

BlueJay Mining PLC

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BlueJay Mining upgrades resource for Dundas project as it presses ahead with PFS

BlueJay Mining PLC (LON:JAY) has upgraded the resource for its Dundas Ilmenite project in Greenland.

The AIM-listed firm said in December that the updated JORC compliant mineral resource for the project was now 101mln tonnes at 7.1% ilmenite (in-situ), with higher grade portions at various cut off grades of 31.2mln tonnes at 10.7% ilmenite using a 3.5% cut off and 16mln tonnes at 12.9% ilmenite using a 4.5% cut off.

READ: BlueJay Mining upgrades resource for Dundas Ilmenite project Ilmenite is the primary ore of titanium, a metal needed to make a number of high-performance alloys, while most of the ilmenite mined worldwide is used to manufacture titanium dioxide which is used in pigmentation, whiting, and polishing.

The new resource, which covered the Moriusaq area of the project, would replace a previous 2018 resource model and is expected to add positively to project economics ahead of the completion of an optimised pre-feasibility study (PFS).

The company also said the results "clearly" indicated "the strong possibility of a large and long-life operation with obvious expansion potential".

Roderick McIlree, chief executive of BlueJay, said the company expected that resource updates for two other areas of the project, Ilerlak and Ilerlak East, would "add significant additional tonnage" to the project's estimates.

The Ilerlak area estimates are expected to be updated in the first quarter of 2019, with an application for an exploitation license to be lodged in the same year.

The firm is already in offtake discussions for the whole ilmenite production at Dundas after a previous resource update in April 2018 increased the project's estimate by 400% to 96mln tonnes at 6.9% ilmenite.

PFS expected in Q1 2019

The upgraded resource estimate comes as the firm prepares for the publication of the PFS for Dundas in the first quarter of 2019.

READ: BlueJay Mining says Dundas PFS to be next year as it incorporates engineering upgrades That is later than it originally anticipated but the PFS will include a number of engineering optimisations currently being worked on. Parts of the study will be released as they are completed but the full report will be in 2019, said the junior.

"Highest concentration of in-situ ilmenite" globally, says CEO

McIlree also says that Dundas has a distinction of having "the highest concentration of in-situ ilmenite of any mineral

Price: 7.39p

Market Cap: £63.18M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: JAY

Listing: AIM

52 week High Low
23.30p 7.21p

Sector: General Mining

Website: www.titanium.gl

Company Synopsis:

Bluejay is dual listed on the London AIM market (JAY) and Frankfurt Stock Exchange and primarily focussed on advancing the Dundas Ilmenite project (previously known as the Pituffik Titanium Project) in Greenland into production in the near term.

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sands project globally" thanks in part to its geological characteristics.

"This would have been a hard rock mine...But the slow grind of the glaciers has effectively mechanically mined the material for us. Tide and wind and rain have then deposited what is a finished product on the beach over time. Its saved us the front end capex of setting up a mine there which helps a lot."

READ: Bluejay Mining updates on environmental and social impact assessments as pre-feasibility study continues at Dundas

That glacial grind has had significant consequences for the economics of production at Dundas, with McIlree saying the firm has "dodged anywhere between US\$200-400mln in capex, mother nature has done our mining and concentrating for us".

If Bluejay has the onward advance of glaciers to thank for the quality of the product at Dundas, it also has their retreat to thank for revealing the extent of the opportunity.

"Historically the project was only recognised as a small local occurrence," says McIlree.

"But then the ice and snow melted, revealing a much larger occurrence. In 2015 we undertook a work programme that demonstrated the project could be globally significant. There are quite remarkable concentrations of the material across thirty kilometres."

For those worried about the costs of operating in remote Greenland, McIlree offers reassurance aplenty. For one thing, there's that initial capex dodge. But more tangibly, the project is situated near Greenland's closest equivalent to an infrastructure hub, not far from two ports, two airports and the town of Qaanaaq, home to around 650 locals, all keen for an additional industry to start.

Even the mine camp has come pre-packaged: Bluejay has simply moved into a town that was abandoned following a change in local wildlife migratory patterns, providing a platform for accelerated implementation.

Institutional backing

BlueJay can also count several heavyweight institutional investors among its shareholders, including HSBC, ING Bank, and FTSE 100 insurance group Prudential.

The three institutions hold stakes of around 8%, 4.9%, and 12.1% respectively.

With shares trading at about 13.9p as of 2 January 2019, BlueJay carries a market cap of around £116.4mln.

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