

# Blue Sky prepping for PEA at Ivana in Argentina

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A few months after tabling a maiden resource for its Ivana uranium deposit on its Amarillo Grande uranium project in Argentina's Rio Negro province, **Blue Sky Uranium** (TSXV: BSK; US-OTC: BKUCF) is moving on to perform metallurgical studies and step-out drilling. It aims to generate enough data for a preliminary economic assessment (PEA) it hopes to table by the end of 2018.

The company released the project's maiden resource in March 2018 after a drill program it began in 2016. Surface exploration, geophysical surveying and more than 8,000 metres of drilling went in to developing Ivana's shallow, 23.9 million inferred tonnes grading 0.036% uranium oxide for 19.1 million lb. uranium oxide.

In the past, the company has tested smaller composite samples from the deposit. But in an interview with *The Northern Miner*, Blue Sky director David Terry says the company has now assembled a "global composite that represents the deposit" and is now being processed.

Blue Sky is working on upgrading the mineralization by using a wet screening and scrubbing technique. Terry says the technique may allow Blue Sky to "significantly upgrade" the uranium and vanadium material it would later feed into a processing plant. The process would help Blue Sky identify and reject more unmineralized material, lowering potential transportation costs from site to a processing plant.

Though not exposed at surface, Blue Sky's deposit sits within 24 metres of surface, and is modelled as two stacked zones.

The upper zone averages 2.6 metres thick, but can get as thick as 10 metres. The lower zone averages 6.2 metres thick, but can get as thick as 20 metres. The zones usually appear together, although in some spots there is only one.

Terry says in some areas the deposit is up to 20 metres thick, and occurs in a flat area. He says it's hosted in unconsolidated sands and gravels that would create have a low strip ratio.

"It's very easy digging material," Terry says. "And obviously a great place for the development of a mining operation. It could be a very low impact and low-cost type of activity."



The company scans rock samples for radiation at the Ivana property in Argentina. Credit: Blue Sky Uranium.

The current deposit covers 5 km of a 140 km long uranium trend. It is open to the north and south. The trend hosts two other known uranium-vanadium occurrences: Anit and Santa Barbara. Blue Sky has drilled both properties, although it does not yet have a resource estimate for either. All the properties can be accessed by gravel roads.

To prepare for its step-out reverse-circulation drilling campaign, Blue Sky has auger drilled as much as 8 metres below surface to both recover new material and create room for a radiometric probe, which it sent down to detect more mineralization. It will undertake reverse-circulation drilling on the edges of the deposit in late August.

As one of the few uranium explorers in Argentina, Blue Sky hopes it can position itself for success.

“There has been development of uranium resources in the past in Argentina, although there’s none currently in operation, and there hasn’t been for several decades,” Terry says.

“But they certainly want to develop a domestic supply, and so we believe that a company that gets into production in Argentina will have a ready-made market for that uranium domestically. Obviously our goal would be to develop uranium for export, as well.”

He calls Argentina one of the most nuclear-developed countries in South America, adding that it has three reactors in operation, with one more in construction and several in the planning stages.

The only other South American country with nuclear reactors is Brazil. It has two, with one under construction. There are no nuclear reactors in Central America.

In North America, Canada has 19 reactors with none under construction, while the U.S. leads the way globally with 99 reactors and two under construction. Mexico has two operable reactors.

“Argentina actually builds small, 20-megawatt-scale reactors, and there are a number of them in operation throughout the country,” Terry says. “They sell them abroad. They’re very active in the nuclear industry.”

Shares of Blue Sky are valued at 14¢ with a 52-week range of 11¢ to 32¢. The company has a \$15-million market capitalization.

“I don’t think there’s much doubt that the uranium price has to go up in the future for a lot of the current mines to operate and new mines to be brought on,” Terry says.

“That spot market ‘drying up’ will be it. As there’s less and less available on the spot market, that price will have nowhere to go but up.”

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**COMMODITY:** Uranium

**REGION:** South America

**COMPANY:** Blue Sky Uranium