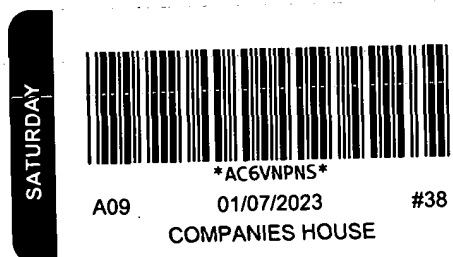


Registered number: 05389216

BLUEJAY MINING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2022**



BLUEJAY MINING PLC

CONTENTS

	Page
Company Information	2
Chairman's Report	3
Strategic Report	7
Directors' Report	11
Statement of Directors' Responsibilities	14
Corporate Governance Report	15
Independent Auditor's Report	20
Statements of Financial Position	25
Consolidated Income Statement	26
Consolidated Statement of Comprehensive Income	27
Consolidated Statement of Changes in Equity	28
Company Statement of Changes in Equity	29
Statements of Cash Flows	30
Notes to the Financial Statements	31

BLUEJAY MINING PLC

COMPANY INFORMATION

Directors	Robert Edwards (Executive Chairman) – appointed 24 October 2022 Bo Møller Stensgaard (Chief Executive Officer) Peter Waugh (Non-Executive Director) Michael Hutchinson (Non-Executive Director)
Company Secretary	Westend Corporate LLP
Registered Office	6 Heddon Street London W1B 4BT
Company Number	05389216
Bankers	HSBC Bank plc 129 New Bond Street London W1J 2JA
Nominated Adviser and Broker	S.P. Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

During the period under review, Bluejay was able to return to the field for the first time post the COVID-19 pandemic.

Both the Enonkoski Nickel-Copper-Cobalt ('Ni-Cu-Co') JV Project ('Enonkoski') with Rio Tinto in Finland, and the Disko-Nuussuaq Nickel-Copper-Cobalt-Platinum Group Metals (Ni-Cu-Co-PGM) JV Project ('Disko') with KoBold Metals ('KoBold') in Greenland which are both partner-funded, progressed their respective work streams.

Bluejay was also able to complete follow up drilling at the Dundas Ilmenite (Titanium) Project ('Dundas'), as well as progress some valuable study work which the team can utilise to inform other studies that we may undertake in Greenland related to mine delivery.

The year under review also saw the Company assess its strategy, and upon further reflection of the relative merits of the assets within the portfolio and the results achieved to date, Bluejay has enhanced its focus on those assets that it feels offer the best risk/reward profile and most deserve the deployment of shareholders' funds, which is of particular importance in a market environment that is not cyclically supportive for mineral explorers and developers. Our key objective is to enhance shareholder value by developing commercial critical mineral discovery opportunities in Greenland and Finland. I am both encouraged and assured in the knowledge that Bluejay is fortunate to have more than one opportunity within its current asset base to achieve this.

With this new strategy, each project in Bluejay's portfolio will get an equal opportunity to compete for shareholders' funds, so long as they can demonstrate that they have the potential to maximise value for the Company's shareholders.

Where assimilation of synergistic projects can be achieved that enhance and upgrade our current portfolio, we will pursue them providing that there is a strong science and commercial basis to do so. When projects do not meet hurdle rates, they will be classified as non-core and dealt with appropriately.

Through our strategic review published in late 2022, we determined that one of our 100% owned projects, the Hammaslahti Copper-Zinc-Silver-Gold ('Cu-Zn-Ag-Au') Project ('Hammaslahti'), strongly met the technical criteria to be able to drive shareholder value within a relatively short timeframe. Previous work conducted by the Company several years ago delineated the high potential 'E-lode' which is located parallel to historical mine workings. Historically, Hammaslahti produced a total of seven million tonnes of high-grade Cu-Zn-Ag-Au ore between 1971 and 1986, with all ore lodes remaining open at depth. The discovery and expansion of E lode makes for a compelling exploration and development platform.

Another of our 100% owned projects that we feel can be meaningful and is certainly of scale, is the Kangerluarsuk Zinc-Lead-Silver±Cu-Ge ('Zn-Pb-Ag±Cu-Ge') Project ('Kangerluarsuk') in West Greenland. The results of the airborne survey completed in 2022 confirmed management's belief that we are dealing with a large-scale mineralised system. A maiden drilling campaign at Kangerluarsuk was planned for the summer of 2023, however, due to unseasonal and unexpected sea-ice conditions, we were unable to progress on this without potentially incurring additional risks and expenditure.

The Enonkoski Ni-Cu-Co JV Project with Rio Tinto progressed during the period and post period, following the ground gravity survey which commenced in November 2022. This survey showed promising drill targets within the Makkola-Hälvälä target. This was followed up by a diamond drilling programme undertaken at the Laukunlampi intrusion in early 2023. The aim of this drilling programme was to demonstrate the presence of strong metal enrichment of economic grades of nickel, copper, and cobalt.

In the first full exploration field season under the JV structure with Kobold Metals, Disko underwent a significant work programme which aimed to further delineate and define drill targets of merit. The JV maintains its constructive view of Disko and is working collaboratively to work up a sound geological model of the district using the extensive historical data overlain with new perspectives.

At the corporate level, and after careful consideration, the Board of Bluejay no longer deemed the demerger of the Disko Exploration Ltd. subsidiary and its projects in the best interests of shareholders. Bluejay can achieve more by utilising its existing platform to unify the expertise of its teams in both Greenland and Finland.

During the period, Bluejay also experienced changes in its Board of Directors and I was proudly appointed Executive Chairman on 25 October 2022. Since my appointment we have defined a new strategy on the Company's approach to developing its assets against a particularly challenging market backdrop. I reiterate that Bluejay will never progress a project without a sound strategic and commercial basis to do so.

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

Moving forward in 2023, Bluejay will continue to use its new strategy to explore and develop its projects with the aim to increase their value to maximise value for its shareholders.

Greenland

During the Period, the first major exploration campaign commenced at the Disko-Nuussuaq JV project. This campaign targeted massive nickel, copper, cobalt, and platinum group metals. This included 4,500 line-kilometre ('line-km') of aerial geophysical survey, 2,115 line-km of a high-resolution drone magnetic survey and a 3,030 line-km Falcon Airborne Gravity Gradiometer survey and 3,572 geochemical samples.

The geochemical samples, geophysical data and mapping data from the exploration campaign are currently being integrated alongside existing data and interpreted by KoBold's team utilising its AI platforms. More data was gathered than originally expected during the 2022 season which has prolonged the analysis time required. The final interpretation of the data will allow the Joint-Venture to prioritise the ratification of mineralisation targets and will form the basis of future work.

Our 100% owned Kangerluarsuk Zn-Pb-Ag±Cu-Ge Project experienced significant development, with an aerial geophysical survey that covered 587 line-km of gravity gradiometry, magnetic data and terrain data during the period. The positive results of the aerial survey were fully processed in the fourth quarter of 2022 and have greatly improved the Company's confidence in what are now drill ready targets. This is supported by multiple independent datasets that indicate the presence of sulphide mineralisation and the outcropping of high-grade mineralisation within our licence area.

Historical chip samples results of 41.1% zinc and 45.5% lead and grab samples of 9.3% lead, 1.2% copper and 596 grams per tonne ('g/t') silver confirm that we have a very high potential district under our control, hosting what we believe to be a major Palaeoproterozoic sedimentary basin immediately to the house and hosted within this basin is the former Black Angel zinc-lead-silver mine which produced 11 million tonnes of ore grading at 12.6% zinc, 4.1% lead and 29 g/t silver for its former operators, Cominco (now Teck Resources) and Boliden.

Furthermore, the Geological Survey of Denmark and Greenland ('GEUS') has acknowledged Kangerluarsuk as containing the strongest cluster of stream sediment zinc anomalies in Greenland, with samples up to 2,200 parts per million zinc.

Because of the exciting characteristics Bluejay had allocated part of the proceeds of the up-to US\$6 million Subscription from Towards Net Zero completed in February 2022, for developing the Kangerluarsuk project through a summer drilling campaign, scheduled for 2023.

However, due to unseasonal and unexpected weather conditions, sea-ice was formed in the fjord leading towards Kangerluarsuk which prevented the Company from safely operating in the project area on time and on budget. Because of this, we were unable to continue with the maiden drilling campaign. Kangerluarsuk Zn-Pb-Ag±Cu-Ge Project remains one of the high priority assets for value creation and we will replan and resume the campaign when it is feasible to do so.

Our understanding of Dundas Ilmenite Project was also advanced significantly during the period, with the publishing of the Electronic Nautical Charts, conducted by the Danish firm, Geodata, which covers the seaward approach and coastal waters. Dundas also received official support from the European Raw Material Alliance ('ERMA'). Of the £5.3 million of fresh equity raised in March 2022 by the Company, £2.2 million was spent on the summer drilling programme at Dundas. We expect to receive the revised Mineral Resource Estimate relatively soon.

Consistent with the new strategy as outlined in the Chairman's Review of late 2022, the Company's aim is to present a more realisable way to develop the Dundas project.

Finland

The Enonkoski Ni-Cu-Co JV Project with Rio Tinto also progressed during the period under review and into 2023 with exploration programmes and surveys revealing new drilling targets.

Between May and July 2022 there was a follow-up drilling programme at Muhelampi, with a total of three new diamond drill holes, and one drill hole extension, that drilled a total of 1,648.20 metres ('m'). This was followed by downhole electromagnetic surveys of selected drill holes and a top bedrock drill programme that consisted of 60 holes, focused on new targets and infill sampling at the targets tested by the 2021 top of bedrock sampling.

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

In November 2022 a ground gravity survey was conducted at the Makkola-Hälvälä target in the south-eastern part of the 15km Enonkoski Ni-Cu-Co Project area. The survey consisted of 670 survey stations with 50m station spacing and 50-100m line spacing, conducted with the aim to generate new drilling targets. The survey was completed in December and revealed several new drill targets of interest at the Laukunlampi intrusion, where Bluejay conducted its first exploration programme that consisted of 1,000-1,500m of follow-up drilling.

The results of the first exploration programme at Enonkoski were very encouraging and have increased the Company's confidence in the project area. One of the drill holes returned significant intervals of nickel sulphide-droplets and represents the highest sulphide content of any hole that has been drilled in the Laukunlampi intrusion to date and has thus extended the potential search space in the area.

Post Period, a total of 951m was drilled out of the planned 1,000-1,500m campaign, and will be followed-up by another drilling programme that consists of a single drill depth of 400m. The aim of this follow-up drilling programme is to further test the current geological model, which indicates that the pyroxenitic units (a favourable rock type in the Laukunlampi intrusion that hosts Ni-Cu-Co mineralisation) continue to the north-west.

Hammaslahti Cu-Zn-Ag-Au Project received focussed development post period. A 2,000m drill programme conducted on the E-Lode, confirmed the continuity of the high-grade Cu-Zn-Pb-Au-Ag ore lode. Further indication of the high-grade mineralisation present at Hammaslahti is the presence of polymetallic mineralisation which is interpreted to be a partially re-mobilised volcanogenic massive sulphide ("VMS").

The historical high-grade production, coupled with the presence of polymetallic mineralisation, indicates the potential of the project to enhance shareholder value. In accordance with the Company's new strategy, Bluejay has raised £1.3 million in June 2023 to further the development of Hammaslahti specifically to generate a Mineral Resource Estimate ("MRE") at the E-Lode. The conditional divestment of the Company's Black-Shales assets to Metals One continues.

Financial

In February 2023, Bluejay announced an equity subscription where up to US\$6 million would be received from Towards Net Zero ("TNZ"), consisting of three tranches of US\$2 million. However, shortly following the receipt of the first tranche, the Company took the decision with the pragmatic agreement from TNZ to terminate the arrangement. The decision to return US\$2 million of capital in April 2023 was not taken lightly but was driven by the view that the original benefits of the structure were outweighed by the risks created by entering into it in the first place, and a simpler funding route was pursued thereafter.

In June 2023, the company successfully raised US\$1.7million in new equity from new and importantly existing shareholders to further the development of Hammaslahti Cu-Zn-Ag-Au Project instead, following the unforeseen weather conditions that prevented workable access to Kangerluarsuk. These funds will immediately go towards finalising a MRE on Hammaslahti's E-Lode as well as General Corporate purposes.

In recognition that current shareholders have already borne a significant burden of risk in the past, Bluejay is in discussions with two strategic entities with complimentary attributes which we believe have the ability to strengthen both the financial and technical capabilities of the business as we explore and develop our portfolio of projects. This is aimed to both financially derisk the business as well as create a unique and powerful combination of skills.

Outlook

Despite a volatile economic and market environment, critical minerals are essential to the global energy transition, and Bluejay is uniquely positioned to play a pivotal role in helping to secure a global sustainable supply of these essential minerals. The official support for Dundas from the ERMA further indicates just how strongly Bluejay is positioned to help supply the critical minerals required to aid the green energy transition and other key industries. Moreover, because Bluejay operates in jurisdictions that are both well-endowed from a mineralogical perspective, are mining friendly and also unlikely to undergo political instability or threaten our ownership rights, we are confident that we will succeed in achieving our goal.

To help with our goal of securing a global, sustainable, supply of critical minerals, we have secured and maintained strong relationships with globally significant partners. We have received significant support from the Greenlandic and Danish government, as well as partnerships with Rio Tinto, KoBold Metals and an Asian Master Distribution partner for Dundas. In

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

total, these partnerships have seen approximately US\$40 million contractually committed to a number of its projects and will help Bluejay significantly advance its portfolio of assets up the value curve.

Located 12km north of the former high-producing Black Angel Zn-Pb-Ag Mine, Kangerluarsuk Zn-Pb-Ag±Cu-Ge Project represents huge potential for Bluejay and the opportunity to maximise shareholder value. With the results from our surveys and geological work, we believe that Kangerluarsuk can maximise value for shareholders, and are immensely enthusiastic about the upcoming drilling programme at the project.

Our ability to pivot and focus on other promising projects when events arise that are out of our control speaks volumes of the strength of Bluejay's project portfolio.

I look forward to updating shareholders on the development of Hammaslahti and will provide an update on the maiden drilling programme at Kangerluarsuk when we have a clearer timeline of when we are able to commence drilling.

I would like to thank all who have supported our endeavours in Greenland and Finland, and our shareholders for their faith in the long-term potential embedded within the Bluejay proposition as we continue to progress our strategic goals. The communities, strategic partners and the Bluejay team itself have been immensely supportive in our efforts to develop the Company's projects, and their hard work has created an exciting opportunity this season at Hammaslahti.

I look forward to the rest of the year and seeing the progression of our projects, especially Hammaslahti, as we move them higher up the value curve and continue to realise value from our new strategy.



Robert Edwards
Chairman
29 June 2023

BLUEJAY MINING PLC

STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 31 December 2022.

Principal Activities

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 and the open market of the Frankfurt Stock Exchange. The Company is incorporated and domiciled in England.

Strategic approach

The Group's aim is to create value for shareholders through the discovery and development of economic mineral deposits. The Group's strategy is to continue to progress the development of its existing projects in Greenland and Finland and to evaluate its existing and new mineral resource opportunities with a view to potential joint venture arrangements and/or other corporate activities.

Organisation overview

The Group's business is directed by the Board and is managed on a day-to-day basis by the Chief Executive Officer. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Board comprises of two Executive Directors and two Non-Executive Directors.

The Corporate Head Office of the Group is located in London, UK, and provides corporate support services to the overseas operations. Overseas operations are managed out of the Group's office in Outokumpu, Finland and Nuuk, Greenland.

Review of business

In March 2022, the Group completed a successful equity raise of US\$7 million. The funds raised enabled the Company to complete the necessary feasibility study required for the Dundas Ilmenite Project in Greenland, as it continues to progress the project into production.

In February 2022, Nikkeli Greenland A/S ("Nikkeli") was incorporated as the Joint Venture company of Disko Exploration and partner company Kobold Metals. This incorporation saw the transfer of the necessary Disko license to Nikkeli and in October 2022, the Company announced the successful completion of the 2022 work programme. Further, Kangerluarsuk, the Group's Zn-Pb-Ag±Cu-Ge project in central west Greenland, successfully completed an aerial geophysical survey, yielding positive findings.

In Finland, a drill programme began at the Enonkoski Ni-Cu-Co Project in as part of the JV and earn-in agreement announced 10 November 2020. In September 2022, the 2022 exploration programme completed, continuing to provide high quality bedrock core samples. The programme enabled large areas covered by till to be geologically mapped adding valuable information to future target generation.

Historically, Bluejay has led with the Dundas Ilmenite Project, the Disko-Nuussuaq Ni-Cu-Co-PGM Project and the Enonkoski Ni-Cu-Co Project. However, looking forward, Bluejay will recalibrate their approach, where appropriate, drawing focus on some of the Company's lesser-known projects. In particular two projects will receive greater attention in the short term: the Kangerluarsuk Zn-Pb-Ag±Cu-Ge Project in Greenland (as a result of the successful survey results from last season's field programme) and the Hammaslahti Cu-Zn-Ag-Au Project in Finland.

Financial performance review

The profit of the Group for the year ended 31 December 2022 before taxation amounts to £1,664,541(31 December 2021: loss of £2,706,833).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2022.

The three main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

BLUEJAY MINING PLC

STRATEGIC REPORT

KPI	2022	2021
Cash and cash equivalents	£1,996,957	£2,701,792
Administrative expenses as a percentage of total assets	4.60%	8.15%
Exploration costs capitalised during the period	£4,744,690	£2,887,110

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows on page 30).

Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments.

Exploration costs capitalised during the period consist of exploration expenditure on the Group's exploration licences net of foreign exchange rate movements.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Exploration risks

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds are only applied to high priority targets.

The principal assets of the Group comprising the mineral exploration licences are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the Government; if this legislation is changed it could adversely affect the value of the Group's assets.

Dependence on key personnel

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company, convertible loan notes or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Company may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

BLUEJAY MINING PLC

STRATEGIC REPORT

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Environmental risk

The Group undertakes its exploration activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature. Bluejay is a mineral explorer, not a mining company. Hence, the environmental impact associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Bluejay conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved.

As an exploration stage business, the Group's operations are at a relatively small scale. As such, the Group's environmental impact is relatively small when compared with larger businesses in the sector. Nevertheless, the Board recognises its responsibility to protect the environment (particularly as the business scales up) and is fully committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities are operated to optimise energy usage; minimise waste production; and protect nature and people.

The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Group operates as an exploration and development of precious and base metals Company, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The nature of the business is important to the understanding of the Group by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under FCA regulations. The application of the s172 requirements are demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in 2022 and up to the date of the approval of these financial statements:

- **Fundraise to fund exploration:** during the year, the Board agreed on a \$7 million fundraise to finance operations and complete the necessary feasibility study required for the Dundas Ilmenite Project in Greenland to enable construction and production at Dundas. Bluejay Directors and officers subscribed for £120,000 worth of Placing Shares, aligning the interests of the Directors with those of the members.
- **Ethical responsibility to the community and the environment:** the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact.
- **Appointment of new director:** Expanding organisational capability through appointing experienced Board members to govern and lead the Company.

BLUEJAY MINING PLC

STRATEGIC REPORT

The likely consequences of any decision in the long term

The application of the Section 172 (1) requirements can be demonstrated in relation to some of the key decisions made during the reporting period, including:

- Continuing exploration work on numerous projects over Finland and Greenland
- focusing on strategic partnerships with JV partner
- continued assessment of corporate and operational overheads and expenditure

The need to act fairly between members of the Company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with key private shareholder, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board periodically reviews and approves clear frameworks, such as the Company's Code of Business Ethics, to ensure that its high standards are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

The interests of the company's employees

The Board recognises that the Company's employees, are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

Developing relationships with the joint venture partners, suppliers and others

Delivering on our strategy requires strong mutually beneficial relationships with suppliers. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to agreed terms. The Group is committed to being a responsible entity and doing the right thing for its suppliers and business partners.

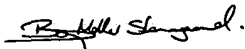
The impact of the Company's operations on the community and the environment

The Group is committed to the highest environmental, social and governance standards both internally within the Group and externally with its partners. The Group is committed to being a responsible entity in terms of the community and the wider environment.

Conclusion

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

The Group Strategic Report was approved by the Board on 29 June 2023.



Bo Møller Stensgaard
CEO

BLUEJAY MINING PLC

DIRECTORS' REPORT

The Directors present the Annual Report on the affairs of Bluejay Mining plc together with the Financial Statements for the year ended 31 December 2022.

Dividends

The Directors do not recommend the payment of a dividend for the year (31 December 2021: £nil).

Directors & Directors' interests

The Directors who served during the year ended 31 December 2022 are shown below and had, at that time the following beneficial interests in the shares of the Company:

	31 December 2022		31 December 2021	
	Ordinary Shares	Options	Ordinary Shares	Options
Roderick McIlfree ⁽¹⁾	75,820,635	-	74,677,778	-
Peter Waugh	211,652	-	140,224	-
Michael Hutchinson	142,857	-	-	-
Bo Møller Stensgaard	206,428	16,100,000	135,000	16,100,000
Eric Sondergaard ⁽²⁾	-	-	-	-
Johannus Hansen ⁽³⁾	220,000	-	220,000	-
Robert Edwards ⁽⁴⁾	-	17,000,000	-	-

(1) Roderick McIlfree resigned on 22 June 2022

(2) Eric Sondergaard appointed 27 January 2022; resigned 2 November 2022

(3) Johannus Hansen resigned on 26 October 2022

(4) Robert Edwards was appointed on 24 October 2022

Further details on options can be found in Note 15 to the Financial Statements.

Substantial shareholders

The substantial shareholders with more than a 5% shareholding at 29 June 2023 are shown below:

	29 June 2023	
	Holding	Percentage
Sandgrove Capital Management LLP	158,409,376	14.95 %
M&G Plc	136,897,389	12.92 %
Roderick McIlfree	75,820,635	7.16 %

Corporate responsibility

Environmental

The Company undertakes its exploration activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature. Bluejay is a mineral explorer, not a mining company. Hence, the environmental impact associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Bluejay conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved. Bluejay is also a member of the European Raw Materials Alliance ("ERMA") which has a strategic focus on ensuring access to sustainable raw materials and the creation of environmentally sustainable and socially equitable innovations and infrastructure.

Health and safety

Bluejay operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement

BLUEJAY MINING PLC

DIRECTORS' REPORT

is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

Internal controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Further details of corporate governance can be found in the Corporate Governance Report on page 15.

Supplier payment policy

The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Going concern

These financial statements have been prepared on the going concern basis, as set out in Note 2.4.

The Directors have prepared cash flow forecasts for the period ending 30 June 2024, which take into account the cost and operational structure of the Group and Parent Company, planned exploration and evaluation expenditure, licence commitments and working capital requirements. These forecasts indicate that the Group and parent Company's cash resources are not sufficient to cover the projected expenditure for the period of 12 months from the date of approval of these financial statements. These forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

Whilst the Directors are confident that they will be able to secure the necessary funding, the current conditions do indicate the existence of a material uncertainty that may cast doubt regarding the applicability of the going concern assumption and the auditors have made reference to this in their audit report. The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, within the next 12 months. Thus, they continue to adopt the going concern basis of accounting preparing these financial statements.

Directors' and Officers' indemnity insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report.

Financial Risk Management Objectives

The Group has disclosed the financial risk management objectives within Note 3 to these Financial Statements.

Events after the reporting period

Events after the reporting period are set out in Note 29 to the Financial Statements.

Future developments

Details of future developments for the Group are disclosed in the Chairman's Report on page 3.

Provision of information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

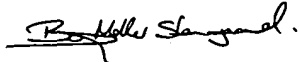
BLUEJAY MINING PLC

DIRECTORS' REPORT

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 29 June 2023 and signed on its behalf.



Bo Møller Stensgaard
Director

BLUEJAY MINING PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the AIM Rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted IAS in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.bluejaymining.com. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

BLUEJAY MINING PLC

CORPORATE GOVERNANCE REPORT

The Board of Bluejay Mining plc had adopted the QCA Corporate Governance Code ('the Code') as its code of corporate governance. The Code is published by the Quoted Companies Alliance ('QCA') and is available at www.theqca.com. The key governance related matter that occurred during the financial year ended 31 December 2022 was the completion and submission of the Environmental Impact Assessment and Social Impact Assessment reports at the Dundas project, both of which have been confirmed compliant for the Public Consultation phase.

Corporate Governance Report

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Company. The principal activity of the Group is the exploration and development of precious and base metals and the aim is to create value for shareholders through the discovery and development of economic resource deposits.

The Board implements this strategy by focusing investment into the exploration of world-class mineralised domains, establishing a strict criteria for project selection, utilising industry recognised methods of exploration, developing a results-driven exploration approach, actively monitoring operational and financial performance, measured against deliverable targets and budgets and considering alternative commercial options for projects which no longer meet the established criteria of the Group. This can be summarised as follows:

- Continued development of the Dundas ilmenite project in Greenland toward commercialisation. Key milestones recently achieved include approval of the exploration and closure plan. Further detail is included in the Chairman's Report on pages 3 to 6.
- Work commenced at Disko-Nuussuaq project in Greenland with its joint venture partner
- First drill programme of 2022 completed at the Enonkoski project with its joint venture partner

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, www.bluejaymining.com, and via Kevin Sheil, Head of Corporate Development and Strategy or the Company's PR advisors, BlytheRay who are available to answer investor relations enquiries.

Principle Three

Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them.

BLUEJAY MINING PLC

CORPORATE GOVERNANCE REPORT

The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Operation	Injury to staff	Injury to staff whilst operating heavy machinery in remote location	Creating a safe working environment through strict procedures and regular training
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company
Strategic	Market downturn	Change in Macro economic conditions	Ongoing monitoring of economic events and markets.
	Failure to deliver commerciality	Inability to secure offtake agreements	Active marketing and experienced management
Financial	Misappropriation of Funds	Fraudulent activity and loss of funds	Robust financial controls and split of duties
	IT Security	Loss of critical financial data	Regular back up of data online and locally

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive Directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the outsourced finance function and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board comprised, the CEO Bo Møller Stensgaard, the Executive Chairman Robert Edwards, and two Non-Executive Directors, Peter Waugh and Michael Hutchinson. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least three times per annum. It has established an Audit Committee, Remuneration Committee and AIM Compliance Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. Michael Hutchinson and Peter Waugh are considered to be Independent Directors.

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone. To date there have been at least quarterly formal and informal meetings of the Board, and the volume and frequency of such meetings is expected to continue at this rate.

BLUEJAY MINING PLC

CORPORATE GOVERNANCE REPORT

Details of the Directors' attendance at the Board meetings are set out below:

	Meetings Attended	Meetings eligible to attend
Roderick McIlree ⁽¹⁾	6	6
Robert Edwards ⁽²⁾	1	1
Michael Hutchinson	10	10
Peter Waugh	9	10
Bo Møller Stensgaard	10	10
Johannus Egholm Hansen ⁽³⁾	8	9
Eric Sondergaard ⁽⁴⁾	8	9

(1) Roderick McIlree resigned 22 June 2022

(2) Robert Edwards was appointed 24 October 2022

(3) Johannus Egholm Hansen resigned 26 October 2022

(4) Eric Sondergaard appointed 27 January 2022; resigned 2 November 2022

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of four Directors and, in addition, the Company has employed the services of Westend Corporate LLP to act as the Company Secretary. The Company is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines. The Director's experience and skills are listed on the company's website, www.bluejaymining.com.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Robert Edwards

Executive Chairman

Bo Møller Stensgaard

Chief Executive Officer

Michael Hutchinson

Non-Executive Director

Chairman of the Remuneration Committee and Member of the Audit Committee and AIM Compliance Committee.

Peter Waugh

Independent Non-Executive Director

Chairman of the AIM Compliance Committee, Audit committee and member of the Remuneration Committee.

Where necessary the Board has engaged external professional consultants on an ongoing basis to ensure the Company is meeting its strategies. The key advisers to the Company are SP Angel Corporate Finance LLP, BlytheRay and Hill Dickinson.

The Board have ensured that the all external advisers are knowledgeable and provide the required skillset.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken on an annual basis and on a three-yearly cycle. The Board has not yet had any internal reviews. The internal reviews will be in the form of peer appraisal and discussions to determine the effectiveness and performance of the various governance components, as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

BLUEJAY MINING PLC

CORPORATE GOVERNANCE REPORT

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee

The Audit Committee comprises Peter Waugh and Michael Hutchinson, and Peter Waugh chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Peter Waugh and Michael Hutchinson, and Michael Hutchinson chairs this committee. The Remuneration Committee reviews the performance of the executive Directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves bonuses, the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

AIM Compliance Committee

The AIM Compliance Committee comprises Michael Hutchinson and Peter Waugh. Peter Waugh chairs this committee. The AIM Compliance Committee is responsible for the coordinating and monitoring the Company's regulatory responsibilities including liaising with the Nomad and the London Stock Exchange as necessary. The purpose of the AIM compliance committee is to designate responsibility of ensuring best practice and application of the defined corporate governance procedures.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive Directors insofar as both the Chairman and non-executive Directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

BLUEJAY MINING PLC

CORPORATE GOVERNANCE REPORT

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website, www.bluejaymining.com, and via Kevin Sheil, Head of Corporate Development and Strategy or the Company's PR advisors, BlytheRay who are available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the Audit or Remuneration committees.



Peter Waugh
Non-Executive Director

29 June 2023

BLUEJAY MINING PLC

INDEPENDENT AUDITOR'S REPORT As at 31 December 2022

Company number: 05389216

Opinion

We have audited the financial statements of Bluejay Mining Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated and Parent Company Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the group and parent company's ability to continue as a going concern is highly dependent on its ability to raise additional funds within the next twelve months from the approval of these financial statements. The outcome of this fundraise is contingent upon the appetite of investors and prevailing market conditions.

As stated in note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- a) Reviewing management's assessment of going concern, including their evaluation of future funding requirements
- b) Determining if all relevant information, including forecast expenditure, has been appropriately included in the assessment of going concern.
- c) Analysing cash flow forecasts and budgets, assessing the historical accuracy and consistency of the forecasts.
- d) Checking the mathematical accuracy of the cash flow forecasts and budgets.
- e) Considering the cash position at and after the year-end.
- f) Reviewing the reasonable worst-case forecast scenario prepared by management and evaluating the financial resources available to address this scenario.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality for the financial statements as a whole applied to the group financial statements was The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

INDEPENDENT AUDITOR'S REPORT

As at 31 December 2022

Company number: 05389216

£360,000 (2021: £328,000) based on 1% of total assets. The materiality has been based on total assets as the Group is in the exploration and development phase of its operations and is not revenue generating or profit making. We consider total assets to be one of the principal considerations for users of the financial statements. The performance materiality for the group was £216,000 (2021: £196,800). The materiality for the financial statements as a whole applied to the parent company financial statements was £27,000 (2021: £39,000) based on 2% of the net assets(excluding investments in subsidiaries of £43,016,524). The performance materiality for the parent company was £16,200 (2021: £23,400). For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. As a group whose trade is in the process of expanding through product development and existing product revenue streams, loss before tax was considered the most appropriate benchmark to shareholders.

We agreed with those charged with governance that we would report all differences identified during the course of our audit in excess of £18,000 (2021: £16,400) for the group and £1,350 (2021: 1,950) for the parent company.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, including review of group's future exploration plans to support impairment assessment of intangible assets. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Of the 9 components of the group, a full scope audit was performed on the complete financial information of 4 components, a limited scope review was performed on a component assessed as material and the remaining components were subject to analytical review as they were not significant or material to the group.

Of the 9 reporting components of the group, 2 components located in Finland and 2 components located in Greenland are audited by a component auditor operating under our instruction. The audit of the remaining components was conducted in London by PKF Littlejohn LLP, utilizing a team with specific experience in auditing mining exploration entities and publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying value of intangible assets (refer note 7)	
The Group's exploration and evaluation assets per Note 7 of the financial statements represent a significant asset on the consolidated statement of financial position. See Note 2.7 and Note 4 for details of the accounting policy and critical accounting estimate and judgements relating to this key audit matter.	Our work included: <ul style="list-style-type: none">• Reviewing publicly available information and other relevant audit evidence to assess potential indicators of impairment that may not have been identified by management.• Evaluating the Group's accounting policy for recognizing exploration and evaluation expenditures.• Enquiring about the future plans for each license, including obtaining cashflow projections where necessary and corroborating with minimum spend requirements attached to licenses.
The Group has significant intangible assets of £31,850,128 related to the Dundas Titanium Project in Greenland, the Disko projects in Greenland, and a portfolio of copper, zinc, and nickel projects in Finland, which represent approximately 83% of the Group's total assets as of December 31, 2022.	

The Notes on pages 31 to 57 form part of these Financial Statements.

INDEPENDENT AUDITOR'S REPORT

As at 31 December 2022

Company number: 05389216

<p>The risk associated with the Group's exploration and evaluation assets is that they are subject to significant estimation and judgment by management, given the inherent uncertainty involved in assessing the carrying value of exploration projects. The ongoing review for indicators of impairment adds complexity to the estimation and judgment required by management, and given the financial significance of these assets to the Group's financial statements, we have identified this risk as a key audit matter.</p>	<ul style="list-style-type: none"> • Reviewing the indicators of impairment listed in IFRS 6, including internal and external technical reports, such as ESIA reports and application documents for exploitation licenses, and any correspondence with regulatory agencies. • Receiving reporting deliverables and reviewing the audit work of component auditors to confirm compliance with legal requirements and the renewal of exploration licenses. • Reviewing the financial statement disclosures regarding impairment assumptions and sensitivities to ensure their appropriateness and adherence to the accounting framework.
<p>Net investments in subsidiaries, including in intercompany receivables (refer note 8)</p>	
<p>The parent company's net investment in subsidiaries is . The recoverability of the investments in subsidiaries (including intercompany receivables) is intrinsically linked to the successful development of the underlying development and exploration assets as the main assets held in the subsidiaries' investments is that of the development and exploration license.</p> <p>The valuation of the exploration projects and other assets held by the subsidiaries is based on judgments and estimates made by the Directors. The exploration projects are at an early stage of exploration and therefore there are continued risks pertaining to the successful development as well as the assessment of the commercial viability of the exploration assets. There is a risk that the judgments and estimates made by the Directors may not be reliable, which could result in a material misstatement in the carrying value of the investments in subsidiaries and related intercompany receivables.</p> <p>Given the financial significance and the estimation/judgment required by management, we have identified the risk of recoverability of receivables and investments in subsidiaries as a key audit matter.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> • Obtaining and reviewing the impairment review for all investments held from management, including the net investment in subsidiaries and related intercompany receivables for each subsidiary, and corroborating the assumptions made to third-party evidence and key external reports. • Reviewing component auditor responses in relation to the Group's subsidiaries, including any indications of impairment or changes in the recoverability of the investments in each subsidiary. • Reviewing the value of the net investment in subsidiaries against the underlying assets, including exploration projects and other assets held by the subsidiaries, and verifying and corroborating the judgments and estimates used by management to assess the recoverability of investments and intercompany receivables. • An assessment of the adequacy and appropriateness of the disclosures related to the investments in subsidiaries and related intercompany receivables in the financial statements. • Based on the procedures performed we found the judgement and estimates made by management in their impairment assessment of the investments held in subsidiaries are reasonable.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

INDEPENDENT AUDITOR'S REPORT

As at 31 December 2022

Company number: 05389216

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from AIM rules and the Companies Act 2006 and local mining and exploration regulations applicable to the subsidiaries.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and RNS announcements and review of legal and regulatory correspondence.

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

INDEPENDENT AUDITOR'S REPORT

As at 31 December 2022

Company number: 05389216

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of intangible assets. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

29 June 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

The Notes on pages 31 to 57 form part of these Financial Statements.

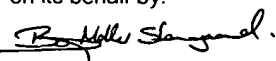
BLUEJAY MINING PLC

STATEMENT OF FINANCIAL POSITION As at 31 December 2022

	Note	Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		£	£	£	£
Non-Current Assets					
Property, plant and equipment	6	1,718,337	1,802,379	26,230	30,651
Intangible assets	7	31,850,128	27,922,589	-	-
Investment in subsidiaries	8	-	-	43,016,524	34,509,322
Investment in Joint Venture	25	4,470,787	-	-	-
		38,039,252	29,724,968	43,042,754	34,539,973
Current Assets					
Trade and other receivables	9	995,129	228,909	255,063	564,181
Cash and cash equivalents	10	1,996,957	2,701,792	1,366,568	2,534,964
		2,992,086	2,930,701	1,621,631	3,099,145
Total Assets		41,031,338	32,655,669	44,664,385	37,639,118
Non-Current Liabilities					
Deferred tax liabilities	12	496,045	496,045	-	-
		496,045	496,045	-	-
Current Liabilities					
Trade and other payables	11	524,286	630,833	281,589	365,175
		524,286	630,833	281,589	365,175
Total Liabilities		1,020,331	1,126,878	281,589	365,175
Net Assets		40,011,007	31,528,791	44,382,796	37,273,943
Equity attributable to owners of the Parent					
Share capital	14	7,492,041	7,484,355	7,492,041	7,484,355
Share premium	14	60,903,995	55,705,882	60,903,995	55,705,882
Other reserves	16	(5,635,169)	(7,213,274)	1,377,303	1,292,323
Retained losses		(22,749,860)	(24,448,172)	(25,390,543)	(27,208,617)
Total Equity		40,011,007	31,528,791	44,382,796	37,273,943

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The profit for the Company for the year ended 31 December 2022 was £1,784,303 (loss for year ended 31 December 2021: £3,486,819).

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 June 2023 and were signed on its behalf by:


Bo Møller Stensgaard
Chief Executive Officer

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

CONSOLIDATED INCOME STATEMENT For the year ended 31 December 2022

Continued operations	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Revenue		-	-
Cost of sales	24	(629,930)	(199,844)
Gross profit		(629,930)	(199,844)
Administrative expenses	2424	(1,886,271)	(2,662,046)
Share of (losses) from joint venture	25	(71,956)	-
Increase in share of net assets on joint venture	25	2,457,596	-
Other (losses)	21	(112,533)	(46,072)
Foreign exchange gain		103,543	18,235
Operating loss		(139,551)	(2,889,727)
Finance income/(expense)	19	2,653	(4,251)
Other income	20	1,801,439	187,145
Profit/(loss) before income tax		1,664,541	(2,706,833)
Income tax	22	-	-
Profit/(loss) for the year attributable to owners of the Parent		1,664,541	(2,706,833)
Basic and Diluted Earnings Per Share attributable to owners of the Parent during the period (expressed in pence per share)	23	0.16p	(0.28)p

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2022

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit/(loss) for the year	1,664,541	(2,706,833)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	1,493,125	(1,640,140)
Other comprehensive income/(losses) for the year, net of tax	3,157,666	(4,346,973)
Total Comprehensive Income/(losses) attributable to owners of the Parent	3,157,666	(4,346,973)

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total £
Balance as at 1 January 2021		7,484,232	55,620,034	(6,220,719)	(21,749,624)	35,133,923
Loss for the year		-	-	-	(2,706,833)	(2,706,833)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	(1,640,140)	-	(1,640,140)
Total comprehensive income/(losses) for the year		-	-	(1,640,140)	(2,706,833)	(4,346,973)
Share based payments	14	123	85,848	-	-	85,971
Issued Options	15	-	-	655,870	-	655,870
Exercised options	15	-	-	(8,285)	8,285	-
Total transactions with owners, recognised directly in equity		123	85,848	647,585	8,285	741,841
Balance as at 31 December 2021		7,484,355	55,705,882	(7,213,274)	(24,448,172)	31,528,791
Balance as at 1 January 2022		7,484,355	55,705,882	(7,213,274)	(24,448,172)	31,528,791
Profit for the year		-	-	-	1,664,541	1,664,541
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	1,493,125	-	1,493,125
Total comprehensive income/(losses) for the year		-	-	1,493,125	1,664,541	3,157,666
Issue of share capital	14	7,686	5,198,113	-	-	5,205,799
Share based payments	15	-	-	118,751	-	118,751
Expired options	15	-	-	(33,771)	33,771	-
Total transactions with owners, recognised directly in equity		7,686	5,198,113	84,980	33,771	5,324,550
Balance as at 31 December 2022		7,492,041	60,903,995	(5,635,169)	(22,749,860)	40,011,007

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 January 2021		7,484,232	55,620,034	644,738	(23,730,083)	40,018,921
Loss for the year		-	-	-	(3,486,819)	(3,486,819)
Total comprehensive income for the year		-	-	-	(3,486,819)	(3,486,819)
Share based payments	14	123	85,848	-	-	85,971
Issued Options	15			655,870	-	655,870
Exercised options	15	-	-	(8,285)	8,285	-
Total transactions with owners, recognised directly in equity		123	85,848	647,585	8,285	741,841
Balance as at 31 December 2021		7,484,355	55,705,882	1,292,323	(27,208,617)	37,273,943
Balance as at 1 January 2022		7,484,355	55,705,882	1,292,323	(27,208,617)	37,273,943
Profit for the year		-	-	-	1,784,303	1,784,303
Total comprehensive income for the year		-	-	-	1,784,303	1,784,303
Issue of share capital	14	7,686	5,198,113	-	-	5,205,799
Share based payments	15	-	-	118,751	-	118,751
Expired options	15	-	-	(33,771)	33,771	-
Total transactions with owners, recognised directly in equity		7,686	5,198,113	84,980	33,771	5,324,550
Balance as at 31 December 2022		7,492,041	60,903,995	1,377,303	(25,390,543)	44,382,796

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

STATEMENTS OF CASH FLOWS For the year ended 31 December 2022

	Note	Group		Company	
		Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
		£	£	£	£
Cash flows from operating activities					
Profit/(Loss) before income tax		1,664,541	(2,706,833)	1,784,303	(3,486,826)
Adjustments for:					
Depreciation	6	369,714	460,713	19,312	83,645
Loss on sale of property plant and equipment		1,362	-	-	-
Gain on sale of financial assets at FVTPL		-	(75,497)	-	(75,497)
Share options expense	15	118,751	655,870	118,751	655,870
Intercompany management fees		-	-	(542,446)	(722,716)
Share of losses from joint venture	25	71,956	-	-	-
Increase in share of net asset	25	(2,457,596)	-	-	-
Net finance (income)/costs	19	(2,653)	4,251	(807,919)	(668,198)
Foreign exchange loss/(gain)		134,358	454	(2,049,375)	2,329,977
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	9	(760,747)	1,377,664	833,398	1,413,873
Increase/(Decrease) in trade and other payables	11	(108,718)	(321,408)	(65,420)	171,081
Net cash used in operating activities		(969,032)	(604,786)	(709,396)	(298,791)
Cash flows from investing activities					
Purchase of property plant and equipment	6	(253,799)	(26,037)	(14,891)	(22,433)
Sale of financial assets at FVTPL		-	75,497	-	75,497
Sale of property, plant and equipment	6	47,149	179,245	-	-
Purchase of intangible assets	7	(4,744,690)	(2,887,110)	-	-
Interest received		4,888	379	4,859	379
Net loans granted to subsidiary undertakings		-	-	(5,654,746)	(2,892,470)
Net cash used in investing activities		(4,946,452)	(2,658,026)	(5,664,778)	(2,839,027)
Cash flows from financing activities					
Proceeds from issue of share capital	14	5,379,999	85,970	5,379,999	85,970
Transaction costs of share issue	14	(174,200)	-	(174,200)	-
Repayment of loans		-	(62,220)	-	(62,220)
Interest paid		(2,322)	(252)	(20)	-
Net cash generated from financing activities		5,203,477	23,498	5,205,779	23,750
Net (decrease) in cash and cash equivalents		(712,007)	(3,239,314)	(1,168,395)	(3,114,068)
Cash and cash equivalents at beginning of year		2,701,792	5,942,848	2,534,693	5,649,030
Exchange gain on cash and cash equivalents		7,172	- (1,742)	270	- 2
Cash and cash equivalents at end of year	10	1,996,957	2,701,792	1,366,568	2,534,964

The Notes on pages 31 to 57 form part of these Financial Statements.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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 and the open market of the Frankfurt Stock Exchange. The Company is incorporated and domiciled in England.

The address of its registered office is 6 Heddon Street, London W1B 4BT.

2. Summary of significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Consolidated Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparation of Financial Statements

The Group and Company Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards (UK adopted IAS) in accordance with the requirements of the Companies Act 2006. The Consolidated Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on business combination.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of financial statements in conformity with UK-adopted IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

2.2. New and amended standards

- (1) *New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2022*

The IASB issued various amendments and revisions to UK IAS and IFRSIC interpretations which include IFRS 3 – Reference to Conceptual Framework, IAS 37 – Onerous Contracts, IAS 16 – Proceeds before intended use, IAS 8 – Accounting estimates and Annual Improvements – 2018 – 2020 Cycle. The amendments and revisions were applicable for the period ended 31 December 2022 but did not result in any material changes to the financial statements of the Group or Company.

- ii) *New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted*

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 17 (Amendments)	Insurance contracts	1 January 2023
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8 (Amendments)	Definition of Accounting Estimate	1 January 2023
IAS 12 Income Taxes (Amendments)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2023
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024

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

2.3. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries made up to 31 December. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

a) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the parent company financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

b) Joint Venture

A joint venture (JV) is a joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Joint arrangements are accounted for using the equity method of accounting and are initially recognised at cost. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The aggregate of the Group's share of profit or loss of the JV is shown on the face of the statement of profit or loss and other comprehensive income as part of operating profit and represents profit or loss after tax. The financial statements of the JV are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the JV. At each reporting date, the Group determines whether there is objective evidence that the investment in the JV is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the JV and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income.

c) Reimbursement of the costs of the operator of the joint arrangement

When the Group, acting as lead operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss. When the Group charges a management fee (based on a fixed percentage of total costs incurred for the year) to cover other general costs incurred in carrying out the activities on behalf of the joint arrangement, it is not acting as an agent. Therefore, the general overhead expenses and the management fee are recognised in the statement of profit or loss and other comprehensive income as an expense and income, respectively. The amount of income does not represent revenue from contracts with customers. Instead, it represents income from collaborative partners and hence is outside scope of IFRS 15.

2.4. Going concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Strategic Report.

As at 31 December 2022, the Group had cash and cash equivalents of £1,996,957. The Directors have prepared cash flow forecasts to 30 June 2024, which take account of the cost and operational structure of the Group and Parent Company, planned exploration and evaluation expenditure, licence commitments and working capital requirements. These forecasts indicate that the Group and Parent Company's cash resources are not sufficient to cover the projected expenditure for the period for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and meets their expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

In common with many exploration and evaluation entities, the Company will need to raise further funds within the next 12 months in order to meet its expected liabilities as they fall due, and progress the Group into definitive feasibility and then into construction and eventual production of revenues. The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, within the next 12 months. The Company has demonstrated its access to financial resources, as evidenced by the successful completion of a Placing in March 2022 with an equity raising of £5,379,999.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Given the Group and Parent Company's current cash position and its demonstrated ability to raise capital, the Directors have a reasonable expectation that the Group and Parent Company has adequate resources to continue in operational existence for the foreseeable future.

Notwithstanding the above, these circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern and, therefore, that the Group and Parent Company may be unable to realise their assets or settle their liabilities in the ordinary course of business. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group and Parent Company's forecasts and have a reasonable expectation that the Group and Parent Company will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated and Parent Company financial statements.

2.5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.6. Foreign currencies

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity and UK subsidiary is Pound Sterling, the functional currency of the Finnish subsidiaries is Euros and the functional currency of the Greenlandic subsidiaries is Danish Krone. The Financial Statements are presented in Pounds Sterling which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

2.7. Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation, as such at the year-end all intangibles held have an indefinite life, but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ('CGU's'), which are based on specific projects or geographical areas. The CGU's are then assessed for impairment using a variety of methods including those specified in IFRS 6.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

Exploration and evaluation assets recorded at fair-value on business combination

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

2.8. Investments in subsidiaries and joint venture

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

Additional contributions by the JV Partner which increase the net assets in the joint venture, are shown as "increase in share of net assets" in the Income Statement. This is a non-cash adjustment and is to retain the Group's ownership in the Joint Venture at 49%.

2.9. Property, plant and equipment

Property, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Office Equipment – 5 years

Machinery and Equipment – 5 to 15 years

Software – 2 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If an impairment review is conducted following an indicator of impairment, assets which are not able to be assessed for impairment individually are assessed in combination with other assets within a cash generating unit.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Income Statement.

2.10. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, and goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11. Financial assets

(a) Classification

The Group classifies its financial assets at amortised cost and at fair value through the profit or loss or OCI. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

(b) Recognition and measurement

Amortised cost

Regular purchases and sales of financial assets are recognised on the trade date at cost – the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(d) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.12. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

2.13. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.14. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Other reserves" represents the merger reserve, foreign currency translation reserve, redemption reserve and share option reserve where;
 - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
 - "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
 - "Reverse acquisition reserve" represents a non-distributable reserve arising on the acquisition of Finland Investments Limited;
 - "Capital redemption reserve" represents a non-distributable reserve made up of share capital;
 - "Share option reserve" represents share options awarded by the group;
- "Retained earnings" represents retained losses.

2.15. Share capital, share premium and deferred shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Income Statement.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Deferred shares are classified as equity. Deferred shares have no rights to receive dividends, or to attend or vote at general meetings of the Company and are only entitled to a return of capital after payment to holders of new ordinary shares of £100,000 per each share held.

2.16. Share based payments

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.17. Taxation

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Risk management is carried out by the London based management team under policies approved by the Board of Directors.

Market risk

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Danish Krone and the British Pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group negotiates all material contracts for activities in relation to its subsidiaries in either British Pounds, Euros, USD or Danish Krone. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of inter company loans. The Group has sensitised the figures for fluctuations in foreign exchange rates, as the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations which are separately disclosed, and is predominantly due to the exceptional nature of the Euro exchange rate in the last two years in the current economic climate. Further detail is in note 3.3.

(b) Price risk

The Group is not exposed to commodity price risk as a result of its operations, which are still in the exploration phase. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

The Group has exposure to equity securities price risk, as it holds listed equity investments.

Credit risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity risk

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

With exception to deferred taxation, financial liabilities are all due within one year.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

At 31 December 2022 the Group had borrowings of £nil (31 December 2021: £nil) and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

Given the Group's level of debt versus its cash at bank and cash equivalents, the gearing ratio is immaterial.

3.3. Sensitivity analysis

On the assumption that all other variables were held constant, and in respect of the Group and the Company's expenses the potential impact of a 10% increase/decrease in the UK Sterling:Euro and UK Sterling:DKK Foreign exchange rates on the Group's loss for the period and on equity is as follows:

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Potential impact on Euro expenses: 2022	(Loss)/profit before tax for the year ended 31 December 2022		Equity before tax for the year ended 31 December 2022	
	Group	Company	Group	Company
	£	£	£	£
Increase/(decrease) in foreign exchange rate				
10%	1,652,879	1,784,303	40,041,829	44,382,796
-10%	1,676,203	1,784,303	39,980,185	44,382,796

Potential impact on DKK expenses: 2022	Loss before tax for the year ended 31 December 2022		Equity before tax for the year ended 31 December 2022	
	Group	Company	Group	Company
	£	£	£	£
Increase/(decrease) in foreign exchange rate				
10%	1,594,828	1,784,303	40,487,435	44,382,796
-10%	1,734,254	1,784,303	39,534,579	44,382,796

4. Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2022 of £31,850,128 (2021: £27,922,589). Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets, taking into account that the assets are not used throughout the whole year due to the seasonality of the licence locations. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property plant and equipment and note 2.9 for the useful economic lives for each class of assets.

Share based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and suppliers for various services received. In the year ended 31 December 2022, 17,000,000 share options were issued during the year to Robert Edwards.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 15.

5. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in three geographical segments; the United Kingdom,

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Greenland and Finland. Activities in the UK are mainly administrative in nature whilst the activities in Greenland and Finland relate to exploration and evaluation work.

The Group had no turnover during the period.

2022	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	-
Cost of sales	624,214	5,716	-	629,930
Administrative expenses	676,106	230,347	979,818	1,886,271
Share of earnings from joint venture	71,956	-	-	71,956
Increase in share of net asset	(2,457,596)	-	-	(2,457,596)
Other net gains	1,362	76	111,095	112,533
Foreign exchange	-	-	(103,543)	(103,543)
Finance expense	1,371	815	(4,839)	(2,653)
Other income	(1,641,536)	(114,616)	(45,287)	(1,801,439)
(Profit)/loss before tax per reportable segment	(2,724,123)	122,338	937,244	(1,664,541)
Additions to PP&E	238,908	-	14,891	253,799
Additions to intangible asset	4,634,039	110,651	-	4,744,690
Reportable segment assets	34,764,714	4,938,310	1,328,314	41,031,338

2021	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	-
Administrative expenses	550,576	88,335	2,023,135	2,662,046
Foreign exchange	31,404	-	(13,169)	18,235
Finance expense	2,055	1,795	401	4,251
Other income	30,105	155,540	1,500	187,145
Loss before tax per reportable segment	1,291,644	90,575	1,324,614	2,706,833
Additions to PP&E	3,604	-	22,433	26,037
Additions to intangible asset	2,668,436	218,674	-	2,887,110
Reportable segment assets	25,257,377	4,777,642	2,620,650	32,655,669

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

6. Property, plant and equipment

Group

	Right of use assets £	Software £	Machinery & equipment £	Office equipment £	Total £
Cost					
As at 1 January 2021	182,542	46,314	3,674,321	61,223	3,964,400
Exchange Differences	-	-	(224,094)	2	(224,092)
Additions	-	7,503	3,604	14,930	26,037
Disposals	(182,542)	-	(250,093)	-	(432,635)
As at 31 December 2021	-	53,817	3,203,738	76,155	3,333,710
As at 1 January 2022	-	53,817	3,203,738	76,155	3,333,710
Exchange Differences	-	-	166,306	266	166,572
Disposals	-	-	(136,336)	-	(136,336)
Additions	-	7,417	238,312	8,070	253,799
As at 31 December 2022	-	61,234	3,472,020	84,491	3,617,745
Depreciation					
As at 1 January 2021	121,695	36,361	1,209,271	40,162	1,407,489
Charge for the year	60,847	9,020	377,068	13,778	460,713
Disposals	(182,542)	-	(70,848)	-	(253,390)
Exchange differences	-	-	(83,481)	-	(83,481)
As at 31 December 2021	-	45,381	1,432,010	53,940	1,531,331
As at 1 January 2022	-	45,381	1,432,010	53,940	1,531,331
Charge for the year	-	8,435	350,402	10,877	369,714
Disposals	-	-	(87,825)	-	(87,825)
Exchange differences	-	-	85,839	349	86,188
As at 31 December 2022	-	53,816	1,780,426	65,166	1,899,408
Net book value as at 31 December 2021	-	8,436	1,771,728	22,215	1,802,379
Net book value as at 31 December 2022	-	7,418	1,691,594	19,325	1,718,337

Depreciation expense of £369,714 (31 December 2021: £460,713) for the Group has been charged in administration expenses.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

Company	Right of use assets £	Software £	Office equipment £	Total £
Cost				
As at 1 January 2021	182,542	46,314	53,942	282,798
Additions	-	7,503	14,930	22,433
Disposals	(182,542)	-	-	(182,542)
As at 31 December 2021	-	53,817	68,872	122,689
As at 1 January 2022	-	53,817	68,872	122,689
Additions	-	7,417	7,474	14,891
As at 31 December 2022	-	61,234	76,346	137,580
Depreciation				
As at 1 January 2021	121,695	36,361	32,879	190,935
Charge for the year	60,847	9,020	13,778	83,645
Disposals	(182,542)	-	-	(182,542)
As at 31 December 2021	-	45,381	46,657	92,038
As at 1 January 2022	-	45,381	46,657	92,038
Charge for the year	-	8,435	10,877	19,312
As at 31 December 2022	-	53,816	57,534	111,350
Net book value as at 31 December 2021	-	8,436	22,215	30,651
Net book value as at 31 December 2022	-	7,418	18,812	26,230

Depreciation expense of £19,312 (31 December 2021: £83,645) for the Company has been charged in administration expenses.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

7. Intangible assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are measured at cost. Once the pre-production phase has been entered into, the exploration and evaluation assets will cease to be capitalised and commence amortisation.

	Group	
	31 December 2022	31 December 2021
	£	£
Exploration & Evaluation Assets - Cost and Net Book Value		
Cost		
As at 1 January	36,796,174	35,641,812
Transfer of licence to JV	(2,085,147)	-
Additions	4,744,690	2,887,110
Exchange differences	1,267,996	(1,732,748)
As at year end	40,723,713	36,796,174
Provision for impairment		
As at 1 January	8,873,585	8,873,585
Impairments	-	-
As at year end	8,873,585	8,873,585
Net book value	31,850,128	27,922,589

The Dundas project in Greenland has a current JORC compliant mineral resource of 117 million tonnes at 6.1% ilmenite (in-situ). Exploration projects in Finland and the Disko project in Greenland are at an early stage of development and there are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was required at 31 December 2022.

8. Investments in subsidiary undertakings

	Company	
	31 December 2022	31 December 2021
	£	£
Shares in Group Undertakings		
At beginning of period	558,342	558,342
At end of period	558,342	558,342
Loans to Group undertakings	42,458,182	33,950,980
Total	43,016,524	34,509,322

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

Subsidiaries

Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Centurion Mining Limited	6 Heddons Street, London, W1B 4BT	United Kingdom	100%	100%	Dormant
Centurion Universal Limited	6 Heddons Street, London, W1B 4BT	United Kingdom	100%	100%	Holding
Finland Investments Limited	6 Heddons Street, London, W1B 4BT	United Kingdom	100%	100%	Holding
FinnAust Mining Finland Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
FinnAust Mining Northern Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
Disko Exploration Limited	6 Heddons Street, London, W1B 4BT	United Kingdom	100%	100%	Exploration
Dundas Titanium A/S	c/o Nuna Advokater ApS, Qullilerfik 2, 6, Postboks 59, Nuuk 3900, Greenland	Greenland	Nil	100%	Exploration

All subsidiary undertakings are included in the consolidation.

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

9. Trade and other receivables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Current				
Receivable from related party	873,666	4,300	-	4,306
Amounts owed by Group undertakings	-	-	189,988	484,476
Prepayments	50,933	75,187	49,214	70,239
VAT receivable	31,109	82,858	10,702	-
Other receivables	39,421	66,564	5,159	5,160
Total	995,129	228,909	255,063	564,181

The fair value of all receivables is the same as their carrying values stated above.

At 31 December 2022 all trade and other receivables were fully performing. No ageing analysis is considered necessary as the Group has no significant trade receivable receivables which would require such an analysis to be disclosed under the requirements of IFRS 7. None of the amounts above are overdue or impaired.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
UK Pounds	821,767	94,946	255,063	564,181
Euros	25,353	106,173	-	-
Danish Krone	148,009	27,790	-	-
	995,129	228,909	255,063	564,181

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

10. Cash and cash equivalents

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Cash at bank and in hand	1,996,957	2,701,792	1,366,568	2,534,964

All of the UK entities cash at bank is held with institutions with an AA- credit rating. The Finland and Greenland entities cash at bank is held with institutions whose credit rating is unknown.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
UK Pounds	1,835,746	2,571,644	1,366,568	2,534,964
Euros	35,197	85,168	-	-
Danish Krone	126,014	44,980	-	-
	1,996,957	2,701,792	1,366,568	2,534,964

11. Trade and other payables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Trade payables	141,615	409,282	172,378	250,928
Accrued expenses	256,439	131,048	98,361	60,676
Other creditors	126,232	90,503	10,850	53,571
	524,286	630,833	281,589	365,175

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Trade payables include amounts due of £397,302 in relation to exploration and evaluation activities.

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group		Company	
	31 December 2022 £	31 December 2021 £	31 December 2022 £	31 December 2021 £
UK Pounds	63,649	351,688	120,065	365,175
Euros	132,952	173,781	27,461	-
Danish Krone	327,685	105,364	134,063	-
	524,286	630,833	281,589	365,175

12. Deferred tax

An analysis of deferred tax liabilities is set out below.

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Deferred tax liabilities				
- Deferred tax liability after more than 12 months	496,045	496,045	-	-
Deferred tax liabilities	496,045	496,045	-	-

The Group has additional capital losses of approximately £8,661,772 (2021: £8,704,033) and other losses of approximately £6,955,765 (2021: £7,234,636) available to carry forward against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

13. Financial Instruments by Category

Group	31 December 2022			31 December 2021		
	Amortised cost	FVTP	Total	Amortised cost	FVTP	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	944,196	-	944,196	153,722	-	153,722
Cash and cash equivalents	1,996,957	-	1,996,957	2,701,792	-	2,701,792
	2,941,153	-	2,941,153	2,855,514	-	2,855,514

	31 December 2022		31 December 2021	
	Amortised cost	Total	Amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	524,286	524,286	630,833	630,833
	524,286	524,286	630,833	630,833

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

Company	31 December 2022			31 December 2021		
	Amortised cost	FVTP	Total	Amortised cost	FVTP	Total
	£	£	£	£	£	£
Assets per Statement of Financial Performance						
Trade and other receivables (excluding prepayments)	205,849	-	205,849	493,492	-	493,492
Cash and cash equivalents	1,366,568	-	1,366,568	2,534,964	-	2,534,964
	1,572,417	-	1,572,417	3,028,456	-	3,028,456

	31 December 2022		31 December 2021	
	Amortised cost	Total	Amortised cost	Total
	£	£	£	£
Liabilities per Statement of Financial Performance				
Trade and other payables (excluding non-financial liabilities)	281,591	281,591	365,175	365,175
	281,591	281,591	365,175	365,175

14. Share capital and premium

Group and Company	Number of shares		Share capital	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Ordinary shares	1,049,714,747	972,857,613	104,971	97,285
Deferred shares	558,104,193	558,104,193	558,104	558,104
Deferred A shares	68,289,656,190	68,289,656,190	6,828,966	6,828,966
Total	69,897,475,130	69,820,617,996	7,492,041	7,484,355

	Number of Ordinary shares	Share capital £	Share premium £	Total £
Issued at 0.01 pence per share				
As at 1 January 2021	971,629,460	97,162	55,620,034	55,717,196
Exercise of warrants – 23 December 2021	1,228,153	123	85,848	85,971
As at 31 December 2021	972,857,613	97,285	55,705,882	55,803,167
As at 1 January 2022	972,857,613	97,285	55,705,882	55,803,167
Issue of new shares – 23 March 2022 ⁽¹⁾	76,857,134	7,686	5,198,113	5,205,799
As at 31 December 2021	1,049,714,747	104,971	60,903,995	61,008,966

(1) Includes issue costs of £174,200

Deferred Shares (nominal value of 0.1 pence per share)	Number of Deferred shares	Share capital £
As at 1 January 2021	558,104,193	558,104
As at 31 December 2021	558,104,193	558,104
As at 1 January 2022	558,104,193	558,104
As at 31 December 2022	558,104,193	558,104

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

Deferred A Shares (nominal value of 0.1 pence per share)	Number of Deferred A shares	Share capital £
As at 1 January 2021	68,289,656,190	6,828,966
As at 31 December 2021	68,289,656,190	6,828,966
As at 1 January 2022	68,289,656,190	6,828,966
As at 31 December 2022	68,289,656,190	6,828,966

On 23 March 2022, the Company issued and allotted 76,857,134 new Ordinary Shares at a price of 7 pence per share.

15. Share based payments

The Company has established a share option scheme for Directors, employees and consultants to the Group. Share options and warrants outstanding and exercisable at the end of the period have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise price in £ per share	Options & Warrants	
			31 December 2022	31 December 2021
9 June 2017	9 June 2022	0.165	-	1,025,000
23 July 2019	23 July 2023	0.10	5,200,000	5,200,000
23 July 2019	23 July 2023	0.15	5,200,000	5,200,000
23 July 2019	23 July 2023	0.20	5,600,000	5,600,000
10 July 2020	30 July 2025	0.10	4,400,000	5,150,000
10 July 2020	30 July 2025	0.15	1,100,000	2,100,000
15 February 2021	15 February 2025	0.15	11,000,000	11,000,000
15 February 2021	15 February 2025	0.20	11,000,000	11,000,000
15 February 2021	15 February 2025	0.25	11,000,000	11,000,000
24 October 2022	1 October 2023	0.10	1,500,000	-
24 October 2022	1 October 2024	0.15	3,000,000	-
24 October 2022	1 October 2025	0.20	4,500,000	-
24 October 2022	1 October 2026	0.25	8,000,000	-
			71,500,000	57,275,000

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2017 Options	2019 Options	2019 Options	2019 Options
Granted on:	9/6/2017	23/7/2019	23/7/2019	23/7/2019
Life (years)	5 years	4 years	4 years	4 years
Share price (pence per share)	15.5p	7.45p	7.45p	7.45p
Risk free rate	0.56%	0.5%	0.5%	0.5%
Expected volatility	31.83%	21.64%	21.64%	21.64%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	34	31	5	1

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

	2020 Options	2020 Options	2021 Options	2021 Options
Granted on:	10/7/2020	10/7/2020	15/2/2021	15/2/2021
Life (years)	5 years	5 years	4 years	4 years
Share price (pence per share)	6.16p	6.16p	9.20p	9.20p
Risk free rate	0.5%	0.5%	0.5%	0.5%
Expected volatility	30.24%	30.24%	61.47%	61.47%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	31	5	270	213

	2021 Options	2022 Options	2022 Options	2022 Options
Granted on:	15/2/2021	24/10/2022	24/10/2022	24/10/2022
Life (years)	4 years	1 year	2 years	3 years
Share price (pence per share)	9.20p	5.3p	5.3p	5.3p
Risk free rate	0.5%	3.26%	3.26%	3.26%
Expected volatility	30.24%	69.64%	69.64%	69.64%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	173	6,178	16,043	30,423

	2022 Options
Granted on:	24/10/2022
Life (years)	4 years
Share price (pence per share)	5.3p
Risk free rate	3.26%
Expected volatility	69.64%
Expected dividend yield	-
Marketability discount	20%
Total fair value (£000)	66,107

The expected volatility of the options is based on historical volatility for the six months prior to the date of granting.

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

A reconciliation of options and warrants granted over the year to 31 December 2022 is shown below:

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

	2022		2021	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at beginning of period	57,275,000	0.1830	25,503,153	0.1556
Expired	(1,025,000)	0.1650	-	-
Forefeited	(1,750,000)	0.1786	-	-
Exercised	-	-	(1,228,153)	0.0700
Granted	17,000,000	0.2058	33,000,000	0.2000
Outstanding as at period end	71,500,000	0.1888	57,275,000	0.1830
Exercisable at period end	71,500,000	0.1888	57,275,000	0.1830

	2022					2021			
Range of exercise prices (£)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0.05 – 2.00	0.1888	71,500,000	1.9887	1.9887	0.1830	57,275,000	3.18	3.18	

During the period there was a charge of £118,751 (2021: £655,870) in respect of share options.

16. Other reserves

	Group					
	Merger reserve £	Foreign currency translation reserve £	Reverse acquisition reserve £	Redemption reserve £	Share option reserve £	Total £
At 31 December 2020	166,000	1,205,544	(8,071,001)	364,630	114,108	(6,220,719)
Currency translation differences	-	(1,640,140)	-	-	-	(1,640,140)
Expired Options	-	-	-	-	(8,285)	(8,285)
Issued Options	-	-	-	-	655,870	655,870
At 31 December 2021	166,000	(434,596)	(8,071,001)	364,630	761,693	(7,213,274)
At 31 December 2021	166,000	(434,596)	(8,071,001)	364,630	761,693	(7,213,274)
Currency translation differences	-	1,493,125	-	-	-	1,493,125
Expired Options	-	-	-	-	(33,771)	(33,771)
Issued Options	-	-	-	-	118,751	118,751
At 31 December 2022	166,000	1,058,529	(8,071,001)	364,630	846,673	(5,635,169)

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

17. Employee benefit expense

Staff costs (excluding Directors)	Group		Company	
	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
	£	£	£	£
Salaries and wages	186,994	369,708	128,618	360,134
Social security costs	38,191	99,068	34,753	64,356
Retirement benefit costs	11,324	2,049	11,324	2,049
Other employment costs	75,693	27,425	-	2,093
	312,202	498,250	174,695	428,632

The average monthly number of employees for the Group during the year was 13 (year ended 31 December 2021: 11) and the average monthly number of employees for the Company was 6 (year ended 31 December 2021: 7).

Of the above Group staff costs, £105,459 (year ended 31 December 2021: £245,743) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

18. Directors' remuneration

	Year ended 31 December 2022			
	Short-term benefits	Post- employment benefits	Share based payments	Total
	£	£	£	£
Executive Directors				
Roderick McIlree ¹	200,212	9,250	-	209,462
Robert Edwards ²	19,067	587	118,751	138,405
Bo Møller Stensgaard	198,000	-	-	198,000
Eric Sondergaard ³	200,466	-	-	200,466
Non-executive Directors				
Johannus Hansen ⁴	24,167	-	-	24,167
Peter Waugh	24,000	533	-	24,533
Michael Hutchinson	40,000	-	-	40,000
	705,912	10,370	118,751	835,033

(1) Resigned on 22 June 2022

(2) Appointed on 24 October 2022

(3) Appointed 27 January 2022; resigned 2 November 2022

(4) Resigned 26 October 2022

For the year ending 31 December 2022, a further £13,408 was paid to Eric Sondergaard during his non-directorship employment in the year.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

	Year ended 31 December 2021			Total £
	Short-term benefits £	Post- employment benefits £	Share based payments £	
Executive Directors				
Roderick McIlree ¹	196,534	18,500	-	215,034
Bo Møller Stensgaard	221,800	-	238,498	460,298
Non-executive Directors				
Ian Henderson ²	12,879	-	-	12,879
Johannus Hansen ³	23,309	-	-	23,309
Peter Waugh	24,000	533	-	24,533
Michael Hutchinson	38,750	-	-	38,750
	517,272	19,033	238,498	774,803

(1) Resigned on 22 June 2022

(2) Resigned on 5 January 2021

(3) Appointed on 15 March 2021

Of the above Group directors' remuneration, £522,689 (31 December 2021: £338,296) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

The above figures do not include employer portion of NIC. Directors NIC for the year ending 31 December 2022 was £28,747 (31 December 2021: £30,529). These have been included in note 17.

Details of fees paid to Companies and Partnerships of which the Directors detailed above are Directors and Partners have been disclosed in Note 26.

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

19. Finance income

	Group	
	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest income/(expense) from cash and cash equivalents	2,653	(4,251)
Finance Income/(expense)	2,653	(4,251)

20. Other Income

	Group	
	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Income from related parties	1,641,536	-
Other income	159,903	187,145
Finance Income/(expense)	1,801,439	187,145

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

Nikkeli Greenland A/S, joint venture company, was invoiced £1,641,536 during the year ended 31 December 2022 for management services provided

21. Other gain/(losses)

	Group	
	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loss on disposal of property, plant and equipment	(22,739)	-
Foreign exchange gains/(losses)	(89,794)	(46,072)
Other gain/(losses)	(112,533)	(46,072)

22. Income tax expense

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	Group	
	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loss before tax	1,664,541	(2,491,062)
Tax at the applicable rate of 16.75% (2021: 20.68%)	278,871	(515,152)
Effects of:		
Expenditure not deductible for tax purposes	63,453	99,228
Depreciation in excess of/(less than) capital allowances	42,261	89,897
Net tax effect of losses carried forward	(384,585)	326,027
Tax (charge)/refund	-	-

The weighted average applicable tax rate of 16.75% (2021: 20.68%) used is a combination of the 19% standard rate of corporation tax in the UK, 20% Finnish corporation tax and 25% Greenlandic corporation tax.

The Group has a potential deferred income tax asset of approximately £900,508 (2021: £1,285,093) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £6,955,765 (2021: £7,234,636) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

The UK corporate income tax rate applicable for the year ended December 31, 2022, is 19%. Deferred taxes on the Balance Sheet have been measured at 25%, which represents the future corporate income tax rate that was enacted at the balance sheet date. The Finance Act 2021 (enacted on May 24, 2021) increased the main rate of UK corporate income tax to 25% with effect from April 1, 2023.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

23. Earnings per share

Group

The calculation of the total basic earnings per share of 0.16 pence (31 December 2021: (0.28) pence) is based on the loss attributable to equity holders of the parent company of £1,664,541 (31 December 2021: £2,706,833) and on the weighted average number of ordinary shares of 1,032,448,213 (31 December 2021: 971,659,743) in issue during the year.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 15.

24. Expenses by nature

	Group	
	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cost of Sales		
Exploitation licence fees	624,214	199,844
Other	5,716	-
Total cost of sales	629,930	199,844
Administrative expenses		
Employee expenses	495,425	438,982
Establishment expenses	70,184	89,137
Travel & subsistence	50,182	38,082
Professional & consultancy fees	573,035	692,470
IT & Software	25,671	19,612
Insurance	101,223	75,548
Depreciation	369,714	460,713
Share Option expense	118,751	655,870
Other expenses	82,086	191,632
Total administrative expenses	1,886,271	2,662,046

Services provided by the Company's auditor and its associates

During the year, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Group	
	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	67,751	58,004
Fees payable to the Company's auditor for other services	2,000	11,385

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

25. Investments in Joint Venture

During the 2021 financial year, Disko Exploration Ltd entered into a joint venture agreement with Kobold Metals to drill in Greenland for critical materials used in electric vehicles. On 1 February 2022, the joint venture company, Nikkeli Greenland AS ("Nikkeli"), was incorporated and the specific licence's were transferred to Nikkeli.

Name	Country of incorporation	Proportion of ownership interest held	
		30 June 2022	30 June 2021
Nikkeli Greenland A/S	Greenland	49%	-
		Year ended 31 December 2022	
		£	
Interest in joint venture		2,085,147	
Share of loss in joint venture		(71,956)	
Increase in share of net asset		2,457,596	
		4,470,787	
Summarised financial information		Year ended 31 December 2022	
		£	
Nikkeli Greenland A/S			
Current assets		366,587	
Non-current assets		8,928,292	
Current liabilities		170,825	
		9,124,054	
		Year ended 31 December 2022	
		£	
Revenues		-	
(Loss) after tax from continuing operations		(146,850)	
		(146,850)	
		Year ended 31 December 2022	
		£	
Opening net assets		-	
Loss for the period		(71,956)	
Other comprehensive income		-	
Foreign exchange differences		-	
Closing net assets		9,124,054	
Interest in joint venture at 49%		4,470,787	
Carrying value		4,470,787	

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

The financial statements of the JV are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group (refer to note 2.3.b).

Increase in share of net assets is a non-cash adjustment to increase the Group's ownership in the Joint Venture to 49% from additional contributions by the JV Partner (refer to note 2.8).

Nikkeli Greenland A/S had no contingent liabilities or commitments as at 31 December 2022.

26. Commitments

License commitments

Bluejay now owns 7 mineral exploration licenses and one exploitation licence in Greenland. Licence 2015/08, 2020/114 and 2021/08 is a part of the Dundas project and licences 2011/31, 2020/03, 2020/06, and 2020/22 are part of the Disko projects in Greenland. These licences include commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2022 these are as follows:

Group	Group		Total £
	License fees £	Minimum spend requirement £	
Not later than one year	142,329	1,527,187	1,669,516
Later than one year and no later than five years	239,806	15,465,686	15,705,492
Total	382,135	16,992,873	17,375,008

27. Related party transactions

Loans to Group undertakings

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

	Company	
	31 December 2022 £	31 December 2021 £
Finland Investments Ltd	-	-
FinnAust Mining Finland Oy	8,278,416	7,311,625
Centurion Mining Limited	345	345
Dundas Titanium A/S	29,470,669	23,462,907
Disko Exploration Limited	4,708,752	3,176,103
At 31 December (Note 8)	42,458,182	33,950,980

Loans granted to subsidiaries have increased during the year due to additional loans being granted to the subsidiaries, and foreign exchange loss of £2,049,375, given that no loans were repaid during the year.

These amounts are unsecured and repayable in Euros and Danish Krone on demand from the Company.

All intra Group transactions are eliminated on consolidation.

BLUEJAY MINING PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

Other transactions

The Group defines its key management personnel as the Directors of the Company as disclosed in the Directors' Report.

PMW Consultancy Services, operated by Peter Waugh as a sole trader, was paid a fee of £42,000 for the year ended 31 December 2022 (31 December 2021: £50,000) for consulting services to the Company. There was a balance of £5,000 owing at year end (31 December 2021: £nil).

Egholm Consult, operated by Johannus Hansen, was paid a fee of £10,500 for the year ended 31 December 2022 (31 December 2021: £nil) for consulting services to the Company. There was a balance of £nil owing at year end (31 December 2021: £nil).

Nikkeli Greenland A/S, joint venture company, was invoiced £1,641,536 during the year ended 31 December 2022 (31 December 2021: £nil) for management services provided. There was a balance of £873,666 receivable at year end (31 December 2021: £nil). Nikelli Greenland A/S show this balance as part of their contributed capital.

28. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

29. Events after the reporting date

On 14 February 2023, the Company received funding for US\$2,000,000 as a convertible loan note. On the same date, the Company issued 5,800,000 Initial Placement shares at nominal value and 3,798,911 Commencement shares issued a price of £0.047382 per share to the convertible loan note holder.

On 25 April 2023, the Company mutually agreed to repay the US\$2,000,000 amount received for the convertible loan note.

On 28 June 2023, the Company raised £1,300,000 via the issue and allotment of 74,285,707 new Ordinary Shares at a price of 1.75 pence per share. On the same day, the Company issued and allotted 571,429 new Ordinary Shares at a price of 1.75 pence per share in lieu of fees.