

# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

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

**INVESTMENT ALERT – 26 September 2017**

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### BlueJay Mining Plc (GBp 17.50)

AIM	: JAY
H+L prices (12 months)	: GBp 20.38 – 5.01
Net issued shares	: 768.433 million
Market capitalization	: £ 136.39 million
	(US\$ 184.15 million)

**2017 upgraded price target : GBp 25.00**

## INVESTMENT ALERT

**Maiden agreement secured with mineral sands processor relating to the highest ilmenite product from BlueJay Mining's Pituffik Titanium Project in Greenland, the highest-grade ilmenite project globally**

On September 26, 2017, **BlueJay Mining** announced that its wholly-owned subsidiary Dundas Titanium A/S has entered into the first agreement relating to ilmenite product produced from its 100%-owned **Pituffik Titanium Project** in Greenland.

### Overview of announcement:

- Maiden agreement secured with experienced mineral sands processor allowing for the Company's bulk sample run of mine ('ROM') material to be refined into a high specification ilmenite product (the 'Product')
- The Product will then be used to seed the market with what is expected to be a high-quality and homogeneous ilmenite concentrate that will advance offtake negotiations
- More importantly this agreement potentially connects the Company's future mine product to the market
- It is the intention of both parties to enter into further negotiations that could generate orders sufficient in size to facilitate development
- Agreement follows processing design work completed at IHC Robbins, Queensland
- It is expected that two high spec ilmenite products can be produced efficiently that are suitable for sulphate pigment production and for both sulphate slag and chloride slag markets

## Investment comments:

Since the acquisition of a 60.37% interest in the **Pituffik Titanium Project** in December 2015, **BlueJay Mining** within a year has emerged to Greenland's leading exploration company by market valuation (see overview). This position has been strengthened fundamentally by having exercised the option to increase its interest in the Project to 100% and completion of the acquisition of Avannaa Exploration, which has two advanced polymetallic projects.

On 10 April 2017, **BlueJay** published the **Maiden Mineral Resource estimate for the Pituffik Project, which shows an Inferred resource of 23 Mt at 8.8% ilmenite**. The report, prepared by SRK, confirms the highest-grade mineral sand ilmenite project globally, with just approximately 17% of the raised beach area having been assessed for this resource calculation.

**SRK's exploration target is between 90 Mt and 130 Mt with an in-situ TiO<sub>2</sub> grade of between 3% and 4% and a heavy mineral content between 30% and 34%, of which between 10% and 12% will comprise TiO<sub>2</sub>.**

This would allow for grades over 20% ilmenite at the mineral separation level to be maintained for many years, representing a net asset valuation of hundreds of million dollars for the Pituffik Project.

**BlueJay's strategy is focused on the production of a bulk sample "proof of concept" from the Pituffik Project in Q4 2017 with the aim of securing an off-take partner and commencing commercial production in 2018 in order to create a company capable of self-funding exploration in current projects and future acquisitions.**

Meanwhile, the Company has a maiden agreement secured with a mineral sands processor relating to the highest-grade ilmenite product worldwide from the Pituffik Titanium Project.

**BlueJay** has already been included in my **2017 Shortlist of Strategic Metals/Special Minerals and REE-investment recommendations** after a share capital reorganization in December 2015, when the Company was valued at just £ 8 million.

Since then, the **Pituffik Titanium Project** became recognized as the highest-grade mineral sand ilmenite producer globally in the next few years, as a result of which **BlueJay's** market valuation multiplied.

On 28 August, 2017, I had increased my 2017 share price target from GBp 20.00 to GBp 25.00, after **BlueJay's** announcement to conduct a high-powered ground based electromagnetic survey at its prospective **Dis-ko Ni-Cu-PGM Project** in Q4 2017.