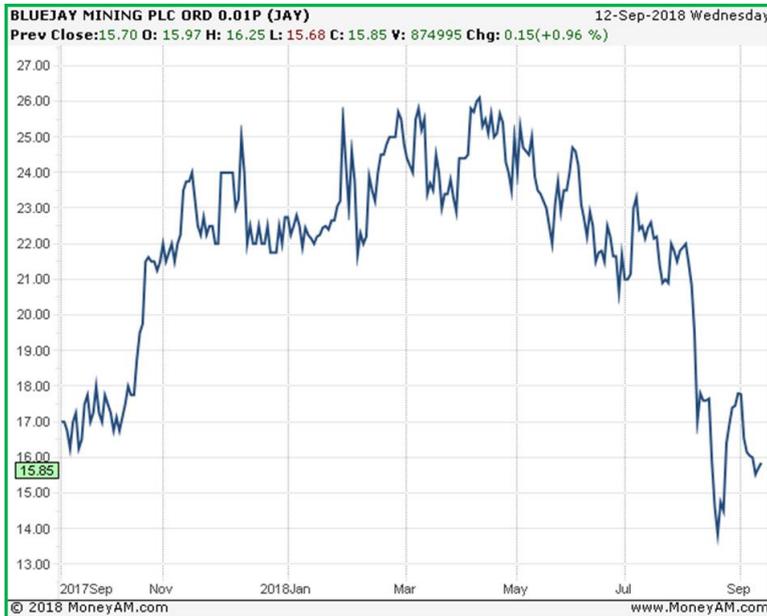


# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

*the independent information and advisory publication on investing in Strategic Metals & Rare Earths*

### INVESTMENT ALERT – September 12, 2018



### BlueJay Mining Plc (GBp 15.95)

AIM	: JAY
Frankfurt	: S5WA
H+L prices (12 months)	: GBp 27.50 – 12.60
Net issued shares	: 848.8 million
Market capitalization	: £ 135.8 million (US\$ 176.8 million)

**2018 price target : GBp 35.00**

## INVESTMENT ALERT

### BlueJay Mining provides operation update on the 2018 field programme at its Dundas Ilmenite Project in Greenland

On September 12, 2018, BlueJay Mining (“BlueJay”) has provided an operational update on the 2018 field programme at its 100%-owned flagship Dundas Ilmenite Project (“Dundas”) as it prepares the site for the commencement of mining.

The 2018 work programme has successfully advanced bulk sampling for prospective customers, will expand the existing 9.6 million tonnes at 6.9% ilmenite (in situ) resource and has significantly developed infrastructure to support commercial production.

#### Dundas Field Work Update

##### ► Bulk Sampling:

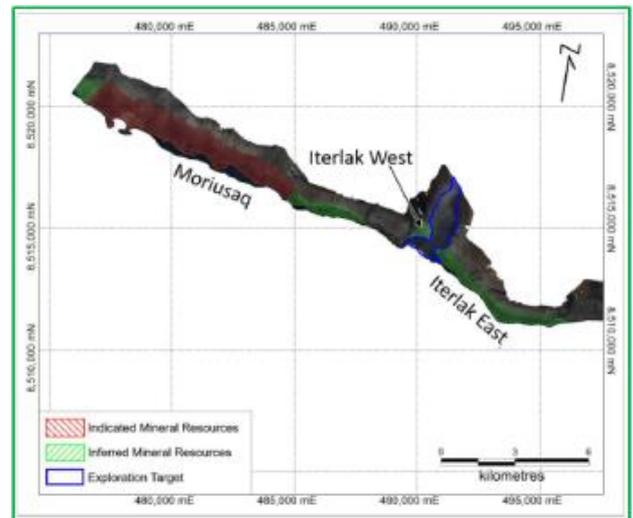
- 10,000t bulk sampling completed:
  - Excavated, screened and stockpiled 10,000 tonnes of ROM grading  $\pm 40\%$  ilmenite and currently awaiting delivery instructions for further processing and testing from interested parties.
- Additional samples have, and will continue to be, dispatched in the coming weeks to several key groups for the purpose of testing and supporting ongoing discussions regarding offtakes for up to the entire 450,000t of planned annual ilmenite production.

### ► Drilling/trenching:

- Extensive drilling and trenching programme performed on raised beaches at Iterlak Delta, east of Iterlak Delta and at the foreland west of Iterlak Delta.
- In total, 68 holes have been drilled with the intention of enhancing the Project resource with ilmenite-rich sediments encountered in all new holes so far:
  - 23 holes drilled on Iterlak Delta averaging 12 metres without the interception of bedrock, as confirmed by new Ground Penetrating Radar survey over the area. Manual trenching programme covering the extent of Iterlak was also completed.
  - 45 holes drilled on the raised beach east of Iterlak Delta and at the foreland west of Iterlak Delta in addition to an extensive sediment trenching programme.
- Trenching on raised beaches around Moriusaq was also performed to expand existing resources, improve understanding of geological domains, and for geotechnical investigations.

#### **Full results are expected later this year:**

- All sample material from the sonic drilling and trenching program will be sent to Geolab in Nuuk, Greenland, for Particle Size Analysis (PSA), then to MetSolve Laboratories in Canada for heavy liquid separation and assay
- **Drill results are expected late Q4 2018.**



### ► Regional Exploration:

- Alongside work to determine the resource expansion potential at known target areas, regional exploration for ilmenite sediment and sources has been completed over the full extent of the licence area. This work clearly confirms the presence of ilmenite-rich sediments throughout the area and the presence of the source, in the form of exposed preeminent sills and dykes in the hinterland.
- This exploration work includes assessment of Delta #2, at the eastern extent of the licence boundary, which has geomorphological similarities to Iterlak Delta.
- Hard rock ilmenite sources were also evaluated for their exploration potential, and to understand the depositional environment.
- **Results underpin the potential to increase the Project resource and accordingly life of mine even further.**

### ► Geotechnical and Surveying:

- Finalised installation of hydrogeology installations around the licence area.
- Installed year-round weather monitoring station, which is now fully operational.
- Expanded existing marine bathymetry survey past Iterlak Delta.
- Completed geotechnical assessments of future infrastructure locations.

### ► Human resources and site safety:

- A total of 60 personnel, including employees from the Company, consultants, students from the Greenlandic mining school, Greenlandic contractors and employees, have been on-site during the season.
- The Company continues to enjoy positive engagement with local communities and other stakeholders, with a number of positive meetings held on site during the field season.

### ► Environment:

- Third and final year environmental baseline studies have been completed, which will facilitate the completion of the social impact assessment (SIA) and environmental impact assessment (EIA).

## Company profile:

**BlueJay** is dual listed on the London AIM market and Frankfurt Stock Exchange and primarily focussed on advancing the **Dundas Ilmenite Project** in **Greenland** into production in the near term. **Dundas** has been proven to be the highest-grade mineral sand ilmenite project globally, with a JORC compliant resource of 96 million tonnes at 6.9% ilmenite (in situ) and an exploration target over the Ilerlak delta of between 20 million tonnes and 60 million tonnes at between 6% and 10% ilmenite (in-situ).

The Company's strategy is focused on securing an offtake partner and commencing commercial production at Dundas in the near term in order to create a company capable of self-funding exploration on current projects and future acquisitions.

**BlueJay** holds two additional projects in Greenland – the 2,586 sq km **Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide ('MMS') nickel-copper-platinum project ('Ni-Cu-PGM')**, which has shown its potential to host mineralisation similar to the world's largest nickel/copper sulphide mine Norilsk-Talnakh, and the 107sq km **Kangerluarsuk Sed-Ex lead-zinc-silver project ('Kangerluarsuk')**, where historical work has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and identified four large-scale drill ready targets.

The Company also has a 100% interest in a portfolio of copper, zinc and nickel projects in **Finland**. This multi-commodity portfolio has been restructured to be cost-sustainable whilst determining the best plan for future development.

## Investment recommendation:

With all current work programmes now nearing completion, **BlueJay** is preparing an application for an exploitation licence for **Dundas** to extract ilmenite, as primary source of titanium metal. The Company expects the licence to be lodged in the first half of next year and to be followed by a product decision in late 2019.

With some of the time lines having been reset from the fourth quarter of 2018 to the first half of 2019, my price target of GBp 35.00 has been extended accordingly.

