

# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

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

**INVESTMENT ALERT – December 17, 2018**

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### Bluejay Mining Plc (GBp 12.45)

AIM	: JAY
Frankfurt	: S5WA
H+L prices (12 months)	: GBp 27.50 – 9.34
Net issued shares	: 850.1 million
Market capitalization	: £ 102 million (US\$ 128 million)

**2019 price target : GBp 35.00**

## INVESTMENT ALERT

- ▶ **Resource upgrade to 101 million tonnes for world's highest-grade Dundas Ilmenite Project in Greenland**
- ▶ **Preparing submission of exploitation licence in 2019**

Today, **Bluejay Mining** (“Bluejay”) announced a new updated JORC Compliant Mineral Resource of **101 million tonnes at 7.1% ilmenite (in-situ) for the Company’s 100%-owned Dundee Ilmenite Project** for the submission of its exploitation licence application in 2019.

The new resource includes higher grade portions at various cut-off grades of:

- **2 million tonnes at 10.7% ilmenite in-situ** (using a 3.5% cut-off)
- **16 million tonnes at 12.8% ilmenite in-situ** (using a 4.5% cut-off)

Importantly, in-situ slimes content is now estimated to be lower than at 4.4% (from 4.8%) which will benefit the operation from a mineral processing standpoint.

The increase in both grade and tonnes comes in part as a result of optimisation work announced in April 2018 and carried out during the 2018 field season to quantify the impact and apply corrections associated with the influence that sonic drilling had on the particle size distribution of the resulting samples.

The updated mineral resource model will replace the 2018 resource model that was being used in the Pre-Feasibility Study (“PFS”). **The optimised PFS continues and is on track for completion in Q1 2019.**

Importantly, the updated resource only reflects the **Moriusaq area**, which represents a small fraction of the licence area and excludes any maiden resources or updated resources in the **Iterlak** and **Iterlak East** areas, which are expected to be released in Q1 2019 and to add significant additional tonnage and reinforce **Dundas**’ place amongst the major global high-grade ilmenite deposits, thereby clearly demonstrating a multi-decade operation is possible.

### ► Competent persons statement

**SRK** has produced an updated Mineral Resource Estimate for the Moriusaq onshore raised beaches target that forms part of **Bluejay**’s exploration licence in Northwest Greenland (licence number 2015/08) based all valid data available as at 14<sup>th</sup> December 2018. The estimate has been derived using a combination of auger and sonic drilling data pit and trench work as well as bulk samples to assess the effect of Sonic drilling on the integrity of the ore material. This information was then interpolated into a 3D geological model created by SRK.

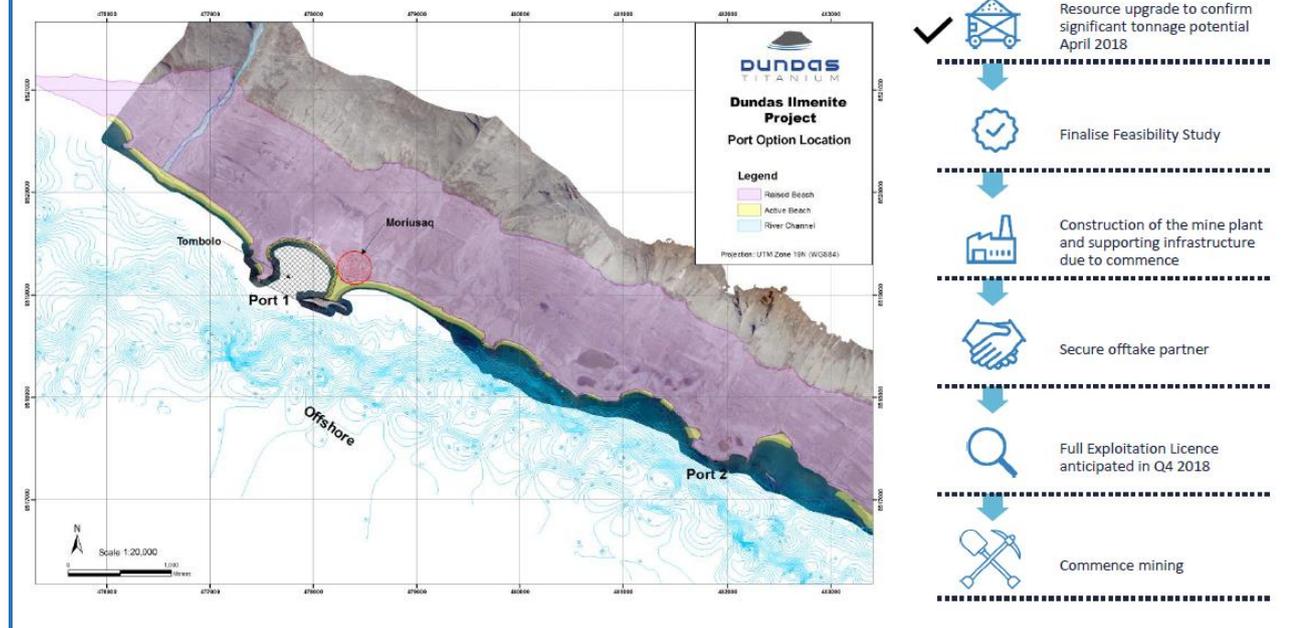
SRK considers that all the delineated mineralisation has reasonable prospects for eventual economic extraction and the Mineral Resource Statement has therefore been reported at a 0% cut-off grade using the terminology and guidelines set out in the JORC 2012 Code.

<b>Dundas Dec 2018 Resource Table</b>								
Classification	Location	Tonnes (kt)	Density (t/m <sup>3</sup> )	>5mm (%)	>2mm (%)	<63µm (%)	THM (%)	In-Situ TiO <sub>2</sub> (%)
Indicated	Moriusaq	88,000	2.24	27.5	36.1	4.2	27.0	3.1
	Moriusaq	5,000	2.30	15.7	23.0	5.7	34.2	4.4
Inferred	Iterlak West	1,000	2.12	23.8	30.5	6.0	25.2	2.9
	Iterlak East	7,000	2.12	14.6	23.1	5.6	39.4	5.8
	<i>Total Inferred</i>	<i>13,000</i>	<i>2.19</i>	<i>15.7</i>	<i>23.6</i>	<i>5.7</i>	<i>36.3</i>	<i>5.0</i>
<b>TOTAL MINERAL RESOURCE</b>		<b>101,000</b>	<b>2.23</b>	<b>26.0</b>	<b>34.5</b>	<b>4.4</b>	<b>28.2</b>	<b>3.4</b>

1. The effective date of the Mineral Resource is 14 December 2018;
2. The numbers are presented at a 0.0% in-situ TiO<sub>2</sub> cut-off grade;
3. “THM” and “HM” mean Total Heavy Minerals and Heavy Minerals respectively;
4. HM have been separated from a -2 mm +63 µm size fraction using heavy liquid separation at a density of 2.95 g/cm<sup>3</sup>
5. Mineralogical assessments indicate that ilmenite is the only mineral of value in the assemblage. The remainder of the heavy minerals is dominated by pyroxene and amphibole;
6. % TiO<sub>2</sub> in-situ assumes that all recoverable TiO<sub>2</sub> is in the HM component of the -2 mm +63 µm size fraction;
7. % Ilmenite In-situ assumes that all TiO<sub>2</sub> is within ilmenite and that the ilmenite contains 47.65% TiO<sub>2</sub>, based on historical exploration data.

**SRK** is of the opinion that there is a high probability that a proportion of the above **Iterlak East** and **West Inferred Mineral Resource** will be upgraded to the Indicated category following the receipt and modelling of exploration results from the summer 2018 exploration programme. Furthermore, SRK considers it likely that the raised beaches hosting this Mineral Resource extend further along the shoreline within **Bluejay**’s licence area given that the licence area includes a 30 km length of raised beaches and deltas and that **Bluejay** has demonstrated mineralisation in several places. in addition to the area covered by the Mineral Resource presented here.

## Production on track to commence 2019



### Company profile:

**Bluejay** is dual listed on the London AIM market and Frankfurt Stock Exchange and primarily focused 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 101 million tonnes at 7.1% 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)**.

**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 mineralization similar to the sulphide mine **Norilsk-Talnakh**, and the 107 sq.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

### Investment comments:

With the updated resource upgrade to 101 million tonnes, hosting the world’s highest-grade **Dundas Ilmenite Project** in **Greenland**, **Bluejay’s PFS** is on track for completion in Q1 2019.

The following step is to prepare an application for an exploitation licence for **Dundas** to extract ilmenite, as primary source of titanium metal. **Bluejay** expects the licence to be lodged in the first half of 2019 and to be followed by a product decision next year.

As a result, expecting **Bluejay’s** successful strategy commencing to pay off next year, I maintain my 2019 price target of GBp 35.