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NEWS RELEASE

Skyharbour's Partner Company Azincourt Energy Completes Geophysical Program and Adds Drill Targets at East Preston Uranium Project

Vancouver, BC - Skyharbour Resources Ltd. (TSX-V:[SYH](#)) (OTCQB:[SYHBF](#)) (Frankfurt:[SC1P](#)) (the "Company") partner company Azincourt Energy Corp. ("Azincourt") is pleased to announce the recent ground-based geophysical exploration program at the East Preston uranium project, located in the western Athabasca Basin, Saskatchewan, has been completed with several additional drill targets having been identified.

The program comprised a horizontal loop electromagnetic survey ("HLEM") originally consisting of a total of 33 line-km of line-cutting and surveying. An additional 5 lines of cutting and surveying were added, bringing the total survey coverage to 40.5 line-km in six grid target areas. Previous updates on this survey were provided by Azincourt in news releases dated November 23, 2020 and December 9, 2020.

Unconformity-related uranium deposits associated with the Athabasca Basin are closely associated with basement conductive packages. The HLEM survey was utilized to refine and prioritize target areas where untested conductive corridors have been identified in existing property wide airborne VTEM survey results. The survey was successful in delineating several conductors over the six selected target areas, G1, G2, G3, K, Q and H. Many of the conductors show strong well-defined responses which are deemed suitable for drill testing.

"The survey results are encouraging, and we are excited to be in a position where these targets are now ready for drill testing," said Azincourt Exploration Manager, Trevor Perkins.

"The goal of the survey was to expand the existing drill target inventory and we were certainly successful in that regard," said president and CEO, Alex Klenman. "Adding drill targets increases the prospectivity of East Preston to an even greater degree. Simply put, more targets mean more opportunities for meaningful discovery. We're eager to complete the JV and continue drilling," continued Mr. Klenman.

The total cost of the HLEM program allowed Azincourt to meet the spend requirement of the joint venture agreement with Skyharbour Resources and Dixie Gold. Once Azincourt makes the final payment of the agreement (due by March 31, 2021) the joint venture is consummated and Azincourt will have earned a 70% interest in East Preston.

Patterson Geophysics of La Ronge, Saskatchewan, conducted the geophysical program. Bingham Geoscience of Saskatoon oversaw the program and completed the interpretation.

Figure 1: Target Corridors at East Preston Project, Western Athabasca Basin, SK

https://www.skyharbourltd.com/_resources/maps/nr-20210118-figure1.png

Figure 2: HLEM survey grid at the East Preston Uranium Project

https://www.skyharbourltd.com/_resources/maps/nr-20210118-figure2.png

Figure 3: 2020 HLEM survey Interpretation at the East Preston Uranium Project

https://www.skyharbourltd.com/_resources/maps/nr-20210118-figure3.png

About East Preston:

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 common shares to Skyharbour and Dixie Gold.

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).

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 that returned drill results of 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 option agreements with Orano Canada Inc. and Azincourt Energy whereby Orano and Azincourt can earn in up to 70% of the Preston and East Preston Projects, respectively, through a combined \$9,800,000 in total exploration expenditures, as well as \$1,700,000 in total cash payments and Azincourt shares. Preston and Preston East are large, geologically prospective properties proximal to Fission Uranium's Triple R deposit as well as NexGen Energy's Arrow deposit.

The Company owns a 100% interest in the South Falcon 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%. Skyharbour has signed a Definitive Agreement with Australian company Pitchblende Energy, which is being acquired by ASX-listed Valor Resources, on the North Falcon Uranium Project whereby Pitchblende can earn-in 80% of the project through \$3,500,000 in total exploration expenditures, \$475,000 in total cash payments over three years and an initial share issuance.

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/maps/SYH-Athabasca-Map.pdf>

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

SKYHARBOUR RESOURCES LTD.

"Jordan Trimble"

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 President and CEO

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This release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expects, are forward-looking statements. Although management

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. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause actual results to differ materially from those in forward-looking statements, include market prices, exploration and development successes, continued availability of capital and financing, and general economic, market or business conditions. Please see the public filings of the Company at www.sedar.com for further information.