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## NEWS RELEASE – March 5, 2018

# Blue Sky Uranium Announces Initial Mineral Resource Estimate for Ivana Deposit, Amarillo Grande Uranium-Vanadium Project, Argentina

Vancouver, BC / Globe Newswire / March 5, 2018 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company") is pleased to announce the initial independent mineral resource estimate for the Ivana Deposit at the Company's 100% owned Amarillo Grande uranium-vanadium project, in Rio Negro Province, Argentina.

### Highlights

- Inferred mineral resource estimate of 23.9 million tonnes averaging 363 parts per million ("ppm")  $U_3O_8$  containing 19.1 million pounds of  $U_3O_8$  at a 100 ppm uranium cut-off.
- Mineralization at Ivana is hosted by loosely consolidated sediments from surface to 24 metres depth; it is expected that resources would be extracted via open-pit methods
- Metallurgical and beneficiation test work in progress to provide additional data for a maiden Preliminary Economic Assessment in 2018
- The Ivana deposit remains open for expansion
- Additional resource potential exists in the Ivana area and throughout the 140-km long trend at the Amarillo Grande project

*"This first resource estimate represents the biggest uranium discovery in Argentina in the last 40 years and it represents for Blue Sky a major step towards our goal of defining a low-cost regional-size uranium producing district,"* commented Nikolaos Cacos, Blue Sky President & CEO. *"We are excited to move forward with a preliminary economic assessment this year, particularly as the project remains open for expansion."*

A NI 43-101 Technical Report supporting disclosure of this mineral resource and containing additional details will be filed by Blue Sky on SEDAR within 45 days of this press release.

Results from ongoing metallurgical studies and preliminary beneficiation studies are expected by the end of the first quarter. This data will contribute to a Preliminary Economic Assessment (PEA) for the Ivana deposit, which is expected to be completed before the end of the year.

The arcuate ("C") shape of the Ivana deposit is believed to represent a preserved sector of a regional mineralized redox-front, which often include more than one deposit. Therefore, follow-up drilling programs will test for lateral extensions to the currently defined deposit, as well as previously recognized local targets identified by airborne and hand-held radiometric surveys and geological modeling.

### Ivana Location, Geology and Metallurgy

The Ivana deposit is located in the southernmost of three target areas that comprise the Amarillo Grande Uranium-Vanadium project. The project has year-round access through a well-maintained gravel road, and is in a semi-arid area with low rainfall and population density. Mineralization was first identified at Ivana after field follow-up of a 2010 regional high-resolution airborne radiometric and magnetic survey.

The Ivana deposit displays characteristics of surficial-type and sandstone-type “roll front” uranium-vanadium deposits. Mineralization at Ivana includes primary coffinite and uraninite, in pore spaces of poorly-consolidated sandstones and conglomerates, in addition to peripheral secondary carnotite, which occurs interstitially to and coats pebbles and clasts in loosely consolidated sandstones and conglomerates. The Amarillo Grande project is believed to have district-scale potential for discovery of similar styles of mineralization.

The deposit is characterized by two stacked zones of uranium mineralization, the upper zone and the lower zone. The two zones occur together through most of the deposit but there are localized areas where only one zone is present. The upper zone averages 2.7 metres in thickness, with a maximum of 10 metres, while the lower zone has a maximum of 20 metres and has an average thickness of 6.2 metres. Plan view of the modelled Ivana deposit can be found here:

[https://www.blueskyuranium.com/assets/docs/nr/2018MAR05\\_Ivana\\_Modelling\\_Blocks\\_MAP1.pdf](https://www.blueskyuranium.com/assets/docs/nr/2018MAR05_Ivana_Modelling_Blocks_MAP1.pdf)

Preliminary metallurgical and beneficiation studies for Ivana are underway and expected to be completed by the end of the first quarter of 2018. Initial alkaline leach testing on composite samples with carnotite-mineralization resulted in recovery of 95% of the uranium in 2 hours (see news release dated January 22, 2018). Ongoing metallurgical testing includes initial work on coffinite (+uraninite) mineralized material, as well as physical beneficiation assessments. The beneficiation testing is similar to that carried out previously on samples from the Anit target area of the Amarillo Grande project (see release dated February 7th, 2011). The Anit preliminary beneficiation test work demonstrated that a very simple wet screening method could be utilized to reject unmineralized coarse clastic material, producing a lower-mass higher-grade concentrate containing a high percentage of the insitu uranium.

### Mineral Resource Estimate Details

Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources are uncertain in nature and there has been insufficient exploration to classify these inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured category.

**Table 1. Mineral Resource Statement for the Ivana Deposit, Amarillo Grande Project, February 28, 2018**

Inferred Resources – Base Case at 100 ppm Uranium cut-off grade						
Zone	Tonnes (t)	U (ppm)	V (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (%)	Contained U <sub>3</sub> O <sub>8</sub> (lb)
Upper	3,200,000	132	131	156	0.016	1,100,000
Lower	20,700,000	335	105	395	0.040	18,000,000
<b>Total</b>	<b>23,900,000</b>	<b>308</b>	<b>109</b>	<b>363</b>	<b>0.036</b>	<b>19,100,000</b>

Notes to Table 1:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
2. The Mineral Resources in this estimate were not constrained within a conceptual pit shell owing to the shallow nature of the deposit (0 to 24 m) and blocks above cut-off being reasonably contiguous.
3. The 100 ppm uranium cutoff grade is based on operative costs of \$12/t, a price of \$50/lb U<sub>3</sub>O<sub>8</sub>, and a process recovery of 90%. A density of 1.84 was applied.
4. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
5. The resource was estimated within distinct zones of elevated uranium concentration occurring within the host sediments. Vanadium is associated with uranium and is estimated within the same zones. There is no indication that Vanadium occurs outside of the elevated uranium zones in the Ivana deposit area in sufficient concentrations to justify developing estimation domains focused on Vanadium.

The mineral resource estimate in Tables 1 & 2 has been prepared by Bruce M. Davis, FAusIMM, BD Resource Consulting, Inc., and Susan Lomas, P.Geo., Lions Gate Geological Consulting Inc. who are both independent Qualified Persons as set forth by National Instrument 43-101 (“NI 43-101”). The overall effective date of this resource estimate is February 28, 2018.

Mineral resource estimates are made from a 3D block model based on geostatistical applications using commercial mine planning software (Geovia Gems, Version 6.7.4). The block model has a nominal block size measuring 50 x 50 x 2 m and utilizes data derived from 427 drill holes in the Ivana Deposit. The resource estimate was generated using reverse circulating (RC) drill hole sample assay results and the interpretation of a geological

model which relates to the spatial distribution of uranium and vanadium. Interpolation characteristics were defined based on the geology, drill hole spacing, and geostatistical analysis of the data. The effects of potentially anomalous high-grade sample data are controlled by top cuts and limiting the distance of influence during block grade interpolation. The grade models have been validated using a combination of visual and statistical methods. The resources were classified according to their proximity to the sample data locations and are reported, as required by NI 43-101, according to the 2014 CIM (Canadian Institute of Mining) Definition Standards for Mineral Resources and Mineral Reserves. Model blocks estimated by three or more drill holes spaced at a maximum distance of 200 metres are included in the Inferred category. The estimate of Inferred mineral resources is reported without a limiting pit shell due to the shallow nature of the deposit (from 0 to 24 metres below surface) and the majority of blocks above cut-off are reasonably contiguous. Additional information about the resource modeling methodology will be available in an NI 43-101 technical report within 45 days of this news release.

**Table 2. Sensitivity of Resources to Cut-Off Grade**

U Cut-off (ppm)	Zone	Tonnes (t)	U (ppm)	V (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (%)	Contained U <sub>3</sub> O <sub>8</sub> (lb)
50	Upper	10,800,000	88	108	104	0.010	2,500,000
50	Lower	30,900,000	248	97	293	0.029	19,900,000
50	Total	41,700,000	207	100	244	0.024	22,400,000
100	Upper	3,200,000	132	131	156	0.016	1,100,000
100	Lower	20,700,000	335	105	395	0.040	18,000,000
100	Total	23,900,000	308	109	363	0.036	19,100,000
150	Upper	400,000	223	192	263	0.026	200,000
150	Lower	15,200,000	413	115	487	0.049	16,300,000
150	Total	15,600,000	408	117	481	0.048	16,500,000
200	Upper	200,000	326	243	384	0.038	200,000
200	Lower	11,600,000	487	123	574	0.057	14,700,000
200	Total	11,800,000	485	125	571	0.057	14,900,000
250	Upper	100,000	367	257	432	0.043	100,000
250	Lower	9,300,000	552	132	651	0.065	13,400,000
250	Total	9,400,000	550	134	649	0.065	13,400,000

### Quality Assurance and Quality Control

The resource estimation was based on 427 RC drill holes, representing 6,577 metres of drilling with one metre samples. The drilling was completed in two phases starting in January 2017 and finishing in January 2018. Only 2 holes were inclined, and 425 holes were vertical. Bedding and mineralized horizons are approximately horizontal so vertical samples are believed to represent true thickness. The resource area is typically covered by drill holes on a 100 x 100 metre spacing, however holes on the periphery of the deposit were spaced as much as 400 metres apart. A summary of hole locations and significant intervals for the 427 RC holes can be viewed here: [https://www.blueskyuranium.com/assets/docs/nr/2018MAR5\\_Amarillo\\_Grande\\_IVANA\\_Total\\_Drill\\_Summary\\_TA\\_BL.pdf](https://www.blueskyuranium.com/assets/docs/nr/2018MAR5_Amarillo_Grande_IVANA_Total_Drill_Summary_TA_BL.pdf)

The drilling program was carried out using an Roc L8 and FlexiROC D65 drill rigs from Atlas Copco, ore-control track-mounted rigs adapted to RC with double and triple cyclone, respectively, to reduce the dust loss during sampling and automatic sampling. The difficulties encountered in casing every hole, due to the presence of very poorly or unconsolidated sediments, resulted in limited gamma probe surveying of drill holes. Approximately half of the holes were surveyed by a senior geophysicist using a natural gamma probe previously calibrated at the Comisión Nacional de Energía Atómica facility (Atomic Energy National Commission, CNEA). Samples were sent to Bureau Veritas Minerals of Mendoza, Argentina for preparation by drying, crushing to 80% passing 10 mesh and then pulverizing a 250g split to 95% passing 150 mesh. Pulps were sent to Bureau Veritas Commodities Canada Ltd. for analysis of 45 elements by means of Inductively Coupled Plasma Mass Spectrometry (ICP-MS)

following a four-acid digestion (MA-200). Samples over 4,000ppm uranium are re-assayed, after phosphoric acid leach, by Inductively Coupled Plasma Electron Spectrometry (ICP-ES). Approximately every 10th sample a blank, duplicate, or standard sample was inserted into the sample sequence for quality assurance/quality control (QA/QC) purposes.

### Qualified Persons

The results of the Company's drilling program were reviewed, verified (including sampling, analytical and test data) and compiled by the Company's geological staff under the supervision of David Terry, Ph.D., P.Geo. Dr. Terry is a Director of the Company and a Qualified Person as defined in National Instrument 43-101. The contents of this news release have been reviewed and approved by Dr. Terry.

The mineral resource estimate and associated information in this news release was prepared under the direction of Bruce Davis Ph.D., F.AusIMM, of BD Resource Consulting Inc. and Susan Lomas P.Geo of Lions Gate Geological Consulting Inc. Based on education, work experience relevant to this style of mineralization and deposit type, and membership in a recognized professional organization, both Dr. Davis and Ms. Lomas are independent Qualified Persons (QP) within the requirements of NI 43-101 for the purposes of the mineral resource estimate contained in this release. Both Dr. Davis and Ms. Lomas have reviewed and approved this news release.

### About the Amarillo Grande Project

This new 140-kilometre-long uranium district was first identified, staked and underwent preliminary exploration by Blue Sky from 2007 to 2012 as part of the Grosso Group's strategy of adding alternative energy focus to its successful portfolio of metals exploration companies. The proximity of several major targets suggests that if resources are delineated at more than one area a central processing facility would be envisioned. The area is flat-lying, semi-arid and accessible year-round, with nearby rail, power and port access.

The near-surface mineralization, ability to locally upgrade, amenability to leaching and central processing possibility suggest a potentially low-cost development scenario.

For additional details on the project and properties, please see the Company's website: [www.blueskyuranium.com](http://www.blueskyuranium.com)

### About Blue Sky Uranium Corp.

Blue Sky Uranium Corp. is a leader in uranium discovery in Argentina. The Company's objective is to deliver exceptional returns to shareholders by rapidly advancing a portfolio of surficial uranium deposits into low-cost producers. Blue Sky has the exclusive right to over 434,000 hectares (equiv. to 1,072,437 acres) of property in two provinces in Argentina. The Company's flagship Amarillo Grande Project was an in-house discovery of a new district that has the potential to be both a leading domestic supplier of uranium to the growing Argentine market and a new international market supplier. The Company is a member of the Grosso Group, a resource management group that has pioneered exploration in Argentina since 1993.

ON BEHALF OF THE BOARD

"Nikolaos Cacos"

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Nikolaos Cacos, President, CEO and Director

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