

# Leading Uranium Discovery In Argentina

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TSX-V: BSK OTC: BKUCF FSE: MAL2

March 2017

Exploration Update



GROSSO GROUP MEMBER COMPANY



# Disclaimer

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The information provided in this presentation is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented. The Company undertakes no obligation to publicly update or revise any forward-looking statements other than as required under applicable law.

We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.

Uranium deposits and resources owned by other companies referred to in this presentation have not been independently verified by the Corporation and information regarding these deposits are drawn from publicly available information. There is no certainty that further exploration of the Corporation's uranium targets will result in the delineation of a similar mineral resources.



# Who We Are

The Grosso Group Management company has been conducting mineral exploration in Argentina for **23 years**.

The Grosso Group has a **track record of success** with three world-class precious metals discoveries in Argentina, and an focus on community relations.

The Group has built a **vast network** of industry and government contacts, giving its Member Companies a distinct advantage in the acquisition, exploration and development of mineral projects.



**GROSSO GROUP**

# Why Focus on Uranium Now?

Nuclear energy requirements are increasing along with the global demand for cleaner, affordable energy production.

- 66 nuclear reactors are under construction in 14 countries (@January 1, 2016)
- 224 reactors either under construction, or planned around the world, + 330 reactors that are proposed, with the potential to be operating by 2030 (@January 1, 2016)

The market predicts a  $U_3O_8$  supply deficit starting in **2020**.

# Uranium Price Forecasts

Uranium prices weakened in 2016 but are expected to rebound strongly.

## Uranium (US\$/lb) Analyst Consensus Pricing, October 2016\_

Date	Firm	2017	2018	2019	LT
25-Oct-16	CIBC	\$55.0	\$65.0	\$75.0	\$75.0
21-Oct-16	JP Morgan	\$28.1	\$36.7	-	\$75.0
20-Oct-16	UBS	\$33.0	\$47.0	\$55.0	\$55.0
19-Oct-16	Morgan Stanley	\$33.0	\$38.0	\$46.0	-
18-Oct-16	Macquarie	\$29.0	\$31.0	\$34.0	\$43.0
18-Oct-16	BMO	\$30.0	\$38.0	\$55.0	\$60.0
17-Oct-16	RBC	\$27.5	\$35.0	\$40.0	\$65.0
17-Oct-16	Raymond James	\$50.0	\$60.0	-	\$70.0
14-Oct-16	Haywood	\$43.5	\$54.5	\$63.8	\$70.0
14-Oct-16	Investec	\$30.0	\$40.0	\$50.0	\$53.0
03-Oct-16	TD	\$30.0	-	-	\$55.0
26-Sep-16	Credit Suisse	\$35.0	\$45.0	\$50.0	-
19-Sep-16	Scotia	\$27.3	\$26.9	-	-
<b>Average</b>		<b>\$34.7</b>	<b>\$43.1</b>	<b>\$52.1</b>	<b>\$62.1</b>

## **Objective:**

To delineate uranium resources with near-term economic viability in anticipation of a return to a positive U market.

## **Strategies:**

1. Targeting the Argentina market where growing nuclear power demand has no local uranium supply
2. Minimizing development risk by working in a province that supports mine development and the nuclear industry
3. Focusing on mineralization with the potential for low-cost, near-term extraction and future upside

## Fact:

- *Argentina has a growing nuclear power industry and no domestic supply of uranium.*

## Opportunity:

- *Argentina's need for security of supply could provide a "guaranteed" first customer for a domestic supplier*
- *A low-cost domestic operation could potentially have a cost advantage over imported uranium*

# Argentina Energy Industry Today & Uranium Future Opportunities

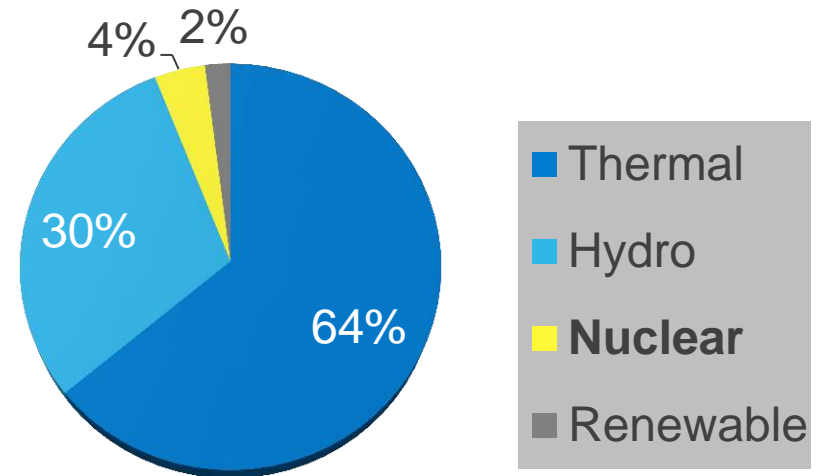
The Argentina energy industry is currently **highly dependent on fossil fuel and hydroelectric power.**

The government of Argentina has **committed to “The Paris Accord”** COP21, Global Commitment to Clean Energy.

This sets a **target of reducing CO<sub>2</sub> emissions by 15% by 2030.**

The target **could be incremented to 30%**, conditional on foreign direct investment.

## Argentina Energy Matrix 2015



Sources: <http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx> accessed 03/11/16  
[https://www.iamericas.org/documents/energy/reports/Argentinas\\_Energy\\_Transition\\_2016.pdf](https://www.iamericas.org/documents/energy/reports/Argentinas_Energy_Transition_2016.pdf) accessed 03/11/16



## Argentina is home to an advanced nuclear industry:

- 3 nuclear power plants in operation
- 6 research reactors
- 4 particle accelerators
- 3 atomic centres
- 1 heavy water plant
- 1 uranium purification plant

The estimated current usage is **~0.5 Million pounds of  $U_3O_8$**  in 2016.

**There is no domestic uranium production – all material is imported.**

Source: <http://www.world-nuclear.org/> accessed 03/11/16

# Future Argentina Energy Industry Plans

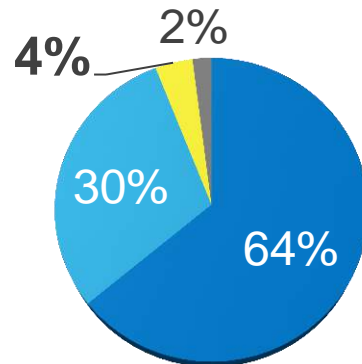
To meet its targets, the government of Argentina is planning for a **nuclear energy requirement that more than doubles by 2025**

**(Translates to potential for ~1.25 Million pounds of U<sub>3</sub>O<sub>8</sub>e annually).**

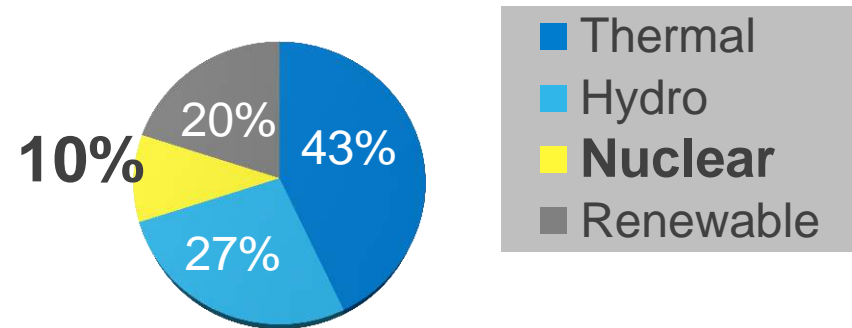
Including:

- 1 nuclear power plant now under construction
- 2 additional in planning
- 2 under proposal


Argentina Energy Matrix 2015



Proposed Argentina Energy Matrix 2025



# An Opportunity Window



Argentina Atomic Energy National  
Commission (CNEA)  
Strategic Plan 2015-2025 states a  
**Strategic Objective:**

***“To ensure the supply of  
domestic uranium  
for nuclear power plants  
in operation,  
under construction  
and planned.”***

Source: <http://www.cnea.gov.ar/Publicaciones-Plan-estrategico> accessed 03/11/16

# Working in Rio Negro Province

Rio Negro Province has broad nuclear experience, including research-nuclear reactors & a heavy water fuel plant.

The province has very good infrastructure with power, water, skilled labour, and transportation available.

The area where Blue Sky's projects are located is mostly semi-desert, with low population density, providing minimal environmental risk.

- Elevation of 200 metres; rainfall of 300 mm (12 inches) per year
- Easy to operate and access year-round
- 3 hour drive to city with 150,000 population and airport
- 200 km to deep sea port
- Power, rail access, shallow groundwater

Rio Negro is an open and friendly mining jurisdiction. In 2009 Grosso Group signed an AIP for a Strategic Alliance with the government for exploration & exploitation.

# Amarillo Grande Project

## Aggressive Exploration in A New Uranium District in central Rio Negro

- Exclusive Rights to 100% of **~250,000 hectares**
- **140 km long trend** of uranium mineralization
  - Near-surface
  - Very good grades
  - Leachable
  - Potentially upgradeable at low cost
- **Excellent candidate to define a near-surface +15M lb U<sub>3</sub>O<sub>8</sub>e resource, that could be the a low-cost, short-lead-time, domestic uranium supplier in Argentina, with expansion and export potential.**





# Amarillo Grande – Discovery History

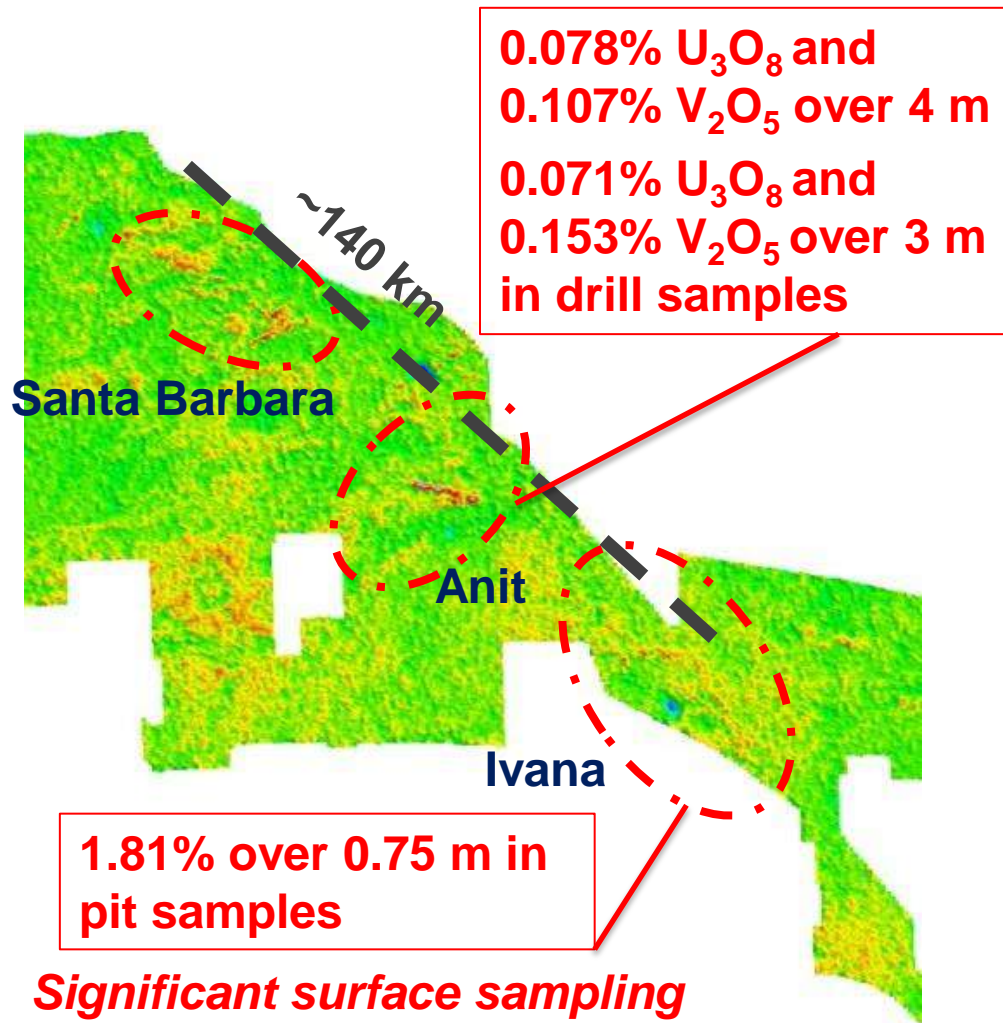
Radiometric surveys identified widespread uranium mineralization along the **140-km trend**.

Three high-priority properties:

**Ivana, Anit and Santa Barbara.**

Surficial uranium mineralization (**within ~6 metres of surface**) is exposed in paleo-fluvial sediments where it occurs as coatings of the mineral carnotite on pebbles.

Work to date includes mapping, pit, trench & auger sampling, and shallow drilling



**Significant surface sampling results from work to date**

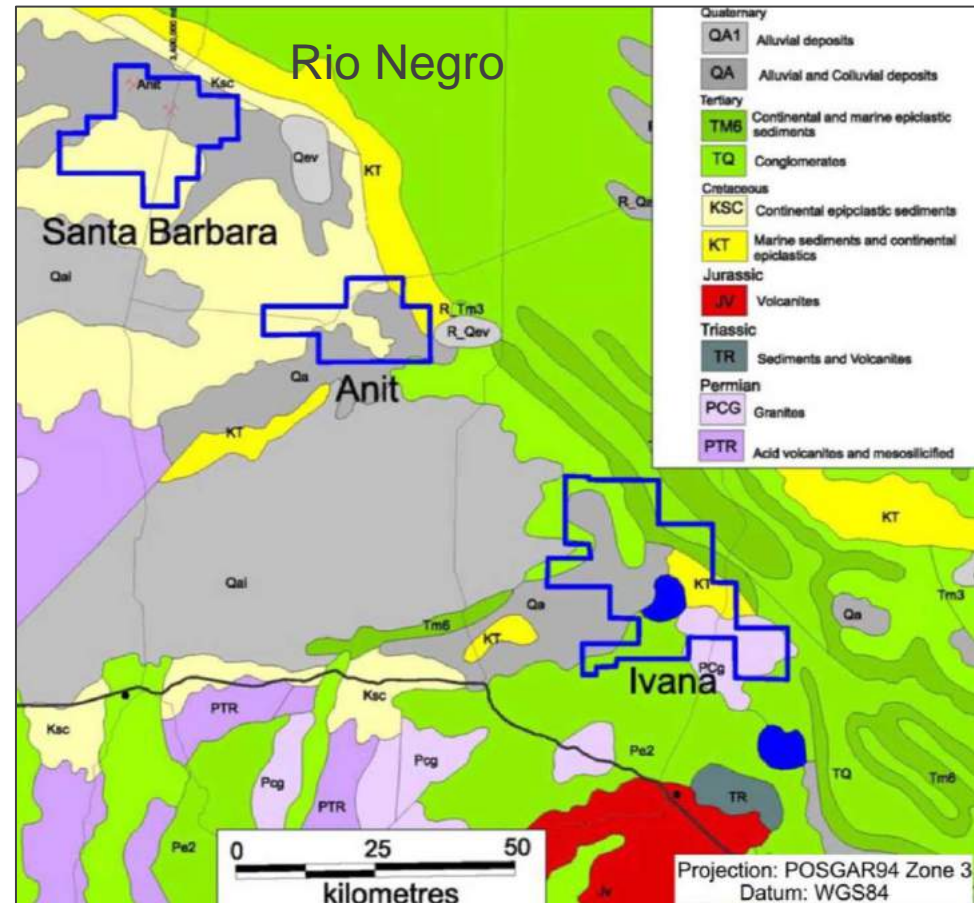
# Amarillo Grande – Potential

The paleo-fluvial (ancient river) systems where the three properties are located are likely part of the same geological unit.

- **Opportunity to identify additional/continuous mineralization along the 140 km trend.**

Surficial, secondary mineralization is the only style found to date, but sampling has mostly been shallow.

- **Opportunity to identify primary (Sandstone-hosted) deposits in this geologic environment, at depth.**



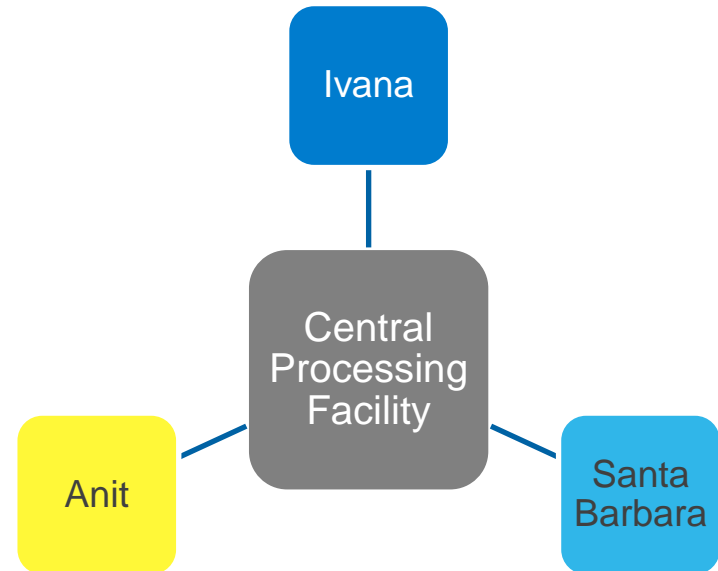
Area has geologic similarities to uranium deposits in Western Australia and Namibia

## **Surficial Deposits = Low-Costs and Short Development Timeline**

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The near-surface sandstone and conglomerate hosting uranium mineralization are weakly-cemented, suggesting potential for simple low-cost mining.

Preliminary metallurgical studies suggest uranium concentration can be upgraded by simple and inexpensive wet screening, thus reducing transport and treatment costs.



The main mineralized areas at Amarillo Grande are close enough to represent potential feeder zones for an integrated producing mine with pre-concentration at each project base



# Amarillo Grande – Current Program

Initial target definition program complete, including:

- Database due diligence and standardization
- Environmental assessments
- Geophysical surveys (*see photo*)

The current program is aimed at delineating mineralization and moving towards resource estimation:

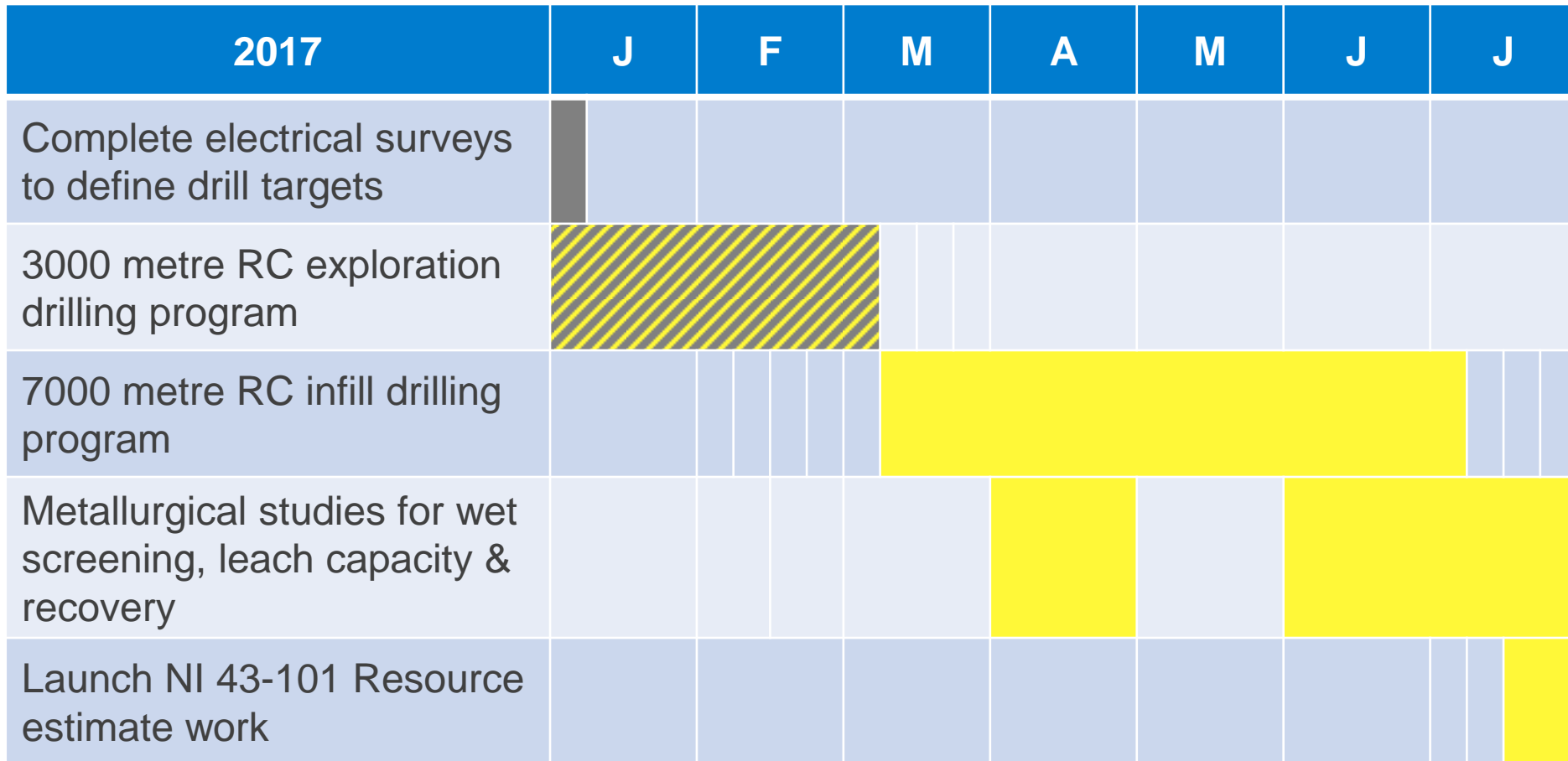
- **3,000 metre RC drill program underway** to refine the geological model
- Additional 7,000 m planned to prepare for resource estimation

Intensive Metallurgical studies will be conducted on each mineralized rock type in order to define an optimal leaching process and recovery grades.





# 2017 Milestones



Completed
  In Progress
  Planned

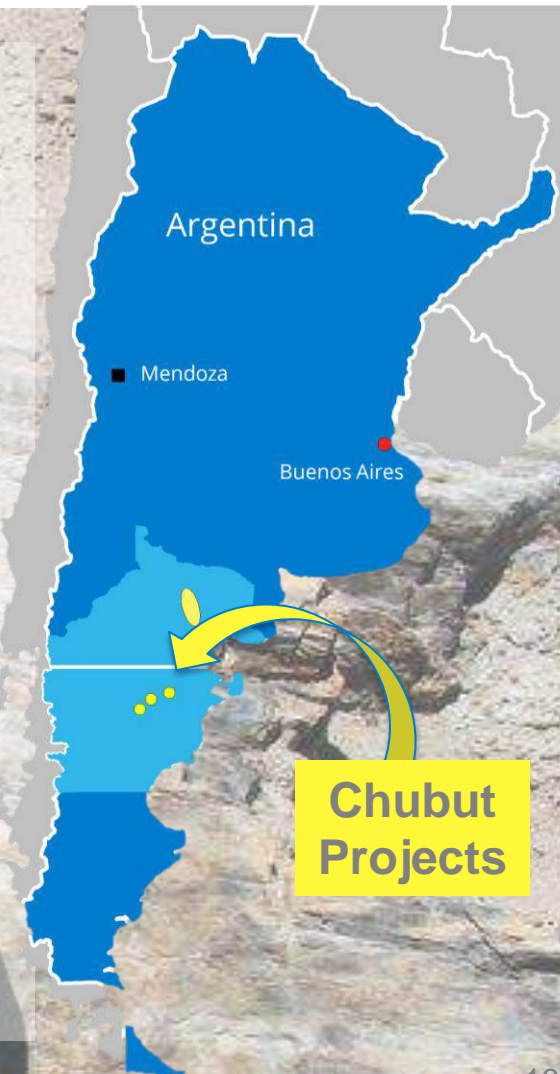
# Future Potential - Chubut

Situated directly south of Rio Negro, Chubut hosts advanced uranium deposits.

The Company's main projects in this area, Sierra Colonia, Tierras Coloradas, and Cerro Parva have the potential for the discovery of sandstone-hosted uranium deposits.

The projects are located in close proximity to and within similar geologic environments to CNEA's advanced Cerro Solo uranium deposit.

Blue Sky keeps the nearly 150,000 hectares of property in good standing, in anticipation of legislative changes that will open the region for mining development.

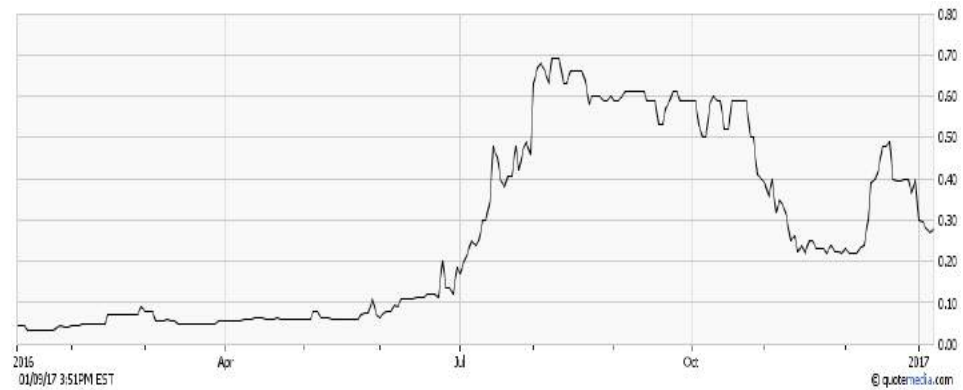
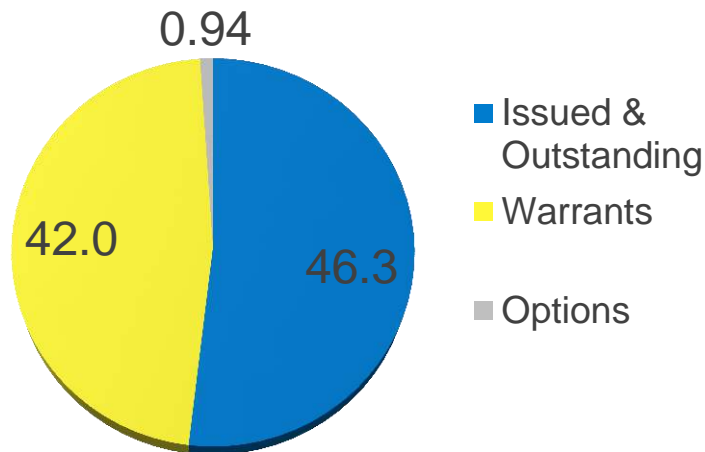


## Share Structure

(Feb 15, 2017)

(Millions)

Fully Diluted – 88.5 M



### Recent financings

July 2016     \$1.9M

Sept 2016    \$1.6M

**Guillermo Pensado, M.Sc.  
Technical Consultant**

Involved in exploration, development and project management in the mining industry for over 20 years



**Dr. David Terry, Ph.D. P.Geo  
Director**

Professional economic geologist, senior executive & director with +25 years in the mineral resources sector.

**Jorge Berizzo, Ph.D.  
Technical Advisor**

30+ years of uranium experience in Argentina. Senior exploration geologist & mine manager for the Argentinean National Atomic Energy Commission ("CNEA")





Blue Sky  
Uranium  
Corp.

# Blue Sky Advantages

Blue Sky is a member company of the **Grosso Group**, which provides strong management and technical experience, with a focus on Argentina

Rio Negro Province is a **supportive jurisdiction** with extensive industry infrastructure

**Early mover advantage:** The Amarillo Grande Project with its new district discovery is ready for resource delineation programs:

- Discoveries host near-surface uranium
- Leachable mineralization
- Potential for near-term & low-cost production

**Exclusive rights to over 450,000 hectares of properties.** Secondary projects are ready to advance under the right conditions.



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