

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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INVESTMENT ALERT – October 1, 2018

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BlueJay Mining Plc (GBp 14.25)

AIM	: JAY
Frankfurt	: S5WA
H+L prices (12 months)	: GBp 27.50 – 12.60
Net issued shares	: 848.8 million
Market capitalization	: £ 124.4 million (US\$ 11.0 million)

2018 price target : GBp 35.00

INVESTMENT ALERT

- **Completion of Social Impact Assessment at world-class Dundas Ilmenite Project in Greenland to be completed in Q4 2018**
- **Pre-Feasibility Study expected in Q1 2019 will also form important part of licencing application**

On September 27, 2018, **BlueJay Mining (“BlueJay”)** announced its interim results for the 6 months ended June 30, 2018. **Focused on advancing the world’s highest-grade ilmenite project into production, total resources at the Dundas Ilmenite Project (“Dundas”) now sit at 96 million tonnes at 69% ilmenite (in-situ) – an increase of some 400% on the maiden resource announced in April 2017.**

Engineering optimisations identified in both processes design and capital requirements for the development will deliver significant additional economic benefits and further enhance project economics.

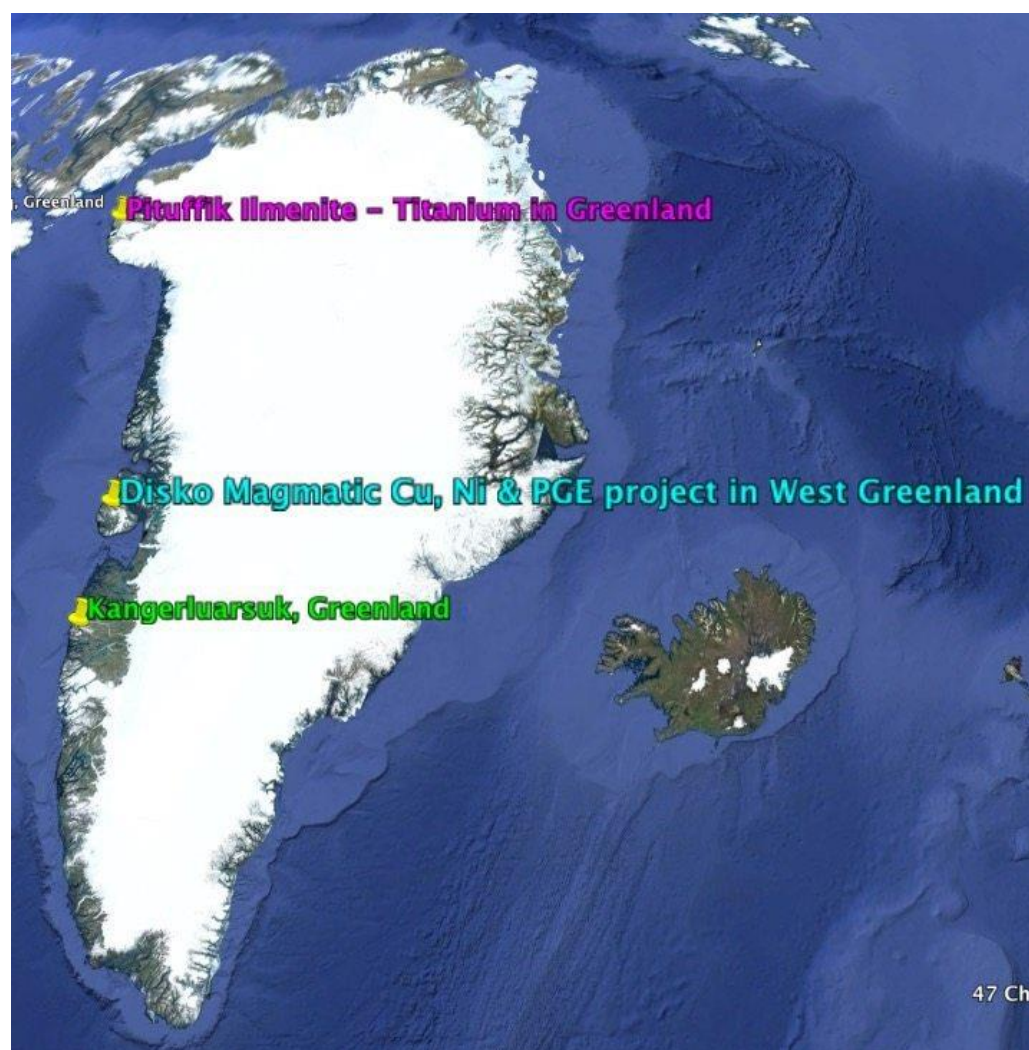
Environmental and Social Impact Assessment (“ESIA”) is expected in Q4 2018.

The **Pre-Feasibility Study (“PFS”)** now-rescoped to include optimisations will result in an updated timeline for the final PFS report; individual modules of the PFS will be released as they are completed starting November 2018, **with final report released to market Q1 2019.**

Important civil and site works completed at **Moriusaq** together with the installation storage and accommodation capacity, as well as the deliveries of a small tonne mining fleet for bulk sample purposes.
Proof of Concept 10,000 tonnes bulk sample on site grading \pm 40% ilmenite will be completed.

Drilling is completed over **Iterlak area indicating potential to expand resources in this area. Currently Iterlak has an exploration target of between 20 million tonnes and 60 million tonnes at between 6% and 10% ilmenite (in-situ).**

Looking at the ilmenite end-users, discussions are well advanced with a number of major players with a view to secure agreements for the entire initial plant annual ilmenite production.



Aside from Dundas, **BlueJay** also gave an additional upside available from **Disko-Nuussuaq Magmatic Massive Sulphide Nickel-Copper-Platinum Project ("Disko")**.

2017 exploration work confirmed a working sulphide system and number of prospective anomalies, with initial chemical assays in oxidised surface material returning **2.02% nickel, 0.8% copper and 0.2% cobalt.**

The **Disko Project's** licence size was significantly increased by acquiring an additional 1,616 km² taking the total projects area to 2,586 km².

Work is underway to refine drill targets.

The Group's net cash balance as at June 30, 2018 was £ 13 million, following a successful placing of £ 17 million (US\$ 24 million) consisting of 77,272,728 new ordinary shares to ING Group of the Netherlands at a price of £ 0.22 each in February 2018.

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.

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 comments:

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.

