the world's largest electronic interdealer quotation system for broker dealers to trade over 10,000 securities not listed on any other United States stock exchange. North American and international investors can now trade and find news, current financial disclosure, and real-time level 2 quotes for Skyharbour Resources at the OTC website.

Jordan Trimble, Skyharbour's CEO stated: "Having an OTCQB listing allows Skyharbour's shareholders to have greater accessibility to trading the Company's common shares, especially those who are living in the United States. This additional listing also gives the Company a much more extensive and robust potential shareholder and capital base."

Summary of Quarterly Results

		3rd (9 months)	2nd (6 months)	1st (3 months)	4th (12 months)
		December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
(a)	Other income	$ -	$ 583	$ 31	$ (27,218)
(b)	Net loss	$ (225,395)	$ (611,713)	$ (119,139)	$ (165,145)
(c)	Net loss per share:				
	Basic -	$ (0.007)	$ (0.022)	$ (0.01)	$ (0.008)
	Fully Diluted -	$ (0.007)	$ (0.022)	$ (0.01)	$ (0.008)

		3rd (9 months)	2nd (6 months)	1st (3 months)	4th (12 months)
		December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
(a)	Other income	$ 5,103	$ 59,162	$ 22,315	$ -
(b)	Net loss	$ (141,779)	$ (131,034)	$ (146,279)	$ (403,347)
(c)	Net loss per share:				
	Basic -	$ (0.007)	$ (0.006)	$ (0.01)	$ (0.04)
	Fully Diluted -	$ (0.007)	$ (0.006)	$ (0.01)	$ (0.04)

The financial data for the quarters have been prepared in accordance with IFRS. All figures are stated in Canadian dollars.

For the Quarter ended December 31, 2016

For the three month period ended December 31, 2016, the Company reported a net loss of $225,395 or a $0.007 loss per share. Comparatively, the Company had a net loss of $141,779 or a $0.007 net loss per share during the same quarter in 2015.
General and administrative expenses were $267,941 and $143,654 for the December 31, 2016 and 2015 quarters respectively, an increase of $124,287. The increase in general and administrative expenses in the current period resulted from an increase in legal (2016 - $23,385; 2015 $6,294); shareholder information (2016 - $57,862; 2015 $29,086) and transfer agent and filing fees (2016 - $30,442; 2015 $11,178). Expenses such as legal, shareholder information, transfer agent and filing fees and travel and promotion may vary quarter to quarter as the quarter in which they occur may vary from one year to another Shareholder information increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation..

Results of Operations for the Nine Months Ended December 31, 2016

For the nine month period ended December 31, 2016, the Company reported a net loss of $956,248 or a $0.028 loss per share. Comparatively, the Company had a net loss of $419,091 or a $0.019 net loss per share during the same period in 2015.

For the nine month period ended December 31, 2016, general and administrative expenses, including share-based payments, were $1,000,988 (2015 - $492,808), an increase of $508,180 in the current period. Share-based compensation expense of $349,876 (2015 - $25,553), a non-cash expense, resulted from the granting of 2,100,000 stock options. (2015 - 1,000,000). Without the inclusion of this expense, the general and administrative expenses would have been $651,112 in the current period (2015 - $467,255). This represents an increase in expenses of $183,857 in the current period.

Expenses such as shareholder information, legal, transfer agent and filing fees and travel and promotion may vary period to period as the period in which they occur may vary from one year to another. Shareholder information increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation.

The Company received $614 in operator's fees in the current period (2015 - $86,580). The Company was less active in the current period than it was in the same period in the previous year, resulting in lower operator fees.

The Company received 600,000 shares valued at $90,000 for sale of its Baird Township, Red Lake, Ontario claims, resulting in a gain on sale of exploration and evaluation asset of $89,999. The property was previously written-down to $1 in fiscal 2008.

Liquidity and Capital Resources

In management's view, given the nature of the Company's operations, which consists of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its properties.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

At December 31, 2016, the Company had cash of $1,795,328 compared to $139,074 at March 31, 2016. The Company generated $2,468,655 in gross proceeds from a private placement consisting of 16,457,700 units at $0.15 per unit. (2015 - $305,500). Working capital was $1,857,477 at December 31, 2016 as compared to $134,579 at March 31, 2016.

The Company's cash position at March 31, 2016 was $139,074. As a result of expenditures incurred during the current period for general business expenses; a private placement and the exercise of warrants generating $2,468,655 and $77,888 in gross proceeds respectively; expenditures in exploration and evaluation assets of $84,432; the increase in receivables of $6,113, in due from related parties of $21,976, in prepaid expenses of $32,128 and in accounts payable and accrued liabilities of $4,043; the Company's cash position at December 31, 2016 was $1,795,328.
The Company has historically met all cash requirements for operation by equity financing. Future funding needs of the Company are dependent upon the Company's continued ability to obtain equity and/or debt financing to meet its financial obligations and to pursue further exploration on its properties.

Related Party Transactions

The key management personnel of the company are the Directors, Chief Executive Officer, and the Chief Financial officer.

Compensation of the Company's key management personnel is comprised of the following:

	December 31, 2016	December 31, 2015
Charged to profit and loss for consulting fees and shareholder information and capitalized to exploration and evaluation assets	$ 147,788	$ 84,151
Share-based payments	218,673	14,054
Total expense	$ 366,461	$ 98,205

Included in accounts payable at December 31, 2016 is $Nil (March 31, 2016 - $3,762) due to a company that used to provide administrative services to the Company.

Included in accounts payable at December 31, 2016 is $17,600 (March 31, 2016 - $3,352) due to directors and/or their companies.

Due from related parties at December 31, 2016 is $22,185 (March 31, 2016 - $209) and is non-interest bearing with no specific terms of repayment.

Off-Balance Sheet Arrangements

At December 31, 2016, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Administrative Agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and charged an administration fee of $Nil (December 31, 2015 - $36,523).

Effective June 30, 2016, the privately owned company mentioned herein, no longer provided administrative services to the Company.

On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

Subsequent Events and Proposed Transactions:

Skyharbour Resources' Announces Plans for Upcoming Drill Program at Moore Lake Uranium Project and Receives Approval for DTC Eligibility in the US

On January 10th, 2017 the Company announced that it had received drill permits for a planned 3,500 metre drill program at its flagship Moore Lake Uranium Project on the east side of the Athabasca Basin. The program was planned to commence at the end of January and would continue through February into March. Furthermore, the Company received approval from the Depository Trust Company of New York, N.Y., and is now DTC eligible in the USA. Skyharbour also recounts its 2016 corporate highlights as well as summarizing its plans for 2017.

Drill Program at Moore Lake:

In June 2016, Skyharbour secured an option to purchase Denison Mine's Moore Lake project, on the southeastern side of the Athabasca Basin, in northern Saskatchewan. The project consists of 12 contiguous claims totaling 35,705 hectares located 42 kilometres northeast of the Key Lake mill, approx. 20 kilometres east of Denison's Wheeler River project, and 39 kilometres south of Cameco's McArthur River mine. Unconformity style uranium mineralization was discovered on the Moore Lake project at the Maverick Zone in April 2001. Historical drilling highlights include 4.03% eU3O8 over 10 metres (including 1.4 metres at 20% eU3O8) starting at a depth of 264.68 metres in hole ML-61. In addition to the Maverick Zone, the project hosts other mineralized targets with strong discovery potential which the Company plans to test in the upcoming drill program. The project is accessible via winter and ice roads which simplifies logistics and lowers costs.

Moore Lake Uranium Project Claims Map:
http://skyharbourltd.com/_resources/maps/MooreLakeRegionalTenure.jpg

Skyharbour received drill permits for a planned 3,500 metre drill program at the Moore Lake Project which was slated to commence towards the end of January and is expected to be completed in March. The 3,500 metre drill program will consist of 10 to 13 drill holes ranging in depth from 200 metres to 400 metres. The majority of the drilling will test and look to expand the Maverick Zone with targets both in the underlying basement rock as well as along strike of the known high grade, main Maverick mineralized lens. Additionally, several drill holes will test the 527 and the 525 Zones which are located along the Maverick corridor approx. 500 metres and 1,500 metres respectively, east of the main Maverick mineralized lens.

Moore Lake Uranium Project Geophysics Map:
http://skyharbourltd.com/_resources/maps/MooreLake-Basic-geo-revamp.jpg

This phase of diamond drilling will also test drill targets along the extensions of the Maverick structural corridor and on extensive northeast trending graphitic structural zones located north of the main Maverick mineralized lens. These targets have been identified following a review of previous exploration and include drill targets identified by prior programs that have yet to be followed up on.

DTC Eligibility Approval:

Skyharbour has been granted approval by The Depository Trust Company, which is a subsidiary of the Depository Trust & Clearing Corp., and manages the electronic clearing and settlement of publicly traded companies. Being DTC eligible is expected to greatly simplify the process of trading of the company's common shares on the OTCQB marketplace under the symbol "SYHBF" (OTCQB: SYHBF) in the United States. Securities that are eligible to be electronically cleared and settled through the DTC are considered DTC eligible. This electronic method of clearing securities speeds up the receipt of stock and cash, and thus accelerates the settlement process for investors. In addition to the OTCQB, shares of Skyharbour will continue to trade on the main TSX Venture Exchange (TSX-V: SYH) as well as the Frankfurt Stock Exchange (Frankfurt: SC1P).

Skyharbour's 2016 Corporate Highlights:

- Entered into an option agreement to acquire 100% of the Moore Lake Uranium Project from Denison Mines (TSX: DML) (NYSE MKT: DNN); Moore Lake is located in the eastern Athabasca Basin near infrastructure and hosts high grade uranium mineralization at the Maverick Zone (historical drilling returned 4.03% eU3O8 over 10 metres at 265 metres depth) and offers additional strong discovery potential throughout the property
- Denison became Skyharbour's largest strategic shareholder owning over 11% of the Company's issued and outstanding shares
- Denison's President and CEO, David Cates, joined Skyharbour's board of directors; Mr. Cates is a Chartered Professional Accountant (CPA, CA) and prior to his appointment as President and CEO of Denison Mines and Uranium Participation Corp., Mr. Cates served as Denison's CFO and played a key role in the company's M&A activities
- Skyharbour closed a $2.47 million financing and is fully funded for its initial drill program at Moore Lake commencing later this month
- Paul Matysek joined Skyharbour's team as a Strategic Advisor; Mr. Matysek was the Founder, President and CEO of Energy Metals Corp. which traded on the New York and Toronto Stock Exchanges and increased from a $10 million valuation in 2004 to approximately $1.8 billion when it was acquired by Uranium One Inc. in 2007
- Skyharbour signed a binding term sheet to option up to 70% of a portion of its Preston Uranium Project for up to $8 million in project consideration with a strategic uranium partner; further news on this deal is forthcoming
- Skyharbour began trading on the OTCQB marketplace under the symbol SYHBF and became DTC eligible to accommodate a growing US investor base
- Skyharbour divested its non-core, minority 24.5% interest in the Baird Gold Project to TomaGold Corp. (TSX-V: LOT) to focus on its uranium projects in the Athabasca Basin
- Andreas Norlin joined Skyharbour's team as a Strategic Advisor; Mr. Norlin is the founder and Managing Director of the International Thorium Energy Organization, an international and multi-stakeholder advocacy platform with the goal of facilitating the pathway to power the world with thorium fueled nuclear energy

Overview of 2017 Corporate Strategy and Outlook on Uranium Market:

Skyharbour now has interest in five uranium projects totalling over 250,000 hectares strategically located throughout the Athabasca Basin - a project base that offers significant discovery potential. As an exploration company, Skyharbour plans to create shareholder value through new uranium discoveries as well as expanding known mineralized zones at its various projects in the Athabasca Basin. The Company is looking to emulate recent exploration successes in the Basin like that of NexGen Energy at its Rook I Project, Fission Uranium at its PLS Project, and Hathor Exploration at its Roughrider Project. Specifically, Skyharbour plans to carry out exploration and drilling programs at its flagship Moore Lake Uranium Project starting with a 3,500 metre drill program scheduled to begin at the end of January. Additional exploration and drilling programs at Moore Lake are planned for the coming years as well.

Skyharbour will continue to implement the "prospect generator" model by finding strategic partners to option and joint venture its non-core projects to. This strategy ensures these projects are advanced with exploration being funded by partner companies and it allows Skyharbour to raise additional capital with limited equity dilution as typically the deals include cash and/or stock payments in additional to the exploration expenditures. Recently, Skyharbour signed a binding term sheet to option up to 70% of a portion of its Preston Uranium Project for up to $8 million in project consideration with a strategic uranium partner. Further news on this deal is forthcoming and Skyharbour is looking to execute additional deals like this on some of its other non-core projects. The Company is also planning various marketing programs in 2017 including roadshows and conferences, as well as a property visit for analysts and strategic shareholders during its upcoming drill program at Moore Lake.

The uranium market has been volatile the last few years and suffered through a particularly difficult year in 2016 with the spot price dropping to 12-year lows of US $18 per pound in early December. However, the market has since rebounded with the uranium spot price trading back up to over US $21 per pound, and there are strong fundamentals that underpin a positive outlook for the industry going forward. With the 440 commercial nuclear power reactors currently operating, 60 reactors under construction today and hundreds of additional units planned over the next decade (World Nuclear Association), uranium demand is expected to increase as new reactors come online and a new contracting cycle begins over the coming years. As future primary supply continues to be negatively affected by the prevailing low commodity price and market conditions and utilities refrain from contracting replacement volumes, it is expected there will be a shift to a demand-driven market that requires more primary supply which would be bullish for the price of uranium. Furthermore, there has been renewed optimism in the sector with President-elect Donald Trump entering the White House as he appears much more supportive of nuclear energy, and some of his key policies including increased infrastructure spending, energy independence and government deregulation, are all potentially positive for the nuclear and uranium sector in North America.

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.

Additional $1.3 Million Raised Through Recent Warrant Exercise:

On January 31st, 2017, it was announced that 3.4 million warrants have been exercised recently raising an additional $1.3 million in net proceeds for the Company. The majority of these warrants were issued five years ago in a private placement and had an exercise price of $0.40. The remainder of these warrants exercisable at $0.40 have now expired. Skyharbour is fully funded for its 3,500 metre drill program at its Flagship Moore Lake Uranium Project which has a budget of approx. $1 million.

Commencement of 3,500 Metre Diamond Drill Program at Moore Lake Uranium Project Announced:

On February 9th, 2017, the Company announced that it commenced its planned 3,500 metre drill program on its flagship Moore Lake Uranium Project located on the east side of the Athabasca Basin. The program will continue through February into late March / early April with the majority of the drilling planned on and along strike of the high grade Maverick Zone which is land-based and accessible year round.

Jordan Trimble, President and CEO of Skyharbour Resources, states: "The commencement of our first diamond drill program at our flagship Moore Lake Uranium Project is a key milestone for Skyharbour and its shareholders. Uranium properties with the pedigree and potential of Moore Lake are rare with historical high grade mineralized results including 4.03% eU_3O_8 over 10 metres at the Maverick Zone as well as several shallow exploration targets that offer the potential to generate additional discoveries. The target areas in and around the Maverick Zone that we are drill testing with this initial 3,500 metre program provide strong discovery potential as we look to value-add the project using a systemic and proven exploration methodology. The Company is well funded to complete this drill program and will provide updates as results become available."

Incentive Stock Options Granted:

The Company announced on February 13th, 2017 that pursuant to its stock option plan, it has granted incentive stock options to its various directors, officers, employees and consultants to purchase up to an aggregate of 400,000 common shares in the capital stock of the Company, exercisable for a period of five years, at a price of $0.63 per share.

New standards, interpretations and amendments not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2016, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value.
The basis of classification depends on the entity's business model and the contractual cash flow characteristic of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 - Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

Amendments to IAS 1 Presentation of Financial Statements

The amendments are designed to encourage companies to apply judgment to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use judgment in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash and marketable securities are carried at fair value using a level 1 fair value measurement. The fair values of due to and from related parties, receivables and accounts payable and accrued liabilities approximate their book values due to the short-term nature of the instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. At December 31, 2016, the Company had a cash balance of $1,795,328 to settle current liabilities of $47,683. The Company is exposed to credit risk.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(d) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash and interest-bearing deposits with banks of $50,332 (March 31, 2016 - $39,055) as of December 31, 2016, the Company has $1,740,000 (March 31, 2016 - $100,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $4,996 (March 31, 2016 - $19). A 1% change in interest rates would have an effect of $17,400 (March 31, 2016 - $1,000) on interest income.

(e) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.

(f) Price risk

The company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of the interim financial statements and the Management's Discussion and Analysis.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. The financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Outstanding Share Data

As at February 24, 2017, the total issued and outstanding common shares are 47,652,565. Also outstanding are warrants to acquire 26,648,631 common shares, and options to acquire 3,824,062 common shares.