Blue Sky Uranium Updates Activities at Amarillo Grande Project, Argentina

written by Raj Shah | August 1, 2018

August 1, 2018 (Source) – **Blue Sky Uranium Corp.** (TSX-V:BSK) (FSE:MAL2) (OTC:BKUCF) **("Blue Sky" or the "Company")** is pleased to provide an update on activities at its wholly-owned Amarillo Grande Uranium-Vanadium project in Rio Negro, Argentina. The Company is currently engaged in completing metallurgical testing to support the Preliminary Economic Assessment (PEA) study it plans to complete by year-end, as well as conducting exploration work to identify and delineate additional resources. Recent and upcoming work programs include:

- PEA for the Ivana deposit
  - Preliminary mineralogical testing completed by the Saskatchewan Research Council ("SRC") laboratory
  - Metallurgical and process test work underway at SRC
- Exploration to expand resources/identify new mineralization
  - Ongoing auger drilling program in the Ivana area to delineate anomalous radiometric areas for follow-up with reverse circulation (RC) drilling 1000+ metre step-out (RC) drill program planned in the Ivana deposit area

"The recent announcement from Cameco to suspend production at the McArthur River mine reflects the current supply-demand imbalance conditions for uranium, but we believe it will achieve its goal of supporting the return to a sustainable uranium market," commented Nikolaos Cacos, Blue Sky President & CEO.

“We continue with our strategy to advance our exploration and PEA program work at Amarillo Grande so that we are positioned to capitalize on that return for our shareholders.”

Program Details

PEA for the Ivana Deposit

Under the guidance of the Company’s Technical Advisor, Chuck Edwards, a new representative composite sample of uranium-vanadium mineralized material from the Ivana deposit has been made and submitted to The Saskatchewan Research Council (SRC) for mineralogical, metallurgical and process engineering work. SRC is one of Canada’s leading providers of applied research, development and demonstration (RD&D) and technology commercialization, including specific expertise in uranium. With over 71 years of RD&D experience, SRC provides products and services to its 1,500 clients in 20 countries around the world. SRC is an ISO 9001:2015 certified company.

The objectives of the work at SRC include confirming the balance of uranium and vanadium in the ore preparation, and optimizing the leach extraction rate and recovery. The work will include QEMSCAN® quantitative mineralogy testing and customized leach experiments. Preliminary QEMSCAN® mineralogy was conducted in June and has aided in the design of the current metallurgical and process testing. Results from the program will be used to design the flowsheet which will be incorporated into the PEA.

Exploration Programs

Coincident with the PEA work, Blue Sky continues to explore proximal to the Ivana deposit in order to expand resources, under the direction of Guillermo Pensado, Vice President, Exploration & Development for Blue Sky. To date, the Company has completed 425.5 metres of shallow auger drilling in 110 holes to

test for extensions to the Ivana deposit; ongoing auger drilling will continue to test for deposit extensions as well as for new areas of mineralization on the greater Ivana property group. Radiometric probe results from the current program are being processed and will be reported in the near future. In addition, the Company is planning a 1,000+metre step-out drill program around the Ivana deposit, which is expected to commence in mid-August, to follow-up on the auger drilling program.

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 145-kilometre 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 Company's strategy includes delineating resources at multiple areas for which a central processing facility could be evaluated. The Ivana deposit is the cornerstone of the Project and the first area to have a NI 43-101 Inferred Resource estimate, which includes 23.9 million tonnes averaging 0.036% $U_3 0_8$ and 0.019% V_2O_5, containing 19.1 million pounds of U_3O_8 and 10.2 million pounds of V_2O_5, at a 100 ppm uranium cut-off (Thorson et al., April 18th 2018 filed on SEDAR).

Mineralization at Amarillo Grande 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, carnotite mineralization coats loosely consolidated pebbles, and is amenable to leaching and simple upgrading.

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 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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