

Bluejay Mining plc / EPIC: JAY / Market: AIM / Sector: Mining
24 May 2021

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

Bluejay Mining plc, the AIM and FSE listed exploration company with projects in Greenland and Finland, is pleased to announce its final results for the ended 31 December 2020. The Company also gives notice that its Annual General Meeting ("AGM") will be held on 17th June at 2021 at 11:00 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE. Copies of the Notice of AGM, 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 in 2020:

- **Dundas Exploitation Licence awarded to the Company for a 30 year initial period**
- **Master Distribution Agreement ('MDA') signed with a large, long established, Asian Conglomerate**
- **Joint-Venture and earn-in agreement with Rio-Tinto Mining and Exploration Ltd in Finland**
- **Thunderstone Project in South Greenland added to the Company's portfolio**
- **Positive geochemical survey at Disko-Nuussuaq project**
- **Exploration licence awarded at Kangerluarsuk**
- **Finland exploration programme expedited**
- **Bluejay joined the European Raw Material Alliance**
- **Company's shares commence trading on the US OTCQB trading platform**
- **Robust cash management and successfully adjusted work practices affected by COVID-19**

Chairman's Statement

In light of the continued unprecedented times, and the subsequent challenging economic climate we find ourselves in, I would like to begin my report by sending my well wishes to all and thanking the entire Bluejay Mining plc ('Bluejay' or the 'Company') team for remaining as focused as ever.

Bluejay continues to be steadfast in holding a world class strategic portfolio and I am pleased to say that the breadth and potential of our

portfolio is considerable; from our early stage exploration projects in Greenland and Finland, all the way through to our more established, near term target production asset in Greenland represented by the world's highest grade ilmenite sand project, the Dundas Ilmenite Project ('Dundas Project' or 'Dundas'). We have built a portfolio that spans the value chain and offers shareholders significant value potential. The new year commenced as planned, with the push towards the granting of the Exploitation Licence for Dundas and procurement of some initial infrastructure. For Disko and Kangerluarsuk drilling contractors were engaged and plans established for the drill camp infrastructure.

However, the unexpected outbreak of COVID-19 derailed all field activities with the introduction of lockdowns and international travel restrictions. In March 2020, the Company took swift, decisive and appropriate action to protect employees, stakeholders, citizens and shareholders' capital by shifting focus to a combination of cost saving initiatives including salary reductions throughout the entire organisation, while at the same time progressing all our projects as much as was possible away from the field.

Greenland

Bluejay's primary focus remains the commencement of production at our flagship asset, the Dundas Ilmenite Project, which currently possesses a JORC compliant Mineral Resource of 117 million tonnes ('Mt') at 6.1% ilmenite in situ and requires a simple mining operation with minimal processing.

For Bluejay and our stakeholders worldwide, Dundas represents significant near-term value potential thanks to the high grades and quality of ilmenite in-situ and the sheer size of the deposit. In December 2020, we reached a significant milestone in the form of an Exploitation Licence, which will allow Bluejay to progress towards procurement, construction and ilmenite production of its planned 440,000 tonnes per annum. The licence, which can be extended, is valid for an initial period of 30 years.

The Exploitation Licence also came together with the final approval of the Environmental and Social Impact Assessments ('EIA' and 'SIA'), a public consultation on the Project and the assessment, formulation and signing of an Impact Benefit Agreement with the Municipality of North-West Greenland and the Government of Greenland. Approvals for the Navigational Safety Investigation and the process and assessment related to the UN Espoo Convention on Environmental Impact Assessment in a Transboundary Context with participation of Greenlandic, Danish and Canadian authorities was received. We are proud of the process and the outcome. The strong and transparent legal framework for all aspects of extractive projects in Greenland is at the highest standard and the comprehensive studies, meticulous evaluation and continuous dialogue with the authorities ensures a robust and endorsed foundation for the Dundas Project, its next financing steps, the construction, and the ultimate production.

Additionally, by end of December 2020, we reached another significant

milestone for the Company with the signing of a Master Distribution Agreement with a large, long established Asian trading and industrial conglomerate for a minimum of 250,000 tonnes and up to 340,000 tonnes of ilmenite per annum, which is approximately 75% of the expected annual production from Dundas. It is expected that this product will ultimately be supplied into multiple international markets in Asia (including China and Japan), and European countries. The landmark award of the licence allows Bluejay to further discussions with several other leading industry players with a view to securing additional commercial offtake agreements for the remaining 100,000 tonnes of expected annual production. These discussions will continue in 2021 and we are confident that an offtake for the remainder of the expected production can be achieved considering the quality of the ilmenite from Dundas.

Post-period, in February 2021, we announced the receipt of a letter of interest from the Export-Import Bank of the United States ('EXIM') for the capital requirements of the Dundas Project. Although there is no guarantee that binding terms will be reached, the Company will continue to progress the necessary eligibility requirements in order to secure the financing. The Company is also advancing constructive discussions with various other Export Credit Agencies as well as other traditional commercial lenders to ensure the highest quality and most favourable commercial terms available for the development of Dundas.

Currently there is up to 707 Mt of independently ilmenite-rich beach-sand resources (verified JORC Reserve, Resource and Exploration targets) that should eventually allow for many decades of mine life to be added to the current 11-year life of mine outlined (JORC Reserve of 67.1 Mt) in the Pre-Feasibility Study and/or a scale-up of the annual 440,000 tonnes of ilmenite concentrate production, if warranted, for the Dundas Project.

Additionally, the Company is continuing to upgrade, optimise and validate the designs and build requirements for Dundas, where we expect to utilise local contractors as well as those within the ECA frameworks, with preliminary results to date showing meaningful improvements can be achieved. The findings of the optimisation study are significant and represent additional upside for the Project and will be documented as we move to securing financing. Part of the optimisation will also concern the evaluation of more environmentally sustainable and more energy efficient components to the infrastructure and design including the consideration of renewable energy, and greater electrification of processes and waste management.

The ilmenite product market remains extremely robust, with a clear and strong upward price trend forecast to continue for several years to come. This tightening of supply and increasing price forecasts provide a perfect platform to now bring online this significant, world leading project.

The successful 42,000 tonne trial shipment of ilmenite sand that was carried out in 2019 provided the basis for continued large-scale testing and the validation of the design associated with the processing of the

mineral sands into a standard and premium Dundas ilmenite product. Our gravity separation plant facilities in Quebec was operational but because of the onset of the COVID-19 pandemic, related health-precautions and restrictions, we announced on 27 March 2020 that the plant was put on care and maintenance. This delay in the processing of the bulk sample provided an opportunity to review strategically the options for extracting the most value, commercially and technically, from the resulting ilmenite concentrate and in particular, the impact of the signing of the Master Distribution Agreement in December 2020. As a consequence, the smelter test agreed with RTIT was determined to be of lower importance as new options for commercial enhancement with additional customers had become available. Therefore, once the pilot plant has been restarted the portion of ilmenite assigned to RTIT will, at the very least, be significantly reduced from that originally envisaged to facilitate other customers.

We are extremely proud of all the work the team has done to get us to this point and all of the support we have received from the various authorities. We would also like to extend a special thanks to the Government of Greenland and the Greenlandic authorities for their continued support throughout the process, and we look forward to continue the constructive cooperation with the newly elected new Government of Greenland. We would also like to acknowledge the strong financial support received from three important Greenlandic and Danish Government backed financial institutions, all of which clearly demonstrates a strong political desire to grow the country's mineral resource industry.

Whilst Bluejay's operational focus remains on securing financing for Dundas and bringing the project into commercial production, our other promising Greenlandic assets remain at the forefront of future development plans. The Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide nickel-copper-platinum-cobalt project in Greenland, is a vast, highly prospective, and strategically located project with proven potential to host similar mineralisation and scale to the world's most sizeable nickel-copper sulphide mine, Norilsk-Talnakh, in Siberia. In February 2020, we announced highly encouraging assay results from the first geochemical survey undertaken at Disko, which was completed in October 2019. These identified multiple nickel and copper geochemical anomalies, further enforcing both new and pre-existing anomalies. In addition, the Company was granted a newly expanded licence area at Disko as well as a new licence on Disko Island, which increased Bluejay's total land position at the project to 2,897 square kilometres ('km²'). We continue to discuss strategic options for this unique asset.

Having refined exact drill site positioning and increased our confidence in Disko, an extensive exploration and drill programme had been planned to commence in Q2 2020. However, COVID-19 put a stop to these plans as well as other work scheduled at our Kangerluarsuk lead-zinc-silver project. This was a disappointing set-back, but we were able to compensate by completing extensive desktop work, reprocessing data and incorporating the latest technical information to further validate and

refine drill targets. We continue dialogue with respect to the appropriate next phases for these assets.

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. The close vicinity and similar settings of the Kangerluarsuk prospect to the very profitable former Black Angel mine is intriguing and this should be seen as a strong candidate for drill-target potential within a brownfield former mine district. Recent work and mapping by the Geological Survey of Denmark and Greenland ("GEUS") has raised our confidence in the licence's prospectivity and, as a consequence, post-period-end in January 2020 we increased the project area by more than five-fold to 692 km².

In April 2020, the Thunderstone Project ('Thunderstone'), which consists of two new exploration licences in south Greenland, was announced. A low-cost simple fieldwork programme was arranged in August 2020, under strict adherence to COVID-19 guidelines, to follow up on desk-top work and several high-priority gold and base metal geochemical anomalies identified as part of Bluejay's recent re-analysis of historical stream sediments. Furthermore, a project-wide remote sensing study for Thunderstone was carried out. In January 2021, we announced the geochemical results of our maiden exploration programme targeting precious and base metals at Thunderstone. The results from the programme support a southern extension to the Nanortalik Gold Belt. The Belt, which runs over 175 kilometres ('km') long and over 50 km wide, demonstrates geological similarities that support a correlation with well-established gold belts in northern Sweden, where many producing mines of similar geological age to mineralisation in South Greenland, have been discovered over the last century.

We are encouraged by the results of our regional-scale geochemical sampling at Thunderstone, which have increased our geological understanding of the project area considerably. Thunderstone remains a true greenfield region that has largely evaded exploration until now. This inexpensive field programme, which was supported by our remote sensing study, has demonstrated many inconsistencies and erroneously mapped units in the existing regional geological mapping. The Thunderstone Project while currently of lower priority versus Disko and Kangerluarsuk, remains a worthy member of our increasing project portfolio pipeline.

In April 2021, a new coalition government was formed in Greenland between the parties Inuit Ataqatigiit (IA) and Naleraq, and led by the new Prime Minister Múte B. Egede. Much has been reported regarding whether or not IA is anti-mining and, on this note, it is very important to understand that all parties in Greenland are pro-exploration and pro-mining. All parties, in their election campaigns, expressed their support for building a strong mining industry in Greenland to the highest ESG standards, and the IA clearly stated in their election programme that they were only against uranium mining, not mining as a whole. Greenland remains a supportive and stable jurisdiction, and we look forward to continuing to build upon our strong reputation in the country.

as we progress our asset portfolio.

This support for the industry is reflected by the fact that Greenland's mining industry waived the Exploration Licence commitments for 2020 and 2021 and 'paused' the licence clock, thereby removing the associated financial responsibilities and postponing the license years. I would like to thank the Greenlandic authorities for their pragmatic approach and the support they have shown during what has been a difficult period for the mineral exploration and extractive industry.

Finland

Bluejay also maintains a portfolio of Finnish assets: the Hammaslahti copper-zinc-gold-silver project ('Hammaslahti'); the Enonkoski nickel-copper-cobalt-PGM project ('Enonkoski'); and the Outokumpu copper-gold project. All projects are within former world-famous mining districts and have only seen new modern-day exploration and data acquisition in limited degrees. After having revitalised and compiled all data from our projects, and carried out initial validation, we have set out to monetise the projects in Finland through relationships with partners. Finland is an attractive and historical mining jurisdiction that provides good operational conditions for exploration and resource development projects. The present-day activity level and external interest in Finland is now very high and provides a supportive climate for partnerships.

At the Enonkoski project, we demonstrated our ability to deliver on this and, in January 2021, we received confirmation from Rio Tinto for the commencement of the joint venture and earn-in agreement. Following this, and as a part of the agreement, a fieldwork programme has now commenced. This work will include the relogging and reassaying of historical diamond drill core at the Geological Survey of Finland's core archive and detailed ground magnetic surveys of two near-mine areas, Tevanjoki and Laukunsuo. The near-mine targets of focus during these early-stage activities will be ready to drill after completion of the ongoing geophysical work, and we will simultaneously, together with our partner, be reviewing the entire Enonkoski belt with the aim of generating new exploration targets. We continue to progress and evaluate the best outcome for maximising shareholder value in Finland and the signing of this joint venture agreement with a mining major underlines our belief in the value of our large Finnish licence areas.

In November 2020, we commenced, as part of our initial validation process, a drilling programme at Hammaslahti. The drilling focused on increasing and validating the understanding of the near-mine geological settings and structures as well as targeting high-grade and high-tonnage targets that represent possible repetitions from the Hammaslahti copper mine.

Since the start of the COVID-19 pandemic, security of raw materials supply has, once again, become increasingly important and, to that end, in November 2020, we were extremely proud to announce that we had joined the European Raw Materials Alliance ('ERMA'). ERMA was launched in September 2020 by the European Commission as part of its outlined

Action Plan on Critical Raw Materials. The Action Plan defines the steps Europe must take to diversify and strengthen supply chains, decrease dependency on other countries, and reduce the reliance on critical raw materials by securing access to sustainable raw materials. Being selected as founding members of the ERMA was an honour and the Company is excited to contribute to its development and benefit from the cooperation and opportunities within the Alliance as we move towards a sustainable and dependable raw materials supply chain for Europe.

Following on from a material increase in interest shown in our high-quality projects by prospective investors from the United States of America, in November 2020, Bluejay commenced trading its shares on the OTCQB Market in New York, U.S. which was an important step in our strategic plan to access new international investors interested in Bluejay's multi-commodity portfolio.

Financial

The Company implemented a cost saving programme in April 2020 to reduce corporate overheads as a result of COVID-19. Additional support was received from the Greenlandic government who helpfully confirmed their intention to waive 2021 licence expenditure commitments. The Group's cash balance at year end remains robust at £6 million and excludes just under £1 million of VAT receivable from HMRC VAT claims, where the Company won the initial court case, but which HMRC has appealed. The company maintained its focus on cash management, with project work in the second half focussed on Finland and further progressing the successful completion of the exploitation licence application for Dundas.

Outlook

In a year of unprecedented challenges for everyone, 2020 was extremely successful for Bluejay, with the Company delivering on a number of key milestones, not only with regards to the progression of the Dundas Project but also within its portfolio of assets in Finland.

Bluejay's strategy is based around developing and delivering high-grade, high-tonnage scalable deposits, with simple processing routes in supportive jurisdictions and with a focus on sustainable operations with the highest Environmental, Social and Governance standards. The team endeavours to ensure that we recognise and capitalise upon these signature features across all of our projects to maximise long-lasting value creation for stakeholders and shareholders. In the course of this year, we have firmly followed this approach.

During the year we achieved two key milestones at our most advanced asset, the Dundas Project, and, having received an Exploitation Licence and reached a distribution agreement, the next major milestone is securing project financing. I am confident that we can deliver an outcome that will enable us to bring one of the most significant mineral sand ilmenite deposits in the world, into production and, with progress on this made in the early stages of 2021, it is shaping up to be another

year of delivery at Dundas.

Our confidence is not just limited to Dundas but extends to our wider portfolio where work programme planning is recommencing as the world adjusts to the COVID-19 pandemic. The Company will continue to drive value through the development of its portfolio of assets in Greenland and Finland, and we are extremely excited to see the progress from our joint venture with Rio Tinto at the Enonkoski Project.

In January 2021, in order to reflect the advancement of the Company and to ensure that the momentum continues, Bluejay underwent a Board reorganisation which saw Rod McIlree move from Chief Executive Officer ('CEO') to Executive Chairman of the Board, and myself, becoming Non-Executive Director and Chair of the Remuneration Committee. Dr. Bo Møller Stensgaard, former Chief Operating Officer, has become CEO.

As I handover to Rod, I am extremely proud of what Bluejay has achieved over the years, and especially what it has achieved during the past year, and I look forward to the achievements we have in front of us. Rod's success as CEO of the Company speaks for itself and there is no doubt in my mind that as Chairman, Bluejay Mining's upward trajectory will continue for many years to come. Bo's extensive operational experience in Greenland, along with his local knowledge and relationships, means he has the optimal skillset to successfully progress the Group's flagship project, Dundas, into production and develop the remainder of Bluejay's exciting portfolio to the highest ESG standards. I would also like to thank again former Non-Executive Director, Ian Henderson who retired from the Board in January 2021 for his contribution to the Company.

Given Bluejay is operating within a supportive jurisdiction, has large scale resources, high grades, low costs, strong economics, institutional and industry backers, an experienced team and access to end markets, the outlook for the Company remains extremely positive.

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 a world that is adjusting to COVID-19, we are confident for, and look forward to, another productive and promising year. In the meantime, we hope everyone continues to stay safe and well and we look forward to providing further updates on Bluejay's successes in 2021.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

		Group		Company	
		31		31	
		December	31 December	December	31 December
	Note	2020	2019	2020	2019
		£	£	£	£
Non-Current Assets					
Property, plant and equipment	6	2,556,911	2,768,423	91,862	177,838
Intangible assets	7	26,768,227	23,138,507	-	-
Investment in subsidiaries	9	-	-	33,168,092	28,088,279
		29,325,138	25,906,930	33,259,954	28,266,117
Current Assets					
Financial assets at fair value through profit or loss	8	100,000	-	100,000	-
Trade and other receivables	10	1,503,896	1,459,755	1,248,085	1,728,371

Cash and cash equivalents	11	5,942,848	10,314,701	5,649,030	10,197,337
		7,546,744	11,774,456	6,997,115	11,925,708
Total Assets		36,871,882	37,681,386	40,257,069	40,191,825
Non-Current Liabilities					
Lease liabilities	13	-	62,220	-	62,220
Deferred tax liabilities	14	496,045	496,045	-	-
		496,045	558,265	-	62,220
Current Liabilities					
Lease liabilities	13	62,220	80,814	62,220	80,814
Trade and other payables	12	1,179,694	1,242,847	175,928	996,176
		1,241,914	1,323,661	238,148	1,076,990
Total Liabilities		1,737,959	1,881,926	238,148	1,139,210
Net Assets		35,133,923	35,799,460	40,018,921	39,052,615
Equity attributable to owners of the Parent					
Share capital	16	7,484,232	7,484,066	7,484,232	7,484,066
Share premium	16	55,620,034	55,463,656	55,620,034	55,463,656
Other reserves	18	(6,220,719)	(7,604,567)	644,738	660,536
Retained losses		(21,749,624)	(19,543,695)	(23,730,083)	(24,555,643)
Total Equity		35,133,923	35,799,460	40,018,921	39,052,615

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The profit for the Company for the year ended 31 December 2020 was £773,890 (year ended 31 December 2019: £3,161,498).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	£	£
Continued operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	25	(2,510,820)	(2,259,624)
Other gains/(losses)	22	49,360	567,068
Foreign exchange		(65,019)	(121,891)
Operating loss		(2,526,479)	(1,814,447)
Impairments	7	-	-
Finance income	21	1,968	6,454
Other income		36,949	1,052
Loss before income tax		(2,487,562)	(1,806,941)
Income tax	23	229,963	-
Loss for the year attributable to owners of the Parent		(2,257,599)	(1,806,941)
Basic and Diluted Earnings Per Share attributable to owners of the Parent during the period (expressed in pence per share)	24	(0.23)p	(0.21)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Loss for the year	(2,257,599)	(1,806,941)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	1,399,646	(1,153,814)
Other comprehensive income for the year, net of tax	1,399,646	(1,153,814)
Total Comprehensive Income attributable to owners of the Parent	(857,953)	(2,960,755)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total £
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	16	496	411,817	36,175	448,488
Exercised options	17	-	-	(13,605)	13,605
Expired options	-	-	(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	11,772,688
Balance as at 31 December 2019		7,484,066	55,463,656	(7,604,567)	35,799,460
Balance as at 1 January 2020		7,484,066	55,463,656	(7,604,567)	35,799,460
Loss for the year	-	-	-	(2,257,599)	(2,257,599)
Other comprehensive income for the year					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences	-	-	1,399,646	-	1,399,646
Total comprehensive income for the year	-	-	1,399,646	(2,257,599)	(857,953)
Share based payments	16	166	156,378	-	156,544
Issued Options	17	-	35,872	-	35,872
Expired options	17	-	(51,670)	51,670	-
Total transactions with owners, recognised directly in equity		166	156,378	(15,798)	192,416
Balance as at 31 December 2020		7,484,232	55,620,034	(6,220,719)	35,153,923

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
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	16	496	411,817	-	-	412,313
Issued Options	17	-	-	36,175	-	36,175
Exercised options	-	-	-	(13,605)	13,605	-
Expired Options	-	-	-	(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	11,772,688
Balance as at 31 December 2019		7,484,066	55,463,656	660,536	(24,555,643)	39,052,615
Balance as at 1 January 2020		7,484,066	55,463,656	660,536	(24,555,643)	39,052,615
Profit for the year	-	-	-	-	773,890	773,890
Total comprehensive income for the year	-	-	-	-	773,890	773,890
Share based payments	16	166	156,378	-	-	156,544
Issued Options	17	-	-	35,872	-	35,872
Expired Options	17	-	-	(51,670)	51,670	-
Total transactions with owners, recognised directly in equity		166	156,378	(15,798)	51,670	192,416
Balance as at 31 December 2020		7,484,232	55,620,034	644,738	(23,730,083)	40,018,921

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020

	Note	Group Year ended 31 December 2020 £	Year ended 31 December 2019 £	Company Year ended 31 December 2020 £	Year ended 31 December 2019 £
Cash flows from operating activities					
Profit/(Loss) before income tax		(2,487,563)	(1,806,941)	773,890	(3,161,498)
Adjustments for:					
Depreciation	6	606,585	500,479	103,308	61,519
Loss/(gain) on financial assets at FVTPL	8	-	(668,133)	-	(668,133)

Loss on sale of property, plant and equipment	6	-	71,644	-	-
Share options expense	17	35,872	36,175	35,872	36,175
Share based payments	16	156,544	412,313	156,544	412,313
Intercompany management fees		-	-	(574,921)	(665,120)
Net finance (income)/costs	21	(1,968)	(6,454)	(641,556)	(458,442)
Non cash loss/(gain)		4,371	96,568	(1,648,862)	1,483,889
Impairments		14,299	-	-	-
Income tax received	23	229,963	-	-	-
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	10	305,100	(1,156,028)	1,054,892	647,777
Increase/(Decrease) in trade and other payables	12	(345,257)	459,847	(820,248)	526,623
Net cash used in operating activities		(1,482,054)	(2,060,530)	(1,561,081)	(1,784,897)
Cash flows from investing activities					
Purchase of property plant and equipment	6	(243,854)	(543,556)	(17,331)	(12,539)
Sale/(purchase) of financial assets at FVTPL	8	(100,000)	998,535	(100,000)	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	-	-	-	-
Purchase of intangible assets	7	(2,471,136)	(7,841,020)	-	-
Interest received		6,697	10,683	6,697	10,683
Net cash used in investing activities		(2,808,293)	(7,210,218)	(110,634)	996,679
Cash flows from financing activities					
Proceeds from issue of share capital	16	-	10,925,000	-	10,925,000
Transaction costs of share issue	16	-	(175,800)	-	(175,800)
Net loans granted to subsidiary undertakings		-	-	(2,795,805)	(8,538,772)
Repayment of loans		(80,814)	-	(80,814)	-
Interest paid		(1,528)	(4,229)	-	(2,492)
Net cash generated from financing activities		(82,342)	10,744,971	(2,876,619)	2,207,936
Net decrease/(increase) in cash and cash equivalents		(4,372,689)	1,474,223	(4,548,334)	1,419,718
Cash and cash equivalents at beginning of year		10,314,701	8,843,709	10,197,337	8,777,619
Exchange gain on cash and cash equivalents		835	(3,231)	27	-
Cash and cash equivalents at end of year	11	5,942,848	10,314,701	5,649,030	10,197,337

Major non-cash transactions

The Company has issued shares as settlement for expenses with a value of £156,544.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 Accounting Standards in conformity with the Companies Act 2006. The Consolidated Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on business

combination.

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

The preparation of financial statements in conformity with 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 2020

The Group has adopted the following standards from 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards

- Amendments to IFRS 3 - Definition of a business

- Amendments to IAS 1 and IAS 8 - Definition of material

- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

The adoption of these standards has not had a material impact on the Financial Statements.

New IFRS Standards and Interpretations not adopted

At the date on which these Financial Statements were authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the year ended 31 December 2020 that are expected to materially impact the Group's Financial Statements.

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

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

Standard	Impact on initial application	Effective date
Conceptual Framework	Amendments to references in IFRS Standards	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

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

2.3. Basis of Consolidation

The Consolidated Financial Statements 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 on pages 3-7. 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 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 FTVPL, 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, USD or Danish Krone. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of inter company loans. The Group has sensitised the figures for fluctuations in foreign exchange rates, as the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations which are separately disclosed, and is predominantly due to the exceptional nature of the Euro exchange rate in the last two years in the current economic climate. Further detail is in note 3.3

(b) Price risk

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

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

Credit risk

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

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

Liquidity risk

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient

working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

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

3.2. Capital risk management

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

At 31 December 2020 the Group had borrowings of £nil (31 December 2019: £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: 2020	(Loss)/profit before tax for the year ended 31 December 2020		Equity before tax for the year ended 31 December 2020	
	Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate	£	£	£	£
10%	(2,253,463)	773,890	35,607,276	40,018,921
-10%	(2,214,304)	773,890	34,708,604	40,018,921

Potential impact on DKK expenses: 2020	Loss before tax for the year ended 31 December 2020		Equity before tax for the year ended 31 December 2020	
	Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate	£	£	£	£
10%	(2,331,417)	773,890	37,138,085	40,018,921
-10%	(2,136,350)	773,890	33,177,795	40,018,921

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 2020 of £26,768,227 (2019: £23,138,507) 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.

VAT receivable

At 31 December 2020, the Group and Company have recognised an amount of £737,059 (2019: £588,302) 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 Company won the initial court case however HMRC have appealed the decision. 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 £155,806 (2019: £575,000) as at 31 December 2020 in respect of unpaid ordinary share capital issued on 25 November 2020. 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.

2020	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	-
Administrative expenses	(616,555)	(81,831)	(1,788,719)	(2,487,105)
Foreign exchange	49,380	-	15,638	65,018
Finance income	3,511	(17)	(1,526)	1,968
Other income	23,613	13,336	-	36,949
Loss before tax per reportable segment	632,639	39,760	1,815,164	2,487,563
Tax refund	-	-	229,963	229,963
Additions to PP&E	226,523	-	17,331	243,854
Additions to intangible asset	2,049,686	421,450	-	2,471,136
Reportable segment assets	25,088,651	4,903,362	6,856,661	36,848,674

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
Impairment of intangible asset	478,481	81,770	1,246,690	1,806,941
Loss before tax per reportable segment	531,017	-	12,539	543,556
Additions to PP&E	7,573,396	267,624	-	7,841,020
Additions to intangible asset	21,840,152	4,092,289	11,748,945	37,681,386
Reportable segment assets	(610,008)	(167,185)	(1,482,431)	(2,259,624)

6. Property, plant and equipment

Group	Right of use assets £	Software £	Machinery & equipment £	Office equipment £	Total £
Cost					
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
As at 1 January 2020	182,542	37,093	3,255,384	52,931	3,527,950
Exchange Differences	-	-	192,414	182	192,596
Additions	-	9,221	226,523	8,110	243,854
As at 31 December 2020	182,542	46,314	3,674,321	61,223	3,964,400
Depreciation					

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
As at 1 January 2020	40,565	25,272	665,389	28,301	759,527
Charge for the year	81,130	11,089	502,650	11,716	606,585
Exchange differences	-	-	41,232	145	41,377
As at 31 December 2020	121,695	36,361	1,209,271	40,162	1,407,489
Net book value as at 31 December 2019	141,977	11,821	2,589,995	24,630	2,768,423
Net book value as at 31 December 2020	60,847	9,953	2,465,050	21,061	2,556,911

Depreciation expense of £606,585 (31 December 2019: £500,479) for the Group has been charged in administration expenses.

Company	Right of use assets £	Software £	Office equipment £	Total £
Cost				
As at 1 January 2020	-	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
As at 1 January 2020	182,542	37,093	45,832	265,467
Additions	-	9,221	8,110	17,331
As at 31 December 2020	182,542	46,314	53,942	282,798
Depreciation				
As at 1 January 2019	-	14,476	11,634	26,110
Charge for the period	40,565	10,796	10,158	61,519
As at 31 December 2019	40,565	25,272	21,792	87,629
As at 1 January 2020	40,565	25,272	21,792	87,629
Charge for the year	81,130	11,089	11,088	103,307
As at 31 December 2020	121,695	36,361	32,880	190,936
Net book value as at 31 December 2019	141,977	11,821	24,040	177,838
Net book value as at 31 December 2020	60,847	9,953	21,062	91,862

Depreciation expense of £103,307 (31 December 2019: £61,519) 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 2020 £	31 December 2019 £
Cost		
As at 1 January	32,012,092	24,351,831
Additions	2,471,136	7,841,020
Exchange differences	1,158,584	(180,759)
As at year end	35,641,812	32,012,092
Provision for impairment		
As at 1 January	8,873,585	8,873,585
Impairments	-	-
As at year end	8,873,585	8,873,585
Net book value	26,768,227	23,138,507

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 2019, 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 2020 there has been progress in locating a preferred partner and an agreement on the Enokoski project was signed in November 2020. 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 2020.

8. Financial assets measured at fair value

	Group		Company	
	31		31	
	December	31 December	December	31
	2020	2019	2020	December
	£	£	£	2019
As at 1 January	-	330,402	-	330,402
Acquisition of quoted shares	100,000	-	100,000	-
Disposal of quoted shares	-	(998,535)	-	(998,535)
Fair value gain	-	668,133	-	668,133
As at year end	100,000	-	100,000	-

These investments are held for short-term trading purposes. All the shares were sold in January 2021.

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	31 December
2020	2019
£	£

Shares in Group Undertakings		
At beginning of period	558,342	2,000,002
Transfer of investment	-	58,340
Impairment charge	-	(1,500,000)
At end of period	558,342	558,342
Loans to Group undertakings	32,609,750	27,621,284
Total	33,168,092	28,179,626

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

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
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 31 December 2020 £	31 December 2019	Company 31 December 2020 £	31 December 2019
Current				
Trade receivables	317,502	43,925	4,620	4,312
Amounts owed by Group undertakings	-	-	172,400	395,174
Prepayments	99,353	83,423	96,040	83,423
VAT receivable (See note 27)	794,532	619,957	737,059	588,302
Other receivables	292,509	712,450	237,966	657,160
Total	1,503,896	1,459,755	1,248,085	1,728,371

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

At 31 December 2020 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 31 December 2020 £	31 December 2019	Company 31 December 2020 £	31 December 2019
UK Pounds	1,039,017	1,401,201	1,248,085	1,728,371
Euros	71,770	38,637	-	-

Danish Krone	393,109	19,917	-	-
	1,503,896	1,459,755	1,248,085	1,728,371

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 31 December 2020 £	31 December 2019 £	Company 31 December 2020 £	31 December 2019 £
Cash at bank and in hand	5,942,848	10,314,701	5,649,030	10,197,337

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 31 December 2020 £	31 December 2019 £	Company 31 December 2020 £	31 December 2019 £
UK Pounds	5,668,404	10,212,030	5,649,030	10,197,337
Euros	240,283	38,236	-	-
Danish Krone	34,161	64,435	-	-
	5,942,848	10,314,701	5,649,030	10,197,337

12. Trade and other payables

	Group 31 December 2020 £	31 December 2019 £	Company 31 December 2020 £	31 December 2019 £
Trade payables	377,026	1,015,968	78,448	932,125
Accrued expenses	350,576	128,174	83,764	63,803
Other creditors	452,092	98,705	13,716	248
	1,179,694	1,242,847	175,928	996,176

Trade payables include amounts due of £90,283 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 31 December 2020 £	31 December 2019 £	Company 31 December 2020 £	31 December 2019 £
UK Pounds	231,456	1,061,692	175,928	996,176
Euros	529,326	29,957	-	-
Danish Krone	418,908	151,198	-	-
	1,179,690	1,242,847	175,928	996,176

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
	2020	2019

Lease liabilities	£	£
Not later than one year	62,220	80,814
Later than one year and no later than five years	-	62,220
Later than five years	-	-
	62,220	143,034
Future finance charges on finance lease liabilities	780	3,966
Present value of finance lease liabilities	63,000	147,000

For the year ended 31 December 2020, the total finance charges were £3,186. The contracted and planned lease commitments were discounted using the incremental borrowing rate of 3%.

14. Deferred tax

An analysis of deferred tax liabilities is set out below.

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred tax liabilities				
- Deferred tax liability after more than 12 months	496,045	496,045	-	-
Deferred tax liabilities	496,045	496,045	-	-

The Group has additional capital losses of approximately £8,793,930 (2019: £8,873,586) and other losses of approximately £6,719,484 (2019: £6,181,673) available to carry forward against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

Group	31 December 2020			31 December 2019		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	1,404,543	-	1,404,543	1,376,332	-	1,376,332
Financial assets at fair value through profit or loss	-	100,000	100,000	-	-	-
Cash and cash equivalents	5,942,848	-	5,942,848	10,314,701	-	10,314,701
	7,347,391	100,000	7,447,391	11,691,033	-	11,691,033
	31 December 2020		31 December 2019			
	Amortised cost	Total	Amortised cost	Total		
Liabilities per Statement of Financial Performance	£	£	£	£		
Trade and other payables (excluding non-financial liabilities)	1,179,690	1,179,690	1,242,847	1,242,847		
Finance lease liability	62,220	62,220	143,034	143,034		
	1,241,910	1,241,910	1,385,881	1,385,881		

15. Financial Instruments by Category

Company

	31 December 2020			31 December 2019		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	1,152,045	-	1,152,045	1,644,498	-	1,644,498
Financial assets at fair value through profit or loss	-	100,000	100,000	-	-	-
Cash and cash equivalents	5,649,030	-	5,649,030	10,197,337	-	10,197,337
	6,801,075	100,000	6,901,075	11,841,835	-	11,841,835

	31 December 2020		31 December 2019	
	At amortised cost	Total	At amortised cost	Total
	£	£	£	£
Liabilities per Statement of Financial Performance				
Trade and other payables (excluding non-financial liabilities)	175,928	175,928	996,176	996,176
Finance lease liability	62,220	62,220	143,034	143,034
	238,148	238,148	1,139,210	1,139,210

16. Share capital and premium

Group and Company	Number of shares		Share capital	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Ordinary shares	971,629,460	969,969,397	97,162	96,996
Deferred shares	558,104,193	558,104,193	558,104	558,104
Deferred A shares	68,289,656,190	68,289,656,190	6,828,966	6,828,966
Total	69,819,389,843	69,817,729,780	7,484,232	7,484,066

	Number of Ordinary shares	Share capital £	Share premium £	Total £
Issued at 0.01 pence per share				
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	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
As at 1 January 2020	969,969,397	96,996	55,463,656	55,560,652
Issue of new shares - 10 November 2020	1,660,063	166	156,378	156,544
As at 31 December 2020	971,629,460	97,162	55,620,034	55,717,196

Deferred Shares (nominal value of 0.1 pence per share)	Number of Deferred shares	Share capital £
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
As at 1 January 2020	558,104,193	558,104
As at 31 December 2020	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 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
As at 1 January 2020	68,289,656,190	6,828,966
As at 31 December 2020	68,289,656,190	6,828,966

On 10 November 2020 the Company issued and allotted 1,660,063 new Ordinary Shares at a price of 9.43 pence per share as share based payments to employees and as part of a share based royalty payment.

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 2020	31 December 2019

17 December 2016	17 December 2021	0.07	1,228,153	1,228,153
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
17 October 2017	17 October 2020	0.25	-	5,350,000
17 October 2017	17 October 2020	0.30	-	5,350,000
23 July 2019	23 July 2023	0.10	5,200,000	5,200,000
23 July 2019	23 July 2023	0.15	5,200,000	5,200,000
23 July 2019	23 July 2023	0.20	5,600,000	5,600,000
10 July 2020	30 July 2025	0.10	5,150,000	-
10 July 2020	30 July 2025	0.15	2,100,000	-
			25,503,153	34,303,153

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 17/12/2016	2017 Options 9/6/2017	2019 Options 23/7/2019	2019 Options 23/7/2019
Granted on:	17/12/2016	9/6/2017	23/7/2019	23/7/2019
Life (years)	5 years	5 years	4 years	4 years
Share price (pence per share)	7p	15.5p	7.45p	7.45p
Risk free rate	0.81%	0.56%	0.5%	0.5%
Expected volatility	17.64%	31.83%	21.64%	21.64%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	17	34	31	5

	2019 Options 23/7/2019	2020 Options 10/7/2020	2020 Options 10/7/2020
Granted on:	23/7/2019	10/7/2020	10/7/2020
Life (years)	4 years	5 years	5 years
Share price (pence per share)	7.45p	6.16p	6.16p
Risk free rate	0.5%	0.5%	0.5%
Expected volatility	21.64%	30.24%	30.24%
Expected dividend yield	-	-	-
Marketability discount	20%	20%	20%
Total fair value (£000)	1	31	5

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

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

A reconciliation of options and warrants granted over the year to 31 December 2020 is shown below:

	2020		2019	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at beginning of period	34,303,153	0.1898	25,764,768	0.1913
Expired	(16,050,000)	-	(2,500,000)	-
Exercised	-	-	(4,961,615)	0.085
Granted	7,250,000	0.125	16,000,000	-
Outstanding as at period end	25,503,153	0.1556	34,303,153	0.1898
Exercisable at period end	25,503,153	0.1556	34,303,153	0.1898

	2020				2019			
Range of exercise prices (£)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)
0 - 0.05	-	-	-	-	-	-	-	-
0.05 - 2.00	0.1574	25,503,153	3.68	3.68	0.1898	34,303,153	3.68	3.68

During the period there was a charge of £35,872 (2019: £36,175) 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 2019	166,000	(194,102)	(8,071,001)	364,630	129,906	(7,604,567)
Currency translation differences	-	1,399,646	-	-	-	1,399,646
Expired Options	-	-	-	-	(51,670)	(51,670)
Issued Options	-	-	-	-	35,872	35,872
At 31 December 2020	166,000	1,205,544	(8,071,001)	364,630	114,108	(6,220,719)

19. Employee benefit expense

	Group Year ended 31 December 2020 £	Year ended 31 December 2019 £	Company Year ended 31 December 2020 £	Year ended 31 December 2019 £
Staff costs (excluding Directors)	597,146	948,450	317,044	438,012
Salaries and wages	69,984	77,095	40,011	25,322
Social security costs	6,621	5,084	6,098	5,084
Retirement benefit costs	523	-	523	-
Other employment costs	674,274	1,030,629	363,676	468,418

The average monthly number of employees for the Group during the year was 13 (year ended 31 December 2019:16) and the average monthly number of employees for the Company was 9 (year ended 31 December 2019: 10).

Of the above Group staff costs, £455,385 (year ended 31 December 2019: £763,055) 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 2020			
	Short-term benefits £	Post-employment benefits £	Share based payments £	Total £
Executive Directors				
Roderick McIlree	53,391	2,421	-	55,812
Bo Stensgaard	106,250	-	-	106,250
Non-executive Directors				
Ian Henderson	38,750	-	-	38,750
Peter Waugh	18,600	867	-	19,467
Michael Hutchinson	90,375	-	-	90,375
	307,366	3,288	-	310,654

Michael Hutchinson short term benefits included back pay of £40,000 relating to the 2019 FY.

Of the above Group directors' remuneration, £123,683 (31 December 2019: £44,412) 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 2019			Total £
	Short-term benefits £	Post-employment benefits £	Share based payments £	
Executive Directors				
Roderick McIlfree	57,612	1,143	-	58,755
Bo Stensgaard	113,438	-	-	113,438
Non-executive Directors				
Ian Henderson	50,000	-	-	50,000
Garth Palmer	22,636	619	-	23,255
Peter Waugh	24,000	492	-	24,492
Michael Hutchinson	25,000	-	-	25,000
	292,686	2,254	-	294,940

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 2020 £	Year ended 31 December 2019 £
Interest received from cash and cash equivalents	1,968	6,454
Finance Income	1,968	6,454

22. Other gain/(losses)

	Group Year ended 31 December 2020 £	Year ended 31 December 2019 £
Gain/(Loss) on financial assets measured at fair value through profit or loss	-	668,133
Loss on sale of property, plant and equipment	-	(71,644)
Other gains	49,360	(29,421)
Other gain/(losses)	49,360	567,068

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 2020 £	Year ended 31 December 2019 £
Loss before tax	(2,487,562)	(1,806,941)
Tax at the applicable rate of 21.62% (2019: 21.96%)	(537,811)	(396,804)
Effects of:		
Expenditure not deductible for tax purposes	153,133	122,433
Depreciation in excess of/(less than) capital allowances	79,656	(9,460)
Net tax effect of losses carried forward	75,059	283,831
Tax charge	229,963	-

The weighted average applicable tax rate of 21.62% (2019: 21.96%) 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 £959,066 (2019: £1,189,029) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £6,719,484 (2019: £6,181,673) 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 (0.23) pence (31 December 2019: (0.21) pence) is based on the loss attributable to equity holders of the parent company of £2,257,600 (31 December 2019: £1,806,941) and on the weighted average number of ordinary shares of 970,205,253 (31 December 2019: 969,969,397) 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	Year ended
	31	31
	December	December
	2020	2019
	£	£
Employee expenses	367,891	437,329
Establishment expenses	72,010	105,971
Travel & subsistence	111,954	130,708
Professional & consultancy fees	970,021	897,713
IT & Software	20,366	17,605
Insurance	73,192	76,157
Depreciation	606,585	500,479
Share Option expense	35,872	36,175
Payments to acquire royalties	200,000	-
Other expenses	52,929	57,487
Total administrative expenses	2,510,820	2,259,624

During the year the Company acquired a net smelter royalty from Magnus Minerals in respect of the Finish licences held by the Group. These amounts were expensed because the royalties will not be recalled from the subsidiary which own the licences.

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
2020	2019
£	£

Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	69,375	65,655
Fees payable to the Company's auditor for tax compliance & other services	47,540	20,868

26. Commitments

License commitments

Bluejay now owns 11 mineral exploration licenses in Greenland. Licence 2015/08 and 2020/114 is a part of the Dundas project and licences 2011/31, 2012/29, 2017/01, 2018/16, 2019/116, 2020/03, 2020/06, 2020/10 and 2020/22 are part of the Disko projects in Greenland. These licences include commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2020 these are as follows:

Group	Group License fees £	Minimum spend requirement £	Total £
Not later than one year	45,672	-	45,672
Later than one year and no later than five years	117,396	17,640,413	17,557,809
Total	163,068	17,640,413	17,803,481

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 2021.

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 £737,059 at 31 December 2020 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 2020 to £992,551.

The matter was heard in Tribunal in November 2020 with the decision in favour of the Company however HMRC have appealed this decision.

The Directors believe that the amount of £992,551 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 2020 £	31 December 2019 £
Finland Investments Ltd	-	-
FinnAust Mining Finland Oy	7,474,317	6,764,324
Centurion Mining Limited	345	345
BJ Mining Limited	-	-
Dundas Titanium A/S	22,719,222	19,785,147
Disko Exploration Limited	2,415,191	980,121
At 31 December (Note 9)	32,609,075	27,529,937

Loans granted to subsidiaries have increased during the year due to additional loans being granted to the subsidiaries, and foreign exchange gain of £1,648,862, given that no loans were repaid during the year.

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

All intra Group transactions are eliminated on consolidation.

Other transactions

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

RM Corporate Limited, a limited company of which Roderick McIlree is a director, was paid a fee of £107,946 for the year ended 31 December 2020 (31 December 2019: £221,996) for the provision of corporate management and consulting services to the Company. There was a balance of £14,478 owing at year end (31 December 2019: £12,700).

PMW Consultancy Services, operated by Peter Waugh as a sole trader, was paid a fee of £40,000 for the year ended 31 December 2020 (31 December 2019: £35,664) for consulting services to the Company. There was a balance of £nil owing at year end (31 December 2019: £10,000).

29. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

30. Events after the reporting date

On 5 January 2021, Ian Henderson retired from the Board as a Non-Executive Director.

On 15 February 2021, the Company issued options over a total of 33,000,000 ordinary shares of 0.01p each. These options vested immediately and will expire on 15/2/2025.

On 15 March 2021, the Company appointed Johannus Egholm Hansen as a Non-Executive Director to the board.

****ENDS****

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