

Interim Results  
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Bluejay Mining PLC  
23 August 2017

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23 August 2017

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

Bluejay Mining plc, the AIM and FSE listed exploration company with projects in Greenland and Finland, is pleased to announce its interim results for the six months ended 30 June 2017.

**Highlights**

- Advancing the highest-grade ilmenite mineral sand project globally into production in 2018
- Successfully defined a maiden JORC resource of 23.6Mt at 8.8% ilmenite (in-situ) at the Pituffik Titanium Project in Greenland - this includes a high-grade zone equal to 7.9Mt at 14.2% ilmenite (in-situ) - and drilling underway to increase further
- 2017 work programme well advanced - targeting an upgraded resource, feasibility results and off-take agreements by the year-end
- Proof-of-concept bulk sampling programme exceeding expectations - stockpiling of ilmenite rich sand expected to commence much earlier than planned in preparation for product shipment and sale
- Exploitation licencing application well advanced - the finalised Environmental Impact Assessment ('EIA') and Social Impact Assessment ('SIA') are expected in the coming months, with the full Exploitation Licence anticipated in H1 2018
- Construction of the mine plant and supporting infrastructure due to commence in early 2018
- Quality Pituffik ilmenite product has the potential to be in the lowest quartile production costs - simple, low-cost production model and strategic Greenlandic location positively impacts CAPEX and OPEX
- Additional upside available via wider asset portfolio in Greenland and Finland
- Net cash balance as at 30 June 2017 was £5,761,518 - strengthened shareholder base via an oversubscribed placing for £3.5million in June 2017, which attracted institutional support including Prudential plc

**CEO Statement**

Our Pituffik Titanium Project ('Pituffik' or the 'Project') in Greenland is an exceptional deposit in the heavy mineral space. The unique erosion and depositional environment has led to the formation of what is now independently verified and recognised as the highest-grade ilmenite mineral sand project globally. Having the entire resource derived from the same source rock means the ilmenite is chemically homogenous from one end of the licence to the other, a total strike length of more than 30km. The local deposition and high concentration factors provide competitive advantage with respect to material movement and throughput at the processing level. This combined with the un-weathered state of the ilmenite, low impurity levels and smaller front-end capital costs all add to the natural advantages we have with this deposit.

Since acquiring Pituffik in December 2015 we have executed systematic work programmes that have levered off the advantages provided by local infrastructure. We have utilised the existing depopulated town of Moriusaq, the adjacent nearby air links to both international and domestic destinations and an experienced Greenlandic workforce. 2017 will be a watershed year for the Company as we target an upgraded resource, exploitation application, feasibility and off-takes by year-end. Drilling is currently underway to prove that the Project is not only the highest-grade but also one of the largest ilmenite mineral sand projects globally.

Whilst there is no doubt that the period under review has been a historic one for our Company, with the share price more than doubling in value and our market capitalisation exceeding £100 million, I believe the coming months are set to be equally transformative, as we look to transition from explorer to miner with first production of an ilmenite concentrate targeted for later next year. Accordingly, I believe we currently sit at an inflection point in terms of value. The Project team is working well and customer interest continues.

I would like to take this opportunity to explain why I believe Pituffik is set to transform not only our company but the titanium industry as a whole.

Looking first at the resource, in April 2017 we successfully defined a maiden JORC resource of 23.6Mt at 8.8% ilmenite (in-situ) and includes a high-grade zone equal to 7.9Mt at 14.2% ilmenite (in-situ). This resulted in Pituffik being crowned the highest-grade mineral sand ilmenite project globally and crucially the ilmenite is remarkably consistent chemically throughout the whole deposit

We are now focussed on demonstrating the significant tonnage potential of the resource and accordingly, through targeted drilling currently underway, I expect this volume to grow exponentially in the coming months. I have every confidence the team will deliver this result. The current resource sits within an SRK Exploration target of between 90Mt and 130Mt with an in-situ grade of between 6.3% and 8.4% ilmenite. Furthermore, the resource and exploration target has been defined from just 17% of the raised beach environment within the Moriusaq target area. The raised beach environment is one of three types of domains within the licence area, with the other two being the active and drowned beach environments, and Moriusaq is one of two primary target areas, with the other being Intelak. Accordingly, we believe there is significant expansion potential to the Project. As we seek to expand the resource our focus is centred on advancing Moriusaq, which will be the initial production zone, with feasibility studies currently underway to support this.

Taking a more technical view of the resource, the material at Pituffik sits in the same class as hard rock ilmenite. However, as a result of glacial (mechanical) erosion and favourable deposition centres along the coastal plain, the entire front-end capital expenditure associated with mining, crushing, grinding and concentrating has been done naturally, with the resource largely visible at surface along a coastal plain of >30km. This gives us a competitive advantage; firstly, it means we don't need to repeatedly drill and define the resource to identify and prove up the mineral potential in the way you would with other hard rock mining assets. Accordingly, we will be able to define a significant resource in a relatively short time frame, as evidenced through our aforementioned maiden JORC resource. Secondly, as the resource has been naturally "processed", it is already incredibly concentrated; up to 20 times the in-situ grades of other soon to be similar sized projects. This greatly simplifies the requirements on us in terms of how we mine and produce a saleable ilmenite product and will have a significant impact on the unit cost of our product.

To support the development of Pituffik into 2018 and commercial production the same year, a proof-of-concept bulk sampling programme commenced to produce representative material from across both active & raised beach environments at Moriusaq in order to prove that we can deliver quality product based on our current production model. I am pleased to report that results to date from this have already exceeded expectations; at the time of writing, 250 tonnes of bulk sample have been shipped with customer negotiations ongoing and expected to reach conclusion in the next 3-6 months. In addition, a further 250 tonnes will be prepared for shipping in the coming days. Furthermore, the levels of visible ilmenite concentrations in the bulk sampling are much greater than expected, meaning that if production rates are maintained, the stockpiling of ilmenite rich sand will commence much earlier than planned, so that it can be shipped and sold as soon as we have our exploitation licence.

The bulk sampling programme will also support offtake discussions, which are currently well advanced, with product produced during the bulk sampling being sent to potential end-customers and refiners. Due to the quality of our product, in terms of its chemistry and consistency, we expect our product to be highly sought after. Furthermore, because of our simple, low-cost production model, together with our strategic Greenlandic location, we believe Pituffik has the potential to be in the lowest quartile production costs.

As part of the work programme designed for August 2017 we completed a bathymetric survey to examine the potential for a shipping channel to allow bulk carrier access to Moriusaq. In conjunction with this, whilst we know that shipping is possible for 7 months of the year (April-October), we are examining the possibility of shipping all-year-round or alternatively stockpiling some of the product outside of Greenland so that we can supply customers with our quality ilmenite product all-year-round. I would like to clarify that whilst shipping from Greenland might not take place during the winter months, it is our intention that once we are at full-scale production ilmenite will be produced 365 days a year.

To help get our Project to full-scale production, SRK Exploration Services Limited and SRK Consulting (UK) Ltd (collectively 'SRK') have been appointed to commence work on a mining and infrastructure study for the raised and active beach areas at Moriusaq. As part of this, SRK will evaluate geotechnical and hydrological aspects to support civil engineering work for full project construction. SRK will also look at options for product storage and transfer options to ocean-going vessels by evaluating likely production rates and other similar infrastructure projects in the industry and in-country. Construction of the mine plant and supporting infrastructure is due to commence in early 2018.

Before full-scale mining can commence, we must have an exploitation licence from the Mineral Resource Authority ('MRA') of the Government of Greenland, and I am pleased to report that our licencing application is well advanced. In May 2017 we successfully completed the public pre-consultation phase of the permitting process, which is required prior to the completion of the Environmental Impact Assessment ('EIA') and Social Impact Assessment ('SIA') that form part of the Exploitation Licence application. I would like to highlight, and also give my thanks, for the overwhelming support we have received from the local community to date. Just 12 comments were raised in our public appeal process, which in our experience is very low and gives an indication of the levels of support we are receiving. We have also received very positive feedback from multiple government and environmental agencies, who have pledged their support to the Project, recognising that Pituffik will be a significant boost to the region with minimal environmental impact. The finalised EIA and SIA are expected in the coming months, with the full Exploitation Licence anticipated in H1 2018.

Ensuring that all stakeholders benefit from our operations is something we are extremely

committed to. Currently >50% of our workforce and consultancy is of Greenlandic or Danish/Greenlandic nationality and as we build our mine we expect to generate many more employment opportunities for the local community and create additional revenue opportunities for the region.

### **Wider Exploration Portfolio**

Whilst the advancement of Pituffik into production remains our primary focus, it is important to note the significant upside available via the development of our wider exploration portfolio. In early January 2017 we acquired two additional projects in Greenland - the 194sq km Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide ('MMS') nickel-copper-platinum project ('Ni-Cu-PGM') and the 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project ('Kangerluarsuk'). Through Pituffik we have already proven Greenland's potential to host huge mineral deposits and work to date suggests our wider asset portfolio offers similar discovery opportunity.

The Disko project, located on the southwest coast of Greenland, has already shown its potential to host mineralisation similar to the world's largest nickel/copper sulphide mine Norilsk-Talnakh ('Norilsk'). Seven significant MMS occurrences have been identified to-date at the licence area, with the largest being 5.9km long 1.1km wide. Additionally supporting the MMS model a 28t boulder assaying 6.9% nickel ('Ni'), 3.7% copper ('Cu'), 0.6% cobalt ('Co') and 2 g/t PGM was discovered on the licence area, a significant pathfinder. This boulder is now displayed in the foyer of the Danish Geological Museum in Copenhagen, highlighting just how significant its discovery was.

Whilst we are yet to undertake a substantial development work, we have a good understanding of the Disko project and the specific geological targets thanks to extensive campaigns of high quality technical work by Falconbridge, Cominco, Vismand and Avannaq Exploration and the Geological Survey of Denmark and Greenland. Importantly each exploration phase continued to develop and define the targets at Disko and with the completion of the coming work programmes at Disko in October we will be ready to execute a value transaction for shareholders on this project.

Also located in southwest Greenland is our Kangerluarsuk project. This licence area is situated in a major Palaeo-Proterozoic sedimentary basin, with abundant lead-zinc ('Pb-Zn') showings. Indeed, the basin comprises the strongest zinc stream sediment anomaly cluster in Greenland and previously hosted the renowned Black Angel Pb-Zn mine. Historical work at Kangerluarsuk has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and identified four large-scale drill ready targets. We are currently evaluating several low-cost options that may lead to the testing of these targets in the future.

Finally, we hold a number of polymetallic assets in Finland and are currently assessing the best way to manage this portfolio moving forward. Whilst we continue to believe in the prospective development potential of these Finnish assets, our primary focus is on our growing operations in Greenland, which we want to advance into production as soon as possible. We will continue to keep shareholders updated with progress relating to this. The Company has been undertaking focussed diamond drilling on these licence areas over the last 4 months, the larger strategy and results will be released to market in due course once we have completed a renewed licencing process to cover some new areas of interest identified by the recent drilling.

It is our opinion that Finland is a strategic asset and with >28,000 hectares under our licence, we are committed to maximising shareholder value in due course.

### **Corporate Update**

In March 2017, the Company changed its name from FinnAust Mining plc to Bluejay Mining plc. This was reflective of the Company's re-focused strategy on Greenland, which also led to Board changes during the period under review.

In June 2017 Peter Waugh joined the Board as a Non-Executive Director. Peter, who has been a consultant to the Company since February 2016, is an experienced technical director and consultant with more than 30 years' experience in the global titanium dioxide industry. Having already been invaluable in building our sales strategy for Pituffik ilmenite product, Peter will now be responsible for driving off-take arrangements and securing an end user for our product.

In tandem with this appointment, Mr Graham Marshall stepped down from his role as Non-Executive Chairman but continues to support the Board as a Non-Executive Director. The Company is currently progressing its search for a replacement Chairman.

## **Financials**

In June 2017 Bluejay successfully raised £3.5 million via an oversubscribed placing of new shares. In addition, the existing ordinary shares that were held by Western Areas Ltd ('Western Areas') were placed. This resulted in Western Areas relinquishing their interest in the Company, as agreed with the Board of Bluejay, so that the Company's shareholder structure would be more attractive to institutional investors. This move proved successful and we are delighted to now count Prudential plc as one of our major shareholders.

As is to be expected with an exploration company, for the six-month period ended 30 June 2017 the Group is reporting a pre-tax loss of £785,377 (six months ended 30 June 2016: £380,724). The Group's net cash balance as at 30 June 2017 was £5,761,518 (six months ended 30 June 2016: £425,046).

## **Outlook**

Pituffik is prime for development. Its uniquely pure and high grade homogenous mineralisation is amenable to low cost production and its highly strategic location close to end users means that Pituffik is set to produce premium ilmenite product at a cost significantly lower than many current producers, giving us a very favourable competitive advantage.

Having run multiple exploration programmes in parallel with each other we have been able to significantly cut the development time of our Project and we are committed to maintaining this fast-paced approach to advance into production and ultimately realise significant value for our stakeholders. In the coming months shareholders can expect material updates relating to our offtake discussions, resource expansion, licencing applications and production plans.

Demand for titanium minerals such as ilmenite is closely linked to titanium dioxide pigment manufacture. All of the major pigment producers continue to report strong demand and rising prices so the outlook for ilmenite remains extremely positive. Accordingly, I believe this is an opportune time to be advancing our Project into production. Add to this the additional upside available from our wider development portfolio, our recently strengthened shareholder base, together with our board and management team who have proven operating experience in Greenland, and I believe our Company is poised for growth. I look forward to our future as an established, cash generative mining company.

Finally, I would like to thank our shareholders and board and management team for their

continued support and hard work. I look forward to providing the market with updates on our upcoming milestone developments in the near term.

Roderick McIlree  
Chief Executive Officer  
23 August 2017

### **Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

For further information please visit <http://www.titanium.gl> or contact:

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### **CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	6 months to 30 June 2017 Unaudited £	6 months to 30 June 2016 Unaudited £
<b>Continuing operations</b>			
Revenue		-	-
Administration expenses		<b>(797,352)</b>	(389,600)
Foreign exchange		<b>11,278</b>	8,737
Other gains		-	-
<b>Operating loss</b>		<b>(786,074)</b>	(300,863)
Finance income		<b>737</b>	139
Finance costs		<b>(40)</b>	-
<b>Loss before taxation</b>		<b>(785,377)</b>	(380,724)
Corporate tax expense		-	-
<b>Loss for the period</b>		<b>(785,377)</b>	(380,724)
<b>Loss attributable to</b>			
- Owners of the Parent		<b>(785,377)</b>	(374,514)
- Non-controlling interests		-	(6,210)
<b>Loss for the period</b>		<b>(785,377)</b>	(380,724)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Currency translation differences		<b>237,599</b>	847,127
<b>Total comprehensive income for the period</b>		<b>(547,778)</b>	466,403
<b>Total comprehensive income for the period attributable to</b>			
- Owners of the Parent		<b>(547,778)</b>	466,403
- Non-controlling interests		-	-
<b>Total comprehensive income for the period</b>		<b>(547,778)</b>	466,403
<b>Loss per share from continuing operations attributable to the equity owners of the parent</b>			
Basic and diluted (pence per share)	6	<b>(0.113) p</b>	(0.172) p



<b>Items that may be subsequently reclassified to profit or loss</b>								
Currency translation differences	-	-	-	847,127	-	847,127	-	847,127
<b>Total comprehensive income for the year</b>	-	-	-	<b>847,127</b>	<b>(374,514)</b>	<b>472,613</b>	<b>(6,210)</b>	<b>466,403</b>
Proceeds from share issues	5,807	1,155,537	-	-	-	1,161,344	-	1,161,344
Issue costs	-	(44,108)	-	-	-	(44,108)	-	(44,108)
Share based payments	13,034	797,718	-	-	-	810,752	-	810,752
Issued options	-	-	-	29,457	-	29,457	-	29,457
Expired options	-	-	-	(71,658)	71,658	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-	-	596,771	596,771
<b>Total transactions with owners, recognised in equity</b>	<b>18,841</b>	<b>1,909,147</b>	<b>-</b>	<b>(42,201)</b>	<b>71,658</b>	<b>1,957,445</b>	<b>596,771</b>	<b>2,554,216</b>
<b>Balance as at 30 June 2016</b>	<b>5,938,572</b>	<b>16,183,675</b>	<b>1,825,104</b>	<b>(7,600,301)</b>	<b>(4,458,414)</b>	<b>11,888,636</b>	<b>590,561</b>	<b>12,479,197</b>
<b>Balance as at 1 January 2017</b>	<b>5,951,291</b>	<b>21,890,866</b>	<b>1,825,104</b>	<b>(7,247,122)</b>	<b>(5,487,149)</b>	<b>16,932,990</b>	<b>583,374</b>	<b>17,516,364</b>
Loss for the period	-	-	-	-	(785,377)	(785,377)	-	(785,377)
<b>Other comprehensive income for the year</b>								
<b>Items that may be subsequently reclassified to profit or loss</b>								
Currency translation differences	-	-	-	237,599	-	237,599	-	237,599
<b>Total comprehensive income for the year</b>	-	-	-	<b>237,599</b>	<b>(785,377)</b>	<b>(547,778)</b>	-	<b>(547,778)</b>
Proceeds from share issues	2,916	3,497,084	-	-	-	3,500,000	-	3,500,000
Issue costs	-	(324,509)	-	-	-	(324,509)	-	(324,509)
Share based payments	11,666	1,152,727	-	-	-	1,164,393	-	1,164,393
Issued options	-	-	-	2,509	-	2,509	-	2,509
Exercised options	947	606,552	-	(56,112)	56,112	607,499	-	607,499
Acquisition of non-controlling interest	-	-	-	-	-	-	(583,374)	(583,374)
<b>Total transactions with owners, recognised in equity</b>	<b>15,529</b>	<b>4,931,854</b>	<b>-</b>	<b>(53,603)</b>	<b>56,112</b>	<b>4,949,892</b>	<b>-</b>	<b>4,366,518</b>
<b>Balance as at 30 June 2017</b>	<b>5,966,820</b>	<b>26,822,720</b>	<b>1,825,104</b>	<b>(7,063,126)</b>	<b>(6,216,414)</b>	<b>21,335,104</b>	<b>-</b>	<b>21,335,104</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>6 months to 30 June 2017 Unaudited £</b>	<b>6 months to 30 June 2016 Audited £</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(785,377)	(380,724)
Adjustments for:		
Net finance (income)/expense	-	151
Share option expense	2,509	29,457
Share based payments	70,000	129,302
Depreciation	92,892	3,278
Foreign exchange differences	(347,842)	(44,324)
(Increase)/decrease in trade and other receivables	(342,622)	(93,518)
(Decrease)/increase in trade and other payables	81,758	58,170
<b>Net cash used in operations</b>	<b>(1,228,682)</b>	<b>(298,208)</b>
<b>Cash flows from investing activities</b>		
Interest received	-	(151)
Cash consideration for subsidiaries net of cash	-	4,182
Purchase of property, plant and equipment	(643,640)	(2,307)
Purchase of software	(1,836)	(5,312)
Purchase of intangible assets	(753,234)	(609,057)
<b>Net cash generated from investing activities</b>	<b>(1,398,710)</b>	<b>(612,645)</b>
<b>Cash flows from financing activities</b>		
Proceeds received from issue of shares	4,256,349	1,161,344
Cost of issue	(324,509)	(44,108)
Proceeds from borrowings	-	(122,500)
<b>Net cash generated from financing activities</b>	<b>3,931,840</b>	<b>994,736</b>

<b>Net increase in cash and cash equivalents</b>	1,304,448	83,883
<b>Cash and cash equivalents at beginning of period</b>	4,474,762	334,661
Exchange (losses)/gains on cash and cash equivalents	(17,692)	6,502
<b>Cash and cash equivalents at end of period</b>	5,761,518	425,046

### **Major non-cash transactions**

On 5 January 2017, the Company issued 7,584,238 new ordinary shares of £0.0001 each ('Ordinary Shares') as consideration in connection with the 100% acquisition of Disko Exploration Limited (previously Avannaa Exploration Limited).

On 13 March 2017, the Company issued 108,071,388 new Ordinary Shares as consideration in connection with the acquisition of the remaining 30.63% in BJ Mining Limited.

## **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

### **1. General Information**

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

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

On 21 March 2017, the Company changed its accounting reference date from 30 June to 31 December. As a result of the change, the Company is reporting Unaudited results for the six months ended 30 June 2017 with Audited results for the 18 months ended 31 December 2017 to be published no later than 30 June 2018.

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

### **2. Basis of Preparation**

The condensed interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

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

#### *Going concern*

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that,

therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2017.

#### *Risks and uncertainties*

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2016 Annual Report and Financial Statements, a copy of which is available on the Company's website: [www.bluejaymining.com](http://www.bluejaymining.com). The key financial risks are liquidity risk, credit risk, interest rate risk and fair value estimation.

#### *Critical accounting estimates*

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 3 of the Company's 2016 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period except for the following:

### **3. Accounting Policies**

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

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

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

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

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

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

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

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

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

1. Not yet endorsed by the EU.

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

#### 4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2017 (six months ended 30 June 2016: £nil).

#### 5. Intangible Assets

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

<b>Cost and Net Book Value</b>	<b>Goodwill</b>	<b>Exploration &amp; evaluation assets £</b>	<b>Total £</b>
Balance as at 1 January 2017	-	13,122,167	<b>13,122,167</b>
Additions	-	753,234	<b>753,234</b>
Addition through acquisition of subsidiary (at fair value)	-	621,459	<b>621,459</b>
Exchange rate movements	-	606,965	<b>606,965</b>
As at period end	-	15,103,825	<b>15,103,825</b>

On 5 January 2017, the Group acquired the entire issued share capital of Disko Exploration Limited for £500,000. Disko Exploration Limited holds two exploration licences in southwest Greenland being the 194sq km Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project and the 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project. Completion of the acquisition increases the Groups land position in Greenland and its long-term project pipeline.

#### 6. Loss per Share

The calculation of loss per share is based on a retained loss of £785,377 for the six months ended 30 June 2017 (six months ended 30 June 2016: £380,724) and the weighted average number of shares in issue in the period ended 30 June 2017 of 693,350,259 (six months ended 30 June 2016: 357,925,047).

No diluted earnings per share is presented for the six months ended 30 June 2017 or six months ended 30 June 2016 as the effect on the exercise of share options would be to decrease the loss per share.

#### 7. Other Receivables

The Company is in discussions with HMRC in connection with the status of its VAT registration. HMRC is investigating whether the Company was entitled to have reclaimed input VAT and in April 2016 issued a notice of assessment to the Company claiming £255,492 plus interest. The Directors' are confident having taken professional advice that they will be able to satisfactorily challenge HMRC's decision and believe the registration in place to be fully justified. In the opinion of the Directors, the outcome of the discussions is unlikely to result in the Company having to refund any VAT previously reclaimed, although the investigation remains ongoing.

#### 8. Events after the Reporting Date

There have been no events after the reporting date of a material nature.

#### 9. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 22 August 2017.

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

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