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NEWS RELEASE – July 5, 2012

Blue Sky Uranium Corp. and Windstorm Resources Inc. Complete Business Combination

Blue Sky Uranium Corp. (TSX-V: BSK, FRA: MAL (WKN: AOMKXP)) ("Blue Sky") and Windstorm Resources Inc. (TSX-V: WSR, FRA: 4WE (WKN: A1H700)) ("Windstorm") are pleased to announce the closing of the arrangement transaction whereby Blue Sky has acquired all of the outstanding common shares of Windstorm (the "**Arrangement**"). For details of the Arrangement, please refer to Windstorm's information circular dated May 24, 2012 previously sent to shareholders of Windstorm and available on SEDAR at www.sedar.com.

Closing of the Arrangement occurred effective at 10:00 a.m. (Vancouver time) on July 5, 2012, following approval by Windstorm shareholders and the British Columbia Supreme Court as previously announced. Pursuant to the Arrangement, Blue Sky issued 0.38868 of a common share of Blue Sky for each outstanding common share of Windstorm (the "**Exchange Ratio**"), resulting in the issuance of an aggregate of 8,000,021 Blue Sky shares. Outstanding warrants and stock options to acquire common shares of Windstorm now entitle the holders thereof on exercise to receive common shares of Blue Sky, adjusted for the Exchange Ratio with a corresponding adjustment to the exercise price and subject to the terms of such Windstorm warrants and stock options.

Windstorm is now a wholly-owned subsidiary of Blue Sky, with the former shareholders of Windstorm owning approximately 48% of the issued and outstanding common shares of Blue Sky. On completion of the Arrangement, Blue Sky has outstanding a total of 16,702,010 common shares, 2,472,711 common share purchase warrants and 1,289,432 stock options.

Computershare Investor Services Inc., Windstorm's transfer agent, will mail a letter of transmittal to the former registered shareholders of Windstorm providing instructions on how to exchange share certificates of Windstorm for share certificates of Blue Sky pursuant to the Arrangement. Blue Sky will be sending letters to former holders of Windstorm warrants and stock options advising of the adjustments made to their securities as a result of the Arrangement.

The common shares of Windstorm were halted from trading on the Exchange on July 4, 2012 and will be delisted from the Exchange on July 9, 2012.

The securities of Blue Sky referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. Accordingly, to the extent required, it is anticipated that the Arrangement will be effected in reliance upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act. This news release does not constitute an offer of securities, nor a solicitation for offers to buy any securities.

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