

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – June 1, 2018

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BlueJay Mining Plc (GBp 24.00)

AIM	: JAY
Frankfurt	: S5WA
H+L prices (12 months)	: GBp 27.50 – 11.50
Net issued shares	: 848.8 million
Market capitalization	: £ 200.3 million (US\$ 266.5 million)

2018 price target : GBp 35.00

INVESTMENT ALERT

BlueJay Mining due to commence production at **Dundas, Greenland**, the world's highest-grade ilmenite project in 2019

On May 31, 2018, **BlueJay Mining ("BlueJay")** announced its final results for the year ended December 31, 2017.

Highlights are:

- **Due to commence production at the world's highest-grade ilmenite project in 2019**

Post-period-end delivered a 400% JORC resource increase for the **Dundas Ilmenite Project** ("Dundas" or the "Project"), defining 96 million tonnes at 6.9% ilmenite in-situ and a further exploration target of between 20-60 million tonnes at between 6% and 10% ilmenite

- Significant further upside remains – particularly at **Iterlak**, which was the surprise discovery of 2017 and has the potential to surpass deposit discoveries to-date
- Opportunity to upgrade the already high in-situ ilmenite grade by up to 30% via a simple oversize separation, further enhancing run of mine (ROM) grade and project economics
- **Simple and streamlined processing means the Dundas Project is expected to be in the lowest quartile of ilmenite production costs globally**

- Strategic Greenland location enables product to be sold to both European and North American markets
- Finalising offtake discussions with a bulk sample to be taken in coming 2018 field work programme due to commence in June and run through to October

- **Preliminary Feasibility Study (“PFS”) due in the coming months, which will then feed into the final feasibility report that is due to be completed later this year**
- **Exploitation licence application is due for lodgement in the coming months, with final approval expected this year**

- Strong government support – awarded "Prospector and Developer of the Year 2017" by the Government of Greenland in March 2018

- Significant further upside available from the **Disko Nickel, Copper, Cobalt & Platinum Project** in West Greenland, which has geological similarities to the world's largest nickel/copper sulphide mine, Norilsk-Talnakh

- As a result of strong 2017 exploration results have significantly increased licence size and focus is now on refining drill targets
- Current cash position of >£ 15 million – bolstered following a £ 17 million placing in February 2018

► Ultimate strategy

Whilst it is likely that **BlueJay** will require additional funding at a future date, ultimately it is the Company's strategy to secure an offtake partner and commence commercial production at **Dundas** in 2019 in order to create a company capable of self-funding exploration on current projects and future acquisitions.

Finance

In February 2018 **BlueJay** raised £ 17 million by issuing 77.22 million ordinary shares at a price of 22 pence per share to the ING Group of the Netherlands, which thereby acquired a 5.2% stake in the Company.

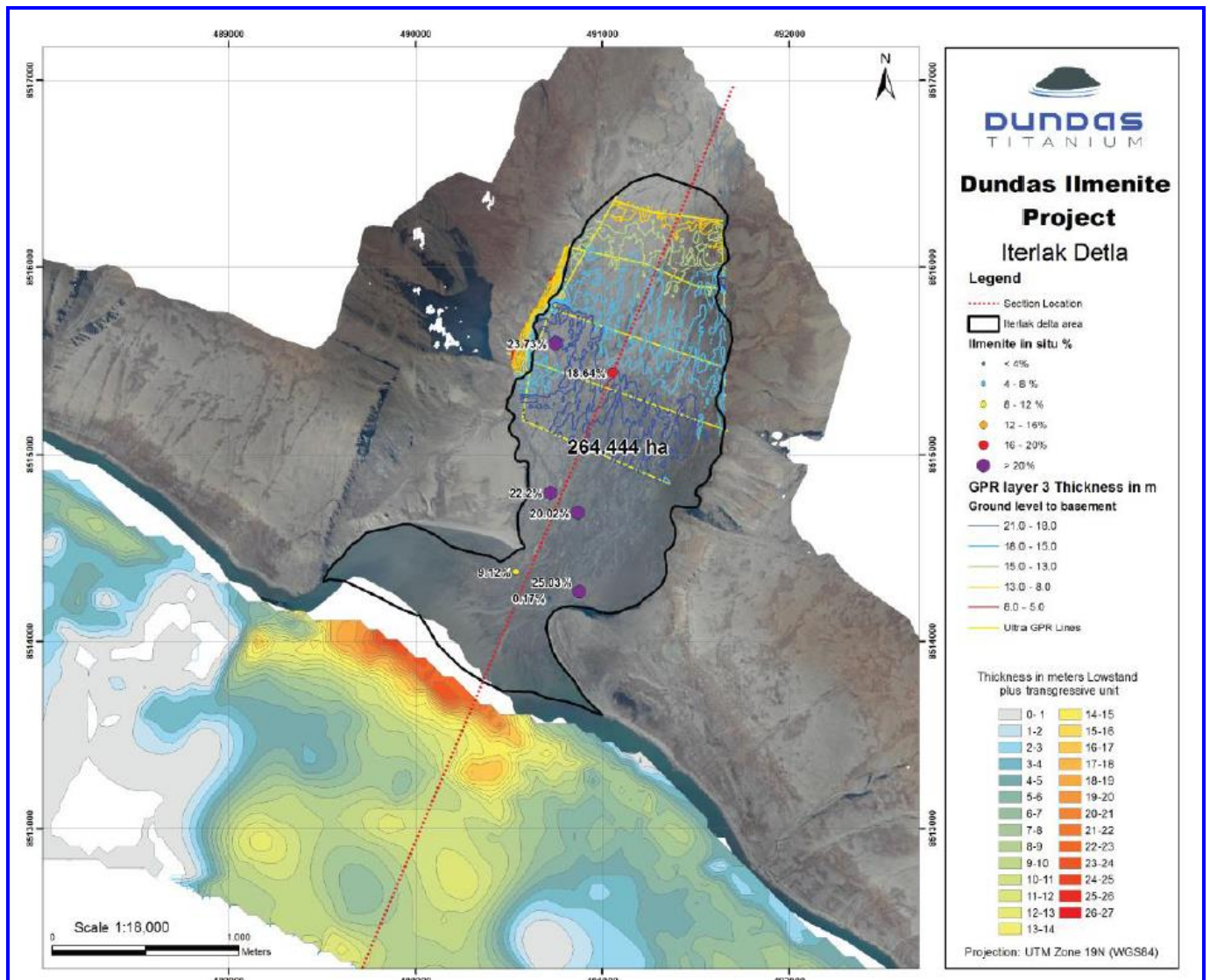
The funds raised are to primarily support the rapid advancement of the **Dundas Project** and fast-track into production and commercialisation. This will include completing an Environmental Impact Assessment and Social Impact Assessment, commencing procurement of long lead items to support infrastructure, finalising the pre-feasibility study, completing the exploitation application and lodgement and facilitating the offtake, as well as other general activities.

Additionally, the raise will help fund the 2018 work programme at **Disko**.

BlueJay has a current cash balance in excess of £ 15 million.

Investment comments:

Referring to my **Special Report** published early May 2018, I maintain my 2018 share price target of GBP 35.00.



Plan and section of the Iterlak Delta and shallow marine environments with sediment accumulations from GPR and marine surveys, also ilmenite in-situ from 2017 sampling

