Advanced Technology at Skyline's Iskut Property Is Successful in Predicting Mineralized Drill Intersections

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VANCOUVER, 01/20/12 - Skyline Gold Corporation (TSX VENTURE: SK) ('Skyline' or the 'Company') is pleased to report the results of its three-hole, 1,800 metre 2011 drill program centered on the Snip-Bronson Trend located on the Company's Iskut property in northwest British Columbia (see attached plan map).

Highlights of 2011 Iskut Drill Program

- Several key anomalous multi-element 2011 drill intersections, including
  - 41.4 metres of 1.66 grams per tonne gold ('g/t Au') (includes 1.1 metres of 8.22 g/t Au)
  - 1.4 metres of 12.25 g/t Au and 151.0 grams per tonne silver ('g/t Ag'),
- Based upon 2011 drill results and down-hole geophysics, Skyline has new approach for determining target direction,
- Interpretation of down-hole geophysics for hole SK11-20 provided target location of mineralization in hole SK11-21, and
- 2012 exploration program scheduled to drill test five potentially significant high-grade targets similar to the narrow high-grade Snip Gold Mine.

Skyline's exploration efforts are set on locating Snip-like deposits. The Snip Mine produced 1 million ounces gold from high-grade ore (25.32 g/t Au) from narrow structures that have considerable iron sulphides. The Snip gold-bearing structure averaged 2.5 metres wide; economical production came from widths as narrow as 15 centimetres. The Snip Mine underground workings are within 50 metres of the Iskut property boundary.

Skyline's 2011 search for Snip-style mineralization was focused on both testing specific targets but, more importantly, the program also applied new technology to assist in locating the minerals associated with the high-grade gold mineralization. Down-hole geophysics was completed on the three drill holes, as well as a very deep hole completed in 2007.

Geologically significant intersections from the 2011 drill program are detailed in Table 1.

The down-hole geophysics, borehole pulse electro-magnetic ('BPEM') surveys, were completed as part of the test phase of the program and have the capability to not only search for and detect the conductive minerals associated with the high-grade gold in the Iskut area, but also can give a sense of direction to these conductive horizons as far as 300 metres from the drill hole.

The BPEM survey completed in hole SK11-20 supplied a target direction to the 41.4 metres of 1.66 g/t Au intersection in hole SK11-21 (see figure 2). The BPEM survey for hole SK11-21 indicates there are two areas of highly conductive mineralization; the first, behind and upslope of the collars of holes 20 and 21, the second, horizon down dip and to the right of the cross section tested by these two 2011 drill holes. Both of these anomalies will be drill tested early in the 2012 exploration drill program.

2012 Program

Planning is underway for a significant diamond drill program on Skyline's Iskut Property, with the program expected to begin as early as April. The program will test up to five of the multiple high-grade gold targets on the property.

The numerous 2011 drill intersections will be further interpreted by the exploration team with an emphasis on the multi-element signatures of each zone. Combining this information with the structural detail collected with the oriented core will greatly assist in placing these zones into the geological context needed to effectively explore for the Snip-style structurally controlled gold deposits.

About the Iskut Property

Skyline has assembled 247 square kilometres in the Iskut region of British Columbia which has been partially explored over the past 30 years by several independent junior exploration companies, typically holding small claim groups. The Company continues to compile key components of historical data from these companies into a digital database.

The focus of the exploration at the Iskut Property is for high-grade gold mineralization, similar to the adjacent Snip Gold Mine, a past producer which yielded over 1 million ounces at an average grade of 25.32 g/t Au (BC Minfile).

Precious metals at the Snip Mine were carried both in sulphides (typically pyrite or pyrrhotite) as well as in an alteration halo surrounding the sulphide core. These sulphides are highly responsive to electro-magnetic ('EM') geophysical surveys.

Skyline's management believes that it is this association with sulphides that will prove to be the key to vectoring to the discovery of high-grade gold-bearing structures. The proven effectiveness of the down-hole geophysics demonstrated in the 2011 drill holes will assist in deploying a cost effective 2012 program.

Table 1. Geologically significant intersections from 2011 diamond drill program

Hole-ID	From (m)	To (m)	Int (m)	Au (g/t)	Ag (g/t)	Elevated Trace Metals(i)
SK11-19	234.15	241.65	7.50	0.72	4.6	Ag Pb Zn
SK11-19	271.09	281.30	10.21	0.19	7.6	Ag Cd Fe Pb S Zn
SK11-19	417.99	424.94	6.95	0.81	43.7	Ag Bi Cd Co Pb S Zn
SK11-19	625.57	628.03	2.46	0.82	27.3	VMS Massive Sulphide
SK11-20	15.90	29.00	13.10	0.38	10.0	Ag Cr Cu S Zn
SK11-20	55.20	63.00	7.80	0.48	15.2	Ag Bi Cr Cu S
SK11-20	109.50	120.00	10.50	0.53	24.7	Ag Bi Cr Cu Fe Pb S Zn
SK11-20	193.00	204.40	11.40	0.38	10.0	Ag Cd Pb S Zn
SK11-20	242.70	262.20	19.50	0.66	30.6	Ag Bi S Zn
SK11-20	270.00	301.80	31.80	0.48	3.8	Ag Co Cr Fe Opb S Zn
SK11-20	301.80	324.70	22.90	0.55	5.0	Cr S Zn
SK11-21	12.00	34.36	22.36	0.69	13.4	Ag Bi Cr Cu Fe S Zn
SK11-21	58.54	66.50	7.96	0.75	16.3	Ag Bi Co Cr Cu Fe S Zn
SK11-21	121.20	126.00	4.80	4.21	68.8	Ag Bi Cd Cr Cu Fe S Zn
Includes	124.60	126.00	1.40	12.25	151.0	Ag Bi Cu Pb S Zn
SK11-21	208.30	213.70	5.40	2.00	45.5	Ag Bi Cd Pb Zn
SK11-21	304.20	345.60	41.40	1.66	5.1	Ag Cd Cr Fe Pb S Zn
Includes	319.90	321.00	1.10	8.22	35.2	Ag Cd Fe Pb S Zn
Includes	328.90	330.00	1.10	6.18	4.1	Fe S
SK11-21	417.50	425.20	7.70	0.41	9.3	Ag Cd Cr Fe Pb S Zn
SK11-21	510.70	517.20	6.50	0.44	36.3	Ag Bi Cd Cr Fe Pb S Zn

(i) Elevated Trace Metals are not economically significant but are geologically significant to the exploration for the Snip-style Mineralization.

Quality Assurance and Quality Control

Skyline utilizes standard industry practices in quality assurance and quality control ('QAQC') with insertion of blind standards, blanks and duplicates, in addition to the QAQC practiced by the assay laboratory. ALS Chemex Laboratories conducts sample preparation in Terrace, British Columbia and analyses of pulps in North Vancouver, British Columbia. The geologist and Qualified Person under the terms of National Instrument 43-101 ('NI 43-101') responsible for the verification of work and data acquisition at Skyline's Bronson Project is John Zbeetnoff, P. Geo. The Qualified Person responsible for this news release under the terms of NI 43-101 is John Zbeetnoff, P.Geo.

On Behalf of the Board of Directors, Skyline Gold Corporation

John Zbeetnoff
Chief Executive Officer

Cautionary Statements

Statements in this release may be viewed as forward-looking statements. Such statements involve risks and uncertainties that could cause actual events to differ materially from those projected. There are no assurances the Company can fulfil such forward-looking statements and the Company undertakes no obligation to update statements. Such forward-looking statements are only predictions; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control.

To view the maps accompanying this press release please click on the following link:
http://media3.marketwire.com/docs/SK0120.pdf

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