

Bluejay Mining plc / EPIC: JAY / Market: AIM / Sector: Mining

14 December 2020

## **Bluejay Mining plc**

### **("Bluejay" or the "Company")**

#### **Exploitation Licence Granted at Dundas**

Bluejay Mining plc, the AIM and FSE listed, and OCTQB traded, exploration and development company with projects in Greenland and Finland, is delighted to announce that it has been informed that the Exploitation Licence (the "Licence") for the Dundas Ilmenite Project ("Dundas" or the "Project") will be granted and signed by the Government of Greenland in a virtual ceremony later today. The Licence is being granted to Dundas Titanium A/S, Bluejay's 100% owned subsidiary.

#### **Highlights**

- The Licence will allow Dundas to progress towards procurement, construction and ilmenite production
  - o It is valid for an initial period of 30 years and can be extended if required
  - o The licence grants Dundas Titanium A/S the rights to the ilmenite resource
- The current Pre-Feasibility Study ("PFS") mine life is 11 years and is comprised of an onshore Mineral Reserve of 67 million tonnes ("Mt") (1.6% TiO<sub>2</sub> cut-off grade) within a JORC compliant, indicated Mineral Resource of 117 Mt
  - o The remaining onshore indicated Mineral Resource, included within the Licence, provide possibilities for significant increased production and/or extended mine life
  - o There are additional significant shallow marine exploration targets both within, and adjacent to, the Licence area that could also add to the mine life
- The Environmental Impact Assessment ("EIA") and Social Impact Assessment ("SIA") studies have both been approved as part of the

#### Licence granting process

- In conjunction, the Impact Benefit Agreement ("IBA") between the Municipality of North-West Greenland, the Government of Greenland and Dundas Titanium A/S has also been signed
- A long life and sustainable mining operation at Dundas will bring significant benefits to the local area, including employment, growth and additional infrastructure developments. Strong relationships with the local communities are well established, with training activities already underway in cooperation with educational institutions in Greenland
- The Company is actively working to reduce the Capital Requirements and Operating Expenses determined in the PFS. This process has/will result in cost savings and alternative solutions for a leaner and greener operation
- The award of the Licence allows Bluejay to further progress financing discussions with existing, and new, interested parties

#### **Rod McIlree, CEO of Bluejay, commented:**

*"We are extremely pleased to now have an Exploitation Licence for Dundas. This marks a major milestone for Bluejay. Having had our Environmental and Social Impact Assessments approved during the first quarter of the year, the team, with the help of the authorities, found a mechanism for holding the successful Public Consultations meetings during the pandemic, which were finalised in September. In October, the Navigation Safety Investigation study was accepted by the Danish Maritime Authority, then reaching agreement with Greenlandic stakeholders on the IBA, in what was a rigorous process, is now complete. We are extremely proud of all the work the team has done to get us to this point and all of the support we received from the various authorities.*

*"The extendable 30-year licence allows us to now implement the initial 440,000 tonnes ilmenite concentrate per annum operation and we anticipate reaching a commercial agreement very soon with a large multinational commodities group for Dundas product, allowing us to move further forward towards production. Additionally, the Company is currently completing an optimisation study, which should materially enhance the economics of the Project. The PFS for Dundas was established on a small portion of the identified mineralisation and should eventually allow for many decades of mine life to be added.*

*"The ilmenite product market is very robust currently with a clear and strong upward price trend forecast to continue for several years to come. This tightening of supply and increasing price forecasts provides a perfect platform to now bring online one of the world's great deposits of titanium.*

*"Recently titanium has received strong support from various governments with its inclusion in the List of Critical Raw Materials' issued in September by the European Commission and its inclusion, since 2018, in the US State Department of the Interior defined list of critical metals for the US. Additionally, the development of the European Union Action Plan for Critical Raw Materials from the European Union, which, enabled the establishment of European Raw Material Alliance (ERMA), where Bluejay is a founding member, along with the US Presidential Executive Order on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals, demonstrate the potential for significant ongoing political and financial support in developing a stable and western source of ilmenite production.*

*"We would also like to extend a special thanks to the Governments of Greenland and the Greenlandic authorities for their continued support throughout the process. We would also like to acknowledge the strong financial support, in November last year, from two important Greenlandic and Danish Government backed financial institutions, Greenland Venture (Greenland Government investment fund) and Vaekstfonden (the Danish state's investment fund) as well as SISA the pension fund of Greenland, all of which clearly demonstrates a strong political desire to grow the country's mineral resource industry.*

*"In a period of unprecedented challenges for everyone, the granting of the Exploitation Licence and all the work completed to get to this point, marks a successful year for the Company. As we continue to progress the Dundas Project, it was important to finish the year strong, and we look forward to starting what will be an exciting new year, very much on the front foot."*

**"Jens-Frederik Nielsen, Minister of Industry and Mineral Resources, Government of Greenland, said:**

"We are delighted to have granted Dundas Titanium A/S the Exploitation Licence for its Dundas Ilmenite Project and look forward to the future mining operation at Dundas. The Project is well-suited to progressing our emerging mining sector in Greenland to the next level.

"Bluejay Mining Plc has been operating in Greenland for a number of years now

and we have been pleased with the cooperative dialogue throughout the application process for the Exploitation Licence. We look forward to having a continued constructive working relationship with the Company and look forward to the future benefits that the Dundas Ilmenite Project and Bluejay's future projects will bring to Greenland."

**Palle Jeremiassen, Mayor of Avannaata Kommunia (Municipality of North-West Greenland), said:**

"The Dundas Ilmenite Mine will provide significant benefits to the local communities as well as the region, in particular creating growth through employment and additional infrastructure developments. Bluejay is already in the process of training local people in order for them to gain the skills required to work at the Project, indicating that they are committed to providing benefits to local people.

"Bluejay and Dundas Titanium is well-recognised in the region with a team of respected, well-known and highly professional individuals that have been operating in Greenland and North-West Greenland for several decades. Bluejay is not only actively developing the Dundas Ilmenite Project, its Disko-Nuussuaq Project and Kangerluarsuk Project are also both located within the Municipality and we look forward to seeing these projects being progressed.

"We have had an extremely good relationship with the Company and look forward to supporting the next phase of the Dundas Ilmenite Project as it progresses towards first production."

**Further Information**

**Exploitation Licence**

The Licence will allow Dundas to progress towards procurement, construction and ilmenite production, where mining will be carried out through simple surface mining on raised beach sand deposits, simple wet gravity separation and magnetic separation.

The Licence, which is valid for an initial period of 30 years, with the option for future extensions, will allow Bluejay to produce 440,000 tonnes per annum, as indicated in the PFS, and initial production can be upscaled under the Exploitation Licence.

Bluejay is required to obtain the Government's approval (Section 19 - 43 permit)

for the exploitation plan and closure plan by 31 December 2022 and to start mining no later than 31 December 2025 unless approved otherwise. These approvals are expected to take a maximum of six months from submission as stated by the Ministry of Mineral Resources on Friday 11 December and will occur in parallel with the company's mine development planning.

The Exploitation Licence will see a royalty paid to the Government of Greenland of 1.0%, 2.0% and 2.5% on years one, two, and three respectively and with 2.5% being paid from years four onwards.

### **Mine Life & Future Exploration**

The current PFS mine life is 11 years and is comprised of an onshore Mineral Reserve of 67 Mt (1.6% TiO<sub>2</sub> cut-off grade) within a JORC compliant, indicated Mineral Resource of 117 Mt. The remaining onshore indicated Mineral Resource provides possibilities for increased production and/or extended mine life. The remaining onshore resources are included within the Exploitation Licence. Additional onshore exploration targets east of the mineral resource provide opportunities to further extend the onshore mine life.

A JORC compliant marine Exploration Target of 300 - 530 million tonnes at 0.4 - 4.8% ilmenite in-situ exists adjacent to the Licence area. This target will eventually be systematically tested, and could be added to the project based on an additional application to the Government of Greenland.

### **Impact Benefit Agreement**

In conjunction with the award of the Exploitation Licence, the IBA between the Municipality of North-West Greenland, the Government of Greenland and Dundas Titanium A/S has been signed.

The IBA intends to promote the cooperation between the Licensee, the Municipality of North-West Greenland (Avannaata Kommunia) and the Government of Greenland for developing Dundas into a sustainable mining project and an integral part of Greenlandic society.

### **EIA and SIA**

The EIA and SIA studies have been approved as part of the Licence granting process. An environmental monitoring programme, based on the EIA, will also be

established.

The process of granting the Exploitation Licence included a Public Consultation on the EIA and SIA. Comments and questions from the public during the public consultation period were documented and responded to by Dundas Titanium A/S and the Greenland Authorities in White Books for the EIA and SIA. In addition, the Project has consulted Canadian authorities as part of the 'Convention on Environmental Impact Assessment in a Transboundary Context' ("ESPOO"). The consultation was successfully completed at the end of November 2020.

### **Optimisation Study**

The Company is actively working to reduce the Capital Requirements and Operating Expenses determined in the PFS. This process has/will result in cost savings and alternative solutions for a leaner and greener mining operation. Options for renewable energy input to the operation are also being considered.

### **Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

**\*\*ENDS\*\***

For further information please visit <http://www.bluejaymining.com> or contact:

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## Notes

Bluejay is dual listed on the London AIM market and Frankfurt Stock Exchange and its shares also trade on the OTCQB Market in the US. With projects in Greenland and Finland, its most advanced project is the Dundas Ilmenite Project in Greenland, which is being developed towards production in the near term. The Dundas Ilmenite Project has been proven to be the highest-grade mineral sand ilmenite project globally, with a JORC Compliant Resource of 117 million tonnes at 6.1% ilmenite and a maiden offshore Exploration Target of between 300Mt and 530Mt of ilmenite at an average expected grade range of 0.4 - 4.8% ilmenite in-situ.

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 its current projects and future acquisitions.

Bluejay holds three additional projects in Greenland - the 2,897sq km Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide nickel-copper-cobalt-platinum group element-gold project ('Ni-Cu-Co-PGE-Au'), which has shown its potential to host mineralisation similar to the world's largest nickel-copper mining district at Noril'sk-Talnakh, northern Russia; the 692sq km Kangerluarsuk zinc-lead- 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; and the 2,025 sq km Thunderstone project which has the potential to host large-scale base metal and gold deposits.

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. For its Enonkoski Ni-Cu-PGM-Co Project in Finland Bluejay has entered a joint-venture and earn-in agreement with a mining major.

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Company Announcement - General

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