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NEWS RELEASE – February 22, 2024

Blue Sky Uranium Announces a Positive New Preliminary Economic Assessment for the Ivana Uranium-Vanadium Deposit, Amarillo Grande Project, Argentina

Vancouver, BC / CNW / February 22, 2024 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company" is pleased to announce the results of a new Preliminary Economic Assessment ("PEA") for the Ivana Uranium-Vanadium deposit at the Company's 100% owned Amarillo Grande Project in Rio Negro Province, Argentina. The updated PEA incorporates a new mineral resource estimate, in which approximately 80% of the resources are now in the Indicated category. The PEA demonstrates robust economics from a surficial mining operation, entailing 11 years of uranium and vanadium production:

PEA Highlights (All figures in US dollars)

- After-tax NPV 8%: \$227.7 million
- After-tax IRR: 38.9%
- After-tax Payback period: 1.9 years
- Pre-production Capital Cost: \$159.7 million, includes \$35.4 million contingency
- Life of mine ("LOM") Sustaining Capital Cost: \$27.3 million, includes \$5.4 million contingency
- Average LOM Total Cash Cost net of credits: \$23.29/lb U₃O₈
- Average LOM All-In Sustaining Costs ("AISC") net of credits: \$24.95/lb U₃O₈

PEA Key Assumptions & Inputs

- Uranium price: \$75/lb U₃O₈
- Vanadium Price \$7.5/lb V₂O₅
- Years of Construction: 2
- Years of Production: 11
- Strip Ratio: 1.5:1 (waste/ore)
- Dilution: 3%
- Average Mining rate (waste + mill feed): 5.10 Mtpa
- Processing throughput: 2.17 Mtpa
- Process Plant Recoveries (Net), Uranium: 84.6%
- Process Plant Recoveries (Net), Vanadium: 52.5%
- Average Annual Production (LOM): 1.5 Mlbs/y U₃O₈
- LOM uranium production: 16.5 Mlbs U₃O₈

"This PEA reaffirms that the Ivana deposit is a leading low-cost uranium-vanadium project. We believe that this resurgent uranium market has a strong long-term outlook and we are therefore preparing to complete a prefeasibility study for Ivana as soon as possible," stated Nikolaos Cacos, Blue Sky President & CEO. *"We will also continue our on-going exploration work to discover and delineate new uranium and vanadium resources throughout the remaining highly prospective district-scale Amarillo Grande project."*

Additional detailed processing studies are underway to further de-risk and enhance the economics for development of the Ivana deposit. This technical work will be incorporated into the program to support a prefeasibility study ("PFS"), which the Company is preparing to commence in the coming months.

PEA Summary

A summary of key physical parameters and costs for the PEA are presented in Table 1 below. All figures are in US dollars. The Mineral Resource estimate included in the PEA is reported according to the classification criteria set out in the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards for Mineral Resources and Reserves ("CIM Definition Standards").

Readers are cautioned that the PEA is preliminary in nature and is intended to provide an initial assessment of the project's economic potential and development options. The PEA mine schedule and economic assessment includes numerous assumptions and is based on both Indicated and Inferred mineral resources. Inferred resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Additional exploration will be required to potentially upgrade the classification of the inferred mineral resources to be considered in future advanced studies.

Table 1. PEA Summary Parameters

	Unit	
Physical Parameters		
Total tonnes feed prep processed (LOM)	Mt	23.5
Head Grade (U ₃ O ₈)	%	0.038%
Head Grade (V ₂ O ₅)	%	0.019%
Annual Plant throughput	tpa	2,170,000
Recovery - Uranium (net)	%	84.6%
Recovery - Vanadium (net)	%	52.5%
Mine Life (Production)	years	11
Total Uranium (U ₃ O ₈) produced	Mlbs	16.5
Total Vanadium (V ₂ O ₅) produced	Mlbs	5.2
Average Annual U ₃ O ₈ production	Mlbs/yr	1.50
Operating Cost Parameters		
Mining Cost (LOM avg)	\$/t feed	\$4.97
Processing Cost (LOM avg)	\$/t feed	\$8.52
Waste & Water Management	\$/t feed	\$0.09
G&A Cost (LOM avg)	\$/t feed	\$1.92
Total Operating Cost	\$/t feed	\$15.50
Pre-Production Capital Costs		
Mine	\$M	\$18.79
Process Plant	\$M	\$96.25
Waste & Water Management	\$M	\$5.44
Other Infrastructure	\$M	\$3.83
Contingency	\$M	\$35.41
Total Pre-Development Capital	\$M	\$159.72
Sustaining Capital (LOM)	\$M	\$27.29
Total Capital (LOM)	\$M	\$187.01
Cost Summary		
LOM U ₃ O ₈ cost (net of V ₂ O ₅ credits)	\$/lb	\$23.29
LOM U ₃ O ₈ cost (net of V ₂ O ₅ credits) with AISC	\$/lb	\$24.95

Supporting information for the Mineral Resource estimate and the PEA will be detailed in an independent technical report prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) which will be filed on SEDAR+ under the Company’s profile within 45 days of the date of this news release.

Mineral Resource Estimate

The effective date of the Mineral Resource estimate is October 14, 2023. This updated resource estimate includes data from an additional 350 reverse circulation (“RC”) drill holes (3,346 metres) completed up to March of 2022. The Mineral Resource estimate is presented in Table 2.

The Indicated and Inferred mineral resource estimation for the Ivana Project is summarized in Table 2. The base case cut-off grade of 100 ppm U. The addition of 350 RC drill holes decreased the drill hole spacing and 80% of the estimate is now classed as indicated mineral resources based on 2 holes within 100 m of a block. As far as the QPs are aware, there are no issues related to environmental, permitting, legal, title, taxation, sociopolitical or marketing which could materially impact the mineral resource,

Table 2. Estimate of Mineral Resource reported at 100 ppm Uranium Cut-off

Zone	Class	Tonnes (Mt)	Average Grade				Contained Metal	
			U (ppm)	U ₃ O ₈ (%)	V (ppm)	V ₂ O ₅ (%)	U ₃ O ₈ (Mlb)	V ₂ O ₅ (Mlb)
Upper	Indicated	2.0	122	0.014	110	0.020	0.6	0.9
Lower	Indicated	17.6	358	0.042	104	0.019	16.4	7.2
Total	Indicated	19.7	333	0.039	105	0.019	17.0	8.1
Upper	Inferred	1.4	167	0.020	170	0.030	0.6	0.9
Lower	Inferred	4.2	293	0.035	90	0.016	3.2	1.5
Total	Inferred	5.6	262	0.031	109	0.019	3.8	2.4

Notes to Table 1:

1. The effective date of the Mineral Resource is October 14, 2023. The QPs for the Mineral Resource estimate are Susan Lomas, P.Geo. of Lions Gate Geological Consulting (LGGC) and Dr. Bruce Davis FAusIMM.
2. CIM Definition Standards were used for Mineral Resource classification and in accordance with CIM MRMR Best Practice Guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. Extreme High-grade samples were capped to lower grades (Upper U 1000 ppm, V 400 ppm, Lower U 3000 ppm, V 1000 ppm) and then restricted using an outlier strategy where Upper composites were limited to U 400 ppm and V 300 ppm over 100 m and Lower composites were limited to U 2000 ppm and V 600 ppm over 100 m.
4. Mineral Resources were tabulated within a resource limiting pitshell using \$US 75/lb U price, recovery of 84.6% U; open pit mining cost of \$1.50/t mineralization mined; processing and G&A cost of \$6.30/t processed; pit slope of 32°. Bulk density value of 2.1 g/cm³ was used for mineralized material.
5. The resource was estimated within distinct zones of elevated uranium concentration occurring within the host sediments. Vanadium is associated with uranium and is estimated within the same zones. There is no indication that Vanadium occurs outside of the elevated uranium zones in the Ivana deposit area in sufficient concentrations to justify developing estimation domains focused on Vanadium.

Mine Plan

The Ivana operation will consist of surface mining operation delivering mill feed to a nearby processing plant or feed stockpiles. The annual mining rate will be approximately 5.1 Mtpa (13,000 tpd) consisting of waste material and mill feed. The average strip ratio is approximately 1.5:1.

Table 3 presents the potentially excavated tonnages. Mill feed may be delivered directly to the process plant or placed into stockpiles for blending purposes.

Table 3. Potentially Extractable Portion of the Mineral Resource

		U ₃ O ₈	V ₂ O ₅
Waste stripped	34,756 kt	-	-
Strip Ratio	1.48		
Mill Feed (diluted)	23,467 kt	0.038%	0.019%

Note: Assumes 3% dilution and 3% ore loss. Cut-off grade of 75 ppm U used to define potentially extractable portion of mineral resource.

The surface mine will be relatively shallow, with a maximum depth of 30 metres. The length of the mine will be approximately 3000 metres with widths ranging from 100 to 400 metres.

Mining will be done with a fleet of two (5 cubic metre) excavators, a front-end loader and seven 31-tonne articulated trucks along with a fleet of support equipment. The materials mined are unconsolidated gravels and sands and are free digging, therefore drilling and blasting will not be required.

Mine waste materials will be used for construction activities on site (e.g., construction of the surface tailings management facility (TMF), in-pit cell divider berms, etc.). Waste materials not used in construction will be stockpiled outside of the footprint of the pit. Waste will be managed in the external stockpiles until it is used as in-pit backfill or for reclamation activities.

Processing & Recovery

Mined mill feed may be delivered directly to the processing plant or stockpiled. Stockpiles provide a surge capacity between the mining and processing, and enable blending, to manage the head grade of the process plant feed. Mill feed will then be processed in two stages. The net process recovery is 85% for uranium (derived from 89% leach feed preparation recovery and 95% subsequent alkaline leach circuit recovery); and 53% net for vanadium (derived from 89% leach feed preparation recovery and 59% subsequent alkaline leach circuit recovery). Recoveries were determined through the mineralogical, metallurgical and process engineering test work program completed by The Saskatchewan Research Council (SRC), as detailed in the BSK press release dated February 7th, 2019.

Feed material will first be processed through the leach feed preparation plant, a semi-mobile screening and scrubbing facility located at the proposed mining site. The leach feed preparation plant will liberate fine material (<100 um) from the larger particles (>100 um) and scrub away and recover fine uranium and vanadium mineral particles coating the large particles, into a leach feed slurry. The rejected coarse fraction (approx. 75% of the mill feed mass from which most of the original uranium and vanadium has been stripped) will be dewatered, and either stockpiled on surface (during the first three years of operations) or backhauled by the mine fleet for backfill into containment cells within mined out sections of the pit.

In the second process stage the slurry containing the fine fraction of the mineralized material will be pumped to the leach plant. An alkaline leach circuit (sodium carbonate and bicarbonate) will be used to dissolve uranium and vanadium from the leach feed minerals. No oxidant is required. Subsequently, uranium and vanadium will be separated by selective chemical precipitation, with uranium solids then calcined to U₃O₈ or UO₃ and vanadium solids calcined to V₂O₅.

Tailings slurry from the alkaline leach circuit (approx. 25% of the mill feed mass and from which the majority of uranium and vanadium has been stripped) will initially be pumped to a surface TMF where it will settle and release water. This released water will be reclaimed and pumped to the water treatment circuit in the process plant where it will be further treated, resulting in solids that are pumped back to the TMF with the alkaline leach tailings. The final pH adjusted water will be returned to the process water tank for reuse. The TMF will be used for tailings management for the first three years of mill production.

The fine tailings will be pumped into containment cells in mined out sections of the pit after the surface TMF reaches design capacity (approximately Year 4 of mill production), for co-disposal with mine waste rock and coarse rejects. Long term storage of all waste material from mining operations will comply with all local and international regulations and requirements.

Infrastructure

The Ivana operation will take advantage of local infrastructure whenever possible. Employees will reside in local communities, most likely the town of Valcheta, approximately 25 km from the mine site. Grid power will be accessible to the project via the construction of a 30 km powerline. For the PEA it is assumed that process water will be supplied from on-site pumping wells. Ground water at the mine site is classified as non-potable for humans and animals but suitable for processing use. Future studies will further assess the local water resources.

Other site infrastructure will include maintenance shops, administration offices, a mine dry, diesel fuel storage, and warehouses.

Capital and Operating Costs

The life-of-mine capital and operating costs are summarized in Tables 4 and 5. The costs assume a fully owner-operated project. The closure and reclamation cost are estimated at \$26.8 million and includes costs for site remediation and final backfilling of the remaining mine excavation. These costs are commensurate with a PEA level study and have an accuracy of +/- 35%.

Table 4. Capital Cost Summary

Area	Units	Pre-Production	Sustaining (LOM)	Total LOM
Mine	\$M	18.8	11.3	30.1
Process Plant	\$M	96.3	1.3	97.5
Waste & Water Management	\$M	5.4	8.2	13.7
Other Infrastructure	\$M	3.8	1.1	4.9
Contingency	\$M	35.4	5.4	40.8
Total Capital	\$M	159.7	27.3	187.0

Note: cost accuracy is commensurate with a PEA level study, with +/- 35% accuracy.

Table 5. Operating Cost Summary

Area	Units	Unit Cost	Total LOM
Mining Cost, incl coarse reject backhauling	\$/t mat'l	2.09	116.6
Mining Cost, incl coarse rejects	\$/t feed	4.97	116.6
Processing Cost	\$/t feed	8.52	199.9
Waste & Water Management	\$/t feed	0.09	2.2
G&A	\$/t feed	1.92	45.0
Total Operating Cost	\$/t feed	15.50	363.7

Project Economics and Sensitivities

The economic results of the PEA are summarized in Table 6 on both a before-tax and after-tax basis. For the PEA Base Case a long-term uranium price of \$75/lb U₃O₈ and a vanadium price of \$7.50/lb V₂O₅ were used. Sensitivity to various uranium prices are shown in Table 6 while the vanadium price is kept fixed.

Uranium provides approximately 97% of the project's revenue stream at the base case prices.

Table 6. Economics and Sensitivity

		Uranium Price Sensitivity			Spot
Price - U ₃ O ₈	\$/lb	\$65.00	\$75.00	\$85.00	\$105.00
Price - V ₂ O ₅	\$/lb	\$7.50	\$7.50	\$7.50	\$7.50
Pre-Tax					
NPV (0%)	\$M	\$ 481.3	\$637.2	\$ 793.1	\$1,105.0
NPV (8%)	\$M	\$272.8	\$371.8	\$470.7	\$ 668.7
IRR	%	41.4%	50.4%	58.8%	74.2%
After-Tax					
NPV (0%)	\$M	\$304.9	\$405.1	\$ 505.2	\$705.4
NPV (8%)	\$M	\$163.6	\$227.7	\$ 291.2	\$ 418.3
IRR	%	31.7%	38.9%	45.3%	57.0%
Payback	years	2.3	1.9	1.7	1.3

Opportunities

Infill drilling at the Ivana deposit is expected to upgrade the mineral resource from the Inferred and indicated categories. It is estimated that an infill RC drilling program of approximately 3,000m in 180 holes will be required in order to further upgrade resources within the pit shell zone.

There is also potential to expand mine feed at Ivana, particularly to the west, where recent infill drilling returned low-uranium – rich-vanadium resources that may be potentially considered for mine-life extension during high-price scenario (see Blue Sky news release dated September 8, 2022). Furthermore, there is excellent exploration potential in the 30-40km surrounding areas of the Ivana deposit for considering a potential cluster of deposit with a central facility, and elsewhere on the Amarillo Grande Project concessions.

Additional improvements to the project economics are expected as more detailed engineering studies are undertaken and optimization studies are completed.

Future work on Ivana will include additional infill drilling to upgrade mineral resources, as well as advanced engineering studies that will incorporate the ongoing comprehensive environmental base line study and additional metallurgical and process test works, as well as mine design optimization, detailed permitting assessment, among other items required for the completion of a PFS.

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 Project includes several major target areas over a regional trend, with uranium and vanadium mineralization in loosely consolidated sandstones and conglomerates, at or near surface. The area is flat-lying, semi-arid and accessible year-round, with nearby rail, power and port access.

The Ivana deposit is located in the southernmost of three target areas that comprise the Amarillo Grande Uranium-Vanadium project. Mineralization was first identified at Ivana after field follow-up of a 2010 regional high-resolution airborne radiometric and magnetic survey.

The Ivana deposit displays characteristics of both surficial-type and sandstone-type uranium-vanadium deposits. In plan view, the Ivana uranium-vanadium mineralization has a broad C-shaped pattern with some isolated outlying areas of peripheral mineralization. The uranium mineralization at Ivana is comprised of secondary uranium minerals which include carnotite, a coffinite-like mineral that has been called β -coffinite (beta-coffinite), as well as lesser tyuyamunite, leibigite, and an unidentified uranium-bearing mineral species.

Mineralization occurs within 25 m of surface in two stacked zones. The upper zone is comprised of predominantly carnotite mineralization, and the lower zone contains a mixture of mainly carnotite and β -coffinite mineralization. The two zones occur together through most of the deposit but there are localized areas where only one zone is present. The upper zone averages 2.7 m in thickness, with a maximum of 10 m, while the lower zone has a maximum of 20 m and has an average thickness of 6 m.

The Amarillo Grande project is believed to have district-scale potential for discovery of similar styles of mineralization.

QA/QC

The resource estimation was based on 838 RC drill holes, representing 10,968 metres of drilling with one metre samples. The drilling was completed in four phases starting in January 2017 and finishing in March 2022. Only two holes were inclined; the remainder were vertical. Bedding and mineralized horizons are approximately horizontal so vertical samples are believed to represent true thickness. The QPs reviewed the QA/QC program for the drilling samples and found the analytical results are within standard industry limits and the drill samples are appropriate for use in the mineral resource estimation.

Qualified Persons and NI 43-101 Disclosure

The results of the Company's drilling 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.Geol. Dr. Terry is a Director of the Company and a Qualified Person ("QP") as defined in National Instrument 43-101.

A National Instrument 43-101 ("NI 43-101") Technical Report supporting the Mineral Resource Estimate and the Preliminary Economic Assessment will be filed on SEDAR+ within 45 days of this news release.

The Mineral Resource Estimate and associated information in this news release were prepared under the direction of Bruce Davis Ph.D., F.AusIMM, Consultant, and Susan Lomas, P.Geol., of Lions Gate Geological Consulting Inc. Both Dr. Davis and Ms. Lomas are independent Qualified Persons (QP's) as defined in NI 43-101.

The PEA and associated information in this news release were prepared under the direction of consultant Ken Kuchling, P.Eng., a mining engineer specializing in economic reviews and an independent Qualified Person as defined in NI 43-101.

Additional contributing independent Qualified Persons for the PEA are:

- Chuck Edwards, P.Eng. FCIM (metallurgy & processing)
- Ken Embree, P.Eng., of Knight Piésold Ltd (environmental, waste & water management)

All the QP's have reviewed and approved the content of this news release.

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, while respecting the environment, the communities, and the cultures in all the areas in which we work. 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.

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

ON BEHALF OF THE BOARD

"Nikolaos Cacos"

Nikolaos Cacos, President, CEO and Director

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