

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

14 February 2023

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

Institutional Equity Subscription

Bluejay Mining plc, the AIM, FSE listed and OTCQB traded exploration and development company with projects in Greenland and Finland, is pleased to announce an equity subscription of ordinary shares of 0.01 pence each in the Company ("**Shares**") (the "**Subscription**"). Proceeds from the Subscription will be used to fund a summer drilling programme at the Company's 100% owned Kangerluarsuk Lead-Zinc-Silver ± Copper Project ("Kangerluarsuk").

Highlights

- Up to US\$6,000,000 secured in a Subscription with Towards Net Zero, LLC (the "**Investor**"), a US-based institutional investor.
- The Subscription will initially raise US\$2,000,000 unconditionally, with the first tranche of investment expected to occur next week (the "First Tranche").
- Following the First Tranche, the second conditional tranche of the Subscription will be expected to occur no later than 12 months hence (the "Second Tranche"). If required by the Company, a third conditional tranche of US\$2,000,000 is also available, with the consent of the Investor.
- The Subscription will fund a summer drill programme at Kangerluarsuk and the Company's general working capital needs.

Bo Møller Stensgaard, CEO of Bluejay Mining, commented:

"I am pleased to announce this equity Subscription with Towards Net Zero. Up to US\$6,000,000 has been secured in three tranches of US\$2,000,000 with the first US\$2,000,000 expected to occur next week.

"The proceeds will, subject to closing contract negotiations with the drilling and logistical providers, be used to fund a maiden drilling programme at Kangerluarsuk in 2023. This decision to drill follows the positive outcome from the recently announced survey results and aligns to the strategic review carried out together with Bluejay's Chairman, Robert Edwards which was announced on 14 February 2023.

"The funding of a drill programme at Kangerluarsuk is a decision taken by management and the Board of Bluejay based on compelling evidence and a decision made after the appropriate consideration. This is a district scale opportunity that hosts potentially commercial occurrences of Zn-Pb-Ag mineralisation.

"Today's announcement marks an exciting development for Bluejay, and I look forward to updating shareholders as we continue to progress our portfolio of promising projects."

Details of the Subscription

The Subscription involves up to three investment tranches by the Investor, with each investment being made by way of a prepayment of the subscription price of Shares ("**Subscription Shares**") to be issued by the Company. The funding of the unconditional First Tranche of the Subscription of US\$2,000,000 is expected to occur next week. The funding of the conditional Second Tranche of the Subscription, in the amount of US\$2,000,000, is expected to occur no later than 12 months hence. Additionally, the Investor may fund a further US\$2,000,000 with the consent of the Company and the Investor. The funding of each tranche will be subject to customary conditions precedent.

The Company will issue Subscription Shares, at the Investor's request, within 36 months of the date of the related prepayment. The number of Subscription Shares issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount, subject to the Floor Price (as set out below).

The Purchase Price of the Subscription Shares will be equal to 10 pence per share initially. Subject to the Floor Price, described below, after an initial month, the Purchase Price will reset to the average of the five daily volume-weighted average prices selected by the Investor during a specified period immediately prior to the date of the Investor's notice to issue Subscription Shares, less a 10% discount, rounded down to the nearest one tenth of a pence if the share price is at or below 20 pence, half of a pence if the share price is at above 20 pence and at or below 50 pence, or a whole pence if the share price is at above 50 pence.

The Company will have the ability to reduce the above discounts by approximately 30% (i.e. from 10% to 7%) if the Company meets a stipulated ESG Milestone. The ESG Milestones that would qualify the Company for such a reduction could include energy saving and fuel reduction requirements at both the Dundas Ilmenite Project and in field operations work.

In addition, the Company may benefit from share price appreciation following issuance of Subscription Shares. If an issuance of Shares to the Investor would result in the effective discount to the prevailing market price of the Company's Shares being in excess of 25%, the Purchase Price will be increased by half of such excess.

The Purchase Price will be the subject of the Floor Price of 2.5 pence per share. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing Subscription Shares and instead opt to repay the applicable subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.

The Company will have the right, but not the obligation, to forego issuing Shares in relation to the Investor's request for issuance and instead opt to repay the subscription amount by making a payment to the Investor equal to the market value of the Shares that would have otherwise been issued.

The Company may, at its option (but will have no obligation to), repay the outstanding balance of the Subscription in cash to the extent that Subscription Shares in relation thereto have not been issued within thirty-six months of the date of the funding.

The Investor has agreed to certain, substantial, limitations on its ability to dispose of the Shares it receives. The Investor is also contractually precluded from shorting the Company's Shares.

Application will be made to the London Stock Exchange for any ordinary Shares issued and allotted in relation to the share Subscription to be admitted to trading on AIM. Such ordinary Shares will only be issued to the extent that the Company has corporate authority to do so.

The Investor will not be obligated to invest in the Second Tranche if prior to the Second Tranche the Investor notifies the Company that the market price of the Company's Shares is below £0.03, the daily trading volume of the Shares is less than an agreed amount, or the proceeds of the Second Tranche exceed 4.0% of the Company's market capitalisation.

The Company will make an initial issuance of 5.8 million Subscription Shares at par value ("Initial Subscription Shares") to the Investor at the time of the funding of the First Tranche, towards the ultimate number of Subscription Shares to be issued.

Alternatively, in lieu of applying these Shares towards the aggregate number of the Subscription Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these Shares determined using the Subscription Price at the time of the payment.

The Company has agreed to issue 3,798,911 new ordinary Shares of 0.01 pence in the Company at a deemed price of 4.73 pence per Share ("Fee Shares") in satisfaction of a fee payable to the Investor.

Application will be made for the 5,800,000 Initial Subscription Shares and 3,798,911 Fee Shares ("Admission"), and this is expected to become effective on or about 20 February 2023. On Admission, these Shares will rank pari passu with all existing ordinary Shares in the Company.

Following Admission, the Company will have 1,059,313,658 Shares in issue with each Share carrying the right to one vote. There are no Shares currently held in treasury. The total number of voting rights in the Company is therefore 1,059,313,658 and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

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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