BLUE SKY URANIUM CORP.

(formerly Mulligan Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

Background

This discussion and analysis of financial position and results of operation is prepared as at November 21, 2007 and should be read in conjunction with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2007 and audited annual consolidated financial statements and related notes for the year ended December 31, 2006. Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Forward Looking Statements

Certain of the statements made and information contained herein is "forward- looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour; the inherent uncertainty of future production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Prospectus that can be found on the SEDAR website and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of uranium; that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Company Overview

The Company was incorporated under the Business Corporations Act (British Columbia) on November 30, 2005 as Mulligan Capital Corp. The Company's registered and head office is located at Suite 709, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in the Provinces of British Columbia and Alberta. On June 27, 2006, the Company completed its initial public offering (the "Offering") to raise $250,000 and on June 28, 2006, listed its common shares on the TSX Venture Exchange ("TSXV") as a capital pool company.

On August 21, 2006 and December 14, 2006, the Company and Eagle Plains Resources Ltd. ("Eagle Plains") executed an option agreement (the "Eagle Lake Option Agreement") whereby Eagle Plains granted an option to the Company to earn a 60% interest in Eagle Plains' 100% owned Eagle Lake Property located 28 km southeast of Cameco's Key Lake mining operation in north-central Saskatchewan, Canada. The Eagle Lake Option Agreement qualified as the Company's qualifying transaction. On February 7, 2007, the Company's listing was upgraded to Tier II status on the TSXV. The Company also changed its name to Blue Sky Uranium Corp.

On February 14, 2007 the Company entered into an agreement with Eagle Plains to earn a 60% interest in the Karin Lake Property located adjacent to the Eagle Lake Property.

During March 2007 the Company completed a number of private placements to raise $3.3 million gross proceeds from the issuance of 3.3 million units at $1.00 per unit.

On March 12, 2007 the Company entered into two option agreements to earn 100% interests in two uranium projects located in Colombia. In addition, in May 2007 the Company entered into agreements to review uranium properties in Argentina. The Company is incorporating an Argentinean subsidiary Minera Cielo Azul S.A.

Properties

Canada

Eagle Lake Property

The Company has optioned from Eagle Plains a 60% interest in the Eagle Lake uranium property. The Eagle Lake Property is located in north-central Saskatchewan, Canada, approximately 190 kms north of La Ronge and 45 kms southeast of Cameco's Key Lake uranium mine. The Eagle Lake Property comprises three mineral claims that cover 8,165 hectares over two historical uranium occurrences, which were discovered in the late 1960s.

Under terms of the Eagle Lake Option Agreement, the Company has paid $35,000 cash and is required to incur $5,000,000 in exploration expenditures by February 7, 2011 and issue a total of 1,000,000 common shares (200,000 shares issued) to Eagle Plains. A 1% royalty has been reserved for a third-party individual, and may be purchased at any time for $1,000,000.

In February 2007 the Company paid $73,779 to Eagle Plains for its pro-rata shares of staking costs for an additional 26,000 hectares located contiguous to the Eagle Lake Property. These additional claims are situated in an area of mutual interest.

In the fall of 2006 the Company conducted a $170,000 exploration program on the Eagle Lake Property that comprised prospecting and airborne geophysical surveying.

Karin Lake Property

On February 14, 2007 the Company signed a letter of intent (the "Karin Lake LOI") with Eagle Plains under which the Company proposed, subject to final regulatory approval, to acquire an option to earn a 60% interest in three mineral tenures covering approximately 35,000 hectares located adjacent to the Eagle Lake Property in north-central Saskatchewan. Under the terms of the Karin Lake LOI the Company must pay $107,795 cash and issue a total of 700,000 common shares and incur a total of $2.5 million in expenditures by December 31, 2011. On May 29, 2007 the Company signed an option agreement that received approval from the TSX-V on July 3, 2007.

Uranium mineralization at the Karin Lake Property occurs both as a low-grade material in granitic pegmatites and associated granites, as well as higher-grade fracture controlled mineralization in pegmatites and metasediments.

The Company intends to focus on exploration for basement-hosted uranium deposits in faults which are interpreted to have formed structural traps where uranium mineralization may have been preserved.

The Company has commissioned the preparation of a NI43-101 report for submission for final regulatory approval.

Current Work Program, Eagle Lake and Karin Lake Properties

Surface prospecting programs on the Eagle Lake and Karin Lake Properties were carried out in the spring and fall of 2007. They included scintillometer prospecting, geological mapping and a radon soil gas survey. Results of the program are currently being compiled and interpreted. A Phase I drill program is planned for Q1-08.

Colombia

Santander and Norte de Santander Properties

In April 2007 the Company entered into two option agreements to acquire a 100% interest in two uranium projects in Colombia - one project, covering 5,499 hectares, in the department of Santander and another project, covering 9,592 hectares, in the department of Norte de Santander.

Under the terms of the option agreements, the Company must make staged cash payments over four years totaling US $414,080 on each project, with US $20,000 due on each project in the first 12 months. No payments are due until the Company completes it due diligence on tenure. Each project is subject to a 3% Yellow Cake Royalty capped at US $1,100,000. During the term of the option agreements, the Company will be required to make all annual tax payments of approximately $115,000. There are no minimum work commitments. The Company is currently establishing operations in Colombia and developing initial work programs on the properties.

The Santander property is underlain by the Jurassic Giron Formation and has potential for hosting sandstone-type uranium mineralization. The Norte de Santander property has potential for pegmatite-hosted mineralization and is underlain by Jurassic-Cretaceous granitic rocks which cut older gneisses.

Argentina

Argentinean Properties

In April 2007 the Company announced it had signed an exclusive agreement with Argentina Uranium Corp. ("Argentina Uranium") to review over 4,000 square kilometres of its prospective uranium property in Argentina. The Company will maintain this exclusive right for 90 days to conduct due diligence and to acquire four of Argentina Uranium's projects. The Company has paid US $65,000 to Argentina Uranium. This payment guarantees that the Company shall have the exclusive right to acquire properties on terms to be negotiated. The Company paid an additional US$25,000 to Argentina Uranium to extend the time period for this review.

In a recent due diligence trip to Argentina, Dr. Ronald McMillan (a director of the Company) met with Dr. Jorge Berizzo of Argentina Uranium and reviewed a portion of the significant uranium land package that Argentina Uranium is in the process of assembling. Dr. McMillan has recommended an expanded due diligence program with the objective of identifying and acquiring several key uranium projects that have been highlighted by Dr. Berizzo.

Santa Barbara Property

In May 2007 the Company announced it has signed a letter of intent to earn a 75% interest in the 60,000 hectare Santa Barbara uranium property in the Province of Rio Negro, located in the northern portion of the Patagonia region of Argentina. The Santa Barbara uranium project is a new discovery made by Dr. Jorge Berizzo,

In order to earn a 75% undivided interest in the Santa Barbara property the Company must complete $3.0 million in exploration expenditures over 4 years, issue a total of 400,000 shares to Argentina Uranium, and maintain the property in good standing. A total of 100,000 shares will be issued upon approval of the transaction by the TSX and during year one there is a firm commitment to complete $200,000 of exploration expenditures. After completing all expenditure and share issue commitments, the parties will form a 75/25 joint venture. If Argentina Uranium fails to contribute its share to development of the project it would be diluted down to a 2% yellowcake royalty.

The Company recently completed a phase I reconnaissance sampling and scintillometer surveying program on the Santa Barbara property. The program was designed to substantiate the information provided by Argentina Uranium and to delineate the continuity and extent of radiometric anomalies and mineralization in the area. Less than 10% of the property has been prospected and surveyed and 21 samples of consolidated and unconsolidated material were collected. Results from the program confirm Argentina Uranium's information. In the initial discovery area grab samples returned grades up to 13,400 ppm U. Preliminary prospecting traverses completed around the initial radiometric anomaly outlined a 1km long, continuous anomaly with readings >100 counts per second. Additional traverses identified 4 clusters of significant radiometric anomalies to the southwest up to 11km away from the initial discovery. The new anomalies are located along a linear northeast-southwest trending belt that has only been partially surveyed. Although the continuity between the four anomaly clusters has not been verified, they represent an 11km long trend open in both directions.

The Company also completed an airborne radiometric and magnetic survey in Rio Negro province covering more than 3,000 square kilometres. The survey was carried out by New Sense Geophysics Limited as part of the ongoing work on the Santa Barbara project and review of over 4,000 square km of uranium projects in Argentina. Blue Sky is expecting to have the final interpretation and report from this program shortly and is planning surface programs to follow up on airborne targets. Preliminary results from the airborne survey show that the mineralized trend at Santa Barbara correlates with a linear radiometric anomaly.

The analytical results reported above were carried out by SGS Del Peru S.A.C., an internationally recognized analytical service provider. The information above has been reviewed by Dr. Ron McMillan, P.Geo., a consultant to and director of the Company, and a Qualified Person as defined by National Instrument 43-101. Official title for the Santa Barbara exploration permits has not yet been officially granted. The Permit applications are shown on the tenure maps for the Province of Rio Negro and are expected to be officially granted upon completion of consultation with the owners of the relevant surface rights.

Selected Financial Data and Second Quarter Discussion

The following selected financial information is derived from the unaudited interim financial statements of the Company prepared in accordance with Canadian GAAP.

	Three Months Ended							**Period Nov 30, 2005 to Dec 31, 2005 $**
	2007			**2006**				
	Sep. 30 $	**Jun. 30 $**	**Mar. 31 $**	**Dec. 31 $**	**Sept. 30 $**	**Jun. 30 $**	**Mar. 31 $**	
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(640,596)	(457,942)	(367,903)	(59,687)	(43,193)	(72,144)	1,456	(6,293)
Net Loss per Common Share Basic and Diluted	(0.04)	(0.03)	(0.03)	(0.00)	(0.01)	(0.01)	0.00	(0.00)

For the three months ended September 30, 2007, the Company recorded a net loss of $640,596, an increase in loss of $597,403 from the net loss of $43,193 in the three months ended September 30, 2006. The Company had not commenced operations in the 2006 period and did not incur any significant operating expenses in quarter three of 2006.

Summary of Financial Results

For the nine months ended September 30, 2007, the Company reported a consolidated loss of $1,466,441 ($0.09 per share), an increase in loss of $1,352,560 from the loss of $113,881 ($0.02 per share) for the nine months ended September 30, 2006. The increase in the loss in 2007 period, compared to the 2006 amount, was due to a number of factors of which $1,427,590 can be attributed to increases in operating expenses which was partially offset by a $75,030 increase in other income items. The Company had not commenced operations in the 2006 period.

Results of Operations

The Company's operating expenses for the nine months ended September 30, 2007, were $1,551,748, an increase of $1,427,590 from $124,158 in the 2006 period. Significant expenditures were incurred in the following categories:

(i) Accounting and administration fees of $18,615 (2006 - $4,700) were paid to Chase Management Ltd. ("Chase") a private corporation owned by a former director of the Company.
(ii) Corporate development and investor relation fees were $308,180 for the nine months ended September 30, 2007 (2006 - $1,489) primarily as the result of the Company participating in investor and industry conferences in the 2007 period as well as incurring costs in order to increase investor awareness.
(iii) General exploration costs were $407,036 in the 2007 period (2006 - $Nil) due to the Company's exploration activities in Argentina and Colombia. The Company's policy is to expense costs associated with exploration that are not related to specific projects or properties.
(iv) Professional fees were $73,096 in the 2007 period (2006 - $3,256) primarily as a result of legal and audit fees related to the Company's qualifying transaction, annual information form and annual audit.
(v) Salaries increased $194,627 due to increases in staff and activity levels. The salary expense is comprised of an allocation of fees from Grosso Group Management Ltd. ("Grosso Group" – see discussion in related parties section below).
(vi) Stock-based compensation was $298,665 in the nine months ended September 30, 2007 (2006 - $80,000) which represents the estimated fair value of 670,000 stock options granted to directors and consultants in

the period. The fair value was obtained using the Black-Scholes Pricing Model and was based on the following assumptions: dividend yield 0%, risk-free rate 4.0%, expected volatility 88%-89% and expected life of 1.5 – 2.5 years.

(vii) Travel and accommodation expenses were $84,890 in the 2007 period (2006 - $12,103) as a result of exploration related travel costs as well as travel to investor and industry conferences.

During the nine month period ended September 30, 2007 the Company capitalized $443,005 of expenditures on the Eagle Lake Property, $495,549 to the Karin Lake Property, $74,281 to the Santander and Norte de Santander Properties and $199,070 to the Santa Barbara Property. The amount capitalized to the Eagle Lake Property includes 200,000 shares valued at $186,000 which were issued as part of the Company's option commitment to earn its interest in the property. The amount capitalized to the Karin Lake Property includes 50,000 shares valued at $31,000 which were issued as part of the Company's option to earn its interest in the property. The amount capitalized to the Santa Barbara Property includes 100,000 shares valued at $60,000 which were issued as part of the Company's option commitment to earn its interest in the property.

Liquidity and Capital Resources

The Company's cash position at September 30, 2007 was $246,744, a decrease of $751,029 from the December 31, 2006 balance of $997,773. Short-term investments balance increased to $1,636,603 at September 30, 2007 from $500,000 at December 31, 2006. Total assets increased to $2,211,976 at September 30, 2007 from $1,778,434 at December 31, 2006. This increase is mainly due to the increase in the short-term investment balance and the 2007 exploration expenditures capitalized to mineral property and deferred costs, which were partially offset by the decrease in cash balance.

As at November 21, 2007 the Company had working capital of approximately $2,250,000. The Company considers that it has adequate resources to maintain its ongoing operations and current property commitments for the ensuing year but may not have sufficient working capital to fund all of its planned exploration work. The Company will continue to rely on successfully completing additional equity financing to maintain its core activities and further exploration of its existing and new properties in the Americas. There can be no assurance that the Company will be successful in obtaining the required financing. The failure to obtain such financing could result in the loss of the Company's interest in one or more of its mineral claims.

As the Company is an exploration stage company, revenues are limited to interest earned on cash held with the Company's financial institutions. During the nine months ended September 30, 2007, the Company earned $76,011 in interest income (2006 – $10,277).

The Company has financed its operations through the sale of its equity securities. During the nine months ended September 30, 2007, the Company:

- Completed a brokered private placement in which it issued a total of 2,000,000 units at $1.00 per unit for aggregate gross proceeds of $2,000,000. Each unit consisted of one common share in the capital of the Company and one half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $1.30 per common share until March 23, 2009.

- Completed a private placement in which it issued a total of 1,300,000 units at $1.00 per units for aggregate gross proceeds of $1,300,000. The placement included a brokered portion of 1,270,000 units and a non-brokered portion of 30,000 units. Each unit consisted of one common share in the capital of the Company and one half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $1.30 per common share until March 23, 2009.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

Operating Cash Flow

Cash outflow from operating activities was $1,113,326 for the nine months ended September 30, 2007 compared to cash outflow of $7,791 for the 2006 period as a result of the significant change in operating activities.

Financing Activities

For the nine months ended September 30, 2007 the Company received $3,300,000 less related issue costs of $402,055 from private placements and $4,272 from the exercise of agent's warrants. For the nine months ended September 30, 2006, the Company received $929,250 from private placements less share issue costs of $80,665.

Investing Activities

Investing activities required cash of $2,539,920 during the nine months ended September 30, 2007, compared to $6,259 spent in the 2006 period, primarily a result of additions to short-term investments, purchase of equipment and mineral property interests.

Related Parties Transactions.

The Company engages Grosso Group Management Ltd. ("Grosso Group") to provide services and facilities to the Company. The Grosso Group is a private company owned by the Company, IMA Exploration Inc. ("IMA"), Golden Arrow Resources Corporation, Amera Resources Corporation, Astral Mining Corporation, and Gold Point Energy Corp., each of which owns one share. The Grosso Group provides its shareholder companies with geological, corporate development, administrative and management services. The shareholder companies pay monthly fees based upon a pro-rating of the Grosso Group's costs including its staff and overhead costs among each shareholder company with regard to the mutually agreed average annual level of services provided to each shareholder company. The Company became a shareholder of the Grosso Group effective March 1, 2007. During the nine months ended September 30, 2007, the Company incurred fees of $222,813 from the Grosso Group: $136,900 was paid in monthly installments and $85,913 is included in accounts payable and accrued liabilities as a result of a review of the allocation of the Grosso Group costs to the member companies for the period. Prior to becoming a shareholder, the Company retained the Grosso Group's services from October 1, 2006 to February 28, 2007, for a monthly fee of $4,000. Accordingly, during the nine month period ended September 30, 2007, the Company incurred additional fees of $8,000 from the Grosso Group.

During the nine months ended September 30, 2007, the Company incurred $18,614 (2006 - $8,300) for accounting and administration services provided by a private corporation owned by a former director of the Company.

As at September 30, 2007, included in prepaids is a $50,000 deposit to the Grosso Group for operating working capital.

During the nine months ended June 30, 2007, the Company incurred $32,105 (2006 - $Nil) for geological consulting services, including travel expenses, provided by a private corporation owned by a director of the Company.

During the nine months ended, the Company incurred fees of $12,584 for consulting and management services provided by a director of the Company.

Effective May 1, 2007, the Company entered into an agreement with IMA to pay a monthly fee for the services provided IMA's Chief Executive Officer. The agreement may be terminated at any time by the Company upon 30 days written notice. For the nine months ended September 30, 2007, the Company paid $8,333 to IMA for the services.

All of the related party transactions and balances in these consolidated financial statements arose in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contractual Commitments

As of September 30, 2007, the Company had the following Canadian dollar and US dollar option payment and work expenditure commitments, as well as share issue commitments, in relation to its mineral property projects:

	Less than 1 year	1 to 3 years	Greater than 3 years	Total

	$	$	$	$
Canadian dollar commitments				
Work expenditures	500,000	3,450,000	6,100,000	10,050,000

	Less than 1 year US$	1 to 3 years US$	Greater than 3 years US$	Total US$
US dollar commitments				
Option payments	30,000	140,000	648,160	818,160

	Less than 1 year #	1 to 3 years #	Greater than 3 years #	Total #
Share issue commitments	370,000	840,000	540,000	1,750,000

Further details of the Company's option payments and expenditure commitments are disclosed in Note 4 to the Company's September 30, 2007 interim consolidated financial statements.

Critical Accounting Policies

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2006. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Recent Accounting Pronouncements

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

(a) Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation,* prescribe the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. These sections also address how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Company is required to designate its financial instruments into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The Company has designated its financial instruments as follows:

(i) Cash and short-term investments are classified as *"Available-for-sale"*. Due to their short-term nature, their carrying value is equal to their fair value.

(ii) Amounts receivable and prepaids are classified as *"Loans and Receivables"*. These financial assets are recorded at values that approximate their amortized cost using the effective interest method.

(iii) Accounts payable and accrued liabilities are classified as *"Other Financial Liabilities"*. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

As a result of adopting Section 3855, effective January 1, 2007 interest accrued on short-term investments in the amount of $2,250 was reclassified from amounts receivable to short-term investments.

(b) Section 1530, *Comprehensive Income,* introduces a new financial statement “Statement of Comprehensive Income” and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available for sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments. The Company has not recognized any adjustments through other comprehensive income for the nine months ended September 30, 2007.

(c) Section 3865, *Hedges* specifies the criteria under which hedge accounting may be applied, how hedge accounting should be performed under permitted hedging strategies and the required disclosures. This standard did not have an impact on the Company for the nine months ended September 30, 2007.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations and assessment of carrying values of mineral properties and deferred costs. Actual results may differ from these estimates.

Mineral Properties and Deferred Costs

Consistent with the Company’s accounting policy disclosed in Note 2 of the annual consolidated financial statements, direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company have been capitalized on an individual property basis. It is the Company’s policy to expense any exploration associated costs not related to specific projects or properties. Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property. In the period ended September 30, 2007, no impairment of long-lived assets was identified.

Financial Instruments

The Corporation's financial instruments are comprised of cash, short-term investments, amounts receivable, prepaids, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

Risk Factors

The Company’s operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. For a more complete discussion of these risks and others, reference should be made to the December 31, 2006 Management Discussion and Analysis.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management’s supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the nine months ended September 30, 2007 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company’s disclosure controls and procedures or in the Company’s internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company’s disclosure controls and procedures or internal control over financial reporting.

Investor Relations Activities

On February 15, 2007, the Company entered into an agreement with Accent Marketing Ltd. ("Accent") as its European investor relations representative. The investor relations program is focusing on shareholder communications, corporate development and building the Company an active following of investment professionals in Europe. Accent, which is arm's length to the Company, has been retained for a monthly fee of €3,000 plus a stock option package to purchase 50,000 shares.

The Company also maintains a website at www.blueskyuranium.com.

Outstanding Share Data

The Company's authorized share capital is an unlimited number of common and preferred shares without par value. As at September 30, 2007, there were 17,130,215 outstanding commons shares, 1,670,000 stock options, which were outstanding and exercisable, with exercising prices ranging between $0.10 and $0.95. In addition, there were 2,283,285 warrants outstanding, with exercise prices ranging between $0.10 and $1.30. More information on these instruments and the terms of their conversion are set out in Note 6 to the Company's September 30, 2007 interim consolidated financial statements.

As at November 21, 2007, there were no changes to the number of shares, stock options, warrants or Agent's Options outstanding.