

Bluejay Mining plc / EPIC: JAY / Market: AIM / Sector: Mining
21 May 2020

**Bluejay Mining plc ('Bluejay' or the 'Company')
Final Results and Notice of AGM**

Bluejay Mining plc, an AIM and FSE listed company with projects in Greenland and Finland, is pleased to announce its final results for the year ended 31 December 2019. The Company also gives notice that its Annual General Meeting ('AGM') will be held on 18 June 2020 at 10:00 a.m. at the Company's registered office, 7-9 Swallow Street, London, W1B 7DE. Dial-in-details to enable shareholders to attend the AGM remotely are included in the Notice of AGM, copies of which, together with the Form of Proxy and Annual Report will be posted to shareholders tomorrow and available to view on the Company's website shortly.

Highlights:

- Focussed on commencing near-term production at the world class Dundas Ilmenite Project in Greenland
 - o Working agreement with Rio Tinto Iron and Titanium Canada Inc. ongoing with smelter testing due 2021
 - o Confidential MOU signed with multinational trading firm in the titanium feedstock market with possible project financing
 - o Mining Licence application currently entering the Public Consultation phase with EIA and SIA both confirmed compliant
- Expanded the Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum-cobalt project in Greenland as a result of confidence in the discovery potential
 - o Encouraging results support the presence of a nickel-copper bearing mineralisation
- Increased the Kangerluarsuk Sed-Ex lead-zinc-silver project area by more than five-fold to 692km²
 - o Mapping suggests known zinc, lead, silver and copper occurrences could be up to 40m thick
- 2020 exploration and maiden drill programme planned at Disko and Kangerluarsuk postponed in light of COVID-19 but desktop studies to refine drill targets are progressing
- Acquired two new exploration licences in south Greenland,

together the Thunderstone Project, making Bluejay the largest operational landowner in Greenland

- Successful fundraising of £11.5m at 10p per share included institutional support from German, Danish, UK and Irish investors and investment from the Greenlandic and Danish Government investment funds
- Cost Savings Initiatives
 - o Implemented a cost saving programme in April 2020 to reduce corporate overheads and ensure company longevity as a result of COVID-19
 - o Greenlandic authorities have waived the Exploration Licence commitments for 2020 further alleviating corporate overheads

Chairman's Statement

In light of these unprecedented times and the subsequent challenging economic climate, I would like to begin my report by sending my well wishes to all and thanking the entire Bluejay Mining plc ('Bluejay' or the 'Group') team for remaining as focused as ever. Bluejay continues to be steadfast in holding a world class strategic portfolio of value accretive assets and I am pleased to say that the breadth and potential of our portfolio is considerable; from our emergent grassroots operations in Greenland and Finland, all the way through to our more established, near term target production assets in Greenland that include the world's highest grade ilmenite sand project. We have built a portfolio that spans the full value chain and offers shareholders significant uplift potential.

To deliver on this potential, Bluejay's primary focus is commencing production at our flagship asset, the Dundas Ilmenite Project, which currently possesses a JORC compliant Mineral Resource of 117Mt at 6.1% ilmenite in situ. For Bluejay and our stakeholders worldwide, Dundas represents significant near-term value potential thanks to the incredibly high grades of ilmenite in-situ and the sheer size of the deposit. As a result, we have been able to secure a number of highly strategic commercial agreements with significant industry leaders; our ongoing working agreement with Rio Tinto Iron and Titanium Canada Inc. ('RTIT') has enabled us to complete our first major bulk sample export for processing in Quebec, Canada, and a confidential MOU with a multinational trading firm in the global titanium feedstock market with offtake potential for up to 200tkpa ilmenite and possible project financing, creates significant opportunity. Alongside this, we continue to engage with a number of other leading industry players with a view to

securing additional commercial offtake agreements.

The bulk sample for RTIT was produced at our pilot plant in Quebec, which commenced operation in February 2020 and had been running at full capacity for several weeks until COVID-19 outbreak. Whilst the plant is now on care and maintenance in line with the Quebec's government guidance that all non-essential businesses should close, we are poised to recommence activity once it is safe and sensible to do so and we look forward to RTIT smelter testing the sample in 2021, which will be a key milestone for finalising our future engagement with them.

Whilst we are in a fortunate position that we have a provisional licence that enables us to ship the requisite material for the RTIT bulk sample, a key point in any project's commercialisation is its licencing. Over the past year great progress has been made regarding the Exploitation Licence; we have successfully submitted the Environmental Impact Assessment and Social Impact Assessment, both of which have been confirmed compliant for the Public Consultation phase, which are currently being completed. We remain confident that the fantastic support Dundas' has consistently received from the local communities and authorities will enable us to conclude the Public Consultation swiftly, as we now work closely with the government to finalise a way in which to satisfy this licencing requirement whilst adhering to COVID-19 restrictions.

Whilst Bluejay's operational focus remains concentrated on the continued de-risking and development of Dundas into a commercially viable operation, our other promising Greenlandic assets remain at the forefront of future development plans. Earlier in 2019 the team turned its attention to expanding the Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide nickel-copper-platinum-cobalt project in Greenland, a vast, highly prospective and strategically located project with proven potential to host similar mineralisation to the world's most sizeable nickel-copper sulphide mine, Norilsk-Talnakh, in Siberia. Large scale systematic sampling surveys were undertaken during the period which returned encouraging results supporting the presence of a nickel-copper bearing mineralisation, thus paving the way for further refining of drill site targets over the licence area. Testament to our confidence in the discovery potential of Disko, we extended the licence in February 2020 by 76 km² to 2,897 km², which was also paired with acquiring a new licence holding over the area.

Unfortunately, the planned 2020 advanced exploration and maiden

drilling campaign scheduled at Disko and simultaneously at our Kangerluarsuk Sed-Ex lead-zinc-silver project ('Kangerluarsuk') in southwest Greenland has been postponed as a result of COVID-19. However, extensive desktop analysis to define drill targets and assess future opportunities for these programmes has been completed during the lockdown period, enabling the team to hit the ground running should restrictions be lifted early enough to recommence operations this 2020 field season. At Kangerluarsuk, drilling will target known zinc, lead, silver and copper occurrences that have correlations with the neighbouring former Black Angel zinc-lead-silver mine. Mapping suggests these occurrences could be up to 40m thick and as a result of our confidence in the licence's prospectivity, post-period-end in January 2020 we increased the project area by more than five-fold to 692km².

These licence expansions together with a purchase in the second quarter of this year of two new exploration licences in south Greenland focussing on base metals and gold, known as the Thunderstone Project ('Thunderstone') totalling 2,025km² resulted in Bluejay becoming the single largest operational landholder in Greenland. This prestigious position underpins our confidence in the quality and discovery potential together with the overall commitment Bluejay has to the region.

Crucially, it is not just Bluejay that has such strong confidence in the value potential of Greenland. In November 2019, the Company was delighted to raise £11.5m at 10p per share. This was a significant achievement, in challenging markets. We were able to attract institutional support from German, Danish, UK and Irish investors while also securing investment from Greenlandic and Danish Government investment funds, thus demonstrating a solid endorsement of Bluejay's in-country activities. More recently an equal portion from both of the Danish and Greenlandic holdings was transferred to SISA, the Greenlandic Pension Fund, resulting in all three entities holding equal thirds.

To maximise these funds and ensure the longevity of our company given the current COVID-19 backdrop we implemented a cost saving programme in April 2020 to reduce corporate overheads. For this I would like to give my thanks to the entire Bluejay team for supporting our company in this endeavour by agreeing to a 30% reduction in all staff pay, including directors. I would also like to give my thanks and commend the Greenlandic authorities for the support they have shown Greenland's mining industry by waiving Exploration Licence commitments for 2020, thereby removing the associated financial

responsibilities. This responsible approach is testament to the quality of the jurisdiction in which we operate.

The team is also pleased to maintain a portfolio of Finnish assets; the Hammaslahti copper-zinc-gold-silver project, the Enonkoski nickel-copper-cobalt-PGM project and the Outokumpu copper-nickel-cobalt-cold project. This portfolio continues to be cost-sustainable whilst we determine the best plan for future development.

Outlook

Bluejay's investment model is based on five key sources of value - high grade, scalable deposits, low capex, simple processing routes and a supportive jurisdiction. Using our strategy of 'discover, develop and deliver', the team endeavours to ensure that we recognise and capitalise upon these signature features across all of our projects to maximise value creation. In the course of this year we have firmly followed this approach, increasing our land holding to encompass assets that meet our stringent investment criteria, and implementing targeted development campaigns to advance our portfolio and realise value.

Our most advanced asset and with an internationally renowned status, Dundas, hosts a vast deposit that is proven to be the highest grade globally and requires a simple mining operation with minimal processing. Furthermore, Bluejay has experienced strong demand for its end product, where the export markets and routes are well established. The next major hurdle is to secure the requisite Exploitation Licence and given the incredibly strong support that Bluejay and the project has consistently received from both the government and local community, we remain positive that this is a near term deliverable.

To this end I am grateful to all of the communities in which we operate, our strategic partners, stakeholders, advisors and the entire Bluejay team for their continued support and tireless work. Whilst the immediate global outlook continues to be dominated by the extensive reach of COVID-19, we are confident of a promising future beyond this, and look forward to a productive and promising 2020/2021. In the meantime, we hope everyone continues to stay safe and well and we look forward to providing further updates on our ongoing desktop studies, licencing and commercial discussions as soon as we are in a position to do so.

STATEMENTS OF FINANCIAL POSITION As at 31 December 2019

Group

Company

	Note	31 December 2019 £	31 December 2018 £	31 December 2019 £	31 December 2018 £
Non-Current Assets					
Property, plant and equipment	6	2,768,423	2,846,091	177,838	44,277
Intangible assets	7	23,138,507	15,478,246	-	-
Investment in subsidiaries	9	-	-	28,088,279	20,918,061
		25,906,930	18,324,337	28,266,117	20,962,338
Current Assets					
Financial assets at fair value through profit or loss	8	-	330,402	-	330,402
Trade and other receivables	10	1,459,755	768,960	1,728,371	840,620
Cash and cash equivalents	11	10,314,701	8,843,709	10,197,337	8,777,619
		11,774,456	9,943,071	11,925,708	9,948,641
Total Assets		37,681,386	28,267,408	40,191,825	30,910,979
Non-Current Liabilities					
Lease liabilities	13	62,220	-	62,220	-
Deferred tax liabilities	14	496,045	496,045	-	-
		558,265	496,045	62,220	-
Current Liabilities					
Lease liabilities	13	80,814	-	80,814	-
Trade and other payables	12	1,242,847	783,836	996,176	469,554
		1,323,661	783,836	1,076,990	469,554
Total Liabilities		1,881,926	1,279,881	1,139,210	469,554
Net Assets					
Equity attributable to owners of the Parent		35,799,460	26,987,527	39,052,615	30,441,425
Share capital	16	7,484,066	7,800,237	7,484,066	7,800,237
Share premium	16	55,463,656	43,739,139	55,463,656	43,739,139
Other reserves	18	(7,604,567)	(6,799,892)	660,536	311,397
Retained losses		(19,543,695)	(17,751,957)	(24,555,643)	(21,409,348)
Total Equity		35,799,460	26,987,527	39,052,615	30,441,425

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 loss for the Company for the year ended 31 December 2019 was £3,161,498 (year ended 31 December 2018: £8,894,678).

CONSOLIDATED INCOME STATEMENT For the year ended 31 December 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Continued operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	25	(2,259,624)	(1,800,851)
Other gains/(losses)	22	567,068	(93,111)
Foreign exchange		(121,891)	(23,757)
Operating loss		(1,814,447)	(1,917,719)
Impairments	7	-	(8,873,585)
Finance income	21	6,454	12,209
Other income		1,052	2,409
Loss before income tax		(1,806,941)	(10,776,686)
Income tax expense	23	-	-
Loss for the year attributable to owners of the Parent		(1,806,941)	(10,776,686)
Basic and Diluted Earnings Per Share attributable to owners of the Parent during the period (expressed in pence per share)	24	(0.21)p	(1.279)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2019

	Year ended 31 December 2019	Year ended 31 December 2018
	£	£
Loss for the year	(1,806,941)	(10,776,686)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(1,153,814)	150,660
Other comprehensive income for the year, net of tax	(1,153,814)	150,660
Total Comprehensive Income attributable to owners of the Parent	(2,960,755)	(10,626,026)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total £
Balance as at 1 January 2018		7,792,372	27,220,576	(6,949,904)	(6,975,919)	21,087,125
Loss for the year		-	-	-	(10,776,686)	(10,776,686)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	150,660	-	150,660
Total comprehensive income for the period		-	-	150,660	(10,776,686)	(10,626,026)
Proceeds from share issues	16	7,828	17,092,171	-	-	17,099,999
Issue costs	16	-	(641,071)	-	-	(641,071)
Share based payments	17	37	67,463	-	-	67,500
Exercised options	17	-	-	(648)	648	-
Total transactions with owners, recognised directly in equity		7,865	16,518,563	(648)	648	16,526,428
Balance as at 31 December 2018		7,800,237	43,739,139	(6,799,892)	(17,751,957)	26,987,527
Balance as at 1 January 2019		7,800,237	43,739,139	(6,799,892)	(17,751,957)	26,987,527
Loss for the year		-	-	-	(1,806,941)	(1,806,941)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	(1,153,814)	-	(1,153,814)
Total comprehensive income for the year		-	-	(1,153,814)	(1,806,941)	(2,960,755)
Proceeds from share issues	16	11,500	11,488,500	-	-	11,500,000
Issue costs	16	-	(175,800)	-	-	(175,800)
Share based payments	17	496	411,817	36,175	-	448,488
Exercised options	17	-	-	(13,605)	13,605	-
Expired options	17	-	-	(1,598)	1,598	-
Other equity adjustments	16	(328,167)	-	328,167	-	-
Total transactions with owners, recognised directly in equity		(316,171)	11,724,517	349,139	15,203	11,772,688
Balance as at 31 December 2019		7,484,066	55,463,656	(7,604,567)	(19,543,695)	35,799,460

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 January 2018		7,792,372	27,220,576	312,045	(12,515,318)	22,809,675
Loss for the year		-	-	-	(8,894,678)	(8,894,678)
Total comprehensive income for the year		-	-	-	(8,894,678)	(8,894,678)
Proceeds from share issues	16	7,828	17,092,171	-	-	17,099,999
Issue costs	16	-	(641,071)	-	-	(641,071)
Share based payments	17	37	67,463	-	-	67,500
Exercised options	17	-	-	(648)	648	-
Total transactions with owners, recognised directly in equity		7,865	16,518,563	(648)	648	16,526,428
Balance as at 31 December 2018		7,800,237	43,739,139	311,397	(21,409,348)	30,441,425
Balance as at 1 January 2019		7,800,237	43,739,139	311,397	(21,409,348)	30,441,425

Loss for the year	-	-	-	(3,161,498)	(3,161,498)
Total comprehensive income for the year	-	-	-	(3,161,498)	(3,161,498)
Proceeds from share issues	16	11,500	11,488,500	-	11,500,000
Issue costs	16	-	(175,800)	-	(175,800)
Share based payments	17	496	411,817	-	412,313
Issued Options	17	-	-	36,175	36,175
Exercised options	17	-	-	(13,605)	13,605
Expired Options	17	-	-	(1,598)	1,598
Other equity adjustments		(328,167)	-	328,167	-
Total transactions with owners, recognised directly in equity		(316,171)	11,724,517	349,139	15,203
Balance as at 31 December 2019		7,484,066	55,463,656	660,536	(24,555,643)
					39,052,615

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2019

		Group	Year ended	Company	Year ended
		Year ended	31	Year ended	31
		31	December	31	December
		2019	2018	2019	2018
	Note	£	£	£	£
Cash flows from operating activities					
Loss before income tax		(1,806,941)	(10,776,686)	(3,161,498)	(8,894,678)
Adjustments for:					
Depreciation	6	500,479	250,590	61,519	12,745
Loss/(gain) on financial assets at FVTPL	8	(668,133)	96,573	(668,133)	96,573
Loss on sale of property, plant and equipment	6	71,644	-	-	-
Share options expense	17	36,175	-	36,175	-
Share based payments	17	412,313	45,000	412,313	45,000
Intercompany management fees		-	-	(665,120)	(620,482)
Net finance (income)/costs	21	(6,454)	(12,906)	(458,442)	(303,912)
Non cash loss/(gain)		96,568	-	1,483,889	-
Impairments	7	-	8,873,585	-	8,010,452
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	10	(1,156,028)	(174,810)	647,777	404,782
Increase/(Decrease) in trade and other payables	12	459,847	241,867	526,623	(42,224)
Net cash used in operating activities		(2,060,530)	(1,456,787)	(1,784,897)	(1,291,744)
Cash flows from investing activities					
Purchase of property plant and equipment	6	(543,556)	(2,452,284)	(12,539)	(48,689)
Sale of financial assets at FVTPL	8	998,535	-	998,535	-
Sale of property, plant and equipment	6	165,140	-	-	-
Purchase of quoted shares measured at fair value through the profit or loss	8	-	(426,975)	-	(426,975)
Purchase of intangible assets	7	(7,841,020)	(6,251,969)	-	-
Interest received		10,683	12,906	10,683	12,210
Net cash used in investing activities		(7,210,218)	(9,118,322)	996,679	(463,454)
Cash flows from financing activities					
Proceeds from issue of share capital	16	10,925,000	17,099,999	10,925,000	17,099,999
Transaction costs of share issue	16	(175,800)	(641,071)	(175,800)	(641,071)
Loans granted to subsidiary undertakings		-	-	(8,538,772)	(8,746,995)
Interest paid		(4,229)	-	(2,492)	-
Net cash generated from financing activities		10,744,971	16,458,928	2,207,936	7,711,933
Net decrease/(increase) in cash and cash equivalents		1,474,223	5,883,819	1,419,718	5,956,735
Cash and cash equivalents at beginning of year			8,843,709	8,777,619	2,820,884
Exchange gain on cash and cash equivalents		(3,231)	57,968	-	-
Cash and cash equivalents at end of year	11	10,314,701	8,843,709	10,197,337	8,777,619

Major non-cash transactions

During the year, the Company issued share capital for proceeds of £11.5m. An amount of £575,000 is unpaid at 31 December 2019.

The Company has issued shares as settlement for expenses with a value of £412,313.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 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 7-9 Swallow Street, London, W1B 4DE.

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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS and IFRS IC interpretations. 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 IFRS 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

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2019

As of 1 January 2019, the Company adopted IFRS 16 Leases, Amendments to IFRS 2 - classification and measurement of share based

payments transactions, Annual improvements to IFRS Standards 2015-2017 cycle and IFRIC 23 Uncertainty over income tax treatments.

IFRS 16 Adoption

On 1 January 2019, the Group adopted the provisions of IFRS 16 - Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019 where material. Accordingly, the comparative information presented for 2018 has not been restated.

IFRS 16 has been applied to one new lease which was adopted during the financial year. In the Statement of Financial Position, the right-of-use asset is recorded in non-current assets as part of property, plant and equipment and the lease liability is split between current liabilities for the portion due within 12 months and non-current liabilities for the remainder.

To determine the split between principal and interest in the lease the incremental borrowing rate of the Group was applied. This method was adopted as the Group was not able to ascertain the implied interest rate in the lease.

The Group has applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company Financial Information.

(b) 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 3 (Amendments)	Definition of a Business	*1 January 2020
IAS 1 and IAS 8 (Amendments)	Definition of material	1 January 2020
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	*1 January 2022

**subject to EU endorsement*

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 statements.

2.3. Basis of Consolidation

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. 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:

- 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. 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.

2.4. Going concern

As described in Note 30, the Group is managing the impact of the COVID-19 pandemic on its business and the uncertainty it creates. The Company has taken swift pre-emptive action to ensure the safety of its employees, contractors and supply chain. This includes a full financial and strategic review designed to safeguard and ensure the stability and longevity of Bluejay activities for the benefit for all its stakeholders and as a result the Group have postponed all fieldwork until the UK and Greenland Governments confirm it is safe to do so.

The Consolidated Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group has sufficient funds to meet all committed and contractual expenditure within the next 12 months and to maintain good title to the exploration licences. This will ensure they will still be in a strong financial position once they are able to re-commence exploration activity.

The Group's business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman's Report. In addition, Note 3 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

The Directors have a reasonable expectation that the Group and Company have sufficient resources to continue in the current economic climate with the COVID-19 pandemic and for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group and 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 and Austrian 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.

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

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

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. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(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 derecognized 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. The Group holds equity instruments that are classified as FVTPL as these were acquired principally for the purpose of selling in the near term.

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.

The Group measures its investments in quoted shares using the quoted market price.

(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.

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.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

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. Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or the rate as at the commencement date;
- The exercise price of a purchase option; and
- Payment of penalties for terminating the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in note 13.

Rent payable under operating leases on which the short term exemption has been taken, less any lease incentives received, is charged to the income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.14. Cash and cash equivalents

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

2.15. 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;
 - o "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
 - o "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
 - o "Reverse acquisition reserve" represents a non-distributable reserve arising on the acquisition of Finland Investments Limited;
 - o "Redemption reserve" represents a non-distributable reserve made up of share capital;
 - o "Share option reserve" represents share options awarded by the group;
- "Retained earnings" represents retained losses.

2.16. 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.

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.

2.17. 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 (for example, the requirement for employees to save).

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.

2.18. Taxation

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

Deferred tax is recognised for 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 liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

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 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 not sensitised the figures for fluctuations in foreign exchange rates as the Directors are of the opinion that these fluctuations, apart from the retranslation of intercompany loans at the closing rate, would not have a significant impact on the financial statements of the Group. However, 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. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

(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 2019 the Group had borrowings of £nil (31 December 2018: £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:

Potential impact on Euro expenses: 2019	Loss before tax for the year ended 31 December 2019		Equity before tax for the year ended 31 December 2019	
	Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate	£	£	£	£
10%	(1,815,118)	(3,070,151)	36,212,767	39,143,962
-10%	(1,798,764)	(3,070,151)	35,386,153	39,143,962

Potential impact on DKK expenses: 2019	Loss before tax for the year ended 31 December 2019		Equity before tax for the year ended 31 December 2019	
	Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate	£	£	£	£
10%	(1,854,789)	(3,070,151)	37,595,930	39,143,962

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 2019 of £23,138,507 (2018: £15,478,246). 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.

Included within intangible assets at 31 December 2019 is an amount of £3,999,977 (2018: £3,983,108) in respect of projects in Finland. In the previous year the Directors assessed this amount as recoverable through a new strategy of entering into a joint venture with a preferred partner. As at 31 December 2019 the Directors have not finalised and agreed binding terms with a preferred partner. The Directors have not

recognised any impairment to this amount because they consider that they will be able to successfully finalise the terms and recover the carrying amount in full. If a preferred partner cannot be located, then it is likely that an impairment charge will be necessary in respect of Finish projects and this is considered a critical accounting judgement.

The Directors have reviewed the estimated value of each project prepared by management and have concluded that the no impairment is to be recognised.

Recoverability of the loan due from FinnAust Mining Finland Oy

The Directors have assessed that there is no impairment required to the Intangible assets in respect of the projects in Finland with a carrying amount of £3,999,977. The Directors have not impaired a receivable due from FinnAust Mining Finland Oy with a carrying value of £6,764,324. The recoverability of this receivable is dependent on the success of the underlying project in Finland. Therefore, the carrying value of the receivable from FinnAust Mining Finland Oy exceeds the carrying amount of the projects in Finland by £2,764,347. The Directors consider that the receivable due from FinnAust Mining Finland Oy will be recovered in full by entering into a joint venture with a preferred partner, however the Group has not finalised such an arrangement and therefore the recoverability of the receivable in the Company financial statements is considered to be a critical accounting estimate.

VAT receivable

At 31 December 2019, the Group and Company have recognised an amount of £588,302 (2018: £463,704) within trade and other receivables which relates to VAT receivable. The amount is subject to an on-going enquiry with HMRC, further details of which can be found in Note 27. The Directors believe that the amount will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

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. No share options or warrants were issued in the current year.

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 16.

Recovery of other receivables

Included in other receivables is an amount of £575,000 (2018: £nil) as at 31 December 2019 in respect of unpaid ordinary share capital issued on 25 November 2019. The Directors believe that the amount will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

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, 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.

2019	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	-
Administrative expenses	(610,008)	(167,185)	(1,482,431)	(2,259,624)
Foreign exchange	(2,186)	(550)	(119,155)	(121,891)
Finance income	-	-	6,454	6,454
Other income	-	1,052	-	1,052
Loss before tax per reportable segment	478,481	81,770	1,246,690	1,806,941
Additions to PP&E	531,017	-	12,539	543,556
Additions to intangible asset	7,573,396	267,624	-	7,841,020
Reportable segment assets	21,840,152	4,092,289	11,748,945	37,681,386

2018	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	-
Administrative expenses	(499,927)	(92,937)	(1,207,987)	(1,800,851)
Foreign exchange	(155,111)	(63,818)	195,172	(23,757)
Finance income	-	-	12,209	12,209
Other income	-	2,409	-	2,409
Impairment of intangible asset	-	8,873,586	-	(8,873,586)
Loss before tax per reportable segment	478,708	8,707,376	1,590,602	10,776,686
Additions to PP&E	2,395,852	23,548	48,690	2,468,090

Additions to intangible asset	5,148,986	1,102,983	-	6,251,969
Reportable segment assets	11,960,517	4,081,746	12,225,145	28,267,408

6. Property, plant and equipment

Group		Right of use assets £	Software £	Machinery & equipment £	Office equipment £	Total £
Cost						
As at 1 January 2018	-	12,664	671,011	11,340	695,015	
Exchange Differences	-	-	6,204	-	6,204	
Additions	-	15,806	2,414,335	37,949	2,468,090	
As at 31 December 2018	-	28,470	3,091,550	49,289	3,169,309	
As at 1 January 2019	-	28,470	3,091,550	49,289	3,169,309	
Exchange Differences	-	-	(164,770)	(274)	(165,044)	
IFRS 16 Adjustment	182,542	-	-	-	182,542	
Additions	-	8,623	531,017	3,916	543,556	
Disposals	-	-	(202,413)	-	(202,413)	
As at 31 December 2019	182,542	37,093	3,255,384	52,931	3,527,950	
Depreciation						
As at 1 January 2018	-	8,113	48,292	7,556	63,961	
Charge for the period	-	6,363	235,935	8,292	250,590	
Exchange differences	-	-	8,667	-	8,667	
As at 31 December 2018	-	14,476	292,894	15,848	323,218	
As at 1 January 2019	-	14,476	292,894	15,848	323,218	
Charge for the year	40,565	10,796	436,487	12,631	500,479	
Disposals	-	-	(37,273)	-	(37,273)	
Exchange differences	-	-	(26,719)	(178)	(26,897)	
As at 31 December 2019	40,565	25,272	665,389	28,301	759,527	
Net book value as at 31 December 2018	-	13,994	2,798,656	33,441	2,846,091	
Net book value as at 31 December 2019	141,977	11,821	2,589,995	24,630	2,768,423	

Depreciation expense of £500,479 (31 December 2018: £250,590) for the Group has been charged in administration expenses.

Company		Right of use assets £	Software £	Office equipment £	Total £
Cost					
As at 1 January 2018	-	12,664	9,033	21,697	
Additions	-	15,806	32,883	48,689	
As at 31 December 2018	-	28,470	41,916	70,386	
As at 1 January 2019	-	28,470	41,916	70,386	
IFRS 16 Adjustment	182,542	-	-	182,542	
Additions	-	8,623	3,916	12,539	
As at 31 December 2019	182,542	37,093	45,832	265,467	
Depreciation					
As at 1 January 2018	-	8,113	5,251	13,364	
Charge for the period	-	6,363	6,382	12,745	
As at 31 December 2018	-	14,476	11,633	26,109	
As at 1 January 2019	-	14,476	11,633	26,109	
Charge for the year	40,565	10,796	10,158	61,519	
As at 31 December 2019	40,565	25,272	21,792	87,629	
Net book value as at 31 December 2018	-	13,994	30,283	44,277	
Net book value as at 31 December 2019	141,977	11,821	24,040	177,838	

Depreciation expense of £61,519 (31 December 2018: £12,745) for the Company has been charged in administration expenses.

7. Intangible assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated. These are measured at cost and have an indefinite asset life. Once the pre-production phase has been entered into, the exploration and evaluation assets will cease to be capitalised and commence amortisation.

Exploration & Evaluation Assets - Cost and Net Book Value	Group 31 December 2019 £	31 December 2018 £
Cost		
As at 1 January	24,351,831	17,971,795
Additions	7,841,020	6,251,969
Exchange differences	(180,759)	128,067
As at year end	32,012,092	24,351,831
Provision for impairment		
As at 1 January	8,873,585	-
Impairments	-	8,873,585
As at year end	8,873,585	8,873,585
Net book value	23,138,507	15,478,246

The Dundas project in Greenland has a current JORC compliant mineral resource of 117 million tonnes at 6.1% ilmenite (in-situ) and has been confirmed as the highest-grade mineral sand ilmenite project globally. 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.

In the previous year, the Directors recognised an impairment of £8,873,585 in respect of exploration projects in Finland following their impairment assessment because certain project areas were no longer considered to be prospective and no further exploration or evaluation work was planned or budgeted for. The carrying value of the remaining project areas in Finland was assessed by the Directors as recoverable through a new strategy of identifying a preferred partner to enter into a joint venture agreement. During 2019 there has been some progress in locating a preferred partner, however no binding terms have been finalised and agreed. The Directors do not consider that the Finish

projects should be impaired further based on being able to finalise terms with a preferred partner in the future.

Following their assessment, the Directors concluded that no impairment charge was required at 31 December 2019.

8. Financial assets measured at fair value

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	£	£	£	£
As at 1 January	330,402	-	330,402	-
Acquisition of quoted shares	-	426,975	-	426,975
Disposal of quoted shares	(998,535)	-	(998,535)	-
Fair value gain	668,133	(96,573)	688,133	(96,573)
As at year end	-	330,402	-	330,402

These investments are held for short-term trading purposes. At the reporting date, all the shares had been sold.

The assets are measured in accordance with Level 1 of the fair value hierarchy by using the quoted market price. There have been no transfers between fair value levels during the year.

9. Investments in subsidiary undertakings

	Company	
	31 December 2019	31 December 2018
	£	£
Shares in Group Undertakings		
At beginning of period	2,000,002	9,700,002
Transfer of investment	58,340	-
Impairment charge	(1,500,000)	(7,700,000)
At end of period	558,342	2,000,002
Loans to Group undertakings	27,621,284	18,918,059
Total	28,179,626	20,918,061

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

During 2019, the Group fully impaired its investment in BJ Mining Limited which had a carrying value of £1,500,000 following a transfer of legal ownership to a third party 100% owned outside the Group. Immediately prior to the transfer of legal ownership, the assets held by BJ Mining Limited were transferred to Dundas Titanium A/S

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	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Dormant
Centurion Universal Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Holding
Centurion Resources GmbH	Schottenring 14 /525 1010 Vienna, Austria	Austria	Nil	100%	Exploration

Finland Investments Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	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	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Exploration
Dundas Titanium A/S	c/o Nuna Advokater ApS, Quillierfik 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.

10. Trade and other receivables

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	£	£	£	£
Current				
Trade receivables	43,925	30,237	4,312	30,236
Amounts owed by Group undertakings	-	-	395,174	191,346
Prepayments	83,423	72,989	83,423	62,685
VAT receivable (See note 25)	619,957	517,178	588,302	463,704
Other receivables	712,450	148,556	657,160	92,649
Total	1,459,755	768,960	1,728,371	840,620

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

Included in other receivables is an amount of £575,000 (2018: £nil) as at 31 December 2019 in respect of unpaid ordinary share capital issued on 25 November 2019.

At 31 December 2019 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.

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

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	£	£	£	£
UK Pounds	1,401,201	618,352	1,728,371	809,699
Euros	38,637	70,756	-	-
Danish Krone	19,917	79,852	-	30,921
	1,459,755	768,960	1,728,371	840,620

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.

11. Cash and cash equivalents

	Group		Company	
	31	31	31	31
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
Cash at bank and in hand	10,314,701	8,843,709	10,197,337	8,777,619

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	31	31	31
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
UK Pounds	10,212,030	8,781,031	10,197,337	8,777,619
Euros	38,236	4,762	-	-
Danish Krone	64,435	57,916	-	-
	10,314,701	8,843,709	10,197,337	8,777,619

12. Trade and other payables

	Group		Company	
	31	31	31	31
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
Trade payables	1,015,968	514,490	932,125	326,225
Other creditors	98,705	125,671	248	13,861
Accrued expenses	128,174	143,675	63,803	129,468
	1,242,847	783,836	996,176	469,554

Trade payables include amounts due of £898,395 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	31	31	31
	December	December	December	December
	2019	2018	2019	2018
	£	£	£	£
UK Pounds	1,061,692	8,781,031	996,176	469,554
Euros	29,957	4,762	-	-
Danish Krone	151,198	57,916	-	-
	1,242,847	8,843,709	996,176	469,554

13. Lease liabilities

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

	Group and Company	
	31	31
	December	December
	2019	2018
	£	£
Lease liabilities		
Not later than one year	80,814	-
Later than one year and no later than five years	62,220	-

	At amortised cost	Total	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	996,176	996,176	469,554	469,554
Finance lease liability	143,034	143,034	-	-
	1,139,210	1,139,210	469,554	469,554

16. Share capital and premium

Group and Company	Number of shares		Share capital	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Ordinary shares	969,969,397	850,007,782	96,996	85,001
Deferred shares	558,104,193	558,104,193	558,104	588,104
Deferred A shares	68,289,656,190	71,271,328,120	6,828,966	7,127,132
Total	69,817,729,780	72,709,440,095	7,484,066	7,800,237

	Number of Ordinary shares	Share capital £	Share premium £	Total £
Issued at 0.01 pence per share				
At 1 January 2018	771,357,866	77,136	27,220,576	27,297,712
Issue of new shares - 11 January 2018	143,495	14	22,486	22,500
Issue of new shares - 1 February 2018 ⁽¹⁾	77,272,728	7,728	16,351,200	16,358,928
Issue of new shares - 23 May 2018	97,835	10	22,490	22,500
Exercise of options - 1 October 2018	1,000,000	100	99,900	100,000
Issue of new shares - 19 October 2018	135,858	13	22,487	22,500
As at 31 December 2018	850,007,782	85,001	43,739,139	43,824,140
As at 1 January 2019	850,007,782	85,001	43,739,139	43,824,140
Issue of new shares - 24 January 2019	1,461,615	145	102,167	102,312
Issue of new shares - 24 January 2019	1,000,000	100	59,900	60,000
Exercise of options - 2 May 2019	300,000	30	29,970	30,000
Exercise of options - 10 May 2019	2,200,000	220	219,780	220,000
Issue of new shares - 25 November 2019 ⁽²⁾	75,000,000	7,500	7,316,700	7,324,200
Issue of new shares - 12 December 2019	40,000,000	4,000	3,996,000	4,000,000
As at 31 December 2019	969,969,397	96,996	55,463,656	55,560,652

(1) Includes issue costs of £641,071

(2) Includes issue costs of £175,800

Deferred Shares (nominal value of 0.1 pence per share)	Number of Deferred shares	Share capital £
As at 1 January 2018	588,104,193	588,104
As at 31 December 2018	588,104,193	588,104
As at 1 January 2019	588,104,193	588,104
Other equity adjustment	(30,000,000)	(30,000)
As at 31 December 2019	558,104,193	558,104

Deferred A Shares (nominal value of 0.1 pence per share)	Number of Deferred A shares	Share capital £
As at 1 January 2018	71,271,328,120	7,127,132
As at 31 December 2018	71,271,328,120	7,127,132
As at 1 January 2019	71,271,328,120	7,127,132
Other equity adjustment	(2,981,671,930)	(298,167)
As at 31 December 2019	68,289,656,190	6,828,966

On 24 January 2019 the Company issued and allotted 1,461,615 new Ordinary Shares at a price of 7 pence per share per share as an exercise of warrants. On this same day the Company issued and allotted 1,000,000 new Ordinary Shares at a price of 6 pence per share as an

exercise of warrants.

On 2 May 2019 the Company issued and allotted 300,000 new Ordinary Shares at a price of 10 pence per share as an exercise of options.

On 10 May 2019 the Company issued and allotted 2,200,000 new Ordinary Shares at a price of 10 pence per share as an exercise of options.

On 25 November 2019 the Company raised £7,500,000 via the issue and allotment of 75,000,000 new Ordinary Shares at a price of 10 pence per share.

On 12 December 2019 the Company raised £4,000,000 via the issue and allotment of 40,000,000 new Ordinary Shares at a price of 10 pence per share.

The Directors have corrected an error in the number of Deferred and Deferred A shares in the year ended 31 December 2019 relating to a share repurchase in 2011 which was not recorded correctly in the financial statements. This is not material and has therefore not amounted to a prior period adjustment. The correcting entry is a recategorisation of £328,167 recorded within share capital which should have been recorded in the capital redemption reserve. The adjustment has no impact on the Company or Group's net assets or profit or loss.

There is an amount of £575,000 which has not been paid as at 31 December 2019 in respect of the ordinary share capital issued on 25 November 2019 which is recorded in other receivables.

17. 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 2019	31 December 2018
29 November 2013	29 May 2019	0.10	-	5,000,000
4 March 2016	3 March 2019	0.06	-	1,000,000
17 December 2016	17 December 2021	0.07	1,228,153	2,689,768
9 June 2017	9 June 2022	0.165	1,025,000	1,025,000
17 October 2017	17 October 2020	0.20	5,350,000	5,350,000
17 October 2017	17 October 2020	0.25	5,350,000	5,350,000
17 October 2017	17 October 2020	0.30	5,350,000	5,350,000
23 July 2019	23 July 2023	0.10	5,200,000	-
23 July 2019	23 July 2023	0.15	5,200,000	-
23 July 2019	23 July 2023	0.20	5,600,000	-
			34,303,153	25,764,768

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:

	2016 Options	2017 Options	2017 Options	2017 Options
Granted on:	17/12/2016	9/6/2017	17/10/2017	17/10/2017
Life (years)	5 years	5 years	3 years	3 years
Share price (pence per share)	7p	15.5p	17.75p	17.75p
Risk free rate	0.81%	0.56%	0.5%	0.5%
Expected volatility	17.64%	31.83%	13.85%	13.85%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	17	34	42	8

	2017 Options	2019 Options	2019 Options	2019 Options
Granted on:	17/10/2017	23/7/2019	23/7/2019	23/7/2019
Life (years)	4 years	4 years	4 years	4 years
Share price (pence per share)	17.75p	7.45p	7.45p	7.45p
Risk free rate	0.5%	0.5%	0.5%	0.5%
Expected volatility	13.85%	21.64%	21.64%	21.64%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	1	31	5	1

The expected volatility of the 2016, 2017 and 2019 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 2019 is shown below:

	2019		2018	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at beginning of period	25,764,768	0.1913	26,764,768	0.1879
Expired	(2,500,000)	-	-	-
Exercised	(4,961,615)	0.085	(1,000,000)	0.1000
Granted	16,000,000	-	-	-
Outstanding as at period end	34,303,153	0.1898	25,764,768	0.1913
Exercisable at period end	34,303,153	0.1898	25,764,768	0.1913

Range of exercise prices (£)	2019		2018		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 - 0.05	-	-	-	-	-	-
0.05 - 2.00	0.1898	34,303,153	3.68	3.68	0.1913	25,764,768
					1.65	1.65

During the period there was a charge of £36,175 (2018: £nil) in respect of share options.

18. Other reserves

Merger reserve	Group Foreign currency translation reserve	Reverse acquisition reserve	Redemption reserve	Share option reserve	Total
£	£	£	£	£	£

At 31 December 2018	166,000	959,712	(8,071,001)	36,463	108,934	(6,799,892)
Currency translation differences	-	(1,153,814)	-	-	-	(1,153,814)
Exercised options	-	-	-	-	(13,605)	(13,605)
Expired Options	-	-	-	-	(1,598)	(1,598)
Issued Options	-	-	-	-	36,175	36,175
Other equity adjustments	-	-	-	328,167	-	328,167
At 31 December 2019	166,000	(194,102)	(8,071,001)	364,630	129,906	(7,604,567)

	Company			
	Merger reserve £	Redemption reserve £	Share option reserve £	Total £
At 31 December 2018	166,000	36,463	108,934	311,397
Exercised options	-	-	(13,605)	(13,605)
Expired Options	-	-	(1,598)	(1,598)
Issued Options	-	-	36,175	36,175
Other equity adjustments	-	328,167	-	328,167
At 31 December 2019	166,000	364,630	129,906	660,536

19. Employee benefit expense

	Group		Company	
	Year ended 31 December 2019 £	Year ended 31 December 2018 £	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Staff costs (excluding Directors)	948,450	790,179	438,012	279,567
Salaries and wages	77,095	108,061	25,322	9,836
Social security costs	5,084	1,616	5,084	1,374
Retirement benefit costs	1,030,629	899,856	468,418	290,777

The average monthly number of employees for the Group during the year was 16 (year ended 31 December 2018:16) and the average monthly number of employees for the Company was 10 (year ended 31 December 2018: 9).

Of the above Group staff costs, £763,055 (year ended 31 December 2018: £485,063) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

20. Directors' remuneration

	Year ended 31 December 2019			
	Short-term benefits £	Post-employment benefits £	Share based payments £	Total £
Executive Directors				
Roderick McIlree	57,612	1,143	-	58,755
Bo Stensgaard ⁽¹⁾	113,438	-	-	113,438
Non-executive Directors				
Ian Henderson	50,000	-	-	50,000
Garth Palmer ⁽²⁾	22,636	619	-	23,255
Peter Waugh	24,000	492	-	24,492
Michael Hutchinson	25,000	-	-	25,000
	292,686	2,254	-	294,940

Of the above Group directors' remuneration, £44,412 (31 December 2018: £42,905) has been capitalised in accordance with IFRS 6 as

exploratory related costs and are shown as an intangible addition in the year.

	Year ended 31 December 2018			
	Short-term benefits £	Post-employment benefits £	Share based payments £	Total £
Executive Directors				
Roderick McIlree	182,783	640	-	183,423
Non-executive Directors				
Greg Kuenzel ⁽¹⁾	10,286	5	-	10,291
Ian Henderson	19,022	-	-	19,022
Garth Palmer	16,114	330	-	16,444
Peter Waugh	24,000	-	-	24,000
Michael Hutchinson	25,000	315	-	25,315
	277,205	1,290	-	278,495

⁽¹⁾ Bo Stensgaard was appointed on 13 August 2019

⁽²⁾ Garth Palmer resigned on 12 December 2019

⁽³⁾ Gregory Kuenzel resigned on 2 June 2018

Details of fees paid to Companies and Partnerships of which the Directors detailed above are Directors and Partners have been disclosed in Note 28.

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

21. Finance income

	Group Year ended 31 December 2019 £	Year ended 31 December 2018 £
Interest received from cash and cash equivalents	6,454	12,209
Finance Income	6,454	12,209

22. Other gain/(losses)

	Group Year ended 31 December 2019 £	Year ended 31 December 2018 £
Gain/(Loss) on financial assets measured at fair value through profit or loss	668,133	(96,573)
Loss on sale of property, plant and equipment	(71,644)	-
Other gains	(29,421)	3,462
Other gain/(losses)	567,068	(93,111)

23. 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 2019 £	Year ended 31 December 2018 £
Loss before tax	(1,806,941)	(10,776,686)
Tax at the applicable rate of 21.96% (2018: 21.82%)	(396,804)	(2,187,667)
Effects of:		
Expenditure not deductible for tax purposes	122,433	1,807,738
Depreciation in excess of/(less than) capital allowances	(9,460)	(450,153)
Net tax effect of losses carried forward	283,831	830,082
Tax charge	-	-

The weighted average applicable tax rate of 21.96% (2018: 21.82%) used is a combination of the 19% standard rate of corporation tax in the UK, 20% Finnish corporation tax and 30% Greenlandic corporation tax.

The Group has a potential deferred income tax asset of approximately £1,189,029 (2018: £1,179,569) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £6,181,673 (2018: £5,897,843) 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.

24. Earnings per share

Group

The calculation of the total basic earnings per share of (0.21) pence (31 December 2018: (1.279) pence) is based on the loss attributable to equity holders of the parent company of £1,806,941 (31 December 2018: £10,776,686) and on the weighted average number of ordinary shares of 969,969,397 (31 December 2018: 842,546,640) 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 17.

25. Expenses by nature

	Group Year ended 31 December 2019 £	Year ended 31 December 2018 £
Employee expenses	437,329	281,158
Establishment expenses	105,971	91,211
Travel & subsistence	130,708	141,906
Professional & consultancy fees	897,713	930,372
IT & Software	17,605	9,795
Insurance	76,157	54,832
Depreciation	500,479	250,590
Share Option expense	36,175	-
Other expenses	57,487	40,987
Total administrative expenses	2,259,624	1,800,851

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	Year ended
	31	31
	December	December
	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	65,655	47,000
Fees payable to the Company's auditor for tax compliance & other services	20,868	70,778

26. Commitments

(a) Royalty agreements

As part of the contractual arrangement with Magnus Minerals Limited ('Magnus') the Group has agreed to pay royalties on revenue from mineral sales arising from mines developed by the Group. Under the terms of the respective Royalty Agreements between Magnus and the Company, the Group shall pay the following:

- 0.5% of net smelter returns over mineral production from the Kainuu Schist Belt tenements;
- 1.0% of net smelter returns over mineral production from the Outokumpu Savonara Mine Belt tenements;
- 1.5% of net smelter returns over mineral production from the Enonoski Area tenements; and
- 2.5% of net smelter returns over mineral production from the Hammaslahti Area tenements.

The Enonoski and Hammaslahti Royalty Agreements further provide that royalty entitlements may be extended to future rights with the respective areas of influence defined with the agreements.

Additionally, under the terms of the Kainuu Schist Belt Royalty Agreement and the Outokumpu Savonara Mine Belt Royalty Agreement the Group is obligated to pay SES Finland Limited a 0.5% net smelter royalty in respect of production from the associated tenements and Western Areas Limited ("Western Areas") 0.5% of net smelter returns over mineral production of the tenements using a biological leaching technology owned by Western Areas.

(b) License commitments

Bluejay now owns 7 mineral exploration licenses in Greenland. Licence 2015/08 and 2019/114 is a part of the Dundas project and licences 2011/31, 2012/29, 2017/01, 2018/16 and 2019/116 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 2019 these are as follows:

Group	Group		Total
	License fees £	Minimum spend requirement £	
Not later than one year	3,009	-	3,009
Later than one year and no later than five years	14,234	5,768,829	5,783,063
Total	17,243	5,768,829	5,768,072

As a result of the COVID-19 pandemic, the Greenland Government has approved that there will be no mineral exploration licence spend obligations for the period 1 January 2020 until 31 December 2020.

27. Contingent liabilities

The Directors are in the process of appealing an assessment made by HMRC which relates to the Company's ability to claim input VAT because, in the view of HMRC, the Company does not technically constitute a business for the purposes of VAT and is not eligible to make such claims in connection with services it supplied to the Company's subsidiaries. The initial assessment raised by HMRC is for an amount of £255,492 and relates to input VAT claimed and repaid by HMRC between 2012-2015. At the point the assessment was raised, HMRC ceased to repay any further claims for input VAT made by the Company. The Company has continued to submit the appropriate returns to HMRC and as a result, the Company has a receivable from HMRC of £588,302 at 31 December 2019 which is included within trade and other receivables. HMRC has made a further protective assessment for this amount, bringing the total amount of the dispute at 31 December 2019 to £843,794.

The Directors strongly refute the view of HMRC that the Company does not constitute a business for VAT purposes. As at the date of release, the case is yet to be heard in front of a Tribunal. Tribunal was scheduled for March 2020, however due to COVID-19, it has been pushed back indefinitely. The Company has engaged professional services of legal counsel who will be representing it before the Tribunal. Counsel confirms the Company has a strong case.

Accordingly, the Directors believe that the amount of £843,794 will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

28. Related party transactions

Loans to Group undertakings

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

Company

	31 December 2019	31 December 2018
	£	£
Finland Investments Ltd	-	-
FinnAust Mining Finland Oy	6,764,324	6,398,621
Centurion Mining Limited	345	345
BJ Mining Limited	-	1,010,623
Dundas Titanium A/S	19,785,147	11,112,258
Disko Exploration Limited	980,121	396,212
At 31 December (Note 9)	27,529,937	18,918,059

Loans granted to subsidiaries have increased during the year due to additional loans being granted to the subsidiaries, and foreign exchange loss of £1,344,308, given that no loans were repaid during the year.

These amounts are unsecured and repayable in Euros and Danish Krone when sufficient cash resources are available in the subsidiaries.

All intra Group transactions are eliminated on consolidation.

Other transactions

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

Heytesbury Corporate LLP, a limited liability partnership of which Garth Palmer is a partner, was paid a fee of £84,000 for the year ended 31 December 2019 (31 December 2018: £84,000) for the provision of corporate management, accounting and consulting services to the Company. There was a balance of £9,622 owing at year end (31 December 2018: £8,537).

RM Corporate Limited, a limited company of which Roderick McIlree is a director, was paid a fee of £221,996 for the year ended 31 December 2019 (31 December 2018: £126,996) for the provision of corporate management and consulting services to the Company. There was a balance of £12,700 owing at year end (31 December 2018: £12,700).

PMW Consultancy Services, operated by Peter Waugh as a sole trader, was paid a fee of £35,664 for the year ended 31 December 2019 (31 December 2018: £52,600) for consulting services to the Company. There was a balance of £10,000 owing at year end (31 December 2018: £10,000).

Greenland Gas & Oil Limited, a limited company of which Roderick McIlree is a director, was paid a fee of £nil for the year ended 31 December 2019 (31 December 2018: £9,300) for geological information systems consulting services to the Company. There was no balance outstanding at the year-end (31 December 2018: £nil).

29. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

30. Events after the reporting date

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 200 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus and as a result there is a significant increase in economic uncertainty.

For the Group's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of current events, the Group cannot reasonably estimate the impact these events will have on the Group's financial position, results of operations or cash flows in the future.

****ENDS****

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