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NEWS RELEASE – September 18, 2017

Blue Sky Makes Significant New Uranium-Vanadium Discovery at Amarillo Grande Project, Argentina

Vancouver, BC / Marketwired / September 18, 2017 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company") is pleased to report Phase I Extension reverse circulation (RC) drilling results for the Ivana target and the Phase I results from the remainder of the Amarillo Grande uranium-vanadium project, in Rio Negro Province, Argentina (see Map 1: https://www.blueskyuranium.com/assets/news/2017-09-18-nrm1-bsk-g97x6f.pdf).

At the Ivana target, RC drilling on the eastern flank of the previously-reported Phase I drilling area (June 19, 2017 News Release) has defined a **strongly mineralized corridor** that extends more than **2 kilometres** in a northeast direction, is between 200 and >400 metres wide, up to 20 metres thick, and is open to expansion to the southeast and to the north (see Map 2: https://www.blueskyuranium.com/assets/news/2017-09-18-nrm2-bsk-g97x6f.pdf). This largely continuously mineralized zone includes a higher-grade core zone over one kilometre in length, which includes drill intercepts of up to 3,136 ppm U_3O_8 over one metre (AGI-0100). Strong uranium grades are also present within the interpreted southeastern extension (942ppm U_3O_8 over one metre in AGI-0124); and, the northern extension (817ppm U_3O_8 over one metre – AGI-0138).

Highlights include:

- **1,861 ppm U_3O_8 over 3 m**
  - within **405 ppm U_3O_8 over 20 m** in AGI-0100
- **1,410 ppm U_3O_8 over 1 m**
  - within **571 ppm U_3O_8 over 6 m** in AGI-0120
- **942 ppm U_3O_8 over 1 m**
  - within **575 ppm U_3O_8 over 3 m** in AGI-0124
- **877 ppm U_3O_8 over 1 m**
  - within **423 ppm U_3O_8 over 7 m** in AGI-0119
- **835 ppm U_3O_8 over 1 m**
  - within **447 ppm U_3O_8 over 6 m** in AGI-0137
- **814 ppm U_3O_8 over 1 m**
  - within **570 ppm U_3O_8 over 5 m** in AGI-0099
- **647 ppm U_3O_8 over 1 m**
  - within **420 ppm U_3O_8 over 5 m** in AGI-0131

"*These results represent a significant new uranium-vanadium discovery*," stated Nikolaos Cacos, Blue Sky President & CEO. *"We have always held the belief that Blue Sky's Amarillo Grande project, covering 269,000-hectares, has district-wide potential for uranium-vanadium discovery – and these results confirm that. We thank our technical team, led by Guillermo Pensado, and our shareholders for their patience and perseverance."*

Most of the uranium-vanadium found to date at Ivana and elsewhere on the Amarillo Grande property has consisted of carnotite mineralization in a surficial deposit type setting. Examples of surficial uranium deposits include Langer Heinrich in Namibia, which has Proven and Probable ore reserves and stockpiles with an average grade of 471 ppm

U_3O_8[1] and in in the 9 months ending in March 2017 had C1 unit cash costs of US$17.51/lb U_30_8.[2] In some of the recent strongly mineralized holes at Ivana, potentially primary mineralization was observed and the deposit style appears to include more characteristics of sandstone-type deposits. Sandstone deposits represent approximately 18% of world uranium resources, with grades of typically 0.05 to 0.35% U. These deposits are a leading source of uranium production in Kazakhstan, the USA and Niger[3].

The Company has commenced additional geophysical surveys and RC drilling to expand the strongly mineralized corridors identified to date at Ivana. Metallurgical testwork is also progressing.

Drill Program Technical Summary:

The 269,000-hectare (~665,000 acre) Amarillo Grande project spans a 140-kilometre long trend along which a number of areas of uranium-vanadium mineralization have been identified. From northwest to southeast there are three primary outcropping target areas named Santa Barbara, Anit and Ivana. This Phase 1 and Phase 1 extension RC drilling program included a total of 3,730 metres of RC drilling in 256 holes. A complete list of weighted average intervals >30ppm U_30_8 in all holes, as well as hole location data can be viewed here: https://www.blueskyuranium.com/assets/news/2017-09-18-nrt-bsk-g97x6f.pdf . The majority of holes are vertical and, as such, reported mineralized intercepts are believed to approximate true thickness.

Ivana Target
The first 98 holes from Ivana were previously reported in the Company's news release dated June 19th, 2017. Based on the first set of results, a follow-up program was designed, including additional electrical tomography (ET) geophysical surveying and 60 RC drill holes totaling 858 metres, to further define an area with elevated uranium-vanadium on the eastern flank of the previously-drilled area. Overall, approximately two-thirds (104) of the 158 holes at Ivana returned intervals of at least one metre of more than 30 ppm U_3O_8 and grades ranged as high as 3,136 ppm over 1 metre. The mineralized area now covers approximately 3,400 metres x 1,300 metres with depths to 23 metres, including higher-grade zones. Map 3 shows drill holes with collars coloured by intercept grade and grade x thickness (U_3O_8 x m) contours: https://www.blueskyuranium.com/assets/news/2017-09-18-nrm3-bsk-g97x6f.pdf. Along Line 9 between holes AGI-053 and AGI-102 the continuous mineralized corridor extends over approximately 2 kilometres with mineralized thicknesses ranging between 3 and 20 metres. Along the line of holes which parallels Line 9, 200 metres to the northwest, the strongly mineralized corridor has been defined between holes AGI-058 and AGI-133. These holes extend over approximately 1.5 kilometres, with mineralized intervals ranging in thickness from 3 to 12 metres. The mineralized corridor remains largely open to extension to the southeast and potentially connects with the >1000 grade x thickness area defined by holes AGI-124 & 137 on the eastern flank of the currently drilled area (southeastern extension on Map 1), also is open to expansion. The mineralized corridor is potentially also open to expansion to the north, from holes AGI-156 to AGI-138. The mineralization along this trend of holes is more variable and includes intervals of 7 metres of 255 ppm U_3O_8 and 171 V_2O_5 (AGI-138) including a single interval of one metre of 816 U_3O_8 and 205 V_2O_5. Drill hole highlights from the follow-up Phase I drilling at Ivana are provided below in Table 1.

Table 1. Ivana Target Phase I Follow-up Drill Hole Highlights
All holes at Azimuth 0, Dip -90

Hole #	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)	V_2O_5 (ppm)
AGI-0099	3	20	17	238	101
including	12	17	5	570	61
including	15	16	1	814	68
AGI-0100	0	20	20	405	117
including	4	15	11	691	130
including	9	12	3	1,861	38
including	10	11	1	3,136	29

[1] http://www.paladinenergy.com.au/sites/default/files/presentation_file/17.05.16-march-quarter-investor-conference-call-and-update.pdf
[2] http://www.asx.com.au/asxpdf/20170516/pdf/43j9k625v9h138.pdf
[3] http://www.world-nuclear.org/information-library/nuclear-fuel-cycle/uranium-resources/geology-of-uranium-deposits.aspx

AGI-0101	9	16	7	158	122
including	12	13	1	429	79
AGI-0119	11	18	7	423	91
including	11	12	1	877	114
AGI-0120	1	19	18	254	75
including	12	18	6	571	53
including	12	13	1	1,410	34
AGI-0124	5	18	13	224	112
including	8	11	3	575	67
including	9	10	1	942	48
AGI-0131	10	22	12	212	95
including	12	17	5	420	65
including	13	14	1	647	39
AGI-0137	10	23	13	285	118
including	11	17	6	447	58
including	14	15	1	835	45
AGI-0138	12	19	7	255	171
including	17	18	1	816	205
AGI-0147	12	19	7	176	42
including	13	14	1	407	34
AGI-0154	13	18	5	257	56
including	13	16	3	359	41

The follow-up program provided new information that has resulted in the geological team updating the deposit model reflecting characteristics of sandstone-type and surficial-type uranium-vanadium mineralization. Higher-grade mineralization is believed to be related to fluvial medium-to-coarse sandstones and conglomerates within an ancient deltaic braided stream environment that lies unconformably over granitic basement. Uranium-vanadium mineralization at Ivana occurs primarily in the form of carnotite, a uranium vanadate, however in some of the higher-grade areas potentially primary mineralization was observed. Additional geophysical surveys and RC drilling to define the expansion potential of mineralized corridors is ongoing at Ivana and metallurgical testwork is also progressing on material from Ivana.

Anit Target

Drilling at Anit included 83 holes for a total of 1170 metres, with the deepest holes drilled to 20 metres. A map of the drill holes can be found at: https://www.blueskyuranium.com/assets/news/2017-09-18-nrm4-bsk-g97x6f.pdf . The program was designed to audit previous exploration results as well as test adjacent areas for extensions to mineralization. The program successfully confirmed the spatial correlation of the previously recognized mineralized zones. Out of 83 holes drilled, 53 returned intervals with at least one metre of more than 30 ppm U_3O_8. This area is particularly well-mineralized in vanadium with 55 of the holes returning intervals of at least one metre of 500 ppm V_2O_5, with values reaching as high as 3,411 ppm (0.34% in AGA-049). Drill hole highlights are provided below in Table 2:

Table 2. Anit Target Phase I Drill Hole Highlights
All holes at Azimuth 0, Dip -90

Hole #	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)	V_2O_5 (ppm)
AGA-0044	1	6	5	137	400
including	1	2	1	484	539
AGA-0051	0	4	4	113	1,177
including	2	3	1	315	2,085
AGA-0059	0	4	4	463	1,494
including	1	2	1	1,114	2,510
AGA-0077	1	4	3	250	985
including	2	3	1	511	1,808
AGA-0078	0	4	4	336	1,478

including	0	2	2	535	1,486
AGA-0081	0	7	7	238	418
including	2	3	1	704	894
AGA-0082	0	2	2	277	514
including	0	1	1	468	652
AGA-0083	0	7	7	382	384
including	3	4	1	1,007	678

Integrating the results of the 2017 RC drilling with the previous pit sampling, trench sampling and aircore drilling data is ongoing and is aimed at refining future infill and step-out drilling plans.

Santa Barbara Target
This was the first drill program at this target area and was considered a scouting program. Fifteen holes were drilled ranging from 4 to 25 metres length, for a total of 312 metres. Values of uranium and vanadium were low in all holes; this target area represents the lowest priority for follow-up work. A map of the drill holes can be found at: https://www.blueskyuranium.com/assets/news/2017-09-18-nrm5-bsk-g97x6f.pdf .

Methodology and QA/QC
Preparation of all samples reported herein was completed Bureau Veritas Minerals of Mendoza, Argentina. Samples were prepared by drying, crushing to 80% passing 10 mesh and then pulverizing a 250 g split to 95% passing 150 mesh. Pulps were analyzed by Bureau Veritas Commodities Canada Ltd. for 45 elements by means of Inductively Coupled Plasma Mass Spectrometry following a four-acid digestion (MA-200). Approximately every 10th sample a blank, duplicate, or standard sample was inserted into the sample sequence for quality assurance/quality control (QA/QC) purposes. No significant QA/QC issues were identified during review of the data.

The drilling program been carried out using an FlexiROC D65 drill rig from Atlas Copco, an ore-control track-mounted rig adapted to reverse circulation with triple cyclone to reduce the dust loss during sampling and automatic sampling. Every hole was surveyed by a senior geophysicist from Geopehuen SRL Service Company using a natural gamma probe from Geovista Ltd. The probe was previously calibrated at the Comisión Nacional de Energía Atómica facility (Atomic Energy National Commission, CNEA).

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 proximity of several major targets suggests 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 at Amarillo Grande has characteristics of sandstone-type and surficial-type uranium-vanadium deposits. In surficial-type uranium deposits, carnotite mineralization coats loosely consolidated pebbles of sandstone and conglomerates. Carnotite is amenable to leaching, and preliminary metallurgical work at the project 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.

For additional details on the project and properties, please see the Company's website: www.blueskyuranium.com

Qualified Person
The results of the Company's drilling program have been 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.

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 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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