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TSX Venture Exchange: **BSK**
Frankfurt Stock Exchange: **MAL2**
OTCQB Venture Market (OTC): **BKUCF**

NEWS RELEASE – January 26, 2017

Blue Sky Launches Phase 1 of 10,000 metre RC Drilling Program at Amarillo Grande Uranium Project, Argentina

Vancouver, BC / Marketwired / January 26, 2017 / Blue Sky Uranium Corp. (TSX-V: BSK, FSE: MAL2; OTC: BKUCF), "Blue Sky" or the "Company") is pleased to announce that the Company has launched a Phase 1, 3,050 metre reverse circulation ("RC") drilling program at the Amarillo Grande project, in Rio Negro Province, Argentina. This program will include 166 holes at the previously explored Ivana, Anit and Santa Barbara targets (see Table 1 below) with a goal of refining the geological model and further evaluating the potential for near-surface uranium deposits. This program is the first phase of the overall 10,000 metre program which is designed to prepare for potential resource estimation in 2017.

"The commencement of the phase one drill program marks an exciting step forward in the development of the project and we anticipate moving quickly towards our goal of resource delineation," stated Nikolaos Cacos, Blue Sky President & CEO.

RC Drilling Program Details

Targets for the drilling program were chosen based on the geological model that was adjusted by the results of the recent geophysical program (see News Release dated January 12, 2017). The average estimated depth of drilling is between 10 and 45 metres. The drill program is being carried out by Cono Sur SA, an Argentine drilling company, using an ROC L8 drill rig from Atlas Copco, an ore-control track-mounted rig adapted to reverse circulation. A double cyclone was built in order to reduce the dust loss during sampling. Every metre is weighed, measured by scintillometer and split into two samples of three to five kilograms each, one for assaying and one as control. The sampling includes a Quality Assurance – Quality Control ("QAQC") program comprising duplicate samples, blanks and standards. Every hole will also be surveyed with a radiometric probe under the supervision of a Senior Geophysicists with experience in resource estimation at uranium deposits.

Table 1. Amarillo Grande Phase I Drill Program

SECTOR	PLANNED NUMBER OF HOLES	ESTIMATED METRES
Ivana	66	1,570
Anit	75	1,000
Santa Barbara	25	480

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 close proximity of several major targets suggest 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 represents a Surficial Uranium style of deposit, where carnotite mineralization coats loosely consolidated pebbles of sandstone and conglomerates. Carnotite is amenable to leaching, and early metallurgical work 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.

Rio Negro is host to several facilities related to the nuclear industry. Furthermore, the Provincial government is amenable to mining as a means of socio-economical development. In addition, the Federal government has expressed support for building domestic resources of uranium. In particular, the Argentina Atomic Energy National Commission (CNEA) published its Strategic Plan 2015-2025, which includes a strategic objective "To ensure the supply of domestic uranium for nuclear power plants in operation, under construction and planned." For additional details on the project and properties, please see the Company's website: www.blueskyuranium.com

Qualified Person

The contents of this news release have been reviewed and approved by 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.

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 428,000 hectares 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 among the first domestic suppliers of uranium to the growing Argentine market and to the international market. 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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