EARLY WARNING REPORT
Pursuant to National Instrument 62-103
The Early Warning System and Related Take-Over Bid And Insider Reporting Issues

(1) *The name and registered address of the offeror:*

Nick DeMare (the "**Offeror**")
#1305 – 1090 West Georgia Street
Vancouver, BC, V6E 3V7

(2) *The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.*

On July 12, 2016, pursuant to a non-brokered private placement, the Offeror acquired a total of 5,000,000 units (each, a "**Unit**") of Blue Sky Uranium Corp. (the "**Issuer**"), at $0.05 per Unit, with each Unit comprising one common share and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the Offeror to purchase an additional common share of the Issuer at a price of $0.10 per share for a period of one year from the date of issuance. The Units were acquired as follows:

(a) 3,700,000 Units directly, representing 8.9% of the Issuer's issued and outstanding shares; and
(b) 1,300,000 Units indirectly through DNG Capital Corp. ("**DNG**"), a private company owned by the Offeror, representing 3.1% of the Issuer's issued and outstanding shares.

Prior to the above acquisition, the Offeror held, directly and indirectly, nil shares of the Issuer. Following the acquistion, the Offeror owns or controls, in aggregate, 5,000,000 common shares of the Issuer, representing 12% of the Issuer's issued and outstanding shares and 5,000,000 Warrants. The Offeror has provided an undertaking to the Issuer that no Warrants can be exercised if it results in the Offeror owning greater than 15% of the Issuer.

(3) *The designation and number or principal amount of securities and the offeror's securityholder percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release.*

See item (2) above.

(4) *The designation and number of principal amount of securities and the percentage of outstanding securities of the class of securities referred to in above paragraph over which:*

(i) *The offeror, either alone or together with joint actors, has ownership and control,*

See item (2) above.

(ii) *The offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor,*

Not applicable.

(iii) *The offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

(5) *The name of the market in which the transaction or occurrence that gave rise to the news release took place.*

Private placement (see item 9 below).

(6) *The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.*

The Offeror has acquired the shares for investment purposes and may in the future acquire or dispose of securities of the Issuer, through the market, privately or otherwise, as circumstances or market conditions warrant.

(7) *The general nature and the material terms of any agreement other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any securities.*

Not applicable.

(8) *The names of any joint actors in connection with the disclosure required by Appendix E to National Instrument 62-103.*

Not applicable.

(9) *In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.*

The Units were acquired for cash by subscription, at a price of $0.05 per Unit, and were issued by the Issuer from its treasury pursuant to the terms of a private placement offering by the Issuer.

(10) *If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities; and*

Not applicable.

(11) *If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.*

Not applicable.

DATED this 13th day of July, 2016.

"Nick DeMare"
Nick DeMare