

# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – September 25, 2017

www.blueskyuranium.com



## Blue Sky Uranium Corp. (C\$ 0.13)

TSX.V : BSK  
OTC : BKUCF  
FSE : MAL2

H+L prices (12 months) : C\$ 0.62 – 0.10

Issued shares : 71.68 million  
Fully diluted : 76.40 million

Market capitalization : C\$ 9.31 million  
(US\$ 7.55 million)

**First price target: C\$ 0.30**

## INVESTMENT ALERT

### Significant new uranium-vanadium discovery at Amarillo Grande Project, Argentina

#### Company profile

On September 18, 2017, Blue Sky Uranium (“Blue Sky”) reported Phase 1 extension reverse circulation (RC) drilling results for the **Ivana target** and the Phase 1 results from the remainder of the Amarillo Grande uranium-vanadium project in the Rio Negro Province, Argentina.

At the **Ivana target** the Company has defined a strongly mineralized corridor that extends more than 2 kilometres in a northeast direction, which is between 200 and >400 metres wide, up to 20 metres thick and is open to expansion to the southeast.

This largely continuously mineralized zone includes a **higher-grade core zone** over one kilometre in length, which includes drill intercepts of up to 3,316 ppm U<sub>3</sub>O<sub>8</sub> over one metre (AGI-0100). Strong uranium grades are also present within the interpreted south-eastern extension (**942 ppm U<sub>3</sub>O<sub>8</sub>**) over one metre in AGI-0124; and the **northern extension** (817 ppm) over one metre (AGI-0138).



The results represent a significant new uranium-vanadium discovery.

**Highlights include:**

- 1,861 ppm U<sub>3</sub>O<sub>8</sub> over 3 metres within 405 ppm U<sub>3</sub>O<sub>8</sub> over 20 metres in AGI-0100
- 1,410 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 571 ppm U<sub>3</sub>O<sub>8</sub> over 6 metres in AGI-0120
- 942 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 575 ppm U<sub>3</sub>O<sub>8</sub> over 3 metres in AGI-0124
- 877 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 423 ppm U<sub>3</sub>O<sub>8</sub> over 7 metres in AGI-0119
- 835 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 447 ppm U<sub>3</sub>O<sub>8</sub> over 6 metres in AGI-0137
- 814 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 570 ppm U<sub>3</sub>O<sub>8</sub> over 5 metres in AGI-0099
- 647 ppm U<sub>3</sub>O<sub>8</sub> over 1 metre within 420 ppm U<sub>3</sub>O<sub>8</sub> over 5 metres in AGI-0131

Additional geophysical surveys and RC drilling to define the expansion potential of (AGA-0051) mineralized corridors I ongoing at Ivana and metallurgical test work is also progressing on material from Ivana.

Drilling at the **Anit target** includes 83 holes for a total of 1,170 metres, with the deepest holes drilled to 20 metres. Out of the 83 holes drilled 53 returned interval with at least one metre of more than 30 ppm U<sub>3</sub>O<sub>8</sub>. This area is in particular well-mineralized in vanadium with 55 of the holes returning intervals of at least one metre of 500 ppm. V<sub>2</sub>O<sub>5</sub> with values reaching as high as 3,411 ppm 0.34% (in AGA-049).

**Highlights include:**

- 137 ppm U<sub>3</sub>O<sub>8</sub> and 400 ppm V<sub>2</sub>O<sub>5</sub> over 5 metres, including 484 ppm U<sub>3</sub>O<sub>8</sub> and 539 ppm V<sub>2</sub>O<sub>5</sub> over 1 metre (AGA-0044)
- 113 ppm U<sub>3</sub>O<sub>8</sub> and 1,177 ppm V<sub>2</sub>O<sub>5</sub> over 4 metres, including 315 ppm U<sub>3</sub>O<sub>8</sub> and 2,085 ppm V<sub>2</sub>O<sub>5</sub> over one metre (AGA-0051)
- 463 ppm U<sub>3</sub>O<sub>8</sub> and 1,494 ppm V<sub>2</sub>O<sub>5</sub> over 4 metres, including 1,114 ppm U<sub>3</sub>O<sub>8</sub> and 2,510 ppm V<sub>2</sub>O<sub>5</sub> over one metre (AGA-0059)
- 250 ppm U<sub>3</sub>O<sub>8</sub> and 985 ppm V<sub>2</sub>O<sub>5</sub> over 3 metres, including 511 ppm U<sub>3</sub>O<sub>8</sub> and 1,808 ppm V<sub>2</sub>O<sub>5</sub> over one metre (AGA-0077); and
- 336 ppm U<sub>3</sub>O<sub>8</sub> and 1,478 ppm V<sub>2</sub>O<sub>5</sub> over 4 metres, including 535 ppm U<sub>3</sub>O<sub>8</sub> and 1,486 ppm V<sub>2</sub>O<sub>5</sub> over 2 metres (AGA-0078)
- 238 ppm U<sub>3</sub>O<sub>8</sub> and 418 ppm V<sub>2</sub>O<sub>5</sub> over 7 metres, including 704 ppm U<sub>3</sub>O<sub>8</sub> and 894 ppm V<sub>2</sub>O<sub>5</sub> over one metre (AGA-0082)

Integrating results of the 2017 RC drilling with the previous pit sampling, trench sampling and air borne drilling data is ongoing and is aimed at refining future infill and step-out drilling plans for the **Anit target**

## Investment recommendation:

**Blue Sky** is a leader in uranium discovery in Argentina. Its objective is to delineate uranium resources IN anticipation of a return to an expected positive uranium market.

The Company's flagship **Amarillo Grande Uranium-Vanadium Project** in the Rio Negro Province was an inhouse discovery of a new district that has the potential to be among the first domestic suppliers of uranium to the growing Argentine market, as the largest generator of electricity from nuclear energy in South America.

The positive outlook for the Argentine nuclear industry-mandate will more than double nuclear power usage by 2025.

**Blue Sky**, has an outstanding position to Argentina being home to an advanced nuclear industry, with one nuclear power plant under construction, 2 additional in planning and 2 under proposal, and the country not having any domestic uranium production yet.

Phase 1 drilling at the prospective Ivana target, comprised a total of 3,729 metres of RC drilling. Highlights include 910 ppm U<sub>3</sub>O<sub>8</sub> over 6.0 metres and 626 ppm over 6.0 metres.

On September 18, 2017, **Blue Sky** reported a significant new uranium-vanadium discovery that extends the Ivana target more than 2 kilometres.

Expecting continuing positive results from the upcoming Phase 2 drilling program, to be funded from the C\$ 2.49 million proceeds from the exercise of warrants, in my view, at a depressed market valuation of C\$ 8.96 million, **Blue Sky** offers an attractive investment leverage potential.

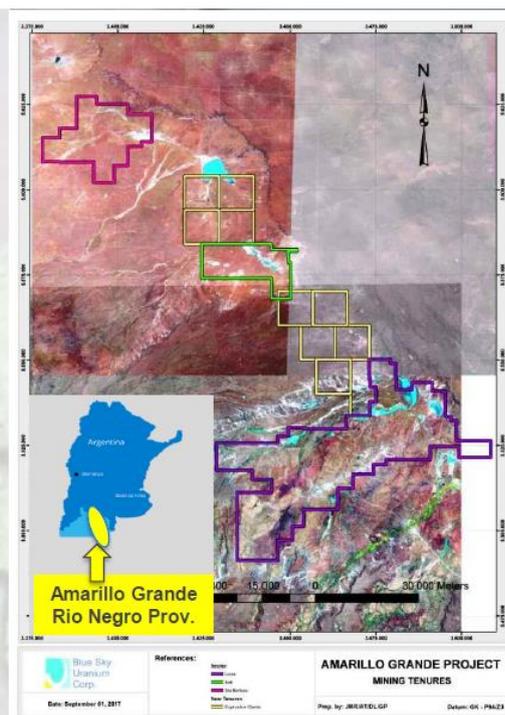
My 12 months price target is C\$ 0.30.



## Amarillo Grande Project

### Aggressive Exploration in A New Uranium District in central Rio Negro

- Exclusive Rights to 100% of **~269,000 hectares**
- **Uranium** mineralization occurs along a **140 km long trend**
  - Near-surface
  - Hosted by unconsolidated sands and gravels
  - Leachable
  - Potentially upgradeable at low cost
- **Excellent candidate to define a near-surface +15Mlb U<sub>3</sub>O<sub>8</sub>e resource, that could be the a low-cost, short-lead-time, domestic uranium supplier in Argentina, with expansion and export potential.**

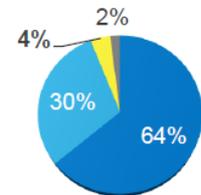




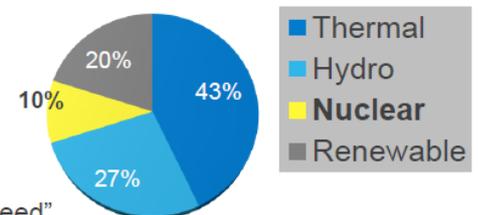
## Argentina Energy Industry Today & Uranium Future Opportunities

- Argentina is home to an advanced nuclear industry
  - 3 nuclear power plants in operation, 6 research reactors, 4 particle accelerators, 3 atomic centres, 1 heavy water plant and 1 uranium purification plant
- The Argentina energy industry is currently highly dependent on fossil fuel and hydroelectric power.
- The government of Argentina has committed to “The Paris Accord” with a minimum target of reducing CO<sub>2</sub> emissions by 15% by 2030.
  - = A nuclear energy requirement that more than doubles by 2025 (~1.25 Million pounds of U<sub>3</sub>O<sub>8</sub>e annually)
- This has resulted in:
  - 1 nuclear power plant now under construction
  - 2 additional in planning & 2 under proposal
- There is no domestic uranium production – all material is imported.
  - Argentina’s desire for security of supply could provide a “guaranteed” first customer for a domestic supplier
  - Uranium & vanadium could be also exported to international customers

Argentina Energy Matrix 2015



Proposed Argentina Energy Matrix 2025



Sources: <http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx> accessed 03/11/16  
[https://www.iamericas.org/documents/energy/reports/Argentinas\\_Energy\\_Transition\\_2016.pdf](https://www.iamericas.org/documents/energy/reports/Argentinas_Energy_Transition_2016.pdf) accessed 03/11/16