Registered number: 05389216

BLUEJAY MINING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2019

BLUEJAY MINING PLC

CONTENTS

	Page
Company Information	**2**
Chairman's Report	**3**
Strategic Report	**5**
Directors' Report	**8**
Statement of Directors' Responsibilities	**11**
Corporate Governance Report	**12**
Independent Auditor's Report	**17**
Statements of Financial Position	**22**
Consolidated Income Statement	**23**
Consolidated Statement of Comprehensive Income	**24**
Consolidated Statement of Changes in Equity	**25**
Company Statement of Changes in Equity	**26**
Statements of Cash Flows	**27**
Notes to the Financial Statements	**28**

BLUEJAY MINING PLC

COMPANY INFORMATION

Directors	Michael Hutchinson (Non-Executive Chairman) Peter Waugh (Non-Executive Director) Roderick McIllree (Chief Executive Officer) Ian Henderson (Non-Executive Director) Bo Stensgaard (Executive Director) – appointed 13 August 2019
Company Secretary	Heytesbury Corporate LLP
Registered Office	2nd Floor 7-9 Swallow Street London W1B 4DE
Company Number	05389216
Bankers	HSBC Bank plc 129 New Bond Street London W1J 2JA
Nominated Adviser	S.P. Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Broker	Hannam & Partners (Advisory) LLP 2 Park Street London W1K 2HX
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

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

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

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

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

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

Unfortunately, the planned 2020 advanced exploration and maiden drilling campaign scheduled at Disko and simultaneously at our Kangerluarsuk Sed-Ex lead-zinc-silver project ('Kangerluarsuk') in southwest Greenland has been postponed as a result of COVID-19. However, extensive desktop analysis to define drill targets and assess future opportunities for these programmes has been completed during the lockdown period, enabling the team to hit the ground running should restrictions be lifted early enough to recommence operations this 2020 field season. At Kangerluarsuk, drilling will target known zinc, lead, silver and copper occurrences that have correlations with the neighbouring former Black Angel zinc-lead-silver mine. Mapping suggests these occurrences could be up to 40m thick and as a result of our confidence in the licence's prospectivity, post-period-end in January 2020 we increased the project area by more than five-fold to 692km^2.

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

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

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

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

Outlook

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

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

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

Michael Hutchinson
Chairman
20 May 2020

STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 31 December 2019.

Strategic approach

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

Organisation overview

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

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

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

Review of business

Throughout the year, the Dundas ilmenite project continued to be the primary focus of the Group. In May 2019, Bluejay entered into an agreement with Rio Tinto Iron and Titanium Canada Inc. ('RTIT') to further analyse the Ilmenite from its Dundas project. In the 2019 field season at Dundas, the main focus was the preparation of a 42,000 ton high grade ilmenite bulk sample. The bulk-sample material was used to produce a 5,000 tons heavy metal concentrate ('HMC') sample to be delivered to RTIT Sorel-Tracy plant in Quebec, Canada, for further beneficiation (magnetic separation) and subsequent smelter sample test. Further work streams included the finalization of the pre-feasibility studies which were positively validated by the advisors to the Government of Greenland and the completion and construction of a wet-gravity separation pilot processing plant which is used to produce the HMC. Finally, the application for the Dundas exploitation licence has been submitted.

Alongside Dundas, the Group has a wider portfolio of prospective assets situated in the Finland and Disko area of Greenland. At Disko, the Nickel, Copper, Cobalt & Platinum Project in West Greenland, the field season focussed on leveraging pre-existing data and knowledge. It refined both new and previously defined drill targets by the reprocessing and validating historical data as well as the acquisition of new geophysical and geochemical data. In Finland, the Group owns 100% of a portfolio of copper, zinc and nickel projects; the Hammaslahti Copper-Gold-Zinc Project, the Outokumpu Copper Project and the Kelkka Nickel Project.

Looking forward, due to the COVID-19 pandemic, the UK, Greenland, Finland and Canadian governments have all imposed restrictions on air travel and non-essential work. Bluejay have postponed all 2020 field work on recommendation of the governments and in order to ensure the safety of its employees, contractors and supply chain. In Greenland, the Government have advised that they will be relieving all spending commitments associated with exploration licences in 2020.

Financial performance review

The loss of the Group for the year ended 31 December 2019 before taxation amounts to £1,806,941 (31 December 2018: £10,776,686).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2019.

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

KPI	2019	2018
Cash and cash equivalents	**£10,314,701**	£8,843,709
Administrative expenses as a percentage of total assets	**6.00%**	6.37%
Exploration costs capitalised during the period	**£7,841,020**	£6,251,969

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows on page 27).

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

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

Principal risks and uncertainties

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

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

Exploration risks

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

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

Dependence on key personnel

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

Uninsured risk

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

Funding risk

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

Financial risks

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

STRATEGIC REPORT

COVID-19

The outbreak of the recent global COVID-19 virus has resulted in business disruption and stock market volatility. The extent of the effect of the virus, including its long-term impact, remains uncertain. The Group has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to operate.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

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

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

The requirements of s172 are for the Directors to:

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

The Company continues to progress the development of its existing projects in Greenland, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under AIM Rules for Companies.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2019:

- Continuing evaluation of existing license areas and assessment of targets;
- Finalising the pre-feasibility studies as part of the exploitation licence process;
- Expanding the licensed land area;
- Identifying and refining both new and previously defined drill targets;
- Further identification of drill targets and preparation for a percussion drill program;
- Continued assessment of corporate overheads, expenditure levels and wider market conditions.

As a mining exploration Group operating in Greenland and Finland, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations & support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we maintain our social licence to operate from the communities with which we interact. The interests of our employees are a primary consideration for the Board. Personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on field expeditions.

The Group Strategic Report was approved by the Board on 20 May 2020.

Roderick McIllree
CEO

DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of Bluejay Mining plc together with the Financial Statements for the year ended 31 December 2019.

Dividends

The Directors do not recommend the payment of a dividend for the year (31 December 2018: £nil).

Directors & Directors' interests

The Directors who served during the year ended 31 December 2019 are shown below and had, at that time the following beneficial interests in the shares of the Company:

	31 December 2019		31 December 2018	
	Ordinary Shares	Options		
Roderick McIllree	94,677,778	-	94,677,778	-
Peter Waugh	140,224	1,950,000	74,127	1,950,000
Michael Hutchinson	-	1,800,000	-	1,800,000
Garth Palmer (1)	n/a	n/a	633,831	-
Ian Henderson	-	-	-	-
Bo Stensgaard (3)	-	4,100,000	N/A	N/A

(1) Garth Plamer resigned on 12 December 2019.
(2) Bo Stensgaard was appointed on 13 August 2019.

Further details on options can be found in Note 17 to the Financial Statements.

Substantial shareholders

The substantial shareholders with more than a 3% shareholding at 20 May 2020 are shown below:

	20 May 2020	
	Holding	Percentage
Sandgrove Capital Management LLP	163,963,751	16.90%
M&G Plc	132,136,364	13.62%
Roderick McIllree	94,677,778	9.76%
HSBC Bank Plc	86,664,804	8.93%
Gregory Kuenzel	39,238,715	4.05%
Jeremy Whybrow	38,530,019	3.97%

Corporate responsibility

Environmental

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

Health and safety

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

Internal controls

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

Further details of corporate governance can be found in the Corporate Governance Report on page 12.

Supplier payment policy

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

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

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

Going concern

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 Group 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 has postponed all fieldwork until the UK, Greeland and Finland 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 3-5. 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.

Directors' and Officers' indemnity insurance

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

Financial Risk Management Objectives

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

Events after the reporting period

Events after the reporting period are set out in Note 30 to the Financial Statements.

Future developments

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

COVID-19

Since March 2020, the Group has made preparations to mitigate the impact of COVID-19 on the business through several action plans and mitigation strategies. These will continue to be monitored and updated as required.

Brexit

In March 2017, the UK officially triggered Article 50 and notified the EU of its intention of leaving the EU following the UK's June 2016 referendum vote to leave the EU (commonly known as Brexit). The UK ratified its withdrawal from the EU effective

31 January 2020 with a transitional period scheduled to end 1 January 2021. The effect of the withdrawal remain unknown until further information is available on the nature of the UK-EU relationship after the completion of the transitional period.

Provision of information to Auditor

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

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

Auditor

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

This report was approved by the Board on 20 May 2020 and signed on its behalf.

Roderick McIllree
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume the Company will continue in business.

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

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

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

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

CORPORATE GOVERNANCE REPORT

The Board of Bluejay Mining plc had adopted the QCA Corporate Governance Code ('the Code') as its code of corporate goverance. The Code is published by the Quoted Companies Allicance ('QCA') and is available at www.theqca.com. The key governance related matter that occurred during the financial year ended 31 December 2019 was the completion and submission of the Environmental Impact Assessment and Social Impact Assessment reports at the Dundas project, both of which have been confirmed compliant for the Public Consultation phase.

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

Principle One
Business Model and Strategy

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

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

- Continued development of the Dundas ilmenite project in Greenland toward commercialisation. Key milestones recently achieved include completion of pre-feasibility study, production of bulk sample which has been shipped to Canada and set up of the pilot plant in Quebec. Further detail is included in the Chairman's Report on pages 3-5.
- Exploration of Disko-Nuussuaq and Kangerluarsuk projects also in Greenland. Expanded licence holding and identified drill targets.
- Maintenance of Finnish projects in order to determine the best way to continue their development and realise value for shareholders.

Principle Two
Understanding Shareholder Needs and Expectations

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

Principle Three
Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

As part of the pre-feasibility studies at the Group's Dundas Titanium project in Greenland, a detailed social impact assessment study was undertaken. This involved completing a white paper, which included a public stakeholder consultation process. The results of this public consultation and engagement process were overwhelmingly positive and a high degree of support was received from the relevant stakeholders

Principle Four
Risk Management

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

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

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

The outbreak of the recent global COVID-19 virus has resulted in increased risks within the global economy. The extent of the effect of the virus, including its long-term impact, remains uncertain and the Company continues to monitor the situation.

Principle Five
A Well Functioning Board of Directors

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

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

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

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

	Meetings Attended	Meetings eligible to attend
Roderick McIllree	4	4
Michael Hutchinson	4	4
Peter Waugh	4	4
Garth Palmer [(1)]	4	4
Ian Henderson	4	4
Bo Stensgaard	2	2

(1) Garth Plamer resigned on 12 December 2019.

Principle Six
Appropriate Skills and Experience of the Directors

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

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

Roderick McIllree
Chief Executive Officer

Bo Stensgaard
General Manager

Micheal Hutchinson
Chairman and Non-Executive Director
Member of the Audit Committee, Remuneration Committee and AIM Compliance Committee.

Peter Waugh
Independent Non-Executive Director
Chairman of the Remuneration Committee, AIM Compliance Committee and member of the Audit committee.

Ian Henderson
Independent Non-Executive Director
Chairman of the Audit Committee and member of the Remuneration Committee.

Where necessary the Board has engaged external professional consultants on an ongoing basis to ensure the Company is meeting it's strategies. The key advisers to the Company are SP Angel Corporate Finance LLP, H&P Advisory Ltd, St Brides Partners Ltd and Hill Dickinson.

The Board engages external geologists, environmental speciailists and a number of other specialised consultants to produce the required surverys and reports for the Environmental Impact Assessment, Social Impact Assessment and Pre-Feasibility Study. The key advisers to the Group were SRK Exploration, Orbicon A/S, KeypointE Pty Ltd, Quedtech Pty Ltd, Wood Canada Ltd and Titanium Industry Global Advisory.

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

Principle Seven
Evaluation of Board Performance

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

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

Principle Eight
Corporate Culture

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

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

Principle Nine
Maintenance of Governance Structures and Processes

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

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

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

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

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

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

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence;

a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten
Shareholder Communication

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

Investors also have access to current information on the Company though its website, www.bluejaymining.com, and via Kevin Shiel, Head of Investor Relations or the Company's PR advisors, St Brides Partners Limited who are available to answer investor relations enquiries.

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

Peter Waugh
Non-Executive Director

20 May 2020

BLUEJAY MINING PLC

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statementsFinancial statements of Bluejay Mining plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Statements of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's and parent company's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter

We draw your attention to note 2.4 of the financial statements, which describes the group's and company's assessment of the COVID-19 impact on its ability to continue as a going concern. The group and company have explained that the events arising from the COVID-19 outbreak do not impact its use of the going concern basis of preparation nor do they cast significant doubt about the group's and company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the financial statements as a whole was set as follows:

	2019	2018	Basis for materiality
Group	*£375,000*	*£550,000*	*1% of gross assets (2018: 2% of gross assets)*
Parent Company	*£40,000*	*£40,000*	*2% of expenses*

Our calculation of group materiality decreased from 2018 as a result of a decision to reduce the basis of calculation from 2% to 1% of gross assets because of the significant increase of gross assets in 2019. This was discussed and agreed with the audit committee. In our professional judgement, we consider gross assets to be to be one of the principal benchmarks within the financial statements relevant to members of the group in assessing financial position and performance.

Whilst materiality for the group financial statements as a whole was £375,000, each significant component of the group was audited to a level of materiality ranging between £40,000 - £337,500.

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £18,750 (2018: £20,000), in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

An overview of the scope of our audit

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

Of the 10 components of the group, a full scope audit was performed on the complete financial information of 3 components, a limited scope review was performed on a component assessed as material and the remaining components were subject to analytical review only because they were not material to the group.

Of the 10 reporting components of the group, 2 are located in Finland and audited by a component auditor operating under our instruction, 1 component is located in Greenland and audited by a network firm operating under our instruction and the audit of the remaining components were principally performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining exploration entities and publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

Key audit matters

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

Carrying value of intangible assets (refer Note 7)	**How the scope of our audit responded to the key audit matter**
The group holds exploration and evaluation assets of £23,138,507 which relate to the Dundas Titanium Project in Greenland and a portfolio of copper, zinc and nickel projects in Finland. Intangible assets represent c. 61% of the group's total assets. **The carrying value and recoverability of these assets are tested annually for impairment. The estimated recoverable amount of this balance is subjective due to the inherent uncertainty involved in the assessment of exploration projects.**	We have obtained and reviewed the Directors impairment review of intangible assets which considered the areas listed as indicators of impairment under IFRS 6. Our work included the following: • Obtaining the exploration licenses and ensuring they remain valid; • Performing substantive testing on certain components capitalised additions; • Reviewing the responses of component auditors to our instructions and reviewing their working papers; • Reviewing key external reports for indicators of impairment; • Considering the group's future plans for the exploration projects and that activity and expenditure thereto was planned; and • Considering whether there was an indicator that the carrying amount of capitalised expenditure was not recoverable.

	In forming our opinion on the financial statements, which is not modified, we draw to the users attention the disclosure within note 7 and within the Critical Accounting Estimates and Judgements which states that the recoverability of the projects in Finland, with a carrying value of £3,999,977, is dependent on the successful completion of a joint venture with a preferred parter. The financial statements do not include the adjustments that would result if the group was unable complete such an arrangement and to fully recover the carrying value of the intangible assets.

Net investments in subsidiaries, including in intercompany receivables (refer note 9)	**How the scope of our audit responded to the key audit matter**
The parent company's net investment in subsidiaries is £28,179,626. **The carrying value of the net investment in subsidiaries is ultimately dependent on the value of the underlying assets. Many of the underlying assets are exploration projects which are at an early stage of exploration making it difficult to determine their value. Valuations for these sites are therefore based on judgments and estimates made by the Directors - which leads to a risk of misstatement.**	We have obtained and reviewed the Directors impairment review of the carrying value of the Parent company's net investment in the subsidiaries. Our work included: • Reviewing the impairment indicators listed in IFRS 6 including specific consideration regarding the renewal of the exploration licenses; • Obtaining and reviewing available key external reports; • Reviewing the audit working papers of certain components to assess impairment considerations of exploration assets made by their auditors; and • Discussing with management the basis for impairment or non-impairment of investment in subsidiaries and loans receivable from subsidiaries. In forming our opinion on the financial statements, which is not modified, we draw to the users attention the disclosure within note 9 and within the Critical Accounting Estimates and Judgements which states that the loan due from FinnAust Mining Finland Oy has a carrying value of £6,764,324. This exceeds the recoverable amount of the group's associated intangible asset by £2,764,347 which indicates the existence of a material uncertainty. The financial statements do not include the adjustments that would result if the Company was unable to fully recover the carrying value of the loan due from FinnAust Mining Finland Oy.

HMRC enquiry (note 27)	**How the scope of our audit responded to the key audit matter**
There is an ongoing enquiry with HMRC which will be heard at tribunal. The total value of the amount in dispute at 31 December 2019 is considered to be £843k, which can be broken into two parts: 1) **£255k of input VAT reclaimed during 2012-2015 which HMRC has already repaid and is pursuing the Company; and** 2) **£588k of input VAT on returns submitted 2015 – 2019 which HMRC has withheld payment, although the Company has recorded as a receivable.** **There is an inherent uncertainty as to the outcome of the tribunal and therefore a risk of material misstatement.**	We have obtained director's assessment of the outcome of the tribunal and therefore the likely recovery of the VAT receivable. Our work included; • Consideration of the adequacy of the disclosure made in note 27 to the financial statements and within the Critical Accounting Estimates and Judgements concerning the ongoing dispute with HMRC regarding the recovery of input VAT; • We have obtained and reviewed correspondence and documentation relating to the case for consistency with director's assessment; • We have considered the opinions of key external advisers as to the likely outcome of the case; and • We have reviewed the the calculation of the receivable as at 31 December 2019 for accuracy.

	In forming our opinion on the financial statements, which is not modified, we draw to the users attention that the dispute will be heard at tribunal, the outcome of which is uncertain and this along with the other matters explained in note 27 to the financial statements, indicates the existence of a material uncertainty. The financial statements do not include the adjustments that would result if the Company was unsuccessful with its case at the tribunal.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

20 May 2020

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

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

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 31 December 2019 was £3,161,498 (year ended 31 December 2018: £8,894,678).

The Financial Statements were approved and authorised for issue by the Board of Directors on 20 May 2020 and were signed on its behalf by:

Roderick McIllree
Chief Executive Officer

The Notes on pages 28 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2019

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

The Notes on pages 28 to 54 form part of these Financial Statements.

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

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

The Notes on pages 28 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

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

The Notes on pages 28 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 January 2018		**7,792,372**	**27,220,576**	**312,045**	**(12,515,318)**	**22,809,675**
Loss for the year		-	-	-	(8,894,678)	(8,894,678)
Total comprehensive income for the year		**-**	**-**	**-**	**(8,894,678)**	**(8,894,678)**
Proceeds from share issues	16	7,828	17,092,171	-	-	17,099,999
Issue costs	16	-	(641,071)	-	-	(641,071)
Share based payments	17	37	67,463	-	-	67,500
Exercised options	17	-	-	(648)	648	-
Total transactions with owners, recognised directly in equity		**7,865**	**16,518,563**	**(648)**	**648**	**16,526,428**
Balance as at 31 December 2018		**7,800,237**	**43,739,139**	**311,397**	**(21,409,348)**	**30,441,425**
Balance as at 1 January 2019		**7,800,237**	**43,739,139**	**311,397**	**(21,409,348)**	**30,441,425**
Loss for the year		-	-	-	(3,161,498)	(3,161,498)
Total comprehensive income for the year		**-**	**-**	**-**	**(3,161,498)**	**(3,161,498)**
Proceeds from share issues	16	11,500	11,488,500	-	-	11,500,000
Issue costs	16	-	(175,800)	-	-	(175,800)
Share based payments	17	496	411,817	-	-	412,313
Issued Options	17			36,175	-	36,175
Exercised options	17	-	-	(13,605)	13,605	-
Expired Options	17	-	-	(1,598)	1,598	-
Other equity adjustments		(328,167)	-	328,167	-	-
Total transactions with owners, recognised directly in equity		**(316,171)**	**11,724,517**	**349,139**	**15,203**	**11,772,688**
Balance as at 31 December 2019		**7,484,066**	**55,463,656**	**660,536**	**(24,555,643)**	**39,052,615**

The Notes on pages 28 to 54 form part of these Financial Statements.

STATEMENTS OF CASH FLOWS
For the year ended 31 December 2019

		Group		Company	
		Year ended 31 December 2019	Year ended 31 December 2018	**Year ended 31 December 2019**	Year ended 31 December 2018
	Note	**£**	£	**£**	£
Cash flows from operating activities					
Loss before income tax		**(1,806,941)**	(10,776,686)	**(3,161,498)**	(8,894,678)
Adjustments for:					
Depreciation	6	**500,479**	250,590	**61,519**	12,745
Loss/(gain) on financial assets at FVTPL	8	**(668,133)**	96,573	**(668,133)**	96,573
Loss on sale of property, plant and equipment	6	**71,644**	-	**-**	-
Share options expense	17	**36,175**	-	**36,175**	-
Share based payments	17	**412,313**	45,000	**412,313**	45,000
Intercompany management fees		**-**	-	**(665,120)**	(620,482)
Net finance (income)/costs	21	**(6,454)**	(12,906)	**(458,442)**	(303,912)
Non cash loss/(gain)		**96,568**	-	**1,483,889**	-
Impairments	7	**-**	8,873,585	**-**	8,010,452
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	10	**(1,156,028)**	(174,810)	**647,777**	404,782
Increase/(Decrease) in trade and other payables	12	**459,847**	241,867	**526,623**	(42,224)
Net cash used in operating activities		**(2,060,530)**	(1,456,787)	**(1,784,897)**	(1,291,744)
Cash flows from investing activities					
Purchase of property plant and equipment	6	**(543,556)**	(2,452,284)	**(12,539)**	(48,689)
Sale of financial assets at FVTPL	8	**998,535**	-	**998,535**	-
Sale of property, plant and equipment	6	**165,140**	-	**-**	-
Purchase of quoted shares measured at fair value through the profit or loss	8	**-**	(426,975)	**-**	(426,975)
Purchase of intangible assets	7	**(7,841,020)**	(6,251,969)	**-**	-
Interest received		**10,683**	12,906	**10,683**	12,210
Net cash used in investing activities		**(7,210,218)**	(9,118,322)	**996,679**	(463,454)
Cash flows from financing activities					
Proceeds from issue of share capital	16	**10,925,000**	17,099,999	**10,925,000**	17,099,999
Transaction costs of share issue	16	**(175,800)**	(641,071)	**(175,800)**	(641,071)
Loans granted to subsidiary undertakings		**-**	-	**(8,538,772)**	(8,746,995)
Interest paid		**(4,229)**	-	**(2,492)**	-
Net cash generated from financing activities		**10,744,971**	16,458,928	**2,207,936**	7,711,933
Net decrease/(increase) in cash and cash equivalents		**1,474,223**	5,883,819	**1,419,718**	5,956,735
Cash and cash equivalents at beginning of year		8,843,709	2,901,922	8,777,619	2,820,884
Exchange gain on cash and cash equivalents		(3,231)	57,968	**-**	-
Cash and cash equivalents at end of year	11	**10,314,701**	8,843,709	**10,197,337**	8,777,619

Major non-cash transactions

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

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

The Notes on pages 28 to 54 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. General information

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

The address of its registered office is 7-9 Swallow Street, London, W1B 4DE.

2. Summary of significant Accounting Policies

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

2.1. Basis of preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS and IFRS IC interpretations. The Consolidated Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on business combination.

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

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

2.2. New and amended standards

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

As of 1 January 2019, the Company adopted IFRS 16 Leases, Amendments to IFRS 2 – classification and measurement of share based payments transactions, Annual improvements to IFRS Standards 2015-2017 cycle and IFRIC 23 Uncertainty over income tax treatments .

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

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

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

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

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

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

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

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Definition of a Business	*1 January 2020
IAS 1 and IAS 8 (Amendments)	Definition of material	1 January 2020
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	*1 January 2022

**subject to EU endorsement*

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

2.3. Basis of Consolidation

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

2.4. Going concern

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

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

The Group's business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman's Report on pages 3-5. In addition, Note 3 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

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

2.5. Segment reporting

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

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

2.6. Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

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

2.7. Intangible assets

Exploration and evaluation assets

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

Exploration and evaluation assets are recorded and held at cost

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

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

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

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

2.8. Investments in subsidiaries

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

2.9. Property, plant and equipment

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

Office Equipment – 5 years
Machinery and Equipment – 5 to 15 years
Software – 2 years

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

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

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

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

2.10. Impairment of non-financial assets

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

2.11. Financial assets

(a) Classification

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

(b) Recognition and measurement

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

Fair value through the profit or loss
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.The Group holds equity instruments that are classified as FVTPL as these were acquired principally for the purpose of selling in the near term.

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

2.16. Share capital, share premium and deferred shares

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

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

2.17. Share based payments

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

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

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

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

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

2.18. Taxation

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

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

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

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

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

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

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

Deferred tax assets and liabilities are not discounted.

3. Financial risk management

3.1. Financial risk factors

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

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

Market risk

(a) Foreign currency risk

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

The Group negotiates all material contracts for activities in relation to its subsidiaries in either British Pounds, Euros or Danish Krone. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of inter company loans. The Group has not sensitised the figures for fluctuations in foreign exchange rates as the Directors are of the opinion that these fluctuations, apart from the retranslation of intercompany loans at the closing rate, would not have a significant impact on the financial statements of the Group. However, the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations which are separately disclosed, and is predominantly due to the exceptional nature of the Euro exchange rate in the last two years in the current economic climate. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

(b) Price risk

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

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

Credit risk

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

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

Liquidity risk

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

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

3.2. Capital risk management

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

At 31 December 2019 the Group had borrowings of £nil (31 December 2018: £nil) and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

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

3.3. Sensitivity analysis

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

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

Potential impact on DKK expenses: 2019	**Loss before tax for the year ended 31 December 2019**		**Equity before tax for the year ended 31 December 2019**	
	Group	**Company**	Group	Company
Increase/(decrease) in foreign exchange rate	**£**	**£**	£	£
10%	(1,854,789)	(3,070,151)	37,595,930	39,143,962
-10%	(1,759,093)	(3,070,151)	34,002,990	39,143,962

4. Critical accounting estimates and judgements

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

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

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

Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2019 of £23,138,507 (2018: £15,478,246). Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement.

Included within intangible assets at 31 December 2019 is an amount of £3,999,977 (2018: £3,983,108) in respect of projects in Finland. In the previous year the Directors assessed this amount as recoverable through a new strategy of entering into a joint venture with a preferred partner. As at 31 December 2019 the Directors have not finalised and agreed binding terms with a preferred partner. The Directors have not recognised any impairment to this amount because they consider that they will be able to successfully finalise the terms and recover the carrying amount in full. If a preferred partner cannot be located, then it is likely that an impairment charge will be necessary in respect of Finish projects and this is considered a critical accounting judgement.

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

Recoverability of the loan due from FinnAust Mining Finland Oy

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

VAT receivable

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

Useful economic lives of property, plant and equipment

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

Share based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and suppliers for various services received. No share options or warrants were issued in the current year.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 16.

Recovery of other receivables

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

5. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in three geographical segments; the United Kingdom, Greenland and Finland. Activities in the UK are mainly administrative in nature whilst the activities in Greenland and Finland relate to exploration and evaluation work.

The Group had no turnover during the period.

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

2018	Greenland £	Finland £	UK £	Total £
Revenue	-	-	-	**-**
Administrative expenses	(499,927)	(92,937)	(1,207,987)	**(1,800,851)**
Foreign exchange	(155,111)	(63,818)	195,172	**(23,757)**
Finance income	-	-	12,209	**12,209**
Other income	-	2,409	-	**2,409**
Impairment of intangible asset	-	8,873,586	-	**(8,873,586)**
Loss before tax per reportable segment	478,708	8,707,376	1,590,602	**10,776,686**
Additions to PP&E	2,395,852	23,548	48,690	**2,468,090**
Additions to intangible asset	5,148,986	1,102,983	-	**6,251,969**
Reportable segment assets	11,960,517	4,081,746	12,225,145	**28,267,408**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

6. Property, plant and equipment

Group

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

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

Company

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

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

7. Intangible assets

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

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

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

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

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

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

8. Financial assets measured at fair value

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

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

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

9. Investments in subsidiary undertakings

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

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

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

Subsidiaries

Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Centurion Mining Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Dormant
Centurion Universal Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Holding
Centurion Resources GmbH	Schottenring 14 /525 1010 Vienna, Austria	Austria	Nil	100%	Exploration
Finland Investments Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Holding
FinnAust Mining Finland Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
FinnAust Mining Northern Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
Disko Exploration Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Exploration
Dundas Titanium A/S	c/o Nuna Advokater ApS, Qullilerfik 2, 6, Postboks 59, Nuuk 3900, Greenland	Greenland	Nil	100%	Exploration

All subsidiary undertakings are included in the consolidation.

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

10. Trade and other receivables

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

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

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

At 31 December 2019 all trade and other receivables were fully performing. No ageing analysis is considered necessary as the Group has no significant trade receivable receivables which would require such an analysis to be disclosed under the requirements of IFRS 7.

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

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

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

11. Cash and cash equivalents

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

12. Trade and other payables

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

Trade payables include amounts due of £898,395 in relation to exploration and evaluation activities.

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

	Group		Company	
	31 December 2019 £	31 December 2018 £	**31 December 2019 £**	31 December 2018 £
UK Pounds	**1,061,692**	8,781,031	**996,176**	469,554
Euros	**29,957**	4,762	**-**	-
Danish Krone	**151,198**	57,916	**-**	-
	1,242,847	8,843,709	**996,176**	469,554

13. Lease liabilities

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

	Group and Company	
	31 December 2019	**31 December 2018**
Lease liabilities	**£**	**£**
Not later than one year	80,814	-
Later than one year and no later than five years	62,220	-
Later than five years	-	-
	143,034	**-**
Future finance charges on finance lease liabilities	3,966	-
Present value of finance lease liabilities	**147,000**	**-**

For the year ended 31 December 2019, the total finance charges were £2,492. 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	
	2019 £	**2018 £**	**2019 £**	**2018 £**
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 £8,883,046 (2018: £8,873,586) and other losses of approximately £6,181,673 (2018: £5,897,843) available to carry forward against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

15. Financial Instruments by Category

Group

	31 December 2019			31 December 2018		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	**1,376,332**	**-**	**1,376,332**	695,971	-	695,971
Financial assets at fair value through profit or loss	**-**	**-**	**-**	-	330,402	330,402
Cash and cash equivalents	**10,314,701**	**-**	**10,314,701**	8,843,709	-	8,843,709
	11,691,033	**-**	**11,691,033**	9,539,680	330,402	9,870,082

	31 December 2019		31 December 2018	
	Amortised cost	Total	Amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	**1,242,847**	**1,242,847**	783,836	783,836
Finance lease liability	**143,034**	**143,034**	-	-
	1,385,881	**1,385,881**	783,836	783,836

Company

	31 December 2019			31 December 2018		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	**1,644,498**	**-**	**1,644,498**	777,935	-	777,935
Financial assets at fair value through profit or loss	**-**	**-**	**-**	-	330,402	330,402
Cash and cash equivalents	**10,197,337**	**-**	**10,197,337**	8,777,619	-	8,777,619
	11,841,835	**-**	**11,841,835**	9,555,554	330,402	9,885,956

	31 December 2019		31 December 2018	
	At amortised cost	Total	At amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	**996,176**	**996,176**	469,554	469,554
Finance lease liability	**143,034**	**143,034**	-	-
	1,139,210	**1,139,210**	469,554	469,554

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

16. Share capital and premium

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

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

(1) Includes issue costs of £641,071
(2) Includes issue costs of £175,800

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

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

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

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

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

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

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

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

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

17. Share based payments

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

			Options & Warrants	
Grant Date	Expiry Date	Exercise price in £ per share	31 December 2019	31 December 2018
29 November 2013	29 May 2019	0.10	-	5,000,000
4 March 2016	3 March 2019	0.06	-	1,000,000
17 December 2016	17 December 2021	0.07	1,228,153	2,689,768
9 June 2017	9 June 2022	0.165	1,025,000	1,025,000
17 October 2017	17 October 2020	0.20	5,350,000	5,350,000
17 October 2017	17 October 2020	0.25	5,350,000	5,350,000
17 October 2017	17 October 2020	0.30	5,350,000	5,350,000
23 July 2019	23 July 2023	0.10	5,200,000	-
23 July 2019	23 July 2023	0.15	5,200,000	-
23 July 2019	23 July 2023	0.20	5,600,000	-
			34,303,153	**25,764,768**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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

The expected volatility of the 2016, 2017 and 2019 options is based on historical volatility for the six months prior to the date of granting.

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.
A reconciliation of options and warrants granted over the year to 31 December 2019 is shown below:

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

	2019				2018			
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	0.1898	34,303,153	3.68	3.68	0.1913	25,764,768	1.65	1.65

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

18. Other reserves

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

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

19. Employee benefit expense

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

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

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

20. Directors' remuneration

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

Of the above Group directors' remuneration, £44,412 (31 December 2018: £42,905) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

	Year ended 31 December 2018			
	Short-term benefits	Post-employment benefits	Share based payments	Total
	£	£	£	£
Executive Directors				
Roderick McIllree	182,783	640	-	183,423
Non-executive Directors				
Greg Kuenzel (3)	10,286	5	-	10,291
Ian Henderson	19,022	-	-	19,022
Garth Palmer	16,114	330	-	16,444
Peter Waugh	24,000	-	-	24,000
Michael Hutchinson	25,000	315	-	25,315
	277,205	**1,290**	**-**	**278,495**

(1) Bo Stensgaard was appointed on 13 August 2019

(2) Garth Palmer resigned on 12 December 2019

(3) Gregory Kuenzel resigned on 2 June 2018

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

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

21. Finance income

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

22. Other gain/(losses)

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

23. Income tax expense

No charge to taxation arises due to the losses incurred.

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

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

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

The Group has a potential deferred income tax asset of approximately £1,189,029 (2018: £1,179,569) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £6,181,673 (2018: £5,897,843) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

24. Earnings per share

Group

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

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 17.

25. Expenses by nature

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

Services provided by the Company's auditor and its associates

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

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

26. Commitments

(a) Royalty agreements

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

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

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

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

(b) License commitments

Bluejay now owns 7 mineral exploration licenses in Greenland. Licence 2015/08 and 2019/114 is a part of the Dundas project and licences 2011/31, 2012/29, 2017/01, 2018/16 and 2019/116 are part of the Disko projects in Greenland. These licences include commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2019 these are as follows:

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

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

27. Contingent liabilities

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

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

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

28. Related party transactions

Loans to Group undertakings

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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

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

All intra Group transactions are eliminated on consolidation.

Other transactions

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

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

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

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

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

29. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

30. Events after the reporting date

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

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