

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

14th September 2021

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

Bluejay Mining plc, the AIM and FSE listed, and OTCQB traded, exploration company with projects in Greenland and Finland, is pleased to announce its Interim Results for the six months ended 30 June 2021 (the "Period").

Highlights in H1 2021:

- **Final permits in place to start production at Dundas**
- **Letter of Interest received from EXIM Bank**
- **Enonkoski Joint Venture ('JV') and \$20 million exploration campaign agreed with Rio Tinto**
- **Drilling commenced at Enonkoski**
- **Positive dialogue with the new Government of Greenland**
- **First field season completed for the Thunderstone Project**
- **Appointment of Mr Johannus Egholm Hansen as Non-Executive Director**
- **Strong ongoing cash management and progress on VAT appeal**

Post Period

- **JV signed at Disko-Nuussuaq project with KoBold Metals ('KoBold')**
- **Letters of Interest received from three Export Credit Agencies**
- **HMRC withdraw their VAT case against the Company**
- **Black Shales conditional £4 million divestment**

Chairman's Statement

Despite the difficult conditions experienced throughout much of 2020 the Company was able to deliver on several stated objectives during the second half of the year. Late last year Bluejay was issued a 30-year Exploitation Licence for Dundas and executed a Master Distribution Agreement for the output with a large, long established Asian conglomerate. Also during the Period the Company signed a \$20 million JV and earn-in agreement on one of its nickel projects in Finland with one of the world's largest mining companies. We also strengthened our Board with the inclusion of Johannus Hansen to the role of non-Executive Director.

The Group's cash balance at the half-year was c.£5.2 million versus £6 million full year 2020. This amount excludes the c.£1 million return of cash due to be received from HMRC.

Post the period, the Company concluded a JV Agreement with KoBold Metals, who will fund the initial development of the Disko-Nuussuaq Project in Greenland and agreed the conditional sale of the Finnish Black Shales Assets to Metals One.

Importantly, our overarching strategy of focussing on high quality assets located in low-risk jurisdictions has been vindicated with the start of drilling by Rio Tinto at our Enonkoski Ni-Cu-Co-PGM in April 2021.

Financial

Since the beginning of the year, the Company has signed three transactions with a value in excess of \$40 million. In July we received notice that HMRC had withdrawn its appeal on the First-Tier Tribunal's (Tax Chamber) decision and have since refunded approximately £300,000 of the c.£1 million to Bluejay with the balance expected in due course. The Company continues to prudently manage its finances and maintains a focus on cost savings across all aspects of the organisation. Of note is that income generated from operational management fees are expected to be meaningful during the 2022 period from three projects: Disko, Enonkoski and the Black Shales project.

Greenland

Bluejay's operational focus has been on the continued development of our flagship titanium sand project. Dundas has a JORC compliant indicated and measured Mineral Resource of 117 million tonnes ('Mt') at 6.1% ilmenite in-situ that requires only simple mining and minimal processing to produce a high purity concentrate. Dundas represents a near-term value proposition for stakeholders. It has been independently assessed as being the highest-grade ilmenite sand project globally and boasts a global resource of +730mt of ilmenite bearing sands spread over more than 30 kilometres of strike.

During the latter part of 2020 we executed a Master Distribution Agreement with a large, long established Asian conglomerate for up to 340,000 tonnes of the total planned 440,000 tonnes per annum production. We are confident that agreements will be reached for the remainder of our offtake, due to initial customer feedback on the quality of our product.

On a technical front we continue to progress the engineering optimisation and cost saving studies for Dundas which are now in the latter stages of completion. Added to this the Company has received Letters of Interest from three International Export Credit Agencies and we are close to finalising discussions with a focussed group of banks to create a strong consortium of partners suitable for this development. All of this within a backdrop of robust ilmenite prices.

Turning to Thunderstone, we received in late January, initial exploration results from our maiden field programme. These initial results justify continued work to further assess the newly identified gold-silver anomalies as well as other high tenor base-metal results (Cu-Au-Ag-Mo-Zn and Cu-Ni-Cr-Co±Pt, Pd anomalies). Future work will focus on these newly identified anomalies.

Also, during the Period, Greenland held a general election and formed a new coalition Government. Our newly appointed CEO, Bo Stensgaard, met with the newly appointed Minister for Housing, Infrastructure, Mineral Resources and Gender Equality, Ms Naaja Nathanielsen in May 2021. During this meeting the Minister confirmed that the Greenland Government continues to support the Mineral Strategy 2020-2024, which provides the framework for further development of mineral resources in the country. The Company received the Exploitation and Closure permits, the final Government-level approval required at Dundas, which now allows for construction to begin. This approval further confirms continued support for the project from the Government.

Post the period we entered a strategic partnership with KoBold on the Disko-Nuussuaq project. KoBold may earn up to 51% of the project through significant expenditure over a three-year period. This is a major partnership for the Company. KoBold is aligned with our goals to develop critical materials needed for the green transition sourced in an ethically sustainable manner. KoBold also brings the attention of globally renowned investors, including Breakthrough Energy Ventures, a climate, energy and technology fund, overseen by Bill Gates and backed by 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 energy company.

Finland

The maiden drill and field programme commenced at the Enonkoski nickel, copper and cobalt project in April 2021 as part of the project partner's, Rio Tinto, JV and earn-in agreement. The 3,000 metres diamond drill programme will test several geophysical targets in the Tevanjoki and Laukunsuo areas.

In July we provided an update on our 100% owned Outokumpu project where the Company has identified multiple copper, cobalt, gold and silver targets for drilling testing. The first stage of the intended drilling is expected to be 1,500 metres, focussed on the Haapovaara target north of the historical Kylylahit mine. In total 2,500 metres across the broader Outokumpu area.

Finally at the end of July, the Company signed a binding term sheet for the sale of our Black Shales (Paltamo and Rautavaara nickel, zinc, copper, and cobalt projects) assets to Metals One for cash and shares totalling £4 million further strengthening the Company's balance sheet.

Outlook

While 2020 was undoubtedly a year of significant change globally. The necessity for fieldwork as we entered 2021 was not critical for the Company due to ongoing Dundas technical and financial planning. Instead, partnership negotiations became the focus. Consequently, we now have two fully financed exploration programmes totalling \$35 million at our Enonkoski and Disko Projects. These achievements over the last six months has positioned Bluejay well to capitalise on the next 12 to 18-months as we transition into a revenue generator once Dundas is operational.

Our JV Agreement with KoBold is momentous. We have consolidated licences over several of the most promising metal occurrences in all of Greenland and this puts us in the enviable position of now being able to attract and deliver on globally significant strategic partners on globally significant projects in safe and stable locations. This is a remarkable achievement for an emerging mid-tier mining company all executed in less than five years.

Our relationship and communication with the Greenland Government and the communities surrounding our projects were a focus during the Period with approval of the Exploitation Licence at Dundas highlighting the teams hard work as well as demonstrating community support for the project.

The Company has emerged stronger from the last 18 months and now has partners that bring significant value to several of the Company's projects. Additionally Bluejay owns 100% of Outokumpu (Europe's largest historical producer of Cobalt), Hammaslahti, a brownfields copper mine previously owned by the Finnish state mining company, and the large high grade Kangerluarsuk polymetallic project which is also Greenland's most significant zinc anomaly.

Roderick McIlree Executive Chairman

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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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 6 months to 30 June 2021 Unaudited | 6 months to 30 June 2020 Unaudited | |
|--|--|--|----------|
| Notes | £ | £ | |
| Continuing operations | | | |
| Revenue | - | - | |
| Administration expenses | (1,399,314) | (1,158,204) | |
| Other gains/(losses) | (566) | 19,523 | |
| Foreign exchange | 32,450 | (27,730) | |
| Operating loss | (1,367,430) | (1,166,411) | |
| Net finance income/(expense) | (1,507) | 4,506 | |
| Loss before taxation | (1,368,937) | (1,161,905) | |
| Income tax expense | - | - | |
| Loss for the period | (1,368,937) | (1,161,905) | |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss | | | |
| Currency translation differences | (1,039,220) | 871,308 | |
| Total comprehensive loss for the period | (2,408,157) | (290,597) | |
| Earnings per share from continuing operations attributable to the equity owners of the parent | | | |
| Basic and diluted (pence per share) | 7 | (0.14)p | (0.12) p |

CONDENSED CONSOLIDATED BALANCE SHEET

| | Notes | 30 June 2021 Unaudited £ | 31 December 2020 Audited £ | 30 June 2020 Unaudited £ |
|---|-------|-----------------------------------|-------------------------------------|--------------------------------|
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 2,036,740 | 2,556,911 | 2,781,056 |
| Intangible assets | 6 | 26,595,200 | 26,768,227 | 24,749,482 |
| | | 28,631,940 | 29,325,138 | 27,530,538 |
| Current assets | | | | |
| Financial assets at fair value through profit or loss | | - | 100,000 | - |
| Trade and other receivables | | 1,133,220 | 1,503,896 | 1,789,076 |
| Cash and cash equivalents | | 5,246,915 | 5,942,848 | 7,014,057 |
| | | 6,380,135 | 7,546,744 | 8,803,133 |
| Total assets | | 35,012,075 | 36,871,882 | 36,333,671 |
| Non-current liabilities | | | | |
| Lease liabilities | | - | - | 62,220 |
| Deferred tax liabilities | | 496,045 | 496,045 | 496,045 |
| | | 496,045 | 496,045 | 558,265 |
| Current liabilities | | | | |
| Lease liabilities | | 20,896 | 62,220 | 40,710 |
| Trade and other payables | | 1,113,498 | 1,179,694 | 225,833 |
| | | 1,134,394 | 1,241,914 | 266,543 |
| Total liabilities | | 1,630,439 | 1,737,959 | 824,808 |
| Net assets | | 33,381,636 | 35,133,923 | 35,508,863 |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | | 7,484,232 | 7,484,232 | 7,484,066 |
| Share premium | | 55,620,034 | 55,620,034 | 55,463,656 |
| Other reserves | | (6,604,069) | (6,220,719) | (6,733,259) |
| Retained losses | | (23,118,561) | (21,749,624) | (20,705,600) |
| Total equity | | 33,381,636 | 35,133,923 | 35,508,863 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share capital £ | Share premium £ | Other reserves £ | Retained losses £ | Total £ |
|--|-----------------------|-----------------------|------------------------|-------------------------|---------------------|
| Balance as at 1 January 2020 | 7,484,066 | 55,463,656 | (7,604,567) | (19,543,695) | 35,799,460 |
| Loss for the period | - | - | - | (1,161,905) | (1,161,905) |
| Other comprehensive income for the year | - | - | - | - | - |
| Items that may be subsequently reclassified to profit or loss | - | - | - | - | - |
| Currency translation differences | - | - | 871,308 | - | 871,308 |
| Total comprehensive income for the year | - | - | 871,308 | (1,161,905) | (290,597) |
| Exercise of share options and warrants | - | - | - | - | - |
| Expiry of share options | - | - | - | - | - |
| Total transactions with owners, recognised in equity | - | - | 871,308 | (1,161,905) | (290,597) |
| Balance as at 30 June 2020 | 7,484,066 | 55,463,656 | (6,733,259) | (20,705,600) | 35,508,863 |
| Balance as at 1 January 2021 | 7,484,232 | 55,620,034 | (6,220,719) | (21,749,624) | 35,153,923 |
| Loss for the period | - | - | - | (1,368,937) | (1,368,937) |
| Other comprehensive income for the year | - | - | - | - | - |
| Items that may be subsequently reclassified to profit or loss | - | - | - | - | - |
| Currency translation differences | - | - | (1,039,220) | - | (1,039,220) |
| Total comprehensive income for the year | - | - | (1,039,220) | (1,368,937) | (2,408,157) |
| Exercise of share options and warrants | - | - | - | - | - |
| Issue of share options | - | - | 655,870 | - | 655,870 |
| Total transactions with owners, recognised in equity | - | - | 655,870 | - | 655,870 |
| Balance as at 30 June 2021 | 7,484,232 | 55,620,034 | (6,604,069) | (23,118,561) | (33,381,636) |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

6 months to 30 June 6 months to 30 June

| | 2021 Unaudited £ | 2020 Unaudited £ |
|---|------------------------|------------------------|
| Cash flows from operating activities | | |
| Loss before taxation | (1,368,937) | (1,161,905) |
| Adjustments for: | | |
| Depreciation | 249,252 | 293,953 |
| Impairments | - | 14,299 |
| Loss on sale of property, plant and equipment | 32,979 | - |
| Share based payments | 655,870 | - |
| Other non-cash adjustments | - | 4,340 |
| Decrease in trade and other receivables | 389,098 | 121,731 |
| Increase/(decrease) in trade and other payables | 342,663 | (1,461,880) |
| Net cash generated from / (used in) operations | 300,925 | (2,189,462) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (10,836) | (233,713) |
| Proceeds from sale of property, plant and equipment | 150,330 | - |
| Interest received | 1,546 | 1,896 |
| Purchase of intangible assets | (1,095,841) | (841,078) |
| Net cash used in investing activities | (954,801) | (1,072,895) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (41,324) | (40,104) |
| Net cash used in financing activities | (41,324) | (40,104) |
| Net decrease in cash and cash equivalents | (695,200) | (3,302,461) |
| Cash and cash equivalents at beginning of period | 5,942,848 | 10,314,701 |
| Exchange gains on cash and cash equivalents | (733) | 1,817 |
| Cash and cash equivalents at end of period | 5,246,915 | 7,014,057 |

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General Information

The principal activity of Bluejay Mining plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals. The Company's shares are listed on the AIM Market of the London Stock Exchange ('AIM'), the Frankfurt Stock Exchange and the OTCQB exchange. The Company is incorporated and domiciled in the UK.

The address of its registered office is Suite 1, 15 Ingestre Place, London, W1F 0DU.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom which have not differed from the previously EU-endorsed IFRS, and hence the previously reported accounting policies still apply.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the UK.

Statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 24 May 2021 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended 30 June 2021.

The interim Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group has sufficient funds to meet all committed and contractual expenditure and to maintain good title to the exploration licences.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2020 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.bluejaymining.com. The key financial risks are liquidity risk, credit risk, interest rate risk and fair value estimation.

Critical accounting estimates

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 4 of the Company's 2020 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Accounting Policies

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

3.1 Changes in accounting policy and disclosures

(a) Accounting developments during 2021

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2021 but did not result in any material changes to the financial statements of the Group or Company.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

| Standard | Impact on initial application | Effective date |
|---------------------|--|----------------|
| IFRS 3 | Reference to Conceptual Framework | 1 January 2022 |
| IAS 37 | Onerous contracts | 1 January 2022 |
| IAS 16 | Proceeds before intended use | 1 January 2022 |
| Annual improvements | 2018-2020 Cycle | 1 January 2022 |
| IAS 8 | Accounting estimates | 1 January 2023 |
| IAS 1 | Classification of Liabilities as Current or Non-Current. | 1 January 2023 |

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2021 (2020: £nil).

5. Property, plant and equipment

| | Software £ | Machinery & equipment £ | Office equipment £ | Right of use assets £ | Total £ |
|--|---------------|-------------------------------|--------------------------|--------------------------------|------------------|
| Cost | | | | | |
| As at 1 January 2020 | 37,093 | 3,255,384 | 52,931 | 182,542 | 3,527,950 |
| Additions | - | 226,423 | 7,290 | - | 233,713 |
| Exchange Differences | - | 92,987 | - | - | 92,987 |
| As at 30 June 2020 | 37,093 | 3,574,794 | 60,221 | 182,542 | 3,854,650 |
| As at 1 July 2020 | 37,093 | 3,574,794 | 60,221 | 182,542 | 3,854,650 |
| Additions | 9,221 | - | 820 | - | 10,041 |
| Exchange Differences | - | 99,527 | 182 | - | 99,709 |
| As at 31 December 2020 | 46,314 | 3,674,321 | 61,223 | 182,542 | 3,964,400 |
| As at 1 January 2021 | 46,314 | 3,674,321 | 61,223 | 182,542 | 3,964,400 |
| Additions | 1,028 | - | 9,808 | - | 10,836 |
| Disposals | - | (255,762) | - | - | (255,762) |
| Exchange Differences | - | (149,466) | - | - | (149,466) |
| As at 30 June 2021 | 47,342 | 3,269,093 | 71,031 | 182,542 | 3,570,008 |
| Depreciation | | | | | |
| As at 1 January 2020 | 25,272 | 665,389 | 28,301 | 40,565 | 759,527 |
| Charge for the year | 6,091 | 241,424 | 5,873 | 40,565 | 293,953 |
| Exchange differences | - | 20,114 | - | - | 20,114 |
| As at 30 June 2020 | 31,363 | 926,927 | 34,174 | 81,130 | 1,073,594 |
| As at 1 July 2020 | 31,363 | 926,927 | 34,174 | 81,130 | 1,073,594 |
| Charge for the year | 4,998 | 261,226 | 5,843 | 40,565 | 312,632 |
| Exchange differences | - | 21,118 | 145 | - | 21,263 |
| As at 31 December 2020 | 36,361 | 1,209,271 | 40,162 | 121,695 | 1,407,489 |
| As at 1 January 2021 | 36,361 | 1,209,271 | 40,162 | 121,695 | 1,407,489 |
| Charge for the year | 4,624 | 197,370 | 6,693 | 40,565 | 249,252 |
| Disposals | - | (72,454) | - | - | (72,454) |
| Exchange differences | - | (51,019) | - | - | (51,019) |
| As at 30 June 2021 | 40,985 | 1,283,168 | 46,855 | 162,260 | 1,533,268 |
| Net book value as at 30 June 2020 | 5,730 | 2,647,867 | 26,047 | 101,412 | 2,781,056 |
| Net book value as at 31 December 2020 | 9,953 | 2,465,050 | 21,061 | 60,847 | 2,556,911 |
| Net book value as at 30 June 2021 | 6,357 | 1,985,925 | 24,176 | 20,282 | 2,036,740 |

6. Intangible Assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated assets.

| | Exploration & evaluation assets £ |
|--------------------------------|--------------------------------------|
| Cost and Net Book Value | |
| Balance as at 1 January 2020 | 23,138,507 |
| Additions | 841,078 |
| Exchange rate movements | 769,897 |
| As at 30 June 2020 | 24,749,482 |
| Balance as at 1 July 2020 | 24,749,482 |
| Additions | 1,630,058 |
| Exchange rate movements | 388,687 |
| As at 31 December 2020 | 26,768,227 |
| Balance as at 1 January 2021 | 26,768,227 |
| Additions | 1,095,841 |
| Exchange rate movements | (1,268,868) |
| As at 30 June 2021 | 26,595,200 |

7. Earnings per Share

The calculation of earnings per share is based on a retained loss of £1,368,937 for the six months ended 30 June 2021 (six months ended 30 June 2020: £1,161,905) and the weighted average number of shares in issue in the period ended 30 June 2021 of 971,629,460 (six months ended 30 June 2020: 969,969,397).

No diluted earnings per share is presented for the six months ended 30 June 2021 or six months ended 30 June 2020 as the effect on the exercise of share options would be anti-dilutive.

9. Events after the Reporting Date

On 28 July 2021, the Company announced that it has signed a binding term sheet and entered into a conditional agreement for the sale of its Paltamo and Rautavaara Nickel-Zinc-Copper-Cobalt ('Ni-Zn-Cu-Co') projects in Finland to Metals One plc for a combination of cash and shares totalling £4 million. The consideration is split on the following basis, £25,000 cash to be paid within five days of signing the term sheet, £250,000 cash payable on completion of the proposed transaction and £3,725,000 payable in shares at the IPO price.

On 9 August 2021, the Company signed a joint venture with KoBold Metals to explore the Disko-Nuussuaq project. Under the terms of the agreement, KoBold Metals can earn 51% of Disko through a two-stage earn in.

10. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 13th September 2021.

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