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OTCQB Venture Market (OTC): **BKUCF**

NEWS RELEASE – October 5, 2017

Blue Sky Expands Mineralized Zone at Amarillo Grande Project, Argentina

Vancouver, BC / Marketwired / October 5, 2017 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company") is pleased to report that the initial results from the Phase 2 exploration program indicate that the known two-kilometre long, strongly-mineralized corridor may extend up to an additional two kilometres to the south at the Ivana target on its 100% owned Amarillo Grande uranium-vanadium project, in Rio Negro Province, Argentina. The mineralization is also open to expansion to the north.

"The second phase of the program is progressing well, with clear indications that the system is much bigger than previously identified," stated Nikolaos Cacos, Blue Sky President & CEO. *"We look forward to receiving the latest assays to quantify the size and scale of the expansion, and we continue to drill to test just how large the system is. We remain very optimistic on the size potential of this discovery."*

The current program is focused on the Ivana area, where the previous drilling program defined a strongly mineralized corridor extending more than two kilometres in a northeast direction, between 200 and >400 metres wide, up to 20 metres thick, with grades as high as 3,136 ppm U₃O₈ over one metre (see news release dated September 18th, 2017). The corridor was interpreted as open to expansion to the southeast and to the north and results from geophysical surveys completed in the current program confirmed new targets in both directions with the potential for significant mineralization. Phase 2 Reverse Circulation (RC) drilling completed to date includes holes 159 through 193, for a total of 428 metres in 35 holes. Logging of the RC chips and radiometric surveying of the drill holes suggests that the mineralized zone has been extended to the south for almost two kilometres based on radiometric signatures in holes AGI-163, AGI-169, AGI-170, AGI-186 & AGI-187 as shown in the map available here: <https://www.blueskyuranium.com/assets/news/2017-Oct-5-NR-Map.pdf>). Analytical results for the drill holes completed in the Phase 2 program to date are expected by the end of October. Phase 2 drilling at Ivana will be resuming shortly and will consist of approximately 3000 metres focused on resource delineation. Metallurgical testwork is also underway on material from Ivana.

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.

Ivana Target

Previous drill results from the Ivana target area were reported in the Company's news release dated June 19th, 2017 and September 18th, 2017. Overall, approximately two-thirds (104) of the 158 holes at Ivana returned intervals of at least one metre of more than 30 ppm U₃O₈ and grades ranged as high as 3,136 ppm over 1 metre. The mineralized area defined by the previous drill results covers approximately 3,400 metres x 1,300 metres with depths to 23 metres, including the higher-grade corridor mentioned above. The mineralization was interpreted as being open to the southeast and the north.

For the Phase 2 program, 11.5 line-kilometres of pole-dipole electrical tomography (ET) was completed in 4 lines (line 13 to 16), using a 15 metre array (see Map 1). This methodology has previously been shown to identify conductive anomalies corresponding to known ancient river channels ("paleo-channels") hosting uranium mineralization. In the Phase 2 survey, conductive anomalies interpreted as paleo-channels were identified on every line surveyed, as shown in the sections here: <https://www.blueskyuranium.com/assets/news/2017-Oct-5-NR-Sections.pdf>.

A total of 3,000 metres of drilling is planned to test these areas, with 428 metres in 35 holes completed at the time of writing. Hole location details and analytical results will be reported when assays are received, compiled and reviewed by Blue Sky technical personnel.

Methodology and QA/QC

The drilling program is being 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 Geopuhuen 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). Samples are being sent to Bureau Veritas Minerals of Mendoza, Argentina for preparation by drying, crushing to 80% passing 10 mesh and then pulverizing a 250 g split to 95% passing 150 mesh. Pulps will be sent to Bureau Veritas Commodities Canada Ltd. for analysis of 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 is inserted into the sample sequence for quality assurance/quality control (QA/QC) purposes.

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. The sandstone-type deposit is related to a braided fluvial system comprising a potentially district-size "roll front" system. Uranium minerals are present in the porous of poorly-consolidated sandstones and conglomerates. 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 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"

Nikolaos Cacos, President, CEO and Director

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