



**NOTICE OF THE  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE YEARS 2016 AND 2015**

**August 17, 2016**

**BLUE SKY URANIUM CORP.**

837 West Hastings Street, Suite 411  
Vancouver, B.C. V6C 3N6





Suite 411, 837 West Hastings Street  
Vancouver, British Columbia V6C 3N6

#### **NOTICE OF 2016 AND 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Blue Sky Uranium Corp. (“**Blue Sky**” or the “**Company**”) will be held at The Terminal City Club Tower, Suite 411, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6 on Wednesday, August 17, 2016 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial years ended December 31, 2015 and December 31, 2014, and the reports of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting;
3. to elect the directors of the Company to hold office until the next annual general meeting;
4. to appoint the auditors of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. to consider, and if thought advisable, approve an ordinary resolution, confirming and ratifying the Company’s Stock Option Plan; and
6. to transact such further or other business as may properly come before the Meeting and any adjournment thereof.

Accompanying this Notice is the Circular in respect of the Meeting, which includes detailed information relating to the matters to be addressed at the Meeting, and a form of Proxy.

If you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of Proxy to the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

The enclosed form of Proxy appoints nominees of the Company’s management as proxyholder and you may amend the Proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

If your common shares of Blue Sky are held in a brokerage account, then you are an unregistered Shareholder, or a beneficial holder, and received these materials through your broker or through another intermediary. Please complete and return the proxy form or other authorization form provided to you by your broker or intermediary provided to you in accordance with the instructions provided by such broker or other intermediary well in advance of the Meeting.

DATED this 13<sup>th</sup> day of July, 2016.

#### **BLUE SKY URANIUM CORP.**

*“Nikolaos Cacos*

\_\_\_\_\_  
Nikolaos Cacos  
President, CEO and Director

## GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this Circular and in such cases will have the meanings ascribed thereto

|  |  |
|--|--|
| <b>“BCBCA”</b>   | The <i>Business Corporations Act</i> (British Columbia).   |
| <b>“Blue Sky” or the “Company”</b>                       | Blue Sky Uranium Corp., a company existing under the BCBCA.  |
| <b>“Board”</b>   | The Board of Directors of Blue Sky.  |
| <b>“CDS”</b>   | CDS Clearing and Depository Services Inc.  |
| <b>“Chief Executive Officer” or “CEO”</b>                | Means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.   |
| <b>“Chief Financial Officer” or “CFO”</b>                | Means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.   |
| <b>“Circular”</b>  | This information circular of Blue Sky sent to the Shareholders in connection with the Meeting.   |
| <b>“Code”</b>  | The Code of Business Conduct and Ethics adopted by Blue Sky for its directors, officers, employees and consultants.  |
| <b>“Corporate Disclosure and Insider Trading Policy”</b> | The Corporate Disclosure and Insider Trading Policy adopted by Blue Sky for its directors, officers, employees and consultants.  |
| <b>“Foreign Corporate Policy”</b>                        | The Foreign Corporate Policy adopted by Blue Sky which outlines its commitment to ethical business practices in every jurisdiction in which it does business.  |
| <b>“executive officer”</b>                               | An individual who at any time during the most recently completed financial year was: <ul style="list-style-type: none"><li>(a) a chair, vice-chair or president of the Company;</li><li>(b) a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production; or</li><li>(c) performing a policy-making function in respect of the Company.</li></ul> |
| <b>“Grosso Group”</b>                                    | Grosso Group Management Ltd.   |
| <b>“incentive plan”</b>                                  | Means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.   |
| <b>“incentive plan award”</b>                            | Means compensation awarded, earned, paid or payable under an incentive plan.   |
| <b>“Intermediary”</b>                                    | Means a bank, trust company, credit union, registered representative, broker, or other financial institution.  |
| <b>“Management Proxyholders”</b>                         | The persons whose names are printed in the form of proxy for the Meeting are directors or officers of Blue Sky.  |
| <b>“Meeting”</b>   | The annual general meeting of Blue Sky Shareholders to be held at 10:00 a.m. (Vancouver time) on August 17, 2016.  |
| <b>“Meeting Materials”</b>                               | The Notice of Meeting, this Circular and the proxy.  |

|   |  |
|---|--|
| <b>“Named Executive Officers” or “NEOs”</b>                     | <p>Means the following individuals:</p> <ul style="list-style-type: none"> <li>(a) each CEO;</li> <li>(b) each CFO;</li> <li>(c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and</li> </ul> <p>each additional individual who would be a NEO under (c) above, but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.</p> |
| <b>“NI 52-110”</b>  | National Instrument 52-110 - <i>Audit Committees</i> .   |
| <b>“NI 58-101”</b>  | National Instrument 58-101 - <i>Disclosure of Corporate Governance Practices</i> .   |
| <b>“Non-Registered Shareholder”</b>                             | A person who is not a Registered Shareholder in respect of Shares which are held on behalf of that person.   |
| <b>“option-based award”</b>                                     | Means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.  |
| <b>“plan”</b>   | Any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.  |
| <b>“Record Date”</b>  | July 13, 2016.   |
| <b>“Registered Shareholder”</b>                                 | A person who is a Registered Shareholder in respect of Shares which are held by that person.   |
| <b>“Shares”</b>   | Common shares without par value in Blue Sky.   |
| <b>“share-based award”</b>                                      | Means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.  |
| <b>“Shareholder”</b>  | At any time, the holders at that time of Shares.   |
| <b>“Statement of Executive Compensation” or “Form 51-102F6”</b> | National Instrument Form 51-102F6, as amended.   |
| <b>“Stock Option Plan”</b>                                      | The stock option plan adopted by Blue Sky.   |
| <b>“VIF”</b>  | A voting instruction form.   |
| <b>“Whistleblower Policy”</b>                                   | The Whistleblower Policy adopted by Blue Sky for its directors, officers, employees and consultants which details procedures to report financial concerns and ethical business dilemmas.   |

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular contains certain forward-looking statements that involve various risks and uncertainties. Forward-looking statements are statements that relate to future events or financial performance. In some cases you can identify forward-looking statements by the use of terminology such as “aims”, “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions, although not all forward-looking information contains these identifying words. Forward-looking information includes statements that reflect management’s expectation regarding Blue Sky’s growth, results of operations, performance, business prospects and opportunities. Such forward-looking information reflects management’s current beliefs and is based on information available to them and/or assumptions management believes are reasonable. These forward-looking statements speak only as of the date of the information circular. Forward-looking information includes, but is not limited to, statements about strategic plans, plans regarding exploration on properties, and the acquisition of projects. Forward-looking information is necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including, without limitation: the ability of the Company to access financing, appropriate equipment and sufficient labour; the loss of key personnel; risks related to future exploration, development, mining and mineral processing; the accuracy of mineral reserve and mineral resource estimates; environmental risks; the impact of general business and economic conditions; fluctuations in the price of minerals; risks associated with mining activities situated entirely in a single country; political uncertainties; risks associated with potential changes in governmental legislation or regulatory requests; and the risk that permits and regulatory approvals necessary to develop and operate a mine on the Company’s property will not be available on a timely basis, on reasonable terms or at all. Additional risks respecting the business and operations of Blue Sky are also identified under the heading “Risk Factors and Uncertainties” contained in the Company’s Management Discussion and Analysis (a copy of which may be obtained at [www.SEDAR.com](http://www.SEDAR.com)).

Although any forward-looking statements contained in this Information Circular are based upon what management currently believes to be reasonable assumptions, the Company cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.



**BLUE SKY URANIUM CORP.**

Suite 411, 837 West Hastings Street  
Vancouver, British Columbia V6C 3N6

2016 AND 2015 INFORMATION CIRCULAR

(Containing information as at July 13, 2016 unless otherwise indicated)

**GENERAL PROXY INFORMATION**

You have received this Management Information Circular (the “**Circular**”) because you owned shares of Blue Sky Uranium Corp. (the “**Company**”) as of the Record Date of July 13, 2016 for the 2016 and 2015 Annual General Meeting of Shareholders to be held on August 17, 2016. You have the right to attend the Meeting and vote on various items of business.

Both the Board of Directors of the Company and management of the Company encourage you to vote. On behalf of the Board and Management, we will be soliciting votes for the Meeting and any meeting that is reconvened if it is postponed or adjourned. The costs of solicitation by management will be borne by the Company.

**SOLICITATION OF PROXIES**

**This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting and any adjournments thereof.**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of Blue Sky. Blue Sky may reimburse shareholders, nominees or agents for any costs incurred in obtaining from their principals proper authorization to execute proxies. Blue Sky may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for expenses incurred in sending proxies and proxy materials to the beneficial owners thereof to obtain their proxies. All costs of all solicitations on behalf of management of the Company will be borne by the Company.

The Company has set July 13, 2016 as the Record Date for determining Shareholders entitled to vote at the Meeting.

**APPOINTMENT OF PROXYHOLDER**

A duly completed form of proxy for Blue Sky will constitute the persons named in the enclosed form of proxy as the Shareholder’s proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are directors or officers of the Company (collectively, the “**Management Proxyholders**”).

**A Shareholder has the right to appoint a person other than the Management Proxyholders, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the**

**desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

#### **VOTING BY PROXY**

Shares represented by properly executed proxies of Blue Sky and in the accompanying form will be voted or withheld from voting on each respective matter where a poll is requested or required in accordance with the instructions of the Shareholder, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, it is intended that such person will vote in favour of the matters to be voted on at the Meeting.

**The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of Blue Sky knows of no such amendments, variations or other matters to come before the Meeting.**

#### **COMPLETION AND RETURN OF PROXY**

Each proxy must be dated and signed by the Intermediary (see "*Non-Registered Shareholders*" below) acting on behalf of a Shareholder or by the Shareholder or his/her attorney authorized in writing. In the case of a corporation, the proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

Completed forms of the proxy must be returned to the Company's registrar and transfer agent, Computershare Investor Services by mail or delivery to 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or as otherwise indicated in the instructions contained on the form of proxy (including, where applicable, through the transfer agent's internet and telephone proxy voting services). All proxies in respect of the Meeting must be completed and received not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

#### **REGISTERED AND NON-REGISTERED SHAREHOLDERS**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.**

**Most Shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased or deposited the shares.** More particularly, a Non-Registered Shareholder holds shares which are registered either in the name of: (a) an Intermediary that the Non-Registered Shareholder deals with in respect of said shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRI's, RESPs and similar plans); or (b) a clearing agency (such as CDS of which the Intermediary is a participant. Blue Sky has distributed copies of the Meeting Materials to its Registered Shareholders and to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

- (a) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to Blue Sky's transfer agent** as provided above; or
- (b) more typically, a VIF, **which the Non-Registered Shareholder must complete and sign** in accordance with the directions on the VIF. The majority of brokers now delegate the responsibility for obtaining voting instructions to a third party called Broadridge. Broadridge typically will send a VIF by mail and ask that it be returned to them (the Broadridge VIF also allows voting by telephone and Internet). Broadridge tabulates the results and provides the instructions to Blue Sky's transfer agent respecting the voting of shares to be represented at the Meeting. As a beneficial owner, a VIF received from Broadridge cannot be used to vote the Non-Registered Shareholder's shares directly at the Meeting. The VIF must be **returned to Broadridge** well in advance of the Meeting in order to have your shares voted.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the shares which they beneficially own. Should a Non-Registered Shareholder receive one of the above forms and wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders and insert the Non-Registered Shareholder's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

**This Information Circular and related material is being sent to both Registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf.**

In accordance with NI 54-101, Blue Sky has distributed copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders. Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholders' meetings unless the Non-Registered Shareholders have waived the right to receive meeting materials.

Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its Intermediary is nearly identical to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Intermediary, which is the Registered Shareholder, how to vote on behalf of the Non-Registered Shareholder.

Should a Non-Registered Shareholder receiving such a form wish to vote at the Meeting, the Non-Registered Shareholder should strike out the names of the Management Proxy holders named in the form and insert the Non-Registered Shareholder's name in the blank provided **and return the materials to the Intermediary as directed.**

**By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.** Please return your instructions as specified in the request for voting instructions.

#### **REVOCABILITY OF PROXY**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been used. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing,

including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of Blue Sky at Suite 411, 837 West Hastings Street, Vancouver, British Columbia Canada V6C 3N6, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of such Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must arrange for their respective Intermediaries to revoke the proxy on their behalf well in advance of the Meeting.**

**THE CONTENTS AND THE SENDING OF THIS INFORMATION CIRCULAR HAVE BEEN APPROVED BY THE DIRECTORS OF THE COMPANY.**

**RECORD DATE AND VOTING SECURITIES**

The Record Date for the determination of Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Board as July 13, 2016.

Voting at the Meeting will be by a show of hands, with each Shareholder present having one vote, unless a poll is requested or required whereupon each Shareholder or proxyholder present is entitled to one vote for each Share held.

Issued and Outstanding without par value: 41,436,699 Common Shares  
 Authorized Capital: Unlimited Common Shares without par value

**VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

To the knowledge of the Company’s directors and executive officers, other than as set out below, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company as at the Record Date.

| Name of Shareholder | Number of Shares                | Percentage of Issued and Outstanding |
|---------------------|---------------------------------|--------------------------------------|
| Nick DeMare         | 5,000,000 Shares <sup>(1)</sup> | 12%                                  |

<sup>(1)</sup> 1,300,000 common shares indirectly through DNG Capital Corp., a private company owned by Nick DeMare.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, none of the directors or officers of Blue Sky, any person who has held such a position since the beginning of the last completed financial year of Blue Sky nor any associate or affiliate of the foregoing persons, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting. For the purpose of this disclosure, “associate” of a person means: (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to outstanding securities of the issuer; (b) any partner of the person; (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or similar capacity; and (d) a relative of that person if the relative has the same home as that person.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this section, “Informed Person” means (i) a director or executive officer of the Company; (ii) a director or executive officer of a person or company that is itself an Informed Person or subsidiary of the Company; and (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly,

voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company.

No Informed Person, or any associate or affiliate of any Informed Person, has any material interest, direct or indirect, in any transaction since the commencement of Blue Sky's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect Blue Sky or any of its subsidiaries.

## QUORUM

The Articles of the Company provide that a quorum for the transaction of business at any meeting of Shareholders shall be two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

## NUMBER OF DIRECTORS

Shareholders have the right to elect three (3) directors. At the meeting, the Shareholders will be asked to pass an ordinary resolution to set the number of directors at three (3).

**The Board recommends that Shareholders vote FOR the Number of Directors resolution. In the absence of a contrary instruction, the persons designated by our management in the enclosed form of proxy intend to vote FOR this resolution.**

## ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed herein. Blue Sky's management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until his/her successor is elected or appointed, unless his/her office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

Management of Blue Sky proposes to nominate the persons listed below for election as directors. Information concerning such persons, as furnished by the individual nominees as at July 13, 2016 is as follows:

| Name, province and country of residence and present office held <sup>(1)</sup>                   | Period as director      | Number of Shares beneficially owned, or controlled or directed, directly or indirectly <sup>(1)</sup> | Principal occupation or employment and, if not a previously elected director, occupation during the past five years |
|--|-------------------------|---|---|
| NIKOLAOS CACOS <sup>(2)(3)</sup><br>President, CEO and Director<br>British Columbia, Canada      | Since August 21, 2014   | 2,800,000 (indirectly)  | Director and officer of several mineral exploration companies.  |
| DAVID TERRY <sup>(2)(3)</sup><br>Director<br>British Columbia                                    | Since July 5, 2012      | 9,273 (directly)<br>501,500 (indirectly)  | Professional Geologist and businessman; director of several mineral exploration companies.                          |
| DARREN URQUHART <sup>(2)(3)</sup><br>Chief Financial Officer and<br>Director<br>British Columbia | Since September 1, 2014 | Nil   | Chartered Professional Accountant   |

- (1) Shares beneficially owned, controlled or directed, directly or indirectly at July 13, 2016 based upon information furnished to the Company by the nominee or on SEDI. Unless otherwise indicated, such shares are held directly.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation and Governance Committee.

**The Board recommends that Shareholders vote FOR the Election of Directors resolution. In the absence of a contrary instruction, the persons designated by our management in the enclosed form of proxy intend to vote FOR this resolution.**

Other than described below, to the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

#### **Corporate Bankruptcies**

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### **Personal Bankruptcies**

To the knowledge of management of the Company, there has been no director or officer, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such person that has, within the 10 years before the Record Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

#### **Penalties or Sanctions**

To the knowledge of management of the Company, no director or officer, or any shareholder holding a sufficient number of securities of Blue Sky to affect materially the control of Blue Sky, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of Blue Sky will be subject in connection with the operations of Blue Sky. In particular, certain of the directors and officers of Blue Sky are involved in managerial or director positions with other mineral exploration and investment companies whose operations may, from time to time, be in direct competition with those of Blue Sky or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Blue Sky. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that if a director has a material interest in a contract or proposed contract or agreement that is material to Blue Sky, the director shall disclose his interest

in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with, the BCBCA.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about Blue Sky's executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers listed in the Summary Compensation Table that follows.

Blue Sky is an exploration stage company engaged in the exploration and development of mineral property interests.

Blue Sky has, as of yet, no significant revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the directors of Blue Sky have to consider not only the financial situation of Blue Sky at the time of the determination of executive compensation, but also the estimated financial situation of Blue Sky in the mid and long term. An important element of executive compensation is that of stock options, which do not require cash disbursement by Blue Sky. Additional information about Blue Sky and its operations is available in the audited consolidated financial statements and MD&A for the years ended December 31, 2015 and 2014, which are incorporated by reference herein and available for viewing under Blue Sky's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Currencies**

All financial amounts are stated in Canadian dollars unless otherwise indicated.

### **Named Executive Officers of Blue Sky**

During its fiscal years ended December 31, 2015 and 2014, the following two individuals were NEOs of Blue Sky, namely, Nikolaos Cacos, President and CEO, and Darren Urquhart, Chief Financial Officer and Secretary.

### **Compensation Objectives and Principles**

The primary goal of Blue Sky's executive compensation package is to attract and retain the key executives necessary for Blue Sky's long term success, to encourage executives to further the development of Blue Sky and its operations, and to motivate top quality and experienced executives.

### **Compensation Process**

The process for determining executive compensation relies on the Board's discussions with the input from and upon the recommendation of the Compensation and Governance Committee. The members of the Compensation and Governance Committee are Nikolaos Cacos, David Terry and Darren Urquhart. Mr. Cacos brings 22 years of management expertise in the mineral exploration industry. He has extensive experience in providing strategic planning to and administration of public companies. Mr. Cacos serves as a director and officer of several publicly traded companies. Dr. Terry has more than 20 years of experience focused on exploration for a wide spectrum of precious and base metal deposits throughout North and South America. He has held numerous senior positions with both major and junior mining companies, including Boliden Limited, Westmin Resources Limited, Hemlo Gold Mines Inc., Cominco Limited and Gold Fields Mining Corporation. He holds a BSc and PhD from the University of Western Ontario. Mr. Urquhart is a CPA and Chartered Accountant with more than 10 years of experience working in both public practice and industry, presently engaged in public practice accounting offering CFO and accounting services to TSX Venture Exchange listed exploration companies in the Vancouver.

The Compensation and Governance Committee monitors compensation of the directors and executive officers of Blue Sky. The Compensation and Governance Committee periodically reviews the compensation paid to directors and management based on such factors as (i) recruiting and retaining executives critical to the success of Blue Sky and the enhancement of shareholder value, (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. To determine compensation payable, the Compensation and Governance Committee review compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration/mining industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of Blue Sky.

### **Components of Compensation**

Blue Sky's key components of executive compensation are base salary, variable annual cash incentives and option based awards. Blue Sky does offer other perquisites but such are not material on an annual basis.

#### ***Annual base salary***

The objectives of the base salary are to recognize market pay and acknowledge the competencies and skill of individuals. Base salary for the NEOs is determined by the Board upon the recommendation of the Compensation and Governance Committee. The base salary for the most recently completed financial year and the prior financial years have been historically based upon engagement of employment or engagement agreements with the NEOs.

#### ***Annual cash incentives***

The objectives of annual incentives in the form of cash payments are designed to add a variable component of compensation. The objectives are not necessarily based on corporation performance factors such as stock prices and earnings per share and can be subjective to a certain degree. The objectives are based more on the general improvement of Blue Sky in terms of successful financings, property acquisitions, property option agreements, and other factors as determined by the Compensation and Governance Committee. These factors are assessed against the objectives of Blue Sky in light of the external environment and current business situations.

#### ***Option based awards***

Long-term incentives in the form of options to purchase shares are intended to align the interest of Blue Sky's directors and its executive officers with those of the Blue Sky Shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation Blue Sky would otherwise have to pay. The Company's Stock Option Plan is administered by the directors. In establishing the number of Blue Sky Options to be granted to the Named Executive Officers, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to Blue Sky, are involved in the mining industry, as well as those of other publicly traded Canadian companies of a comparable size to that of Blue Sky in respect of assets (see "Compensation Process" above). The directors also consider previous grants of options and the overall number of options that are outstanding relative to the number of outstanding shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the director or executive officer in determining the level of incentive stock option compensation. See "*Incentive Plan Awards – Outstanding Option-Based Awards*" below.

#### ***Compensation Risk***

Blue Sky believes it has effective risk management and regulatory compliance relating to its compensation policies used in determining executive compensation.

Blue Sky's Compensation and Governance Committee assists the Board in discharging its duties relating to compensation of Blue Sky's directors and executive officers, together with the general responsibility for developing and reviewing the approach to governance issues and matters of Blue Sky.

Risks related to compensation are taken into consideration as part of the general review and determination of executive compensation by the Compensation and Governance Committee and the Board, including: review of salaries of comparable companies; engagement of compensation report (prepared in 2010); and review and approval by the Compensation and Governance Committee and recommendation to the Board for approval.

Due to the small size of Blue Sky, and the current level of Blue Sky's activity, the Board and the Compensation and Governance Committee are able to closely monitor and consider any risks which may be associated with Blue Sky's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of Blue Sky are reviewed, and which information includes executive compensation, which activity must be approved by the Board if such activity is outside or beyond Board-approved actions and, or, as set out in a Board-approved budget. No risks have been identified arising from Blue Sky's compensation policies and practices that are reasonably likely to have a material adverse effect on Blue Sky.

There is currently no policy of the Company prohibiting an NEO or director from purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation of held, directly or indirectly, by the NEO or director.

### Summary Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all annual and long term compensation for services in all capacities to Blue Sky for the most recently completed financial years of Blue Sky as at December 31, 2015, December 31, 2014 and December 31, 2013 (to the extent required by Form 51-102F6) in respect of each of the NEOs:

| Name and Principal Position  | Year Ended Dec.31 | Salary (\$) | Share-based Awards (\$) | Option-Based Awards (\$) <sup>(15)</sup> | Non-equity incentive plan compensation (\$) |                           | Pension value (\$) | All other compensation <sup>(6)</sup> (\$) | Total compensation (\$) |
|--|-------------------|-------------|-------------------------|--|---|---------------------------|--------------------|--|-------------------------|
|  |                   |             |                         |  | Annual incentive plans (\$)                 | Long-term incentive plans |                    |  |                         |
| Nikolaos Cacos<br>President, Chairman,<br>and CEO <sup>(1)(2)(3)</sup> | 2015              | 60,000      | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | 60,000                  |
|  | 2014              | 60,000      | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | 60,000                  |
|  | 2013              | Nil         | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | Nil                     |
| Darren Urquhart<br>CFO <sup>(4)(5)</sup>                               | 2015              | Nil         | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | Nil                     |
|  | 2014              | Nil         | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | Nil                     |
|  | 2013              | Nil         | Nil                     | Nil                                      | Nil   | Nil                       | Nil                | Nil  | Nil                     |

- (1) Mr. Cacos is also a director but does not receive any compensation in that capacity.
- (2) During fiscal 2015, Mr. Cacos received aggregate compensation of \$60,000 pursuant to an employment agreement between Mr. Cacos and the Company, and option-based compensation of \$Nil.
- (3) During fiscal 2014, Mr. Cacos received aggregate compensation of \$60,000 pursuant to an employment agreement between Mr. Cacos and the Company, and option-based compensation of \$Nil.
- (4) Mr. Urquhart was appointed Chief Financial Officer and Corporate Secretary effective April 24, 2014. During the year 2015, Mr. Urquhart's total compensation from Blue Sky was \$Nil.
- (5) During the year 2014, Mr. Urquhart's total compensation from Blue Sky was \$Nil.
- (6) The value of perquisites and benefits, if any, for each NEO was less than the lesser of \$50,000 and 10% of the total annual salary and bonus.

## **Narrative Discussion**

Blue Sky does not have a share-based award plan other than the Stock Option Plan referred to above. Blue Sky also does not have a pension plan or a long term incentive plan.

## **Named Executive Officer Agreements**

Blue Sky has entered into certain agreements with its executive officers and an external management company.

### ***Grosso Group Management Ltd.***

During the fiscal year 2010, Blue Sky entered into a Management Services Agreement with the Grosso Group, which provides its member companies with administrative and management services. The Grosso Group staff is available to the member companies on a cost recovery basis without the expense of full time personnel. The member companies pay monthly fees to the Grosso Group. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each member company with regard to the mutually agreed average annual level of services provided to each member company. During the financial year ended December 31, 2015, the Grosso Group invoiced Blue Sky for a total of \$Nil (2014 - \$139,200) (see "Management Contracts").

### ***Nikolaos Cacos, President and Chief Executive Officer***

During the year ended December 31, 2015, Mr. Cacos received aggregate compensation of \$60,000 (2014 - \$60,000) pursuant to a consulting agreement between Blue Sky and Mr. Cacos, whereby Mr. Cacos provided executive services to Blue Sky as Blue Sky's President and CEO. During the year ended December 31, 2015, Mr. Cacos' option-based compensation from Blue Sky was \$Nil (2014 - \$Nil). The termination provisions provide that a fee of 24 months salary be paid in the event of termination without cause. In the event of a change of control, Mr. Cacos will receive an amount equal to 24 months salary.

### ***Darren Urquhart, Chief Financial Officer and Secretary***

Pursuant to an employment agreement between Blue Sky and Mr. Urquhart, with effect as of April 25, 2014, Mr. Urquhart provided executive services to Blue Sky as an employee of Blue Sky. During the year ended December 31, 2015, Mr. Urquhart's total compensation from Blue Sky was \$Nil (2014 - \$Nil). The termination provisions provide that a fee of 12 months salary be paid in the event of termination without cause. In the event of a change of control, Mr. Urquhart will receive an amount equal to 12 months salary.

Pursuant to the Stock Option Plan, in the event that the option holder ceases to hold such position other than by reason of death or disability, the expiry date of the option shall be, unless otherwise expressly provided for in the option certificate, the 90<sup>th</sup> day following the date the option holder ceases to hold such position unless the option holder ceases to hold such position as a result of termination for cause, in which case the expiry date shall be the date the option holder is terminated.

## **Incentive Plan Awards**

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets out for each NEO the incentive stock options to purchase common shares of Blue Sky (option-based awards) outstanding as of December 31, 2015 and 2014:

| Name            | Option-Based Awards                                     |                            |                        |   | Share-Based Awards <sup>(1)</sup>                            |   |  |
|-----------------|---|----------------------------|------------------------|---|--|---|--|
|                 | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value <sup>(2)</sup> of Unexercised In-The-Money Options (\$) | Number of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value <sup>(1)</sup> of Share-Based Awards That Have Not Vested (\$) | Market or payout value of vested Share-Based awards not paid out or distributed (\$) |
| Nikolaos Cacos  | 7,000   | 1.20                       | Sept 24 2017           | Nil   | N/A  | N/A   | N/A  |
| Darren Urquhart | Nil   | Nil                        | Nil                    | Nil   | N/A  | N/A   | N/A  |

(1) Blue Sky has not granted any share-based awards.

(2) "In-the-money options" is calculated based on the difference between the market value of the Blue Sky Shares underlying the Blue Sky Options at the end of the most recently completed financial year and the exercise price of the Blue Sky Options. The last trading price of the Blue Sky Shares on the TSXV was a) as of December 31, 2015 - \$0.045 per share, and b) as of December 31, 2014 - \$0.10 per share.

#### ***Incentive Plan Awards - Value Vested or Earned during the Year***

The following table summarizes the value of incentive plan awards vested or earned during the year ended December 31, 2015 and 2014, granted to Blue Sky's NEO's:

| Name            | Option-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$) | Share-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$) | Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) |
|-----------------|--|---|--|
| Nikolaos Cacos  | Nil  | Nil   | Nil  |
| Darren Urquhart | Nil  | Nil   | Nil  |

(1) Blue Sky has not granted any share-based awards.

(2) Value vested or earned during the year means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. The trading price of the Blue Sky Shares on the TSXV as of December 31, 2015 and 2014, respectively, was \$0.045 and \$0.10 per share, and therefore not in-the-money.

#### ***Narrative Discussion***

##### Option-based Awards Exercised during the Year

During the year ended December 31, 2015 and 2014, no option-based awards were exercised.

##### Option-based Awards Granted during the Year

During the year ended December 31, 2015 and 2014, no option-based awards were granted.

##### Plan-based Awards

The significant terms of the Stock Option Plan are set out below under the heading "Approval of the Stock Option Plan".

### **Pension Plan Benefits**

Blue Sky does not have a pension plan that provides for payments to the Named Executive Officers at, following, or in connection with retirement.

### **Termination and Change of Control Benefits**

Blue Sky has no plan or arrangement whereby any Named Executive Officers may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of Blue Sky or a change in the Named Executive Officer's responsibilities following such a change of control, except for Mr. Nikolaos Cacos and Mr. Darren Urquhart as disclosed above under "Named Executive Officer Agreements".

Pursuant to the Stock Option Plan, in the event that the option holder ceases to be a director, senior officer, employee, consultant, consultant company or management company employee (each, as defined in the Stock Option Plan, an "Eligible Person"), other than by reason of death or disability, the expiry date of the option shall be, unless otherwise expressly provided for in the option certificate, the 90<sup>th</sup> day following the date the Eligible Person ceases to hold such position unless the Eligible Person ceases to hold such position as a result of termination for cause, in which case the expiry date shall be the date the option holder is terminated.

### **Director Compensation**

As at the years ended December 31, 2015 and 2014, Blue Sky had three directors, two of whom were also an NEO, namely Nikolaos Cacos and Darren Urquhart.

#### ***Director Compensation Table***

The following table sets forth the value of all compensation provided to non-NEO directors for Blue Sky's most recently completed financial year ended December 31, 2015 and 2014:

| <b>Name</b>        | <b>Fees Earned (\$)</b> | <b>Share-Based Awards (\$)</b> | <b>Option Based Awards(\$)</b> | <b>Non-Equity Incentive Plan Compensation (\$)</b> | <b>Pension Value</b> | <b>All Other Compensation (\$)</b> | <b>Total (\$)</b> |
|--------------------|-------------------------|--------------------------------|--------------------------------|--|----------------------|------------------------------------|-------------------|
| <b>David Terry</b> | Nil                     | N/A                            | Nil                            | Nil  | Nil                  | Nil                                | Nil               |

#### ***Narrative Description***

Blue Sky's directors who are also Named Executive Officers are not compensated for their services in their capacity as directors, although they are reimbursed for their expenses incurred in connection with their services as directors.

Mr. Cacos, a director and Chairman, President and CEO of Blue Sky does not receive directors' fees, but does receive compensation through a consulting agreement with the Company described herein. See "Named Executive Officer Agreements" above.

Mr. Urquhart, CFO and Secretary of Blue Sky, does not receive directors fees, but does receive compensation through a consulting agreement with Blue Sky described herein. See "Named Executive Officer Agreements" above.

Dr. Terry, a director of Blue Sky since July 5, 2012, does not receive directors fees, but receives fees from time to time pursuant to a consulting agreement.

Information with respect to grants of options to the directors is reported below under the *Narrative Description* in the sections below entitled "Outstanding Share-based Awards and Option-Based Awards to Directors" and "Incentive Plan Awards - Value Vested or Earned during the Year".

***Incentive Plan Awards***

Outstanding Share-based Awards and Option-based Awards to Directors

The following table sets out for each non-NEO director the incentive stock options to purchase common shares of Blue Sky (option-based awards) outstanding as of December 31, 2015 and 2014. No share-based awards, with other than option-like features, have been granted to the directors:

| Name            | Option-Based Awards                                     |                            |                        |   | Share-Based Awards <sup>(1)</sup>                            |   |  |
|-----------------|---|----------------------------|------------------------|---|--|---|--|
|                 | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value <sup>(2)</sup> of Unexercised In-The-Money Options (\$) | Number of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value <sup>(1)</sup> of Share-Based Awards That Have Not Vested (\$) | Market or payout value of vested Share-Based awards not paid out or distributed (\$) |
| Dr. David Terry | 10,000  | \$1.20                     | Sept 24, 2017          | Nil   | N/A  | N/A   | N/A  |

(1) Blue Sky has not granted any share-based awards.

(2) "In-the-money options" is calculated based on the difference between the market value of the Blue Sky Shares underlying the options at the end of the most recently completed financial year and the exercise price of the options. The trading price of the Blue Sky Shares on the TSXV as of December 31, 2015 and 2014, respectively, was \$0.045 and \$0.10 per share, and therefore not in-the-money.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each director during the financial year ended December 31, 2015 and 2014.

| Name            | Option-Based Awards Value Vested During the Year <sup>(1)</sup> (\$) | Share-Based Awards Value Vested During the Year <sup>(2)</sup> (\$) | Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) |
|-----------------|--|---|--|
| Dr. David Terry | Nil  | Nil   | Nil  |

(1) Value vested or earned during the year means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) Blue Sky has not granted any share-based awards.

## ***Narrative Discussion***

### Option-based Awards Exercised during the Year

During the year ended December 31, 2015 and 2014, no option-based awards were exercised by non-NEO directors.

The significant terms of Blue Sky's Stock Option Plan are set out below under the heading "Approval of the Stock Option Plan".

### ***Pension Plan Benefit***

Blue Sky does not have a pension plan that provides for payments to the directors at, following, or in connection with retirement.

### ***Termination and Change of Control Benefits***

Other than as specified in a director's compensation agreement, Blue Sky has no plan or arrangement whereby any director may be compensated in the event of that director's resignation, retirement or other termination, or in the event of a change of control of Blue Sky.

Pursuant to the Stock Option Plan, in the event that the option holder ceases to hold such position other than by reason of death or disability, the expiry date of the option shall be, unless otherwise expressly provided for in the option certificate, the 90<sup>th</sup> day following the date the option holder ceases to hold such position unless the option holder ceases to hold such position as a result of termination for cause, in which case the expiry date shall be the date the option holder is terminated.

### **Securities Authorized for Issuance under Equity Compensation Plans**

The only equity compensation plan which Blue Sky has in place is the Stock Option Plan. The Stock Option Plan has been established to attract and retain employees, consultants, officers or directors to Blue Sky and to motivate them to advance the interests of Blue Sky by affording them with the opportunity to acquire an equity interest in Blue Sky. The Stock Option Plan is administered by the directors of Blue Sky. The Stock Option Plan provides that the number of shares issuable under the Stock Option Plan, together with all of Blue Sky's other previously established or proposed share compensation arrangements may not exceed 10% of the total number of issued and outstanding shares.

The following table sets forth Blue Sky's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

### ***Compensation Plan Information***

| <b>Plan Category</b>  | <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b> | <b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b> | <b>Number of shares remaining available for issuance under equity compensation plans</b> |
|---|--|---|--|
| Equity compensation plans <b>approved</b> by shareholders     | 137,913  | \$2.64  | 205,756  |
| Equity compensation plans <b>not approved</b> by shareholders | N/A  | N/A   | N/A  |
| <b>Total</b>  | 137,913  | \$2.64  | 205,756  |

- (1) This figure is based on the total number of shares authorized for issuance under the Stock Option Plan, less the number of Blue Sky Options outstanding as at Blue Sky's year ended December 31, 2015, assuming outstanding options are fully vested.

### **Indebtedness of Directors, Executive Officers and Senior Officers**

No person who is or at any time since the commencement of Blue Sky's last completed financial year was a director, executive officer or senior officer of Blue Sky, and no associate of any of the foregoing persons has been indebted to Blue Sky at any time since the commencement of Blue Sky's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by Blue Sky at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

### **Interest of Management and Others in Material Transactions**

Other than as disclosed herein or in Blue Sky's MD&A for the years ended December 31, 2015, 2014 and 2013 incorporated by reference herein, the directors, executive officers and principal shareholders of Blue Sky or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which Blue Sky has participated within the three year period prior to the Record Date, which has materially affected or will materially affect Blue Sky.

### **CORPORATE GOVERNANCE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### ***Board of Directors***

The Company's Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board, both with and without members of the Company's management (including members of management that are also directors) being in attendance. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present.

The Company's Board is comprised of three directors. The Board has determined David Terry to be "independent" based upon the tests for independence set forth in NI 52-110.

The following directors are current members of management and thus not considered to be independent: Nikolaos Cacos and Darren Urquhart. Nikolaos Cacos is a member of the Company's management and is not independent as he serves as President and Chief Executive Officer. Darren Urquhart is a member of the Company's management and is not independent as he serves as Chief Financial Officer and Corporate Secretary.

#### ***Directorships***

Certain of the directors are presently a director of one or more other reporting companies as follows.

| <b>Name of Director of the Company</b> | <b>Names of Other Reporting Issuers</b>   |
|--|---|
| Nikolaos Cacos                         | Golden Arrow Resources Corporation<br>Iron South Mining Corp.                                     |
| David Terry                            | Golden Arrow Resources Corporation<br>Comstock Metals Ltd.  |
| Darren Urquhart                        | Comstock Metals Ltd.<br>Select Sands Corp.<br>Network Exploration Ltd.<br>Iron South Mining Corp. |

### ***Orientation and Continuing Education***

While Blue Sky does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of Blue Sky; and
2. access to management and technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit Blue Sky's operations. Board members have full access to Blue Sky's records.

The Board of Blue Sky attempts to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors. As an example, technical presentations are made at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

### ***Ethical Business Conduct***

The Board has responsibility for the stewardship of Blue Sky including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems. To facilitate meeting this responsibility, the Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- has adopted a **Code** for its directors, officers, employees and consultants. A copy of the Code can be found on the Company website at [www.blueskyuranium.com](http://www.blueskyuranium.com) and is posted on SEDAR at [www.sedar.com](http://www.sedar.com) under Blue Sky's profile;
- has adopted a written **Whistleblower Policy** for its directors, officers, employees and consultants which details procedures to report financial concerns and ethical business dilemmas. The Board has appointed a Compliance Officer who is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code. The Compliance Officer has direct access to the Audit Committee and the Board and the Compliance Officer is required to report to the Board at least annually on compliance activity;
- is cognizant of the Company's timely disclosure obligations and has adopted a written **Corporate Disclosure and Insider Trading Policy** for its directors, officers, employees and consultants. The Board has established a

Disclosure Committee to review material disclosure documents such as financial statements, management's discussion and analysis and press releases prior to their distribution, and identify material information. The Disclosure Committee is comprised of the Company's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and any one director of the Company;

- has adopted a **Foreign Corporate Policy** that outlines the Company's commitment to ethical business practices in every jurisdiction in which it does business. Company directors, officers, employees, management company employees and those who provide services to the Company, shall be expected to act with integrity, honesty and in good faith, support the communities in which it operates and act in accordance with applicable laws with the highest standards of ethical and professional behaviour in foreign jurisdictions;
- encourages management to consult with legal and financial advisors to ensure the Company's requirements are met;
- is cognizant of timely disclosure obligations and reviews material disclosure documents such as financial statements, management's discussion and analysis (MD&A) and press releases prior to their distribution;
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Company's external auditor; and
- actively monitors the Company's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the British Columbia Business Corporations Act, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### ***Nomination of Directors***

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

### ***Compensation***

The Board has established a Compensation and Governance Committee which recommends to the Board the directors' and officers' compensation, among other things, on the time commitment, effort and success of each individual contribution towards the success of Blue Sky and a comparison of the remuneration paid by Blue Sky to publicly available information of the remuneration paid by other reporting issuers (public companies) that the Committee feels are similarly placed within the industry.

In addition, the directors and officers are granted stock options under the Blue Sky Stock Option Plan. The Compensation and Governance Committee determines the terms of each stock option within the parameters set out in the Stock Option Plan and applicable stock exchange rules and policies.

### ***Other Board Committees***

In addition to the following "Audit Committee" section, the Board has established the following committees, described below.

***Compensation and Governance Committee:*** The Compensation and Governance Committee is responsible for the review and setting of all compensation (including stock options) paid by the Company to the CEO, all other executive officers of the Company and the members of the Board. The Committee is also responsible for the

governance roles, responsibilities, authorities and powers including the general responsibility for developing and reviewing the approach of the Company to governance issues. (See: “Executive Compensation – Compensation Process” above for further details of the Compensation Committee.)

The Compensation and Governance Committee is also responsible for reviewing and assessing the effectiveness of the Board; making recommendations to the Board regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the directors of the Company.

**Disclosure Committee:** The Board has established a Disclosure Committee, presently comprised of the Company’s CEO, CFO and any one director, to assist the Company in the identification and disclosure of material information, fulfilling its responsibilities regarding disclosures to its security holders and the investment community, made on a timely basis. The Disclosure Committee assists with controls and procedures regarding material information disclosure; determines ‘blackout’ periods for trading; and pre-approves all news releases prior to dissemination.

**Audit Committee:** The Audit Committee is described in the next section.

### **Assessments**

The Compensation and Governance Committee is responsible for reviewing and assessing the effectiveness of the Board of the Company, and making recommendations to the Board regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the directors of the Company, including overseeing and making recommendations to the directors of the Company on developing the approach of the Company to corporate governance issues and practices and formulating the response of the Company to the corporate governance guidelines and disclosure requirements.

## **AUDIT COMMITTEE DISCLOSURE**

NI 52-110 of the Canadian securities administrators requires the Company’s audit committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the audit committee. That information is disclosed below.

### **Overview**

The overall purpose of the Audit Committee of the Company is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on integrity of the consolidated financial statements of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

### **The Audit Committee’s Charter**

The Company’s Board has adopted a charter for the Audit Committee which sets out the Committee’s mandate, organization, powers and responsibilities. The complete Audit Committee Charter is attached as Exhibit “A” to this Circular.

### **Composition of the Audit Committee**

The Audit Committee consists of three directors. The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

| <b>Name of Member</b> | <b>Independent<sup>(1)</sup></b> | <b>Financially Literate<sup>(2)</sup></b> |
|-----------------------|----------------------------------|---|
| Nikolaos Cacos        | No                               | Yes                                       |
| David Terry           | Yes                              | Yes                                       |
| Darren Urquhart       | No                               | Yes                                       |

(1) To be considered to be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the board, reasonably interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **Relevant Education and Experience**

The board of directors believes that the audit committee members have the relevant education and experience to comply with NI 52-110. In addition to the information below, each member's general business experience and the education of each audit committee member is relevant to the performance of his responsibilities as a member which include:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

and are as follows:

| <b>Name of Member</b> | <b>Education/Experience</b>   |
|-----------------------|---|
| Nikolaos Cacos        | Mr. Cacos has over 20 years of management expertise in the mineral exploration industry. He holds extensive experience in administration and providing strategic planning for public companies. Mr. Cacos served as Director and officer of several publicly traded companies. He holds a Master of International Management degree from Heidelberg, Germany, and a Bachelor of Science degree from the University of British Columbia. |
| David Terry           | Dr. Terry has extensive executive and exploration experience with mining exploration companies and presently sits of the boards of several publicly traded companies.   |
| Darren Urquhart       | Mr. Urquhart has extensive accounting experience with public companies and is presently the Chief Financial Officer of several publicly traded companies.   |

### **Complaints Process**

The Board has established, and the Audit Committee is responsible for the effectiveness of, the Whistleblower Policy which outlines procedures for the confidential, anonymous submission by directors, officers, employees and consultants regarding the Company's compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matter relating to fraud against shareholders, without fear of retaliation of any kind. If an applicable individual has any concerns about any of these accounting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints

or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing, by telephone or e-mail and forward it to the Company's Compliance Officer. All submissions will be treated on a confidential and anonymous basis, except when the matter refers to violation of any applicable law, rule or regulation that relates to the corporate reporting and disclosure, or refers to the violation of the Company's Code of Business Conduct and Ethics, when the person making the submission must be identified for purposes of performing the investigation. Further, the Company will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith any accounting concern.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The effectiveness of the "Whistleblower Policy" is monitored by the Audit Committee and it is posted on the Company's website at [www.blueskyuranium.com](http://www.blueskyuranium.com) under *About Us - Corporate Governance*.

#### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board.

#### **Reliance on Certain Exemptions - NI 52-110**

##### *Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

##### *Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations*

Since the Company is a "venture issuer", as defined in NI 52-110, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in "*Composition of the Audit Committee*" above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company's Annual Information Form, if any, and this Circular).

#### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section C.2 (e) of the Audit Committee Charter, attached hereto as Exhibit "A".

### External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

| Financial Year Ending | Audit Fees <sup>(1)</sup> | Audit Related Fees <sup>(2)</sup> | Tax Fees <sup>(3)</sup> | All Other Fees <sup>(4)</sup> |
|-----------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|
| December 31, 2015     | \$8,160                   | \$Nil                             | \$Nil                   | \$Nil                         |
| December 31, 2014     | \$24,640                  | \$Nil                             | \$2,000                 | \$Nil                         |

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services include the filing of the Company's annual tax returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

### MANAGEMENT CONTRACTS

Presently, Blue Sky is party to the following management agreements:

*Grosso Group Management Ltd.:* Pursuant to the terms of an Administration Services Agreement, Blue Sky engaged the Grosso Group to provide services and facilities to Blue Sky since May 2005. During the financial year ended December 31, 2015 and 2014 the Grosso Group invoiced Blue Sky for a total of \$Nil (2015) and \$139,200 (2014).

During fiscal 2010, the structure of the Grosso Group changed and Blue Sky entered into a Management Services Agreement with the Grosso Group, which will continue to provide its member companies with administrative and management services. The Grosso Group's areas of experience encompass financing, marketing, property acquisition, community relations, socioeconomic issues, regulatory compliance, government relations, and property exploration and investor relations. The Grosso Group staff is available to the member companies on a cost recovery basis without the expense of full time personnel.

The member companies pay monthly fees to the Grosso Group. Under the new agreement, Blue Sky's initial monthly fee is \$Nil, and is reviewable under the terms of the agreement. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each member company with regard to the mutually agreed average annual level of services provided to each member company.

The Management Services Agreement may be terminated by the Grosso Group upon 30 days written notice to Blue Sky, and terminated by Blue Sky upon 90 days written notice to the Grosso Group. Upon termination by Blue Sky, a termination fee is payable up to a maximum of \$750,000. In the event that Blue Sky is required to pay an early termination fee, the maximum amount of the termination fee plus the amount of the early termination fee shall be \$1,000,000.

The board of directors of Blue Sky approved the new Management Services Agreement on May 7, 2010, with effect as of April 1, 2010.

Mr. Nikolaos Cacos is a director of the Grosso Group. Mr. Cacos is an officer and a director of Blue Sky. See "Named Executive Officer Agreements" for details of agreement with Mr. Cacos.

Each of the member companies which have entered into the Grosso Group Management Services Agreement has its own separate board of directors (whose members may include persons employed by the Grosso Group); however, some directors will serve on multiple boards and on the board of directors of companies which are not members of the Grosso Group.

*Mr. Nikolaos Cacos:* Pursuant to a consulting agreement between Blue Sky and Mr. Cacos, Mr. Cacos provided executive services to Blue Sky as a consultant of Blue Sky. During the year ended December 31, 2015, Mr. Cacos total compensation from Blue Sky was \$60,000 (2014 - \$60,000).

No management functions of Blue Sky are performed to any substantial degree by a person or persons other than the directors or executive officers of Blue Sky.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **APPOINTMENT OF AUDITORS**

At the Meeting, shareholders will be asked to appoint auditors for the ensuing year. Crowe MacKay LLP Chartered Professional Accountants will be nominated at the Meeting for appointment as the Company's auditors at such remuneration to be fixed by the directors.

On March 18, 2016, D&H Group LLP, Chartered Professional Accountants, the Company's former auditors, agreed to resign and Crowe MacKay LLP Chartered Professional Accountants was appointed as auditors of the Company. A copy of the "reporting package" in respect of the change of auditors is attached as Exhibit "B" to this Circular.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Crowe MacKay LLP Chartered Professional Accountants as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration.

**Management recommends shareholders to vote FOR the Appointment of Auditor resolutions to appoint Crowe MacKay LLP Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2016 at remuneration to be fixed by the Company's board of directors.**

## **APPROVAL OF THE STOCK OPTION PLAN**

### **Stock Option Plan**

Blue Sky's Stock Option Plan was approved by the board of directors of Blue Sky on March 16, 2011. The purpose of the Stock Option Plan is to attract and motivate the directors, officers and employees of Blue Sky (and any of its subsidiaries), employees of any management company and consultants to Blue Sky (collectively the "**Optionees**") and thereby advance Blue Sky's interests by providing them an opportunity to acquire an equity interest in Blue Sky through the exercise of stock options granted to them under the Stock Option Plan.

Pursuant to the Stock Option Plan, the Blue Sky board may grant options to Optionees in consideration of them providing their services to Blue Sky or a subsidiary. The number of shares subject to each option is determined by the Blue Sky board within the guidelines established by the Stock Option Plan. The options enable the Optionees to purchase shares of Blue Sky at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving Blue Sky notice and payment of the exercise price for the number of Blue Sky Shares to be acquired.

The Stock Option Plan authorizes the board of Blue Sky to grant stock options to the Optionees on the following terms:

1. The number of Blue Sky Shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of Blue Sky's issued shares.
2. The number of Blue Sky Shares subject to issuance upon the exercise of options granted under the Stock Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations:
  - (a) no Optionee can be granted options during a 12 month period to purchase more than
    - (i) 5% of the issued Blue Sky Shares unless disinterested shareholder approval has been obtained (such approval has not been sought), or
    - (ii) 2% of the issued Blue Sky Shares, if the Optionee is a consultant, and
  - (b) the aggregate number of Blue Sky Shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Unless the Stock Option Plan has been approved by disinterested shareholders (such approval has not been obtained), options granted under the Stock Option Plan, together with all of Blue Sky's previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Blue Sky Shares, shall not result, at any time, in
  - (a) the number of Blue Sky Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the Blue Sky Shares outstanding at the time of granting,
  - (b) the grant to insiders as a group, within a one year period, of options to purchase that number of Blue Sky Shares exceeding 10% of the outstanding Blue Sky Shares, or
  - (c) the issuance to any one insider and such insider's associates, within a one year period, of Blue Sky Shares totalling in excess of 5% of the outstanding Blue Sky Shares.
4. The exercise price of the options cannot be set at less than the closing trading price of the Blue Sky Shares on the day before the granting of the stock options.
5. The options may be exercisable for up to five years.
6. There are not any vesting requirements unless the Optionee is a consultant providing investor relations services to Blue Sky, in which case the options must vest over at least 12 months with no more than one-quarter vesting in any three month period. However, the board may impose additional vesting requirements and, subject to obtaining any required approval from the Exchange, may authorize all unvested options to vest immediately. If there is a 'change of control' of Blue Sky (due to a take-over bid being made for Blue Sky or similar events), all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.
7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer or employee of, or consultant to, Blue Sky or any subsidiary or is an employee of Blue Sky's management corporation and within a period thereafter not exceeding the earlier of:
  - (a) the original expiry date;
  - (b) 90 days after ceasing to be a director, officer or employee of, or consultant to, Blue Sky due to early retirement, to termination by Blue Sky other than for cause, or to voluntary resignation; and
  - (c) if the Optionee dies or becomes disable, within one year from the Optionee's death or disability.
8. If the Optionee is terminated 'for cause' the options will terminate concurrently.
9. The options are not assignable except to a wholly-owned holding company.

10. Disinterested shareholder approval must be obtained prior to the reduction of the exercise price of options granted to insiders of Blue Sky.

Any amendments to the Stock Option Plan or outstanding Blue Sky Options are subject to the approval of the TSXV and, if required by the Exchange, of the shareholders of Blue Sky, possibly with only 'disinterested shareholders' being entitled to vote. The amendment to an outstanding stock option will also require the consent of the Optionee.

No options have been granted under the Stock Option Plan which are subject to shareholder approval. The Stock Option Plan does not permit stock options to be transformed into stock appreciation rights.

The rules of the TSX Venture Exchange require shareholder approval annually for a rolling stock option plan, and that approval of the Stock Option Plan be an affirmative vote of a majority of at least 50% of the votes cast at the Meeting either in person or by proxy. Shareholders will be asked at the Meeting to pass an ordinary resolution in the form set out below.

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Company's Stock Option Plan, approved by the directors on March 14, 2011 be and is hereby ratified, approved and confirmed including the reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding shares of the Company, subject to any amendments or approval that may be required by the TSX Venture Exchange;
2. the Company be authorized to abandon or terminate all or any part of the Stock Option Plan if the directors of the Company deem it appropriate and in the best interests of the Company to do so;
3. the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan;
4. the Company be and is hereby authorized, at the discretion of the directors, to amend the exercise price of previously granted option agreements, without further approval by the shareholders, all in accordance with the policies of the TSX Venture Exchange; and
5. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution."

**The board of directors recommends that shareholders vote FOR the Stock Option Plan resolution. In the absence of a contrary instruction, the persons designated by our management in the enclosed form of proxy intend to vote FOR this resolution.**

## OTHER MATTERS

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website resources [www.blueskyuranium.com](http://www.blueskyuranium.com). Financial information relating to Blue Sky Uranium Corp. is provided in the Company's comparative financial statements and Management's Discussion & Analysis for the financial year ended December 31, 2011. Shareholders may contact the Company to request copies of financial statements and Management's Discussion & Analysis at the following address:

BLUE SKY URANIUM CORP.  
Suite 411, 837 West Hastings Street  
Vancouver, BC V6C 3N6  
Phone: (604) 687-1828; Fax: (604) 687-1858

## CERTIFICATION AND BOARD APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular to the Company's Shareholders have been approved by the Board. The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED at Vancouver, British Columbia, as of July 13, 2016.

ON BEHALF OF THE BOARD OF  
BLUE SKY URANIUM CORP.

*"Nikolaos Cacos"*  
President, CEO and Director

BLUE SKY URANIUM CORP.  
(the "Company")

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on May 1, 2009, as amended May 28, 2010)

**A. PURPOSE**

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

**B. COMPOSITION, PROCEDURES AND ORGANIZATION**

The Committee shall consist of at least three members of the Board of Directors (the "Board"), the majority of whom shall not be officers, employees or control persons of the Company or its associates or affiliates (as the terms "control person", "associate" and "affiliate" are defined in the TSX Venture Exchange's Corporate Finance Manual).

- 1) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2) Unless the Board has appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- 3) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 4) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- 5) Meetings of the Committee shall be conducted as follows:
  - a) the Committee shall meet at least four times annually, or more frequently as circumstances dictate, at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- 6) The external auditors shall communicate directly to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## C. ROLES AND RESPONSIBILITIES

- 1) The overall duties and responsibilities of the Committee shall be as follows:
  - a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
  - b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- 2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - c) review the audit plan of the external auditors prior to the commencement of the audit;
  - d) to review with the external auditors, upon completion of their audit:
    - (i) the contents of their report;
    - (ii) the scope and quality of the audit work performed;
    - (iii) the adequacy of the Company's financial and auditing personnel;
    - (iv) the co-operation received from the Company's personnel during the audit;
    - (v) the internal resources used;
    - (vi) any significant transactions outside of the normal business of the Company;
    - (vii) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) any non-audit services provided by the external auditors;
  - e) to pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditors; provided that:
    - (i) the Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that such independent members must report such pre-approval to the Committee at the first scheduled meeting of the Committee following such pre-approval; and
    - (ii) the Committee shall have satisfied the requirement for pre-approval in paragraph 6)e) if:
      - 1) the aggregate amount of all the non-audit services that were not pre-approved is

reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiary entities to the external auditors during the fiscal year in which the services are provided;

- 2) the Company or its subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - 3) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or one of its members to whom pre-approval authority has been granted pursuant to subparagraph 6)e)(i);
- f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
  - g) to implement structures and procedures to ensure that the Committee meets with the external auditors on a regular basis in the absence of management; and
  - h) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company.
- 3) The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - b) review and approve the internal audit plan; and
  - c) review significant internal audit findings and recommendations, and management's response thereto.
- 4) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- a) establish adequate procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
  - b) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - c) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - e) periodically review the Company's financial and auditing procedures and the extent to which

recommendations made by the internal audit staff or by the external auditors have been implemented.

5) The Committee is also charged with the responsibility to:

- a) review the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A") and earnings press releases, including the impact of unusual items and changes in accounting principles and estimates, and any press releases related to the foregoing, and report to the Board with respect thereto;
- b) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form;
  - (iii) prospectuses;
  - (iv) news releases discussing financial results of the Company; and
  - (v) other public reports of a financial nature requiring approval by the Board;

and report to the Board with respect thereto, or alternatively establish adequate procedures for the review of the financial sections of such disclosure documents and periodically assess the adequacy of such procedures;

- c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- e) review and report on the integrity of the Company's consolidated financial statements;
- f) review the minutes of any audit committee meeting of subsidiary companies;
- g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements; and
- h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information.

Exhibit "B"

CHANGE OF AUDITOR REPORTING PACKAGE



**NOTICE OF CHANGE OF AUDITOR**  
(National Instrument 51-102)

**TO: D&H Group LLP  
Crowe MacKay LLP  
British Columbia Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange**

Blue Sky Uranium Corp. (the "**Company**") gives the following notice (the "**Notice**") in accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") that:

- (a) at the request of the Company, D&H Group LLP, Chartered Professional Accountants ("**D&H**"), of 10<sup>th</sup> Floor, 1333 West Broadway, Vancouver, B.C. V6H 4C1, the predecessor auditor, tendered its resignation effective March 18, 2016;
- (b) the Company appointed Crowe MacKay LLP, Chartered Professional Accountants ("**Crowe MacKay**"), of 1100-1177 West Hastings Street, Vancouver, BC V6E 4T5, as the successor auditor of the Company effective March 18, 2016;
- (c) D&H has not expressed any reservation or modified opinions in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which D&H issued an audit report in respect of the Company and the date of this Notice;
- (d) the resignation of D&H and the appointment of Crowe MacKay as auditor of the Company were considered and approved by the Audit Committee and the board of directors of the Company;
- (e) there were no "reportable event" cited by D&H in connection with the audits of the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which D&H issued an audit report in respect of the Company and the date of this Notice as defined in section 4.11(1) of NI 51-102; and
- (f) the content of this Notice has been reviewed by the Audit Committee and the board of directors of the Company.

Dated: March 21, 2016

BLUE SKY URANIUM CORP.

Per:

  
**Nikolaos Cacos**  
President and CEO



**D&H Group** LLP  
Chartered Professional Accountants  
10th Floor, 1333 West Broadway  
Vancouver, BC V6H 4C1

dhgroup.ca  
t 604.731.5881  
f 604.731.9923

March 23, 2016

British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, BC  
V7Y 1L2

Alberta Securities Commission  
Suite 600, 250 - 5th Street SW  
Calgary, AB  
T2P 0R4

TSX Venture Exchange  
300 – 5<sup>th</sup> Avenue SW  
10<sup>th</sup> Floor  
Calgary, AB  
T2P 3C4

Dear Sirs:

**Re: Blue Sky Uranium Corp. (the “Company”)**  
**Notice of Change of Auditors (“Notice”)**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the Notice of Change of Auditor (the “Notice”) dated March 21, 2016 by the Company and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

We understand that a copy of the Notice and this letter will be provided to the shareholders of the Company and will be filed on SEDAR.

Yours truly,

*“D&H Group LLP”*

D&H GROUP LLP



**Crowe MacKay LLP**  
Member Crowe Horwath International

1100, 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
+1.604.687.4511 Tel  
+1.604.687.5805 Fax  
+1.800.351.0426 Toll Free  
[www.crowemackay.ca](http://www.crowemackay.ca)

March 24, 2016

British Columbia Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange

Dear Sirs/Mesdames:

**Re: Blue Sky Uranium Corp. – Notice of Change of Auditors**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the Notice of Change of Auditors ("the Notice") dated March 21, 2016 by Blue Sky Uranium Corp. ("the Corporation") and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

We understand that a copy of the Notice and this letter will be provided to the shareholders of the Corporation.

Yours very truly,

***"Crowe MacKay LLP"***

**Crowe MacKay LLP**

