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Bluejay Mining PLC  
21 March 2017

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21 March 2017

**Bluejay Mining plc ('Bluejay' or the 'Company')  
Interim Results and Change of Accounting Year End**

Bluejay Mining plc, the AIM and FSE listed exploration company with projects in Greenland and Finland, is pleased to announce its interim results for the six months ended 31 December 2016.

**Highlights**

- Advancing the Pituffik Titanium Project in Greenland towards large scale production targeted to commence in 2018
- Results continue to demonstrate uniquely high in-situ grade of the deposit, underpinning potential to be within the top percentile of projects globally with respect to heavy mineral grade - maiden resource due shortly
- Delivery of a proof of concept bulk sampling programme on track for H2 2017
- Continued progress made on permitting of Pituffik - exploitation licence targeted for lodgement H2 2017
- Appointed several accomplished professionals in the ilmenite sector to advance offtake discussions and market research
- Additional upside opportunity - acquired two polymetallic assets in Greenland to be advanced once Pituffik is cash flow positive:
  - o 194sq km Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project
  - o 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project
- Successful placing of new and existing shares to raise a total of £8.5million:
  - o Funds of over £5 million attributable to the Company for the development of Pituffik; and
  - o Existing shares were made available to new institutional shareholders by Western Areas
- Post-period-end acquired 100% of Pituffik (from 60.67%) and changed Company name to Bluejay Mining plc (previously FinnAust Mining plc)

## **Chairman's Statement**

It is my pleasure to be able to report to shareholders of such a positive outcome on the 6 months to December 2016. Bluejay owns the potentially world class Pituffik Titanium Project in Greenland ('Pituffik' or the 'Project') and we are pleased with progress made to date. Pituffik demonstrates many of the characteristics necessary for a globally significant ilmenite deposit with the maiden resource expected soon.

The six months to December was a solid period for the Company, with multiple work programmes completed both on and off site that continue to demonstrate the significance of Pituffik. The 2016 field season saw more than 500 holes drilled on and offshore and a metallurgical sample shipped to IHC Robbins in Queensland for pilot plant test work. We have continued the advancement of the Environmental Impact Assessment ('EIA') and Social Impact Assessment ('SIA') studies with no major issues having been identified to date, and ongoing Stakeholder engagement of the local communities indicates support for development. All drilling samples have now been processed by SGS Laboratories with SRK Exploration continuing to provide quality assurance/quality control services and analysing samples to deliver the initial mineral resource for the Project. Overall it was a very productive period and one that we hope shareholders will be pleased with.

All current work programmes are now nearing completion with the application for an exploitation licence being the next step in the evolution of the Project. It is expected that this will be lodged in H2 2017.

During the period, the Company managed to secure the services of several accomplished professionals in the ilmenite sector and set the stage for an exciting 2017. Work will continue on offtake and sales research, permitting for our activities on site and delivery of a proof of concept bulk sampling programme in H2 2017. We believe Pituffik is unique in many respects, with the homogenous chemistry of the ilmenite over the entire Project area, the low oxidation and impurity levels and the uniquely high in-situ grade of the deposit all providing a solid platform from which to progress the Project in 2017.

Work to date indicates that the mineralisation at Pituffik is prolific and with more than 30km of beach both on and offshore, the potential of increasing the resource over time is significant. Given the potential of the Project the Board decided to proceed with exercising the Company's Option to acquire 100% of the Project from 60.67%, which was achieved in March 2017. At the same time the Company changed its name to Bluejay Mining plc.

*Corporate Strategy*

Pituffik is our primary project and we are fully focused on developing a commercial operation. However, given our strong understanding of Greenland's prolific resource potential, gained from many years of operating in-country, we have a vision to become a significant, multi-project resource player in the Nordic region. With this in mind, we are pleased to have bolstered our asset base during the period via the acquisition of Avannaa Exploration Limited. This transaction enabled us to take control of the 194sq km Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project ('Disko') and the 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project ('Kangerluarsuk'). Further details on these assets are provided below but in terms of strategy, we intend to commence exploration activities at these assets once Pituffik is cash flow positive.

We also hold polymetallic assets in Finland, which have been under review for the past six months. Extensive analysis has been undertaken of both historic and company-data, which has refined our understanding of this very extensive land package and with more focused targets in hand, we are assessing the potential to conduct further drilling which could provide us with strengthened optionality going forward.

### ***The Pituffik Titanium Project***

*150 sq km in North West Greenland*

Pituffik sits within the "Thule black sand province" in North West Greenland, which is comprised of coastlines several hundred kilometres long that contain both ilmenite and magnetite-rich regions. Bluejay is targeting the localised higher concentrations of ilmenite and has defined two primary project areas, Moriusaq and Interlak. Three target areas, namely the Raised, Active and Drowned beaches, have been identified along 80km of coastline and importantly the highest-grade material from the entire region to date has been identified within Bluejay's licences.

- Active Beaches - refers to the area seaward of the frontal dunes, including the beach, tidal zones and surf zone - historically samples from this area have achieved 70% ilmenite by weight;
- Raised Beaches - contain ilmenite accumulations over widths of more than 1km, of unknown depths, along more than 20km of coastline; and
- Drowned Beaches - the areas seaward of active beaches which contain larger volumes of ilmenite bearing sediments located in less than 10m of water - expected to be very high grade ilmenite.

We are focused on capitalising on the significant resource potential of Pituffik by

developing a commercial scale mining operation. We have identified the opportunity to deliver production in the relative near term via a dredging operation within the marine environment. This will be conducted using standard industry equipment and practices and will be dependent on the development of effective logistics and processing routes. It is our intention to trial a bulk sampling campaign in H2 2017, which will include dredging a small amount of material from the drowned beach environment, thus providing the market and industry with sufficient comfort of our ability to execute on this exciting opportunity. However, before we move into this phase, we need to complete a resource programme, a SIA and an EIA, once complete we will apply for the exploitation licence; we expect to commence the exploitation licence application process in H2 2017 subject to receipt of the resource, SIA and EIA.

To facilitate this, in July 2016 we commenced a work programme to deliver a JORC resource. The Geological Survey of Greenland and Denmark ('GEUS') designed the programme in consultation with SRK Exploration who we appointed to undertake the analysis and provide calculations. We have been very pleased with GEUS' rapid execution from July to September 2016, when they drilled more than 500 auger and vibracore holes and conducted extensive trenching and sampling across the Project area.

We expect to be in a position to publish the resource soon and work completed to date has validated our previous categorisation of two distinct project areas, which will become the focus with respect to future studies. These are:

- Moriusaq Bay and surrounding area, a low-medium tonnage target that encapsulates the bay and proximal active and raised beaches with grades in some areas estimated to be in excess of 85% ilmenite; and
- Interlak, an area dominated by huge deltaic deposits with associated adjacent high grade beaches with grades in some areas estimated to be in excess of 70% ilmenite occurring as thick sedimentary bands.

Our SIA and EIA are both progressing to plan in association with key industry and regional bodies. We have received authorisation for both assessments and look forward to providing these results in due course.

Metallurgical testwork has also been a primary focus for Bluejay and the final results will form a key element of our internal feasibility study. We are very happy with the early results received from the work to date, which has demonstrated the ability to produce a commercially pure, high-grade concentrate via gravity-separation. This processing route is highly efficient in comparison to the path required for existing 'hard rock' sources of ilmenite and is expected to positively affect capital and operating requirements moving forward.

We are now refining the process design; in October 2016, the Company engaged Allied Mineral Laboratories ('AML') to complete the next phase of process design and optimisations for large scale exploitation, and identify further refinements of the gravity circuit to generate a concentrate of the titanium rich minerals at Pituffik. This consisted of representative samples being submitted for Scanning Electron Microscope analysis ('QEMSCAN') to determine mineral species present, grain size and degree of liberation, as well as other identifying physical characteristics. In turn, the results were used to prepare a liquid separation process and this successfully produced a very pure ilmenite concentrate. Analysis of the potential ilmenite product from this concentrate has continued to suggest its suitability for direct use in the sulphate process to upgrade sulphate slag and chloride slag. Detailed chemical analysis so far completed also indicated low levels of deleterious trace elements and beneficial iron oxide (FeO/Fe<sub>2</sub>O<sub>3</sub>) ratios, which is very positive. Looking ahead, bulk metallurgical samples collected from raised and active beaches during the 2016 field season have been dispatched to IHC Robbins in Brisbane as part of a design and pilot plant package.

Given our firm focus on production, we are keen to secure an offtake partner and have already commenced a marketing process with this in mind. Firstly, we conducted a review of the potential markets and customers for our product. Detailed market research indicated that global sulphate feedstock deficits are expected from 2018 onwards and the Company believes that this, coupled with reduced global inventories, should support ilmenite prices in the short to medium term. Additionally, we have appointed Titanium Industry Global Advisory Pte Ltd ('TIGA') as marketing advisor to the Company. TIGA is an advisory firm specialising in providing strategic and commercial direction to the mineral sands industry with a focus on titanium dioxide ('TiO<sub>2</sub>') feedstocks. Bruno Cavalancia, Managing Director of TIGA, a mining professional with over 25 years of experience across the mineral sands industry, will help guide the Company closer to commercialisation and strategic partnering for Pituffik.

TIGA is another appointment the Company made during the period to support our progress. We were pleased to welcome Hans Jensen to the Company as Chief Operating Officer and Eric Sondergaard as Manager of Geology. Their appointments have had an immediate positive impact on the work programmes currently being designed and implemented, and given their strong experience of the country and projects of a similar kind, we see their engagements as a strong endorsement of Pituffik's potential.

### **Additional Projects**

In October 2016, the Company announced the 100% acquisition of Avannaa Exploration Limited, a mineral exploration company with several advanced

projects in Greenland's south-west. Two of the projects, which have previously had more than US\$50 million of technical work undertaken by blue chip mining houses, are of particular interest:

***Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project ('Disko')***

*194 sq km in south-west Greenland*

The magmatic copper ('Cu'), nickel ('Ni') & platinum group elements ('PGE') project at Disko & Nuussuaq in West Greenland has been the subject of more than three decades of exploration; Cominco commenced activity in the 1980s, followed by Falconbridge in the 1990s and Vismand Exploration in the 2000s, all making the positive decision to invest in their discoveries.

Initial exploration identified strong similarities to Norilsk in Siberia and this model was confirmed when a 28 tonne boulder of massive sulphide of Ni, Cu and PGE bearing massive sulphide was identified on the licence area. This boulder, discovered by Falconbridge in 1994, assayed at 7% Ni, 3% Cu, 2ppm PGE as an inclusion in a dyke interpreted to intersect the mineralisation at depth. The boulder of massive sulphide can be seen in the foyer of the Danish Geological Museum in Copenhagen and is the centrepiece of its mineralogical collection.

Picrite lavas are hot melts derived directly from the Earth's mantle and constitute the main source for nickel and PGE's globally as well as an important source of copper. West Greenland Igneous Province, comprising Disko & Nuussuaq, contains onshore accumulations of picrite lavas of a similar scale to the Siberian flood basalts that house the super-giant Norilsk Ni-Cu-PGE. Similar to Norilsk, analysis demonstrates that sulphide segregation has occurred at Disko where enormous volumes of ice melt have interacted with sedimentary sequences high in sulphur en-route to surface and have precipitated all contained Ni, Cu and PGM within the conduit system. These metal accumulations form the Ni, Cu and PGM exploration targets at Disko.

***Kangerluarsuk SedEx lead-zinc-silver project ('Kangerluarsuk')***

*107 sq km in south-west Greenland*

Kangerluarsuk is located in a major Palaeo-Proterozoic sedimentary basin with abundant lead-zinc ('Pb-Zn') showings, including the historic Black Angel Pb-Zn mine and distinctive SedEx style mineralisation (Pb-Zn) exposed around the basin margin.

The area comprises the strongest zinc stream sediment anomaly cluster in Greenland in a geologically favourable, starved sub-basin. Geological and

structural mapping of the basin with uninterrupted rock exposure allowed the creation of accurate structural models, including growth faults likely to provide a conduit for mineralising fluids. This model, coupled with conductors defined by ZTEM and soil geochemistry, has defined three targets for drilling at a later date.

## **Financials**

As is to be expected with an exploration company, for the six month period ended 31 December 2016, the Company is reporting a pre-tax loss of £1,035,922 (six months ended 31 December 2015: £239,335). The Group's net cash balances as at 31 December 2016 were £4,474,762 (six months ended 31 December 2015: £334,661).

## **Change of Accounting Year End**

Bluejay has changed its accounting reference date from 30 June to 31 December, with immediate effect.

As a result of the change, the Company's reporting calendar will be as follows:

- Unaudited results for the six months ended 30 June 2017 to be announced no later than 30 September 2017.
- Audited results for the 18 months ended 31 December 2017 to be published no later than 30 June 2018.

Thereafter annual and interim reports will be published each year, in accordance with the AIM Rules for Companies, for the 12 months to 31 December and the 6 months to 30 June, respectively.

The Board considers that the change of the accounting reference date better aligns the Company's reporting period to the field season at its primary project, Pituffik.

The Board does not foresee any material financial implications on the Group as a result of the change in accounting reference date of the Company, nor is there any other matter of significance that needs to be brought to the attention of the shareholders of the Company in this regard.

## **Outlook**

In summary, Pituffik represents a unique opportunity for both the industry and the market alike and we look forward to quantifying the scale of our deposit via

the publication of a maiden JORC resource. This, along with the results from our environmental and social impact studies will form the basis for our application for an exploitation licence and to deliver a bulk sampling campaign later this calendar year. With offtake discussions also underway, 2017 has the potential to be defining for your Company.

I would like to thank our Board, management team, advisers and, most importantly, our shareholders for their continued support.

Graham Marshall  
Chairman  
21 March 2017

For further information, please visit [www.bluejaymining.com](http://www.bluejaymining.com) or contact:

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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | <b>Notes</b> | <b>6 months<br/>to 31<br/>December<br/>2016<br/>Unaudited<br/>£</b> | <b>6 months<br/>to 31<br/>December<br/>2015<br/>Unaudited<br/>£</b> |
|---|--------------|---|---|
| <b>Continuing operations</b>                            |              |   |   |
| Revenue   |              | -   | -   |
| Administration expenses                                 |              | (401,976)   | (239,446)   |
| Foreign exchange  |              | 282   | -   |
| Other gains   |              | -   | -   |
| <b>Operating loss</b>                                   |              | <b>(401,694)</b>  | <b>(239,446)</b>  |
| Finance income  |              | 97  | 151   |
| Impairments   | 5            | (634,295)   | -   |
| Finance costs   |              | (30)  | (40)  |
| <b>Loss before taxation</b>                             |              | <b>(1,035,922)</b>  | <b>(239,335)</b>  |
| Corporate tax expense                                   |              | -   | -   |
| <b>Loss for the period</b>                              |              | <b>(1,035,922)</b>  | <b>(239,335)</b>  |
| <b>Loss attributable to</b>                             |              |   |   |
| - Owners of the Parent                                  |              | (1,028,735)   | (239,335)   |
| - Non-controlling interests                             |              | (7,187)   | -   |
| <b>Loss for the period</b>                              |              | <b>(1,035,922)</b>  | <b>(239,335)</b>  |
| <b>Other comprehensive income</b>                       |              |   |   |
| <b>Items that may be reclassified to profit or loss</b> |              |   |   |
| Currency translation differences                        |              | 319,180   | 640,278   |
| <b>Total comprehensive income for the period</b>        |              | <b>(716,742)</b>  | <b>400,943</b>  |



|  |   |                  |                |
|--|---|------------------|----------------|
| <b>Total comprehensive income for the period attributable to</b>                                 |   |                  |                |
| - Owners of the Parent   |   | (709,555)        | 400,943        |
| - Non-controlling interests  |   | (7,187)          | -              |
| <b>Total comprehensive income for the period</b>   |   | <b>(716,742)</b> | <b>400,943</b> |
| <b>Loss per share from continuing operations attributable to the equity owners of the parent</b> |   |                  |                |
| Basic and diluted (pence per share)  | 6 | (0.204)          | (0.097)        |

## CONDENSED CONSOLIDATED BALANCE SHEET

|                                      | Notes | 31<br>December<br>2016<br>Unaudited<br>£ | 30 June<br>2016<br>Audited<br>£ | 31<br>December<br>2015<br>Unaudited<br>£ |
|--------------------------------------|-------|--|---------------------------------|--|
| <b>Non-Current Assets</b>            |       |  |                                 |  |
| Property, plant and equipment        |       | 19,991                                   | 16,883                          | 11,050                                   |
| Intangible assets                    | 5     | 13,122,167                               | 12,627,680                      | 9,266,014                                |
|                                      |       | 13,142,158                               | 12,644,563                      | 9,277,064                                |
| <b>Current Assets</b>                |       |  |                                 |  |
| Trade and other receivables          |       | 441,661                                  | 175,685                         | 84,984                                   |
| Cash and cash equivalents            |       | 4,474,762                                | 425,046                         | 334,661                                  |
|                                      |       | 4,916,423                                | 600,731                         | 419,645                                  |
| <b>Total Assets</b>                  |       | 18,058,581                               | 13,245,294                      | 9,696,709                                |
| <b>Non-Current Liabilities</b>       |       |  |                                 |  |
| Deferred Tax Liabilities             |       | 373,343                                  | 373,343                         | -  |
|                                      |       | 373,343                                  | 373,343                         | -  |
| <b>Current Liabilities</b>           |       |  |                                 |  |
| Trade and other payables             |       | 168,874                                  | 392,754                         | 115,631                                  |
| Borrowings                           |       | -  | -                               | 122,500                                  |
|                                      |       | 168,874                                  | 392,754                         | 238,131                                  |
| <b>Total Liabilities</b>             |       | 542,217                                  | 766,097                         | 238,131                                  |
| <b>Net Assets</b>                    |       | 17,516,364                               | 12,479,197                      | 9,458,578                                |
| <b>Capital and Reserves</b>          |       |  |                                 |  |
| <b>Attributable to</b>               |       |  |                                 |  |
| <b>Equity Holders of the Company</b> |       |  |                                 |  |
| Share capital                        |       | 5,951,291                                | 5,938,572                       | 5,919,731                                |
| Share premium                        |       | 21,890,866                               | 16,183,675                      | 14,274,528                               |
| Deferred shares                      |       | 1,825,104                                | 1,825,104                       | 1,825,104                                |
| Reverse acquisition reserve          |       | (8,071,001)                              | (8,071,001)                     | (8,071,001)                              |
| Other reserves                       |       | 823,879                                  | 470,700                         | (334,226)                                |
| Retained losses                      |       | (5,487,149)                              | (4,458,414)                     | (4,155,558)                              |
| <b>Total Equity</b>                  |       | 16,932,990                               | 11,888,636                      | 9,458,578                                |
| <b>Non-controlling interest</b>      |       | 583,374                                  | 590,561                         | -  |
| <b>Total Equity</b>                  |       | 17,516,364                               | 12,479,197                      | 9,458,578                                |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

|   | Attributable to Owners of the Parent |                       |                         |  |                        |                         |                   |
|---|--------------------------------------|-----------------------|-------------------------|--|------------------------|-------------------------|-------------------|
|   | Share capital<br>£                   | Share<br>Premium<br>£ | Deferred<br>shares<br>£ | Reverse<br>acquisition<br>reserve<br>£ | Other<br>reserves<br>£ | Retained<br>losses<br>£ | Total equity<br>£ |
| <b>As at 1 July 2015</b>  | <b>5,919,731</b>                     | <b>14,274,528</b>     | <b>1,825,104</b>        | <b>(8,071,001)</b>                     | <b>(974,504)</b>       | <b>(3,916,223)</b>      | <b>9,057,635</b>  |
| Loss for the period   | -                                    | -                     | -                       | -                                      | -                      | (239,335)               | (239,335)         |
| <b>Other comprehensive income</b>   |                                      |                       |                         |  |                        |                         |                   |
| Currency translation differences  | -                                    | -                     | -                       | -                                      | 640,278                | -                       | 640,278           |
| <b>Total comprehensive income for the period</b>  | <b>-</b>                             | <b>-</b>              | <b>-</b>                | <b>-</b>                               | <b>640,278</b>         | <b>(239,335)</b>        | <b>400,943</b>    |
| Issue of ordinary shares  | -                                    | -                     | -                       | -                                      | -                      | -                       | -                 |
| Issue costs   | -                                    | -                     | -                       | -                                      | -                      | -                       | -                 |
| <b>Total contributions by and distributions to owners of the Parent recognised directly in equity</b> | <b>-</b>                             | <b>-</b>              | <b>-</b>                | <b>-</b>                               | <b>-</b>               | <b>-</b>                | <b>-</b>          |
| <b>As at 31 December 2015</b>   | <b>5,919,731</b>                     | <b>14,274,528</b>     | <b>1,825,104</b>        | <b>(8,071,001)</b>                     | <b>(334,226)</b>       | <b>(4,155,558)</b>      | <b>9,458,578</b>  |

|   | Attributable to Owners of the Parent |                    |                      |                                     |                     |                      |                   | Non-controlling interest<br>£ | Total equity<br>£ |
|---|--------------------------------------|--------------------|----------------------|-------------------------------------|---------------------|----------------------|-------------------|-------------------------------|-------------------|
|   | Share capital<br>£                   | Share Premium<br>£ | Deferred shares<br>£ | Reverse acquisition<br>reserve<br>£ | Other reserves<br>£ | Retained losses<br>£ | Total<br>£        |                               |                   |
| <b>As at 1 July 2016</b>  | <b>5,938,572</b>                     | <b>16,183,675</b>  | <b>1,825,104</b>     | <b>(8,071,001)</b>                  | <b>470,700</b>      | <b>(4,458,414)</b>   | <b>11,888,636</b> | <b>590,561</b>                | <b>12,479,197</b> |
| Loss for the period   | -                                    | -                  | -                    | -                                   | -                   | (1,028,735)          | (1,028,735)       | (7,187)                       | (1,035,922)       |
| <b>Other comprehensive income</b>   |                                      |                    |                      |                                     |                     |                      |                   |                               |                   |
| Currency translation differences  | -                                    | -                  | -                    | -                                   | 319,180             | -                    | 319,180           | -                             | 319,180           |
| <b>Total comprehensive income for the period</b>  | <b>-</b>                             | <b>-</b>           | <b>-</b>             | <b>-</b>                            | <b>319,180</b>      | <b>(1,028,735)</b>   | <b>(709,555)</b>  | <b>(7,187)</b>                | <b>(716,742)</b>  |
| Issued options  | -                                    | -                  | -                    | -                                   | 33,999              | -                    | 33,999            | -                             | 33,999            |
| Issue of ordinary shares  | 12,719                               | 6,061,438          | -                    | -                                   | -                   | -                    | 6,074,157         | -                             | 6,074,157         |
| Issue costs   | -                                    | (354,247)          | -                    | -                                   | -                   | -                    | (354,247)         | -                             | (354,247)         |
| <b>Total contributions by and distributions to owners of the Parent recognised directly in equity</b> | <b>12,719</b>                        | <b>5,707,191</b>   | <b>-</b>             | <b>-</b>                            | <b>33,999</b>       | <b>-</b>             | <b>5,753,909</b>  | <b>-</b>                      | <b>5,753,909</b>  |
| <b>As at 31 December 2016</b>   | <b>5,951,291</b>                     | <b>21,890,866</b>  | <b>1,825,104</b>     | <b>(8,071,001)</b>                  | <b>823,879</b>      | <b>(5,487,149)</b>   | <b>16,932,990</b> | <b>583,374</b>                | <b>17,516,364</b> |

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

|   | <b>31<br/>December<br/>2016<br/>Unaudited<br/>£</b> | <b>31<br/>December<br/>2015<br/>Unaudited<br/>£</b> |
|---|---|---|
| <b>Cash flows from operating activities</b>             |   |   |
| Loss before taxation                                    | (1,035,922)   | (239,335)   |
| Adjustments for:  |   |   |
| Net finance (income)/expense                            | -   | (151)   |
| Share option expense                                    | 33,999  | -   |
| Depreciation  | 4,636   | 1,759   |
| Impairment of intangible assets                         | 634,295   | -   |
| Foreign exchange differences                            | (7,412)   | 41,783  |
| (Increase)/decrease in trade and other receivables      | 279   | (5,805)   |
| (Decrease)/increase in trade and other payables         | 276   | (83,170)  |
| <b>Net cash used in operations</b>                      | <b>(369,849)</b>                                    | <b>(284,919)</b>                                    |
| <b>Cash flows from investing activities</b>             |   |   |
| Interest received                                       | -   | 151   |
| Purchase of property, plant and equipment               | (7,076)   | -   |
| Acquisition of subsidiary, net of cash acquired         | -   | -   |
| Purchase of intangible assets                           | (803,195)   | (236,204)   |
| <b>Net cash generated from investing activities</b>     | <b>(810,271)</b>                                    | <b>(236,053)</b>                                    |
| <b>Cash flows from financing activities</b>             |   |   |
| Proceeds received from issue of shares                  | 5,583,746   | -   |
| Cost of issue   | (354,249)   | -   |
| Proceeds from borrowings                                | -   | 60,000  |
| <b>Net cash generated from financing activities</b>     | <b>5,229,497</b>                                    | <b>60,000</b>                                       |
| <b>Net increase in cash and cash equivalents</b>        | <b>4,049,377</b>                                    | <b>(460,972)</b>                                    |
| <b>Cash and cash equivalents at beginning of period</b> | <b>425,046</b>                                      | <b>795,368</b>                                      |
| Exchange (losses)/gains on cash and cash equivalents    | 339   | 265   |
| <b>Cash and cash equivalents at end of period</b>       | <b>4,474,762</b>                                    | <b>334,661</b>                                      |

## Major non-cash transactions

On 8 December 2016, the Company issued 40,755,885 new ordinary shares of £0.0001 ('Ordinary Shares') each as deferred consideration in connection with the acquisition of its 60.37% interest in Bluejay Mining Limited.

## 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 Company is incorporated and domiciled in the UK.

On 10 March 2017 at a general meeting of the Company shareholders voted in favour of changing the Company name from FinnAust Mining plc to Bluejay

Mining plc.

The address of its registered office is 47 Charles Street, London, W1J 5EL.

## **2. Basis of Preparation**

The condensed 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 interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 European Union.

Statutory financial statements for the period ended 30 June 2016 were approved by the Board of Directors on 16 September 2016 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The 2016 interim financial report of the Company is not required to be audited but has been reviewed by the Company's auditor, PKF Littlejohn LLP, although no independent review report is included in this Interim financial report as the review was not undertaken in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board

### *Going concern*

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company 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 interim financial statements for the period ended 31 December 2016.

### *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 2016 Annual Report and Financial Statements, a copy of which is available on the Company's website: [www.bluejaymining.com](http://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 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 3 of the Company's 2016 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period except for the following:

### **3. Accounting Policies**

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 30 June 2016, except for the impact of the adoption of the Standards and interpretations described in para 3.1 below and the following which has been adopted for the first time as the Group had borrowings in this reporting period:

#### **3.1 Changes in accounting policy and disclosures**

*(a) New and amended standards mandatory for the first time for the financial year beginning 1 July 2016*

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Group:

| <b>Standard</b>      | <b>Impact on initial application</b>   |
|----------------------|--|
| IAS 1 (Amendments)   | Presentation of Financial Statements: Disclosure Initiative                      |
| IAS 16 (Amendments)  | Clarification of Acceptable Methods of Depreciation                              |
| IAS 27 (Amendments)  | Equity method in Separate Financial Statements                                   |
| IAS 38 (Amendments)  | Clarification of Acceptable Methods of Amortisation                              |
| IFRS 11 (Amendments) | Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations |
| Annual Improvements  | 2012 - 2014 Cycle  |

The Directors believe that the adoption of these standards have not had a material impact on the financial statements other than changes to disclosures.

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

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

| Standard                |  | Effective date               |
|-------------------------|--|------------------------------|
| IAS 40 (Amendments)     | Transfer of investment property                          | 1 January 2018               |
| IFRIC Interpretation 22 | Foreign currency transactions and advanced consideration | 1 January 2018               |
| IFRS 4 (Amendments)     | Applying IFRS 9 with IFRS 4 Insurance contracts          | 1 January 2018* <sup>1</sup> |
| IFRS 9                  | Financial instruments                                    | 1 January 2018* <sup>1</sup> |
| IAS 16                  | Leases   | 1 January 2019* <sup>1</sup> |
| IFRS 15                 | Revenue from contracts with customers                    | 1 January 2018* <sup>1</sup> |
| IAS 7 (Amendments)      | Disclosure initiative                                    | 1 January 2017* <sup>1</sup> |
| IFRS 2 (Amendments)     | Share based payments - classification and measurement    | 1 January 2018               |
| IAS 12 (Amendments)     | Recognition of Deferred Tax                              | 1 January 2017* <sup>1</sup> |
| Annual Improvements     | 2014-2016 Cycle  | 1 January 2017               |

1. Not yet endorsed by the EU.

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards 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 31 December 2016 (six months ended 31 December 2015: £nil).

#### **5. Intangible Assets**

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

| <b>Cost and Net Book Value</b> | <b>Goodwill</b> | <b>Exploration &amp; evaluation assets</b> | <b>Total</b> |
|--------------------------------|-----------------|--|--------------|
|                                |                 | <b>£</b>                                   | <b>£</b>     |
| Balance as at 1 July 2016      | -               | 12,627,680                                 | 12,627,680   |
| Additions                      | -               | 803,195                                    | 803,195      |
| Impairments                    | -               | (634,295)                                  | (610,620)    |
| Exchange rate movements        | -               | 325,587                                    | 301,912      |
| As at period end               | -               | 13,122,167                                 | 13,122,167   |

Following their assessment the Directors concluded that an impairment charge of £610,620 was necessary at the end of the period in respect of certain Austrian exploration licenses that are not intended to be renewed and which have

therefore been fully impaired, and treated as an exceptional item.

## **6. Loss per Share**

The calculation of loss per share is based on a retained loss of £1,035,922 for the six months ended 31 December 2016 (six months ended 31 December 2015: £239,335) and the weighted average number of shares in issue in the period ended 31 December 2016 of 509,033,559 (six months ended 31 December 2015: 247,097,670).

No diluted earnings per share is presented for the six months ended 31 December 2016 or six months ended 31 December 2015 as the effect on the exercise of share options would be to decrease the loss per share.

## **7. Events after the Reporting Date**

On 5 January 2017, the Company issued 7,584,238 new Ordinary Shares at a price of 6.59 pence each as consideration for a 100% interest in Avannaa Exploration Limited.

On 22 February 2017, the Company received notification from an option holder to exercise options over 1,000,000 new Ordinary Shares at a price of 2 pence each per share.

On 27 February 2017, the Company issued 1,000,000 new Ordinary Shares at a price of 7 pence per share as consideration for employee salaries in lieu of cash payments.

On 27 February 2017, the Company received notification from an option holder to exercise options over 1,000,000 new Ordinary Shares at a price of 7.5 pence per share.

On 10 March 2017 at a general meeting of the Company shareholders voted in favour of exercising the Company's option to acquire the remaining 39.63% of Bluejay Mining Limited resulting in the Company increasing its ownership in Bluejay Mining Limited to 100%. This was satisfied by issuing of 108,071,388 new Ordinary Shares at a price of 0.55 pence each to the vendors of Bluejay Mining Limited. On the same date at the general meeting shareholders also voted in favour of changing the Company's name from FinnAust Mining plc to Bluejay Mining plc.

As at the date of this document the Company has changed its accounting reference date from 30 June to 31 December, with immediate effect.

## **8. Approval of interim financial statements**

The Condensed interim financial statements were approved by the Board of Directors on 21 March 2017.

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

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Interim Results

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