

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

9 August 2021

**Bluejay Mining plc
('Bluejay' or the 'Company')**

Definitive Joint-Venture Agreement Signed with KoBold Metals to explore the Disko-Nuussuaq Project

Bluejay, the AIM and FSE listed, and OCTQB traded, exploration and development company with projects in Greenland and Finland, is announcing a joint venture agreement ('JV' or the 'Agreement') with KoBold Metals ('KoBold'), a mineral exploration company that uses machine learning to guide exploration for new deposits rich in the critical materials for electric vehicles.

This agreement brings a globally significant partner to the Company's Disko-Nuussuaq nickel, copper, cobalt, platinum magmatic massive sulphide project ('Disko' or the 'Disko Project') in Central West Greenland.

Highlights

- Principal investors in KoBold include Breakthrough Energy Ventures, a climate & technology fund, overseen by Bill Gates, and whose investors include Michael Bloomberg, Jeff Bezos, and Ray Dalio. Other investors in KoBold include Andreessen Horowitz, the premier Silicon Valley venture capital fund and Equinor, the Norwegian state-owned multinational energy company.
- Under the terms of the Agreement, KoBold can earn 51% of Disko through a two-stage earn-in
- Bluejay can maintain a 49% interest through proportionate funding of the project and will manage field operations during this period.

Kurt House, CEO of KoBold, said: "The Disko region has seen the rare convergence of events in earth's history that could have resulted in forming a world-class battery metal deposit.

"KoBold's technology is perfectly suited to discovering new resources at Disko. Our proprietary library of analytical tools, *Machine Prospector*®, will enable effective deployment of exploration capital and maximize our chances of discovery at Disko-Nuussuaq.

"We are excited to invest in Greenland's emerging mineral sector and to

partner with Bluejay in light of their strong track record in Greenland and the outstanding potential of the Disko project."

Bo Stensgaard, CEO of Bluejay, said: "This Agreement is transformative for Bluejay. We are delighted to have a partner at the pinnacle of technical innovation for new exploration methods, backed by some of the most successful investors in the world.

"Additionally, Bluejay retains the ability to self-fund to maintain a 49% ownership through to production, providing external public investors with the opportunity of investing alongside a private investment entity of this magnitude.

"Disko is a project with great potential for the discovery of globally significant deposits of battery metals. It is, however, this scale that necessitated a financially and technically strong partner to develop Disko. After many conversations with many groups from all over the world we are pleased to enter into partnership with a group that shares our position on fairness and providing a transparent long-term outcome for shareholders as well as being a credible and reliable partner that shares our commitment to environmental sustainability. I am very pleased to say that we have achieved this now with KoBold, an organisation with the heft and technical capability to grow this project to its full commercial potential. We are extremely excited to be working with them."

Dr. Peter Lightfoot, Technical Lead of Magmatic Systems at KoBold, said: "The Disko-Nuussuaq Property is centred in a region of extensive contaminated and metal-depleted volcanic centres where there is clear evidence for the equilibration of flood basalt magma with crustal sulfur with potential for the concentration of magmatic sulphides in shallow sub-volcanic intrusions. The rich inventory of government and exploration data provides an excellent starting point for KoBold to utilize proprietary technology to support exploration."

"After working on the Noril'sk mineral system and applying the ideas to help Falconbridge with their exploration work, it is exciting to see this work come to fruition."

About KoBold

KoBold's purpose is to discover and develop new ethical sources of the critical materials for electric vehicles. KoBold's objective is to make more discoveries of outstanding orebodies with fewer failures by drawing on world-class expertise in exploration geoscience and by developing full-stack exploration technology to use machine learning and other scientific computing techniques to enable highly effective exploration decision-making.

The KoBold team brings a unique group of industry-leading specialists within data science, machine learning and artificial intelligence, software

engineering, physics, and mathematics, coupled with well-known 'mine-finder' professionals with proven track records. Notably for the Disko-Nuussuaq Project, KoBold's distinguished and well-recognised nickel expert, Dr. Peter Lightfoot, was earlier involved with the historical Falconbridge campaign at Disko-Nuussuaq during the 1990s and, moreover, has been part of a team that has identified major discoveries in every one of the cobalt-producing nickel-copper sulphide belts in Canada.

KoBold's disruptive, innovative, in-house developed machine learning and artificial intelligence data technologies, *TerraShedSM* and *Machine Prospector®*, have been built from scratch by alumni of top Silicon Valley software companies to guide every aspect of mineral exploration as well as mine development and operations. *TerraShedSM* integrates all types of geoscientific data into a single system for quality control, visualization, and predictive modeling. KoBold's proprietary suite of analytical tools, *Machine Prospector®*, interrogates the data with techniques from computer vision to ensemble machine learning to stochastic inversions, to predict the locations of orebodies and the critical controls on ore formation. KoBold has been recognised in 2021 as a Technology Pioneer by the World Economic Forum and as one of the 100 most promising private artificial intelligence companies in the world by CB Insights - and the only one within the mining industry.

The Agreement

The true scale and complexity of Disko-Nuussuaq has always meant that Bluejay required an equally sophisticated partner, one with financial and technical capabilities that also recognised the expertise, operational knowledge, local relationships and high environmental, social and governance standards that the Bluejay team represents.

Whilst there was opportunity to pursue alternative scenarios, the Company's view was that in all likelihood this would have left Bluejay shareholders with reduced ownership exposure as well as limited longer term financial protection and transparency. It has always been the Company's approach with Disko to maximise Bluejay's ongoing ownership of an asset that the Company firmly believes has the potential to host multiple globally significant occurrences of nickel and copper.

Key Terms of the Agreement

- KoBold will earn 51% of the Disko-Nuussuaq licence holding through a two stage earn-in commitment
 - Stage I: Advanced geological and geophysical evaluation of Disko-Nuussuaq to refine drill-targets using KoBold's proprietary technology, \$3.4 million sole-funded by 31 December 2022
 - Stage II: Sole funding of either US\$11.6 million in drilling expenditure or 15 pre-agreed drill holes within the Disko licence area by 31 December 2024
 - Bluejay can maintain its 49% shareholding by funding

its pro-rata commitment after Stage II

- Bluejay is a well-recognised and respected partner by communities, stakeholders and regulators in Greenland and will manage field operations until 2024
- Should KoBold complete Stage I work but not complete the drilling commitment in Stage II before 31 December 2024, 2.0% of the JV company and thereby control will revert to Bluejay with both parties subject to continuing standard dilution methodology

The Disko-Nuussuaq Project

All Bluejay licence areas were selected carefully following examination of all existing and newly available data and mineralisation models and were specifically chosen due to their accessibility via wide valley systems that cut through the topography, therefore making drilling and operations feasible.

The Disko-Nuussuaq Project is hosted within the West Greenland Tertiary Igneous Province. This province is a well-recognised geological analogue to the Siberian Flood Basalts of the Noril'sk Region. Previous studies and work conducted by the Company highlighted the similarities between the geology of the Noril'sk Region of Siberia, which is the marginal producer of nickel and palladium, and Disko-Nuussuaq. This is supported by multiple peer reviewed scientific studies.

Historical work at Disko-Nuussuaq

Initial investigations at Disko-Nuussuaq date back to the discovery in 1870 of the 28-tonne Illukunguaq Boulder of massive sulphide assaying 7% nickel, 3% copper and 512 grammes per tonne ('g/t') cobalt, as well as more than 2.0 g/t platinum group elements. Following this, more than 30 years of exploration by companies, including Cominco and Falconbridge, but also more recent work by Vismand Exploration and Cairn Energy backed Avannaa Resources, as well as government-backed work and data acquisition by the Geological Survey of Greenland/Geological Survey of Denmark, has resulted in a vast amount of scientific data (both geological, geochemical, and geophysical) all pointing to a process producing a globally significant accumulation of metals. The total cost of this multi-decade data acquisition and field work represents millions of dollars of total expenditure.

Detailed geochemical mass balance calculations on the Kukunguaq Member sulphide-saturated contaminated basalt sequence indicates that between 12-16 million tons of nickel metal are missing from lavas extruded from the mantle. The most likely explanation for this is that these metals have precipitated as nickel and copper sulphides proximal to the main volcanic vents and other structural corridors which controlled the migration of magma. Bluejay licence areas cover all of the currently known contaminated and metal-depleted volcanic centres on Disko and Nuussuaq.

In addition to the magmatic sulphide mineralisation system, massive gold bearing boulders of native iron have been found on the Company's

licences, specifically the 10 tonne Hammer Dal Boulder providing another significant target for iron-nickel-copper-cobalt-platinum group elements-gold mineralisation.

Bluejay has undertaken multiple work campaigns over several seasons with the inclusion of several state sponsored technical partners, undertaking aerial surveys, extensive geochemical sampling utilising the most modern analytical techniques with ultra-low sensitivity as well as soil gas hydrocarbon sampling. These new "deep-penetrating" geochemical and gas surveys have for the first time provided metal anomaly signals coincident with previously identified large-scale geophysical responses.

Bluejay's assessment and investigation over the last several years has identified more than 20 drill-ready targets on licence holdings at Disko-Nuussuaq. Of the targets defined, notably, there are seven large conductive targets previously defined by Vismand Exploration and Avannaa Resources and reconfirmed by Bluejay. The two largest conductive targets are extraordinary in scale, the largest being more than 10.0 kilometres ('km') long and around 2.0 km wide and another being around 4.8 km long and 800 metres ('m') wide; both comparable in footprint to the world-class Noril'sk-Talnakh ore bodies.

Details on the potential analogue Norilsk nickel district

- The copper-nickel-platinum group metal deposits at Noril'sk-Talnakh are located at a depth of 500-to 1,500m beneath surface in a series of flood basalts and sedimentary rocks. The massive sulphide orebodies are hosted within the Talnakh intrusive complex. The ores range from Ni-rich contact ores with Cu, Co Pt, Pd, Rh, and Au, footwall and hanging wall Cuprous ores rich in Cu and precious metals with some Ni and Co, and disseminated sulphide mineralization.
- The most recent reserve estimates by Noril'sk Nickel estimate proven and probable ore reserves totalling 663.1 million tonnes ('Mt'), containing 6.0 Mt of nickel, 11.4 Mt of copper and 117.5 million ounces ('Moz') of platinum group metals. Reserves are reportedly sufficient to support 80 years of output. Measured and indicated ore resources are in the order of a stunning 1,702.9 Mt containing 11.6 Mt of nickel, 22 Mt of copper and 257.3 Moz of platinum group metals.
Source: MMC Norilsk Nickel, Annual Report 2020.
- It is estimated that since mining started in 1940, the Norilsk district has produced a total of 8.3 Mt of nickel, 16.3 Mt of copper, 178 Moz of platinum group metals, and 3.1 Moz of gold from 691 Mt of ore. After adjusting for mining and processing losses, the total pre-mined resource for the district camp is estimated to be 2,800 Mt at 0.9% nickel, 1.7% copper, 6.0 g/t platinum group metals and 0.2 g/t gold (Table 1).
- Comparing global reserves plus resources the Norilsk camp contains 15% of the global resource of sulphide nickel, 27% of the total global palladium resource, and 30% of the global resource of magmatic sulphide-hosted copper.
- Based on the above estimates of combined reserves, resources,

and historic production, the total value of the ores in the Norilsk district in 2020 metal prices is US\$1.4 trillion, of which the platinum group elements account for about 60%; the Oktyabrsk massive sulphide orebody alone (accessed from the Oktyabrsk and Taimyr mines) contained over half a trillion dollars of metal value, exceeding the value the next 5 largest metal deposits and making it by far the most valuable single orebody of any type on earth.

Source: Barnes et al. 2020: Introduction to a Special Issue on the Norilsk-Talnakh Ni-Cu-Platinum Group Element Deposits. *Economic Geology*, Bulletin of the Society of Economic Geologists, Vol. 115, No. 6, page 1157-1172.

FIGURE 1: Diagram showing well known nickel-sulphide deposits/mining districts. The expected grade tonne range for Disko indicated inside the transparent blue ellipsoid, based on mass balance of depleted lavas. Source for the background data/original diagram: Leshner & Houlié 2015: Magmatic Ni-Cu-PGE Mineralization in Canada. SGS Open House, Technical Session 3: Exploration Overviews and Tantalum Domain Geoscience - Dec 2015. Ministry of Energy and Resources, Saskatchewan, Canada. (<https://publications.saskatchewan.ca/#/products/82536>)

Link to Figure 1
http://www.rns-pdf.londonstockexchange.com/rns/9278H_1-2021-8-8.pdf

Licence position at Disko-Nuussuaq

Bluejay's 2,897 square kilometre ('km²') Disko-Nuussuaq holding includes several separate licences awarded by the Government of Greenland (see Figure. 2).

FIGURE 2: Map showing the current licence holdings at Disko-Nuussuaq.

Link to Figure 2
http://www.rns-pdf.londonstockexchange.com/rns/9278H_2-2021-8-8.pdf

The first licence holdings at Disko-Nuussuaq were purchased by Bluejay in 2017 from Capricorn Oil Limited ('Capricorn'), a subsidiary of Cairn Energy PLC ('Cairn'), which was the licence holder at the time, after the oil and gas exploration and development company, Cairn, ceased its offshore activities in West Greenland. At the same time, it also ceased funding its parallel onshore mineral exploration vehicle and operator, Avannaa Resources Ltd. The transaction included all licences at Disko-Nuussuaq as well as licences at the Kangerluarsuk zinc-lead-silver-copper project, located north of the former famous and most profitable historical mine in Greenland, the Black Angel zinc-lead-silver mine. The acquisition price was £500,000.

The initial licence holding at Disko-Nuussuaq was expanded by Bluejay in 2017, 2018 and 2020 to the current total holding of 2,897 km². The Bluejay licence holdings are concentrated over the most prospective settings/contaminated basalt, as well as targeting the larger fault-systems & magmatic pathways. Bluejay's land holdings also host most of the previously recognized magmatic sulphide and native iron boulders and native iron occurrences. Moreover, the Bluejay licence ground was

acquired in areas where valleys incised into the flood basalts that reduces the drill depth to potentially mineralized subvolcanic intrusions. All licences have access to a deep-water fjord or deep open water and can be operated from either land or boat/barge-based camps.

From the later part of 2019 and into 2021 Disko-Nuussuaq has seen a licence acquisition "race" that means that Bluejay's first-mover holdings have been surrounded by other licence holders and, notably, Anglo American holds an area of almost 10,000 km².

The northern coast of Disko island has seen earlier mining operations when the Qullissat Coal Mine was in operation from 1924 to 1966. The former coal mine, and the abandoned mining town, is located within the Bluejay licence holdings.

The nearest major town to the holdings at Disko-Nuussuaq is Ilulissat which is located in mainland Greenland c. 100-170 km south-east of the licence areas. Ilulissat is the gateway, as well as the educational, business and administration centre to northern West Greenland, and is an active hub with an airport, deep-water port facilities and service providers. Bluejay has had an established office and storage facility in Ilulissat since 2016 which has been used to support all West Greenland activity.

Bluejay, and its 100% owned subsidiaries Dundas Titanium A/S and Disko Exploration Ltd, are well-known in the community and are trusted partners for service, supply and logistical providers based or operating out of Ilulissat.

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.

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

Roderick McIlree	Bluejay Mining plc	+44 (0) 20 7907 9314
Bo Stensgaard	Bluejay Mining plc	+45 2367 8067
Eric Sondergaard	Bluejay Mining plc	+1 403 813 1830
Kevin Sheil	Bluejay Mining plc	+44 (0) 20 7907 9326
Ewan Leggat	SP Angel Corporate Finance LLP (Nominated Adviser)	+44 (0) 20 3470 0470
Adam Cowl	SP Angel Corporate Finance LLP (Nominated Adviser)	+44 (0) 20 3470 0470
Tim Blythe	Blytheweigh	+44 (0) 20 7138 3205
Megan Ray	Blytheweigh	+44 (0) 20 7138 3205

Notes

Bluejay is listed on the London AIM market and Frankfurt Stock Exchange and its shares also trade on the OTCQB Market in the US. With multiple projects in Greenland and Finland, Bluejay has now secured three globally respected entities as partner, customer, and co-investor on three of its projects, giving the Company and its shareholders both portfolio and commodity diversification in high quality jurisdictions.

Its most advanced project is the Dundas Ilmenite Project in Greenland, which is fully permitted and 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 Mineral Resource reported in accordance with the JORC Code 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 has agreed a Master Distribution Agreement with a major Asian conglomerate for up-to 340,000ktpa of its anticipated 440,000ktpa annual output. The Company's strategy is focused on securing financing ahead of commencing commercial production at Dundas in order to create a company capable of self-funding exploration on its current and future projects.

Bluejay holds two additional projects in Greenland - 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. Bluejay also has a joint-venture agreement with a mining major at Enonkoski in Finland; has recently signed a binding agreement for a partial divestment in a fourth Finnish project, and with KoBold at Disko-Nuussuaq following today's announcement.

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Company Announcement - General

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