

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – 9 August 2017

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BlueJay Mining Plc (GBp 14.50)

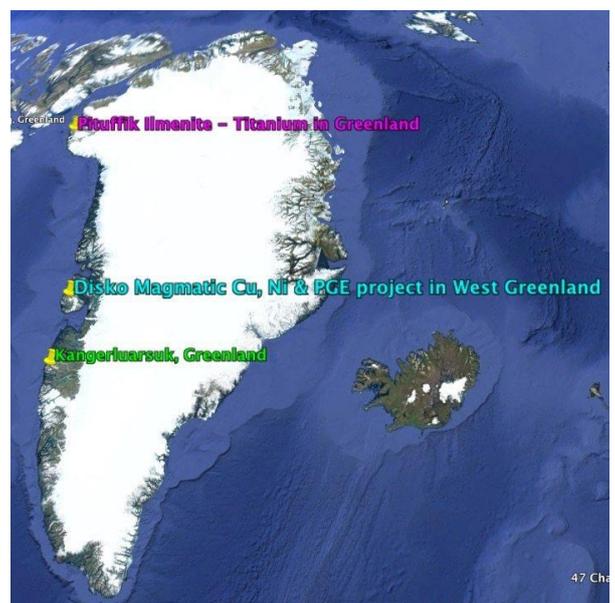
AIM	: JAY
H+L prices (12 months)	: GBp 16.50 – 4.93
Net issued shares	: 768.433 million
Market capitalization	: £ 111.42 million (US\$ 144.99 million)

2017 price target : GBp 20.00

INVESTMENT ALERT

2017 Work programme well advanced at world's highest-grade mineral sand ilmenite **Pituffik Titanium Project in Greenland**

On 9 August 2017, **BlueJay Mining** announced that drilling, bulk sampling and feasibility and permitting programmes are now underway at the **Pituffik Titanium Project** in Greenland. These workstreams all form part of the Company's 2017 exploration work programme.



First bulk sample shipped from site

Overview of the work programmes:

► Drilling underway

- Focus is to expand and upgrade the current resource of 23.6Mt at 8.8% ilmenite, which is independently proven to be the highest-grade mineral sand ilmenite project globally
 - Emphasis is on validating the significant tonnage potential along the additional 25km of raised beach licence area not currently included in the resource as well as the existing resource.
- 35 holes completed within one week, in an extensive programme using sonic drilling to improve and extend the current resource.
 - To date ilmenite rich sediment has been observed in all drill samples, confirming the rich regional potential and extent of mineralisation across entire onshore 30km licence, areas of the raised beach remain open at depth due to only having 30 metres of drilling equipment on hand.
- Auger drilling completed to the east and west of Moriusaq and will move to Itelak shortly.
 - To date ilmenite rich sediment has been observed in all 35 holes drilled, further confirming the regional extent of mineralisation across entire onshore licence area.
- **Proof-of-concept bulk sampling programme commenced** – material to support ongoing offtake discussions.
 - The first batch, containing 250 tonne ilmenite rich run-of-mine product, has been shipped from Pituffik.
 - Based on visual estimates the ilmenite concentrations in the bulk sample are better than expected.
 - An additional 250 tonne bulk sample destined for separation to provide ilmenite concentrate for customer analysis purposes is now advanced and expected to be completed within a similar timeframe.
- **Bathymetry survey underway to enable a robust assessment of shipping options**
 - Completion expected in Q3 2017.
 - Designed to identify possible shipping channels both to and from Pituffik as well as optimal fixed-point mooring locations for Handymax sized bulk carriers adjacent to the Moriusaq area.
 - Near shore surveying also completed for ship loading option study underway.
- **Orbicon Arctic A/S on track to complete the final baseline sampling programme for the Environmental Impact Assessment ('EIA') by end of August 2017.**

- **Pre-consultation period for EIA and Social Impact Assessment ('SIA') studies now complete.**
 - All stakeholder comments (12 stakeholder responses in total) incorporated into final Terms of Reference ('TOR') and resubmitted to Government for final approval.
 - **Once TOR approval has been received, the Company will finalise the EIA as part of the exploitation licence application process. Both the EIA & SIA are advancing well.**
- **Feasibility study due for delivery H2 2017.** Operational unit cost is low and project economics appear robust based on internal modelling.
- **Well-funded** to maintain active development programme – current cash position of over £5.2 million with majority of work programmes prepaid.

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 TiO₂ grade of between 3% and 4% and a heavy mineral content between 30% and 34%, of which between 10% and 12% will comprise TiO₂. 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 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 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.

My 2017 share price target remains GBp 20.00.