

Saskatchewan-focused uranium exploration company **Skyharbour Resources (TSX.V: SYH)** has made its name through its projects in the Athabasca Basin. The company has five properties there, totaling over 350,000 hectares of land in a historically strong uranium producing location. One, though, presents a particularly intriguing play: the Falcon Point property.

Falcon Point Property Shows Great Potential

The story of Skyharbour's acquisition of Falcon Point (previously named Way Lake), purchased from **Denison Mines (TSX: DML)** last June, revolves around the company's head geologist, Rick Kusmirski. Kusmirski is a talented geologist who has spent over 40 years in the exploration space, much of which has been in the Athabasca basin. However, for Rick, one could argue that Falcon Point is something of a passion project.

Rick was among the first to identify the property's significance while he was running **JNR Resources**, a company he would lead as President and CEO from 2001 until it was purchased by Denison in late 2012. Rick first identified the property's potential in 2004, ultimately proving up an NI 43-101 inferred resource of 7 million pounds of uranium at .03% and 5.3 million pounds of thorium at .023% in 10.4 million tonnes at the JNR Fraser Lakes Target. This deposit is open along strike and at depth, with robust high-grade discovery potential.

Over \$12 million has been invested in previous exploration on the project which has identified numerous other target areas including the Hook Lake target where high grade uranium mineralization has been discovered at surface (up to 48% U₃O₈ in historic grab samples) yet the source has yet to be discovered. This highlights that there is high grade mineralization on the property which is the main focus for Skyharbour and Rick going forward: to find the high grade feeder zones.

The final deal between Denison and Skyharbour for Falcon Point saw Denison receive \$20,000 and 2 million shares in Skyharbour. Denison's willingness to be compensated largely in equity shows a confidence that their best value would come from returning the property to Kusmirski's oversight and it is a big stamp of approval for Skyharbour.

"Falcon Point was one of the flagship properties for JNR when Rick sold the company to Denison in 2012," says Jordan Trimble, President and CEO of Skyharbour Resources. "He sold the company for about \$15 million which is over three times our current market cap. It's come full circle where we've now gone and bought back the project from Denison. No one knows the property area better than Rick so we have the key ingredients for unlocking shareholder value with the asset."

Rick Kusmirski the Man for the Job and the Upcoming Drill Program

Rick was a former Exploration Manager for uranium giant Cameco Corp., and from 1999 to 2012, Kusmirski was VP of exploration and later President and CEO of JNR Resources. During his tenure with JNR, the uranium firm's share price went from 10 cents a share to over \$4 a share and one of the main assets was Falcon Point. Rick

was successful in making the initial uranium and thorium discovery at the property with a relatively low discovery cost.

Now, Kusmirski has a chance to finish the business he started years ago.

“The program that we’re looking to carry out over the next few months, a 1,500m diamond drill program in 6-7 holes, will be our first program on the property since acquiring it,” says Trimble. “We’re going to start right where Rick left off with it in 2012 when he was working at Falcon Point, and go back to the resource area. We’re going to be drilling in a couple of areas that JNR wanted to go and explore for higher grade mineralization but didn’t have the time because they were acquired by Denison. The project has seen only shallow drilling no deeper than 150m vertical which is intriguing as a lot of high grade uranium mineralization is found below lower grade mineralized envelopes in the Basin. The current shallow deposit at the JNR Fraser Lakes target fits this description and shows a lot of geological similarities to Cameco’s Eagle Point Mine to the north.”

The Syndicate Project in the Patterson Lake Region

In addition to a drill program on the east side of the Basin at Falcon Point, Skyharbour is operator of the Western Athabasca Syndicate and is overseeing an ongoing winter exploration program at its Preston Uranium Property with its syndicate partner companies. The Preston Property is strategically located proximal to Fission Uranium’s shallow, high grade Triple R deposit as well as NexGen Energy’s Arrow discovery in the Patterson Lake region.

The winter field program has commenced with a ground-based gravity survey over three targets in the Depper Lake area including the FIN, FSA and Dixon targets. The targets are located within five kilometres south and east of NexGen's Fury target area as well as Fission’s Far East Zone where anomalous radioactivity was discovered in drill hole PLS14-255 in August of 2014. Additional RadonEx and ground based electromagnetic surveys will also be carried out in March-April of this year.

The Syndicate has carried out one of the largest regional exploration programs in the relatively underexplored south-western side of the Athabasca Basin over the last eighteen months. A total of approx. \$4 million in expenditures on the Preston Uranium Property has been incurred. Fifteen high-priority drill target areas associated with eight 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 Bottom Line

While still a junior, Skyharbour has positioned itself to advance to the next level with its impressive suite of properties, opportunistic acquisitions and aggressive exploration initiatives over the last year. Despite a challenging financing

environment and volatile global commodities prices, Skyharbour successfully raised \$1.25 million recently with both retail and institutional involvement which fully finances the company for its upcoming exploration programs.

The current state of the uranium market has presented excellent opportunities for Skyharbour to purchase high-quality uranium projects in the Basin with the objective of optimizing discovery potential and capitalizing on a future uranium market turnaround. Management believes that the current share price does not reflect the progress this year nor the company's intrinsic value and discovery prospects moving forward. The recent rise in the uranium spot price coupled with the latest corporate developments and the company's plans over the next 6 months leave them confident that SYH represents a compelling investment opportunity.

Furthermore, Skyharbour Resources is finally going to give Kusmirski his chance to really see the Falcon Point property through to its full potential which could be the key to unlocking significant value in this asset for the company and its shareholders.