Blue Sky Uranium Expands Exploration Program at the Amarillo Grande Uranium-Vanadium Project

written by Raj Shah | May 16, 2019

May 16, 2019 (Source) – **Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company")** is pleased to provide an update on current exploration and planned follow-up programs for the Company's wholly-owned Amarillo Grande Uranium-Vanadium Project in Rio Negro, Argentina ("**AGP**"). The AGP covers a 145 km prospective trend, including the Ivana deposit which demonstrated strong economic potential in a recent NI 43-101 Preliminary Economic Assessment ("**PEA**"; see News Release dated February 27, 2019).

Work to date has identified three high-priority target areas with significant anomalies of uranium and vanadium. The exploration program for the next six months, including RC drilling, is designed to systematically identify and delineate mineralization potentially extending the Ivana deposit to the west (Ivana West target). The program will also test targets in two other key areas, Ivana Central and Ivana North, within 25 kilometres of the deposit (see Figure 1).

The program includes:

- Auger drilling and down-hole radiometric measurements (currently in progress)

- 6km-long Induced Polarization ("**IP**") geophysical survey (planned)
- Up to 4,500 metres of reverse circulation ("**RC**") drilling (planned)

"Following on the heels of our successful PEA for the Ivana deposit, we are continuing exploration with confidence in the potential for discovery of additional deposits that will build value," stated Nikolaos Cacos, Blue Sky President & CEO. "*Our team has made considerable advancements in exploration targeting and all of our results to date confirm significant uranium and vanadium anomalies to the west and north of the Ivana deposit, with additional prospects along the 145km-long exploration trend covered by the Amarillo Grande Project.*"

Program Details

On February 27th, 2019 the Company announced a PEA for the Ivana deposit, including an updated inferred mineral resource estimate of 22.7 million pounds of U_3O_8 and 11.5 million pounds of V_2O_5 (23.9 million tonnes averaging 0.037% U_3O_8 & 0.019% V_2O_5 at a 100 ppm uranium cut-off). The PEA concludes that the current mineral resources support 13 years of uranium and vanadium production from a surficial mining operation, with robust economics after modest capital outlay, but noted that there was still considerable potential to identify new resources to the west and north. The Company is therefore continuing exploration with a particular focus on shallow "blind" targets not exposed at surface.

Target Development

Pit sampling work completed to date, as well as past wide-spaced diamond drilling and ground radiometrics, has aided in the identification of shallow mineralized targets in the Ivana West, Ivana Central and Ivana North areas. Results from Ivana West, adjacent to the main deposit area, returned high grades of

uranium and vanadium from pit sampling as reported in the Company's news releases dated November 15, 2018 and April 29, 2019. Pit sampling at the Ivana Central and North areas was completed as part of a 2011 exploration program which also returned high values of uranium (report by C.G. Verley, filed on www.sedar.com dated May 29th, 2012).

In 2013, Blue Sky's joint venture partner at the time, Areva S.A., drilled 11 core holes in the Ivana Central and North target areas totaling 2023.5 metres with depths ranging from 110 to 280 metres. Since the middle of 2018, Blue Sky's exploration team has been relogging, resampling and re-interpreting those holes and applying the in-house geological and exploration models that have been developed and refined as the Ivana deposit has been advanced. This work has identified two suites of pathfinder elements that the Company plans to employ as geochemical indicators to vector towards blind uranium deposits during the upcoming exploration program.

Auger Program

A program comprising 321 new auger holes is ongoing and designed to refine targets for RC drilling (see Figure 1). A total of 152 auger holes have been completed since the beginning of 2018 (133 at the Ivana deposit/West and 19 at Ivana Central) totalling 644 metres with an average depth of 4.3 metres. This method is being applied in areas with weak or no superficial radiometric anomalies that have potential for blind uranium deposits and where the basement rock is considered too deep for pit-sampling. The auger holes are drilled to approximately 10 metres in depth, after which the open hole is surveyed with a down-hole radiometric probe; areas with elevated radiometrics are being prioritized for RC drill testing. Prior to the start of the current auger program, the Company conducted augering in a number of areas on the Ivana property, including the Ivana

deposit area, Ivana Central and Ivana North (Figure 1). Radiometric probe results from auger holes were partially responsible for the discovery of the Ivana deposit and in some cases have delineated strong near-surface anomalies requiring follow-up RC drilling (see report by C.G. Verley, filed on www.sedar.com dated May 29th, 2012 for discussion of pre-2017 auger drilling).

Planned Geophysics Program

To further refine drill targets with the potential for blind uranium deposits the exploration team has planned a 6-km long IP geophysical survey over the Ivana Central and North targets. Disseminated pyrite associated with uranium-vanadium mineralization was initially detected by an IP survey at the Ivana deposit, and confirmed with the following RC drill program. Therefore, chargeability anomalies related to disseminated pyrite may be a useful indirect indicator to identify additional zones of buried uranium-vanadium mineralization.

Planned RC Program

The planned RC drilling program will be executed in two stages totalling approximately 4,500 metres. Stage 1 will be focussed on the Ivana West target, comprising the potential western extension of the Ivana deposit, as well as testing surficial uranium-vanadium anomalies, open to depth auger-detected anomalies and airborne/surface survey radiometric anomalies at the Ivana North and Central targets. The focus of Stage 2 drilling will be defined based on results from Stage 1 and will prioritize areas with the most potential for delineation of additional mineral resources.

The entire geophysics and RC drilling programs are expected to take approximately six months; both are contingent on the Company raising additional funds.

Qualified Persons

The results of the Company's exploration 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.

About the Amarillo Grande Project

The Company's 100% owned Amarillo Grande Uranium-Vanadium Project in Rio Negro Province, Argentina is a new uranium district controlled by Blue Sky. The Ivana deposit is the cornerstone of the Project and the first part of the district for which both a Mineral Resource Estimate and a Preliminary Economic Assessment have been completed. Mineralization at the Ivana deposit has characteristics of sandstone-type and surficial-type uranium-vanadium deposits. The sandstone-type mineralization is related to a braided fluvial system and indicates the potential for a district-size system. In the surficial-type deposits, mineralization coats loosely consolidated pebbles, and is amenable to leaching and simple upgrading. The PEA demonstrates robust economics for a surficial mining operation of the Ivana deposit, with 13 years of uranium and vanadium production.

The Project includes several other target areas over a regional trend, at or near surface. The area is flat-lying, semi-arid and accessible year-round, with nearby rail, power and port access. The Company's strategy includes delineating resources at multiple areas for which a central processing facility could consolidate production.

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

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 properties 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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