



**The Stock
Catalyst
Report**



Skyharbour Resources

TSX.V: SYH, OTC QB: SYHBF, Frankfurt: SC1P



The Sky's the limit for this
under-the-radar Athabasca Basin Junior Explorer.

You Just Gotta Look – For the Uranium and the Company

Current Price SYH	C\$0.43
52-wk Range	\$0.70-\$0.16
Shares Out (mm)	53.5M Basic/80m FD
Market Cap	\$23.M
LT Debt	\$0
Cash	\$4M
EV	\$19 M
Volume	149,000

Skyharbour Resources
 CEO – Jordan Trimble
 Website: www.skyharbourltd.com

Skyharbour is a tiny, under-the-radar uranium exploration company lead by a technical team with a track record of success in the same neighborhood it's drilling.

The company has multiple shots on goal with five uranium projects covering over 500,000 acres in the friendliest uranium jurisdiction on the planet, which is home to the highest grade uranium deposits in the world.

An aggressive property acquisition program during the uranium market downturn and a dual pronged business strategy position the company extremely well for the coming bull market in uranium.

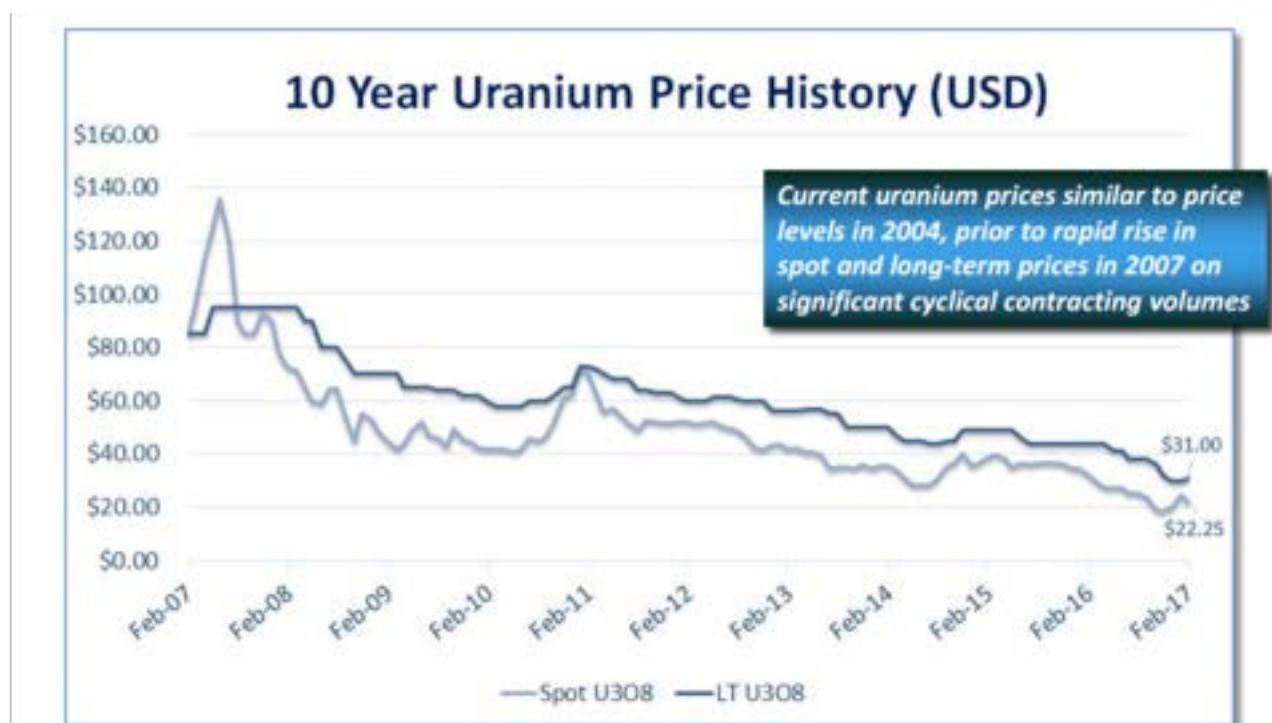
While exploration is a highly speculative and very risky business, Skyharbour has many of the attributes we look for in a junior exploration company.

- **Emerging Bull Market.** We believe a pending supply shortage led by the major miners reducing production, excess secondary supplies beginning to dissipate and no major new mine development on the horizon is setting the stage for the dawning of a bull market in uranium after a brutal 6-year bear market that has taken the uranium mining industry to its knees. But not out for the count.
- **Superior Management and Board.** Mining is a high-risk, capital intensive business. The people managing the business are critical to the success or failure of the business. CEO Jordan Trimble has been an opportunistic acquirer of properties during the uranium market downturn at attractive prices. He has surrounded himself with an experienced board and a very strong technical team with a proven track record of significant success in the Athabasca Basin.
- **Large Land Package with Multiple Properties.** Skyharbour has what we like to see in a junior explorer. A large land package with multiple shots on goal. The company boasts five projects over a large and diversified land package covering over 500,000 acres. It is surrounded by some of the world's premiere uranium mines. The fact that there is proven uranium success in the vicinity they are drilling makes the company an attractive take-out candidate should it achieve successful drilling results.
- **World Class Deposit Potential.** The Athabasca Basin in Saskatchewan, Canada is an ancient sedimentary basin hosting the world's richest uranium deposits and mines. In the Athabasca, grade is king. The basin produces approximately 20% of the world's primary uranium supply.
- **Great Mining Jurisdiction.** The Athabasca Basin in Saskatchewan has been named the world's most friendly mining jurisdiction. This provides peace of mind for the company and investors not needing to be deeply

concerned about mining laws and government regulations changing overnight as can happen in less friendly jurisdictions.

- **Significant Historical Exploration.** The company has spent about C\$3 million to build up its portfolio through acquisition in which about C\$75 million has been spent on historical exploration. It has geologically prospective, drill-ready properties in key locations throughout the Athabasca Basin.
- **Prospector Generator Model.** The company is utilizing partnerships and Joint Ventures to fund exploration on some of its projects. This helps minimize risk, requires less capital, and therefore reduces equity dilution.
- **Solid Shareholder Base.** Smart investors gravitate towards winning management teams. Skyharbour has an impressive roster of shareholders encompassing other mining companies and well known natural resource investors. Even more impressive is when the management and the board have a lot of skin in the game. That is the case with Skyharbour. Insiders including management and the board own approx. 18% of the company's shares.

Emerging Uranium Bull Market; Ignore the Narrative, Pay Attention to the Math



After a precipitous multi-year decline in the price of uranium post the Fukushima, Japan nuclear incident in March 2011, and an equally perilous decline in the stock prices of the companies who mine it, I think the uranium market has bottomed and the equity of certain uranium miners are dramatically mispriced.

Post-Fukushima the world has been oversupplied with uranium. We think this imbalance is waning.

For an in-depth discussion of the uranium market, please see our report "Uranium – The Dawning of a New Cycle"

It is said that the best cure for low prices is low prices. Uranium producers are under water as extraction costs exceed spot pricing – by a large amount.

The cash costs to produce uranium are about \$25 - \$30 per pound for the average global miner, the all-in sustaining cost, when you add sustaining and exploratory capital expenditures, royalties etc., for even the "lower

cost" uranium explorers or near term producers is north of \$50 per pound.

Uranium trades around \$20 on the spot market and \$35 for long-term contracts.

It doesn't matter how good management is, when it costs \$50 to produce and you sell it for \$20, that math doesn't work. And you can't make it up on volume.

These losing economics have led to reduced capital spending by miners on exploration as well as cuts in production. These production cuts are occurring while demand for uranium from global nuclear power companies is expected to increase dramatically.

The worldwide demand for uranium is steady because of its electricity generation efficiency, its zero carbon emissions and its low cost versus other sources of fuel supplies.



And contrary to what the environmentalists will have you think, it's the safest form of electricity generation.

59 nuclear reactors are under construction worldwide and about \$750 Billion is committed globally to building nuclear power plants.

In addition to production be taken off-line in the face of rising demand, the global nuclear power utilities are entering a new contracting cycle. And 30% of that demand is uncovered and not yet contracted for 2019 and 75% by 2025.

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