

# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

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

### INVESTMENT ALERT – 28 August 2017

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### BlueJay Mining Plc (GBp 19.50)

AIM	: JAY
H+L prices (12 months)	: GBp 20.38 – 5.01
Net issued shares	: 768.433 million
Market capitalization	: £ 147.92 million (US\$ 190.95 million)

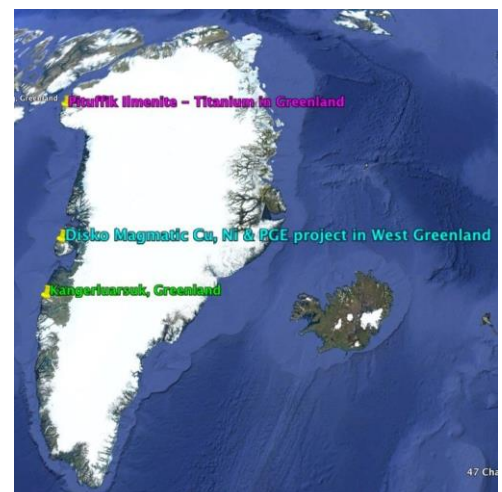
**2017 upgraded price target : GBp 25.00**

## INVESTMENT ALERT

- ▶ **Upcoming new resource calculation expected to potentially increase initial inferred JORC resource of 23.6 Mt at 8.8% ilmenite at the Pituffik Titanium Project in Greenland, the highest-grade ilmenite project globally**
- ▶ **Intends to conduct a high-powered, ground-based, electromagnetic survey at the highly prospective Disko-Nuussuaq magmatic massive sulphide Ni-Cu-PGM project in Q4 2017**

Primarily focused on advancing the 100%-owned **Pituffik Titanium Project** in **Greenland** into production in 2018, Pituffik has been proven to be the highest-grade mineral sand ilmenite project globally, with a initial JORC resource of 23.6 Mt at 8.8% ilmenite (in-situ), including a high-grade zone equal to 7.9 Mt at 14.2% ilmenite.

**Crucially significant further upside remains as the resource forms part of a larger exploration target for the tested area of between 90 Mt to 130 Mt at an in-situ grade of between 6.3% and 8.4% ilmenite.**



Furthermore, the resource area covers just ~17% of the raised beach area – one of the three main target areas situated along a >40 km coast line:

- Raised beaches; containing ilmenite accumulations over widths of more than 1km, of unknown depths, along more than 30km of coastline;
- Active beaches; which refer to the area seaward of the frontal dunes, including the beach, tidal zone and surf zone; and
- Drowned beaches; refers to the areas seaward of active beaches.

The Company'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 offtake partner and commencing commercial production in 2018 in order to create a company capable of self-funding exploration on current projects and future acquisitions.

#### Large volumes of high grade material discovered at Iterlak east



**Stockpiling of high-grade material has now commenced to fast-track commencement of mining during 2018.**

Bulk sampling is complete. An initial first batch of 250 tonne ilmenite-rich run-of-mine ("ROM") has been shipped and a second batch of 250 tonne being prepared for shipping.

Additional material is also being shipped to finalise metallurgical test work at the Company's pilot plant located at IHC Robbins (subsidiary of Royal IHC) in Queensland, Australia.

An additional batch of 250 tonne ROM material is being prepared for further customer acceptance process.

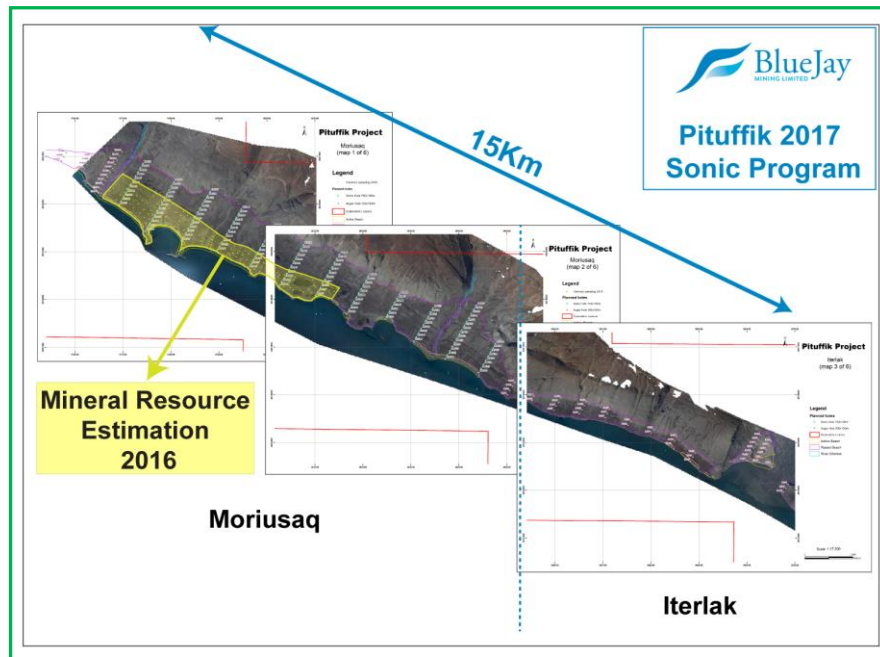
Recovery of ilmenite-rich sediment has exceeded expectations and stockpiling of the sorted material has now commenced.

Stockpiling of ROM will continue until the end of Q3 2017.

**BlueJay** holds two additional projects in **Greenland** – the 194sq 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**, 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.

**BlueJay** intends to conduct a high-powered, ground based, electromagnetic survey at **Disko** in Q4 2017 for the purposes of identifying optimum drill site locations for the possibility of drilling during 2018.

**BlueJay** 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:

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 Avannaqa 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.**

**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.

**I have increased my 2017 share price target from GBp 20.00 to GBp 25.00**, now **BlueJay** has announced to conduct a high-powered ground based electromagnetic survey at its prospective **Disko Ni-Cu-PGM Project** in Q4 2017.