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TSX Venture Exchange: **BSK**
Frankfurt Stock Exchange**: MAL2**
OTCQB Venture Market (OTC)**: BKUCF**

NEWS RELEASE – January 12, 2017

Blue Sky Completes Geophysical Survey at Amarillo Grande Uranium Project & Identifies Larger than Expected Target Area for Drilling

Vancouver, BC / Marketwired /January 12, 2017 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company") is pleased to announce that the Company has completed the previously announced 15 line-kilometre geophysical survey at the three main exploration areas of the Amarillo Grande Uranium Project in Rio Negro Province Argentina. Every line was successful in identifying conductive anomalies interpreted to represent paleo-channels and the results indicate that they are wider and thicker than expected, reaching over 3,500 metres in width and 50 metres thickness in some cases.

The goal of the survey was to outline ancient river channels ("paleo-channels") which have been previously recognized as the main host of uranium mineralization in the project area. These positive results will be used to help refine targets for the 10,000 metres reverse circulation (RC) drilling program scheduled to commence in the middle of January.

"*The exploration model at Amarillo Grande has been significantly improved with the encouraging results achieved by this geophysical survey. This will help focus our exploration for the drilling phase commencing shortly, in order to move us towards our goal of resource delineation and estimation in the middle of the year,*" stated Nikolaos Cacos, Blue Sky President & CEO.

Geophysical Program Details

The type of geophysical survey carried out at Amarillo Grande was pole-dipole electrical tomography (ET) using a 15 metre array. This methodology was previously tested at the Anit area, and successfully identified paleo-channels that were previously known, and which host well documented surficial uranium mineralization. The new ET survey included four lines totaling 9.5 kilometres at the Ivana area, two lines totaling 3 kilometres at Anit and one line of 2.5 kilometres at Santa Barbara. Conductive anomalies interpreted as paleo-channels were identified on every line surveyed. Interpreted paleo-channels are wider and thicker than previously modeled for the project and reach over 3,500 metres width and 50 metres thickness, in some cases, remaining open in many cases. Figure 1 is an example of the survey results, showing the inverse-conductivity pseudo-section from Line 9 at the Ivana property. High-grade uranium mineralization was previously sampled only from the sub-surface, to depths of 12 metres or less, however, the results of the survey indicate that the paleo-channels extend up to 50 metres depth in this area, and in most cases are buried, suggesting considerably more prospective areas to test at depth and laterally below cover sequences.

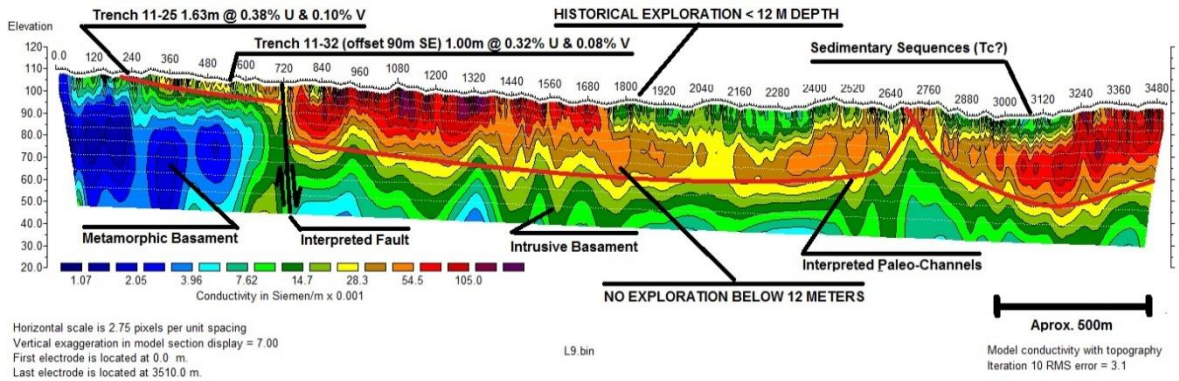

Figure 1. ET-Line 9 at Ivana property

The survey was carried out by Geofísica Argentina S.A. using a transmitter IRIS Instruments VIP 5000 and a receptor ELREC-Pro with 10 channels. The program was carried and supervised in the field by a Senior Geophysicist using technical parameters D=15m, n=19 and Mov.=15m.

About the Amarillo Grande Project

This new 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 close proximity of several major targets suggest that if resources are delineated 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.

Mineralization identified to date represents a Surficial Uranium style of deposit, where carnotite mineralization coats loosely consolidated pebbles of sandstone and conglomerates. Carnotite is amenable to leaching, and early metallurgical work indicates that the mineralized material can be upgraded using a very simple wet screening method. The near-surface mineralization, ability to locally upgrade, amenability to leaching and central processing possibility suggest a potentially low-cost development scenario for a future deposit.

Rio Negro is host to several facilities related to the nuclear industry. Furthermore, the Provincial government is amenable to mining as a means of socio-economical development. In addition, the Federal government has expressed support for building domestic resources of uranium. In particular, the Argentina Atomic Energy National Commission (CNEA) published its Strategic Plan 2015-2025, which includes a strategic objective "To ensure the supply of domestic uranium for nuclear power plants in operation, under construction and planned."
For additional details on the project and properties, please see the Company's website: www.blueskyuranium.com

Qualified Person

The contents of this news release have been reviewed and approved by 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.

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 holds has the exclusive right to over 428,000 hectares 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 among the first domestic suppliers of uranium to the growing Argentine market. 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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This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Readers are encouraged to refer to the Company's public disclosure documents for a more detailed discussion of factors that may impact expected future results. The Company undertakes no obligation to publicly update or revise any forward-looking statements. 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.