

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

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

Chairman's Strategic Review

Bluejay Mining plc ("Bluejay"), the AIM, FSE listed and OTCQB traded exploration and development company with projects in Greenland and Finland, is pleased to announce a project update and strategic review from recently appointed Executive Chairman, Mr Robert Edwards.

Chairman Review

"When I joined the Bluejay team as Executive Chairman last October, it was my firm view that the entire portfolio reflected the opportunity for shareholders, not just a portion. Following my strategic review, this is still the case. I believe that shareholders have been somewhat frustrated with the historic focus on individual projects and, it could be argued that this strategy has led to an over dependence on binary outcomes of these projects, whilst other potential may have been de-prioritised. It is the aim of the Bluejay team to rebalance the risk and reward equation for shareholders, and to deliver.

"The potential demerger of Bluejay announced in June 2022 under the premise that the demerger would "generate greater development and funding flexibility for both Bluejay and Disko" has, after a thorough process of consideration and consultation, been deemed by the Board of Bluejay as no longer an appropriate strategy. The primary conclusion was that Bluejay shareholders would not benefit from such a demerger of the subsidiary Disko Exploration Ltd. and its projects from the Bluejay parent company and that, on a risk-weighted basis, Bluejay can achieve more by utilising its existing platform and unified pool of expertise in both Greenland and Finland.

"This expertise is almost unique, in my view. Our ability to successfully explore and progress projects, together with a suite of tier one partners, is our key strength. I would also add that Bluejay is clearly capable of progressing projects itself, something that I am determined the Company should pursue more confidently in the future. This would be done to retain as much value for Bluejay shareholders, not only through considered exploration success but also through the monetisation of projects on commercially attractive terms, having advanced them to an optimal stage. Alternatively, if projects do not merit further expenditure for whatever reason, then they will be dealt with appropriately. All of our projects must compete for shareholders' funds, and all will have the chance to do so.

"With this in mind, I have reviewed our entire portfolio of assets in both Greenland and Finland, including the status of each of the projects, and have recalibrated our approach, where appropriate. The review which I carried out with the support of the entire Bluejay team, led by our CEO, Bo Stensgaard, was done to ensure that the firmest plan is in place on how best to move each project higher up the value curve so that we are best placed to maximise value for our shareholders. Crucially, Bluejay should be able to transparently demonstrate that considered milestones are achieved with every incremental allocation of shareholders' funds.

"Historically, we have led with the Dundas Ilmenite Project, the Disko-Nuussuaq Ni-Co-PGM Project and the Enonkoski Ni-Cu-Co Project. Bluejay has secured meaningful partnerships at all three, as well as \$35 million of development equity commitments for Disko and Enonkoski. However, moving forward, some of our lesser known, 100% owned projects, such as the district scale Kangerluarsuk polymetallic opportunity in West-Greenland where, as a result of the successful survey results following last season's field programme, we will now drill this season. In addition, at our Hammaslathi Ni-Co-PGM licence in Finland, we believe, for relatively modest expenditure, Bluejay may also be able to generate positive, meaningful, progress. Bluejay owns 100% of each licence and therefore can capture 100% of the value creation should both live up to their potential. I would in particular highlight the Kangerluarsuk Zn-Pb-Ag Project as an asset which will receive particular imminent focus. To this end, we will today announce a capital raising of up to US\$6 million, with the first tranche of \$2 million being used to fund a drilling programme this summer at the Kangerluarsuk (see separate announcement released today, 14 February 2023).

"In addition, I will ensure that Bluejay will never progress a project without a sound strategic and commercial basis to do so and will endeavour to provide transparent communications to shareholders and our wider stakeholder base to report progress and properly explain management and Board decisions. Beyond our existing portfolio, there may be opportunities that present themselves which Bluejay will evaluate where large scale commercial opportunity exists, and where we can lend our expertise. Bluejay will continue to deepen its skills base with key hires to make sure that we, as a team, are fit for the challenge. In particular, the minerals industry landscape in Greenland is fast developing and mining in Greenland is achieving wider acceptance. Bluejay aims to be active in Greenland's development over many years and, with that in mind, aims to assist the Greenlandic authorities in the best-practice stewardship of its emergent mining sector.

"Finally, I would add that Finland is a tier 1 mining jurisdiction, which we are delighted to be active in due to the ease of the exploration process, our minerals tenements and the mining friendly nature of local policy. Our portfolio in Finland is not well understood by our shareholder audience. We must change this. I look forward to the challenges and opportunities ahead."

The Bluejay Portfolio

- Dundas Ilmenite Project

Following the acquisition by the Company of Bluejay Mining Limited in 2016, what was then called the Pituffik Project (later renamed Dundas Ilmenite Project) was the key focus of management due to its perceived size and accessibility. Subsequently, Dundas remained the flagship project for Bluejay and has attracted the majority of shareholders' funds over the interim period against the global backdrop of a scarcity of new ilmenite projects and robust supply and demand fundamentals for titanium-dioxide (TiO₂) feedstocks.

A pre-feasibility study for the Dundas Ilmenite Project was published in June 2019 ("2019 PFS") and an Exploitation Licence was granted by the Government of Greenland in December 2020. Subsequently a Master Distribution Agreement ("MDA") was signed in 2020 with a large Asian Conglomerate. COVID-19 restricted access to the Dundas site in both 2020 and 2021 which halted site-based work over the period. The pilot processing of the 42kt bulk mineral shipped in 2019 from Dundas was also impacted by COVID restrictions. The processing of this material was completed in December 2021 and the titanium feedstock material that this campaign produced has subsequently been used in an end-user customer sample programme run jointly with the MDA partner.

Further optimisation work in 2022 was aimed at ensuring that the Project was "fit for purpose" given the unique Arctic parameters that the Dundas Project faces. Following

the appointment of a new team to lead the Dundas feasibility study, led by Mr Peter Davies, it has been concluded that the technical design and construction method specified in the 2019 PFS was inappropriate and sub-optimal, both from a conceptual perspective but also operationally, financially and logistically for a project of this nature. This included the duration of the site construction schedule, and the magnitude of the construction resources that would need to be mobilised for each of the short summer construction windows.

Subsequently, revisions to the work undertaken as part of the Feasibility Study ("FS") have identified and developed concepts for project development which represent a significant lowering of the risk profile of the Dundas Project and that are deemed more suitable and lower cost than prior concepts. Our aim is to present a cheaper, better and more realisable project. Significant positive improvements have been identified in 2022 and into 2023 in this regard. These include, but are not limited to, the use of dry-dock barge-based infrastructure, which is constructed and commissioned off-site and better commercial options with respect to the trans-ocean shipping of product to market. In addition, the change to a mining method based on dozer ripping and the use of conveyors (replacing truck-hauling of the onshore mineralised beach sands) and an alternative method for the ore preparation stage, have resulted in a significant reduction in forecast fuel consumption and the size of the on-site workforce. Further work on improving Ilmenite recoveries and yields is also being undertaken. A lower cost alternative to construction of the ship-loading wharf has also been identified.

In summary, by the end of 2022, Bluejay management had significantly enhanced the project scope whilst working with respected industry partners and produced an internal Preliminary Evaluation Report which will serve to inform a more robust interim stage feasibility study by autumn 2023, coupled with the revised Mineral Resource Estimate ("MRE") expected to be produced in mid 2023.

All mining projects are heavily influenced primarily by key parameters, being product pricing, capital cost and operating cost per tonne of product. The latter of these is heavily influenced by orebody grade. Dundas is particularly sensitive to grade. It should be pointed out that one of the recommendations in the 2019 PFS was that further drilling was required to enhance confidence in orebody grade distribution, generate more accurate tonnage estimates, as well as further define mineralogy. Bluejay raised £5.3 million of fresh equity capital in March 2022 to finalise the Dundas optimisation and the necessary feasibility study work as well as for general corporate purposes and working capital. Of the funds raised, £2.2 million was spent on the 2022 summer drill programme and subsequent shipment and analysis of drill cores to Australia after preparation in Denmark under carefully controlled conditions.

The schedule for the development of the new MRE, from planning, mobilisation and execution of the drilling programme in the summer of 2022 through to the subsequent shipment, sub-sampling and assaying of the drill core has always been on the critical path of the overall Feasibility Study schedule. Moreover, given the number of changes in the project development concepts since the 2019 PFS, it has been necessary to first develop new designs and cost estimates to AACE Class 4 level and to prepare an enhanced PFS, before progressing to finalise the studies to FS level.

If all of these interim steps combine to highlight a strongly economic project, the full Feasibility Study will be concluded for Board approval by mid 2024 at the latest. We are in the back end of a severe escalation in input costs across the sector, with average capex costs having risen between 25% to 30% in 2022. Encouragingly, whilst the cost and capex reversal has just begun, especially in Asia, the market for Ilmenite remains strong despite short term de-stocking. Despite a weakening of TiO₂ pigment production globally through Q4 2022, demand for imported ilmenite in China is still strong for producers of TiO₂ pigment for export markets, with spot prices having already increased by more than 10% from seasonal lows in Q4 2022.

Looking forward to the next few years, demand for ilmenite for direct and indirect use in pigment production is still forecast to be strong. Even though current supplies will be reducing, there are still relatively few proposed new developments of ilmenite of the type available from the Dundas Ilmenite Project.

- Disko-Nuussuaq Nickel-Copper-Cobalt-Platinum Group Metals Project

In June 2021, Bluejay signed an agreement that saw KoBold commit US\$15 million in exploration expenditures over a three year period to advance the Disko-Nuussuaq Ni-Cu-Co-PGM Project.

In 2022, the Joint Venture ("JV") carried out extensive geophysical, geological and geochemical programmes in order to define drill targets. Data gathered from the maiden 2022 JV exploration campaign continues to be interpreted by KoBold and shared with Bluejay under the terms of the shareholder agreement. Final sample data is expected to be available in the first quarter of 2023 and the JV's understanding of the licence continues to evolve. The final decision on the shape and nature of the 2023 campaign is ongoing, and the programme will be outlined by KoBold. Both parties are committed to developing the best and most effective programme possible for 2023 and beyond.

- Enonkoski Nickel-Copper-Cobalt Project

Bluejay has been continuously active in progressing the Enonkoski Ni-Co-Cu Project together with its major mining JV partner since late 2020. As a result of the JV and earn-in agreement, up to US\$20 million of expenditure has been committed to Enonkoski.

The work to date has not only been focused on targets near the historic Ni-Co-Cu mines operated in the 1980s and 1990s but the JV has also opened up the less explored parts of the licence area further away from of former mines within the 15 kilometre ("km") long geologically prospective Enonkoski Belt with subsequent drilling on new targets. Beside the drilling activities, exploration campaigns have also included fresh geological mapping, sampling of new mineralised outcrops and new ground and airborne geophysical data. These campaigns have delivered promising results which also have included drill intersections of mafic intrusive rock host rocks with Ni-Cu sulphide droplets and disseminated zones that evidence the presence of mineralising systems.

Bluejay has been very pleased with the results and the cooperation with its JV major mining partner. The Enonkoski Belt has demonstrable nickel occurrences and past production within the 47.9 km² area under license, and the Company looks forward to progressing the Project in 2023.

- Kangerluarsuk Zinc-Lead-Silver ± Copper Project

The Kangerluarsuk Zn-Pb-Ag ± Cu Project is located within the Karrat Group, a major Palaeoproterozoic sedimentary basin. It contains abundant Zn-Pb-Ag showings and hosts the former Black Angel Zn-Pb-Ag mine that produced 11 million tonnes of ore grading at 12.6 % Zn, 4.1 % Pb and 29 grams per tonne ("g/t") Ag during operations conducted by Cominco (1973-1986) and subsequently Boliden (1986-1990). Bluejay acquired the Kangerluarsuk Project in January 2017 when it purchased Avannaa Exploration in an all-share transaction. It is acknowledged that the Kangerluarsuk licenses host the strongest cluster of stream sediment zinc anomalies in Greenland, with samples up to 2,200 ppm Zn.

Kangerluarsuk exhibits very exciting characteristics which makes it a very compelling exploration project. These are:

- **A base metal project with scale:**
Multiple zinc-lead-silver +/- copper targets within the license that each have footprints capable of hosting significant tonnage deposits in a former mining district.
- **High-grade potential:**

Outcropping mineralisation, e.g., at the 5km long Discovery Zone, yield chip sample results of up to 1 metre @ 41.1% Zn, 0.4 metres @ 45.4 % Zn and mineralized grab rock samples with up to 9.3% Pb, 1.2% Cu and 596 grammes per tonne ('g/t') Ag.

• **Data-rich project with multiple types of data validating drill targets:**

Large-scale geophysical and geochemical anomalies have been identified from multiple independent datasets which highlight attractive properties within the subsurface and extensions of outcropping mineralisation that all provide a high level of confidence in delineating drill targets.

Bluejay will commence a summer drilling campaign at Kangerluarsuk in summer 2023.

- Hammaslathi Copper-Zinc-Gold-Silver Project

The Hammaslathi Cu-Zn-Au-Ag Project last saw drilling activities by Bluejay in November 2020 followed by down-hole electromagnetic surveys conducted in early 2021. The subsequent period of inactivity was despite the promising results achieved from the historical and more recent drilling campaigns carried out by the Company and despite additional high-priority drill targets having been identified close to the historical Hammaslathi Cu-Zn-Au-Ag mine, which was successfully operated in the 1970's and 1980's by Outokumpu Oy.

These drill targets, within the mine corridor, are ready for drill-testing and all known ore-lodes are open down-plunge. The earlier discovery of the so-called E-lode which returned intercepts of 8.65 metres grading at 2.15% Cu, 1.97% Zn, 47.46 ppm Ag and 0.5 g/t Au has never been followed up. This in combination with the proven down-plunge extensions of the historical mine lodes provide Bluejay management with conviction that Hammaslathi represents a clear opportunity. It should be noted that Bluejay holds 39.3 km² of the Hammaslathi Belt under license. Management believe that the permissive geological settings can be extended to areas located south of the former mine where high-grade mineralised outcrops and boulders have been located at surface.

- Outokumpu Copper-Zinc-Cobalt-Nickel-Gold-Silver Project

The Outokumpu Belt is one of the world's most prolific geological belts that hosts multiple high-grade mines with a high-value multiple-commodity basket of Cu, Zn, Co, Ni, Au and Ag. The Belt comprises three former mines including the world famous Outokumpu-Keretti mine operated between 1914 and 1988, the Cuonos mine operated between 1967 and 1986, and the more recent Kylylahti mine operated by Boliden from 2012 to 2020.

Bluejay is the largest license holder (80.6 km²) on the Outokumpu Belt. Although the Outokumpu region has been explored for over 100 years, there are still "gaps" on the Belt, where the Bluejay exploration team believe that new discoveries can be made. Potential work plans include the opportunity for a renewed data integration exercise to generate compelling drill targets for the multiple high-value diversified commodity basket.

- Thunderstone Gold & Base Metals Project

Despite being located in one of the most accessible areas of Greenland, the area covered by the Thunderstone licenses remains a true greenfield region that has largely evaded exploration until now. Thunderstone is the earliest stage Project in Bluejay's portfolio with a potential for base metals (nickel, copper, cobalt and zinc) and gold, and aligns with our strategy of building a project pipeline as we deliver on our more advanced projects. The first phase of regional-scale geochemical sampling and reconnaissance by Bluejay in 2020, supports a previously unrecognised southern

extension to the Nanortalik Gold Belt that hosts Nalunaq gold mine (held by Amaroq Minerals TSXV: AMRQ), only 25 km west of our Thunderstone licence. During Q4-2022 Bluejay reduced the licence area of the Thunderstone Project, retaining the most prospective areas for gold and base metal deposits and focussing our exploration efforts to advance targets and move them up the value creation curve.

- Black Shales Nickel-Zinc-Copper-Cobalt Project Divestment

In July 2021, Bluejay announced that it had signed a binding term sheet and entered into a conditional agreement for the sale of its Paltamo and Rautavaara Nickel-Zinc-Copper-Cobalt in Finland (collectively known as "Black Shales Ni-Zn-Cu-Co Project") to Metals One plc for a combination of cash and shares. The consideration for the divestment has recently been adjusted to £4.125 million to reflect a deferred long stop date for the closure of the transaction. Metals One plc is progressing listing on the AIM market of the London Stock Exchange after which Bluejay Mining will be able to reflect this divestment on its balance sheet.

The proposed transaction with Metals One is subject to formal agreement and completion of the outstanding conditions announced on 28 July 2021. Shareholders should note that there is no guarantee that the proposed transaction with Metals One will be completed or that Bluejay will receive any further consideration in respect of Metals One.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018.

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

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Company Announcement - General

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