Registered number: 05389216

BLUEJAY MINING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020

BLUEJAY MINING PLC

CONTENTS

COMPANY INFORMATION

Directors	Roderick McIllree (Executive Chairman) Bo Stensgaard (Chief Executive Officer) Peter Waugh (Non-Executive Director) Michael Hutchinson (Non-Executive Chairman) Ian Henderson Non-Executive Director) – resigned 5 January 2021 Johannus Egholm Hansen (Non-Executive Director) – appointed 15 March 2021
Company Secretary	Westend 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 the continued unprecedented times, and the subsequent challenging economic climate we find ourselves in, I would like to begin my report by sending my well wishes to all and thanking the entire Bluejay Mining plc ('Bluejay' or the 'Company') team for remaining as focused as ever.

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

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

Greenland

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

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

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

Additionally, by end of December 2020, we reached another significant milestone for the Company with the signing of a Master Distribution Agreement with a large, long established Asian trading and industrial conglomerate for a minimum of 250,000 tonnes and up to 340,000 tonnes of ilmenite per annum, which is approximately 75% of the expected annual production from Dundas. It is expected that this product will ultimately be supplied into multiple international markets in Asia (including China and Japan), and European countries. The landmark award of the licence allows Bluejay to further discussions with several other leading industry players with a view to securing additional commercial offtake agreements for the remaining 100,000 tonnes of expected annual production. These discussions will continue in 2021 and we are confident that an offtake for the remainder of the expected production can be achieved considering the quality of the ilmenite from Dundas.

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

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

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

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

The successful 42,000 tonne trial shipment of ilmenite sand that was carried out in 2019 provided the basis for continued large-scale testing and the validation of the design associated with the processing of the mineral sands into a standard and premium Dundas ilmenite product. Our gravity separation plant facilities in Quebec was operational but because of the onset of the COVID-19 pandemic, related health-precautions and restrictions, we announced on 27 March 2020 that the plant was put on care and maintenance. This delay in the processing of the bulk sample provided an opportunity to review strategically the options for extracting the most value, commercially and technically, from the resulting ilmenite concentrate and in particular, the impact of the signing of the Master Distribution Agreement in December 2020. As a consequence, the smelter test agreed with RTIT was determined to be of lower importance as new options for commercial enhancement with additional customers had become available. Therefore, once the pilot plant has been restarted the portion of ilmenite assigned to RTIT will, at the very least, be significantly reduced from that originally envisaged to facilitate other customers.

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

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

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

At Kangerluarsuk, drilling will target known zinc, lead, silver and copper occurrences that have correlations with the neighbouring former Black Angel zinc-lead-silver mine. The close vicinity and similar settings of the Kangerluarsuk prospect to the very profitable former Black Angel mine is intriguing and this should be seen as a strong candidate for drill-target potential within a brownfield former mine district. Recent work and mapping by the Geological Survey of Denmark and Greenland ("GEUS") has raised of our confidence in the licence's prospectivity and, as a consequence, post-period-end in January 2020 we increased the project area by more than five-fold to 692 km^2.

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

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

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

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

Finland

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

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

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

Since the start of the COVID-19 pandemic, security of raw materials supply has, once again, become increasingly important and, to that end, in November 2020, we were extremely proud to announce that we had joined the European Raw Materials Alliance ('ERMA'). ERMA was launched in September 2020 by the European Commission as part of its outlined Action Plan on Critical Raw Materials. The Action Plan defines the steps Europe must take to diversify and strengthen supply chains, decrease dependency on other countries, and reduce the reliance on critical raw materials by securing access to sustainable raw materials. Being selected as founding members of the ERMA was an honour and the Company is excited to contribute to its development and benefit from the cooperation and opportunities within the Alliance as we move towards a sustainable and dependable raw materials supply chain for Europe.

BLUEJAY MINING PLC

CHAIRMAN'S REPORT

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

Financial

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

Outlook

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

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

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

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

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

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

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

I am grateful to all of the communities in which we operate, our strategic partners, stakeholders, advisors and the entire Bluejay team for their continued support and tireless work. Whilst the immediate global outlook continues to be dominated by a world that is adjusting to COVID-19, we are confident for, and look forward to, another productive and promising year. In the meantime, we hope everyone continues to stay safe and well and we look forward to providing further updates on Bluejay's successes in 2021.

Michael Hutchinson
Chairman
21 May 2021

STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 31 December 2020.

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 Directors 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, due to the COVID-19 pandemic, the UK, Greenland, Finland and Canadian governments all imposed restrictions on air travel and non-essential work. Bluejay 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.

Alongside Dundas, the Group has a wider portfolio of prospective assets situated in Finland and the Disko area of Greenland. At Disko, the precious and base metals project in South Greenland, the field season focussed on following up on several high-priority gold, platinum group elements and base metal geochemical anomalies identified as part of Bluejay's recent re-analysis of historical stream sediments. In Finland, an exploration programme begun at the Hammaslahti Copper-Gold-Zinc Project in November 2020 and a joint venture and earn-in agreement was signed at the Enonkoski Project.

Looking forward, due to COVID-19, governments still have restrictions and quarantine requirements on travel and non-essential work. Bluejay currently has active drill programs in Finland being undertaken by its in-country team. We continue to monitor the situation in Greenland, where the recommencement of large scale works cannot be undertaken without greater visibility. In Greenland, the Government has advised that it has waived all spending commitments associated with exploration licences in 2021.

Financial performance review

The loss of the Group for the year ended 31 December 2020 before taxation amounts to £2,487,563 (31 December 2019: £1,806,941).

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 2020.

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	**2020**	2019
Cash and cash equivalents	**£5,942,848**	**£10,314,701**
Administrative expenses as a percentage of total assets	**6.81%**	**6.00%**
Exploration costs capitalised during the period	**£2,471,136**	**£7,841,020**

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

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

Exploration costs capitalised during the period consist of exploration expenditure on the Group's explor0ation 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 2020:

- 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 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 21 May 2021.

Bo Stensgaard
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 2020.

Dividends

The Directors do not recommend the payment of a dividend for the year (31 December 2019: £nil).

Directors & Directors' interests

The Directors who served during the year ended 31 December 2020 are shown below and had, at that time the following beneficial interests in the shares of the Company:

	31 December 2020		31 December 2019	
	Ordinary Shares	Options	Ordinary Shares	Options
Roderick McIllree	74,677,778	-	94,677,778	-
Peter Waugh	140,224	-	140,224	1,950,000
Michael Hutchinson	-	-	-	1,800,000
Ian Henderson(1)	-	-	-	-
Bo Stensgaard	-	4,100,000	-	4,100,000

(1) Ian Henderson resigned on 5 January 2021.

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 21 May 2021 are shown below:

	21 May 2021	
	Holding	Percentage
Sandgrove Capital Management LLP	163,963,751	16.88%
M&G Plc	132,136,364	13.60%
HSBC Bank Plc	77,467,042	7.97%
Roderick McIllree	74,677,778	7.69%

Corporate responsibility

Environmental

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

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

DIRECTORS' REPORT

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

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

Supplier payment policy

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

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

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

Going concern

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 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.

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

The Group's business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman's Report on pages 3-7. In addition, Note 3 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

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

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.

BLUEJAY MINING PLC

DIRECTORS' REPORT

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 21 May 2021 and signed on its behalf.

Bo Stensgaard
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 Accounting Standards in conformity with the Companies Act 2006. 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 international accounting standards in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on 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 and Group'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 2020 was the completion and submission of the Environmental Impact Assessment and Social Impact Assessment reports at the Dundas project, both of which have been confirmed compliant for the Public Consultation phase.

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

Principle One
Business Model and Strategy

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

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

- Continued development of the Dundas ilmenite project in Greenland toward commercialisation. Key milestones recently achieved include approval of the exploitation licence and approval of the EIA and SIA. Further detail is included in the Chairman's Report on pages 3-7.
- Exploration of Disko-Nuussuaq and Kangerluarsuk projects also in Greenland. Expanded licence holding and identified drill targets.
- Entered into a joint venture and earn-in agreement for the Enonkoski project and commenced drilling program at Hammaslahti.

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 Sheil, Head of Corporate Development and Strategy or the Company's PR advisors, Blytheweigh 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 licence application 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 Bo Stensgaard, the Executive Chairman Roderick McIllree and three Non-Executive Directors, Peter Waugh, Michael Hutchinson and Johannus Hansen. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

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

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

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

	Meetings Attended	Meetings eligible to attend
Roderick McIllree	3	3
Michael Hutchinson	3	3
Peter Waugh	3	3
Ian Henderson (1)	3	3
Bo Stensgaard	3	3
Johannus Hansen (2)	-	-

(1) Ian Henderson resigned on 5 January 2021
(2) Johannus Hansen was appointed on 15 March 2021

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

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

Roderick McIllree
Executive Chairman

Bo Stensgaard
Chief Executive Officer

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

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

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

Remuneration Committee
The Remuneration Committee comprises Peter Waugh, Johannus Hansen and Michael Hutchinson, and Michael Hutchinson chairs this committee. The Remuneration Committee reviews the performance of the executive Directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves 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, Johannus Hansen 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 Sheil, Head of Corporate Development and Strategy or the Company's PR advisors, Blytheweigh 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

21 May 2021

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Bluejay Mining Plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2020 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 accounting standards in conformity with the requirements of the Companies Act 2006 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 2020 and of the group’s and parent company’s loss for the year then ended;
- the group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

Conclusions relating to going concern

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

a) Reviewing management’s assessment of going concern.
b) Determining if all relevant information has been included in the assessment of going concern including completeness of forecast expenditure.
c) Analysing cash flow forecasts and budgets, reviewing the underlying assumptions in relation to expenditure and checking mathematical accuracy.
d) Considering the cash position at and after the year end.
e) Reviewing the reasonable worst-case forecast scenario prepared by management and the financial resources available to deal with this outcome.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was £360,000 (2019: £375,000) based on 1% of gross assets. We based the materiality on gross assets because we consider this to be the most relevant performance indicator for a mining group in the exploration phase. The performance materiality was £216,000 (2019: £225,000). The materiality applied to the parent company financial statements was £42,000 (2019: £40,000) based on 2% of the expenses. The performance materiality was £25,200 (2019: £24,000). For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. As a group whose trade is in the process of expanding through product development and existing product revenue streams, loss before tax was considered the most appropriate benchmark to shareholders.

INDEPENDENT AUDITORS REPORT

We agreed with those charged with governance that we would report all differences identified during the course of our audit in excess of £18,000 (2019: £18,750).

Our approach to the audit

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

Of the 9 components of the group, a full scope audit was performed on the complete financial information of 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 9 reporting components of the group, 2 are located in Finland and audited by a network operating under our instruction, 1 component is located in Greenland and audited by a component auditor operating under our instruction and the audit of the remaining components were 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.

Key Audit Matter	How our scope addressed this matter
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 £26,768,227 which relate to the Dundas Titanium Project in Greenland and a portfolio of copper, zinc and nickel projects in Finland. Intangible assets represent c. 73% 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 and exploitation licenses and ensuring they remain valid; • 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.
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 £33,168,092. 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.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and the application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from AIM rules and the Companies Act 2006 and regulations applicable to the subsidiaries.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
    - enquiries of management, review of minutes and RNS announcements and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of goodwill and intangible assets. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

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

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

Use of our report

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

Zahir Khaki

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

15 Westferry Circus
Canary Wharf
London E14 4HD

21 May 2021

BLUEJAY MINING PLC

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

		Group		Company	
		31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	Note	**£**	£	**£**	£
Non-Current Assets					
Property, plant and equipment	6	**2,556,911**	**2,768,423**	**91,862**	**177,838**
Intangible assets	7	**26,768,227**	**23,138,507**	**-**	**-**
Investment in subsidiaries	9	**-**	**-**	**33,168,092**	**28,088,279**
		29,325,138	**25,906,930**	**33,259,954**	**28,266,117**
Current Assets					
Financial assets at fair value through profit or loss	8	**100,000**	**-**	**100,000**	**-**
Trade and other receivables	10	**1,503,896**	**1,459,755**	**1,248,085**	**1,728,371**
Cash and cash equivalents	11	**5,942,848**	**10,314,701**	**5,649,030**	**10,197,337**
		7,546,744	**11,774,456**	**6,997,115**	**11,925,708**
Total Assets		**36,871,882**	**37,681,386**	**40,257,069**	**40,191,825**
Non-Current Liabilities					
Lease liabilities	13	**-**	**62,220**	**-**	**62,220**
Deferred tax liabilities	14	**496,045**	**496,045**	**-**	**-**
		496,045	**558,265**	**-**	**62,220**
Current Liabilities					
Lease liabilities	13	**62,220**	**80,814**	**62,220**	**80,814**
Trade and other payables	12	**1,179,694**	**1,242,847**	**175,928**	**996,176**
		1,241,914	**1,323,661**	**238,148**	**1,076,990**
Total Liabilities		**1,737,959**	**1,881,926**	**238,148**	**1,139,210**
Net Assets		**35,133,923**	**35,799,460**	**40,018,921**	**39,052,615**
Equity attributable to owners of the Parent					
Share capital	16	**7,484,232**	**7,484,066**	**7,484,232**	**7,484,066**
Share premium	16	**55,620,034**	**55,463,656**	**55,620,034**	**55,463,656**
Other reserves	18	**(6,220,719)**	**(7,604,567)**	**644,738**	**660,536**
Retained losses		**(21,749,624)**	**(19,543,695)**	**(23,730,083)**	**(24,555,643)**
Total Equity		**35,133,923**	**35,799,460**	**40,018,921**	**39,052,615**

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

The Financial Statements were approved and authorised for issue by the Board of Directors on 21 May 2021 and were signed on its behalf by:

Bo Stensgaard
Chief Executive Officer

The Notes on pages 30 to 54 form part of these Financial Statements.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2020

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

The Notes on pages 30 to 54 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

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

The Notes on pages 30 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total £
Balance as at 1 January 2019		**7,800,237**	**43,739,139**	**(6,799,892)**	**(17,751,957)**	**26,987,527**
Loss for the year		-	-	-	(1,806,941)	(1,806,941)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	(1,153,814)	-	(1,153,814)
Total comprehensive income for the year		**-**	**-**	**(1,153,814)**	**(1,806,941)**	**(2,960,755)**
Proceeds from share issues	16	11,500	11,488,500	-	-	11,500,000
Issue costs	16	-	(175,800)	-	-	(175,800)
Share based payments	16	496	411,817	36,175	-	448,488
Exercised options	17	-	-	(13,605)	13,605	-
Expired options		-	-	(1,598)	1,598	-
Other equity adjustments		(328,167)	-	328,167	-	-
Total transactions with owners, recognised directly in equity		**(316,171)**	**11,724,517**	**349,139**	**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**
Balance as at 1 January 2020		**7,484,066**	**55,463,656**	**(7,604,567)**	**(19,543,695)**	**35,799,460**
Loss for the year		-	-	-	(2,257,599)	(2,257,599)
Other comprehensive income for the year						
Items that may be subsequently reclassified to profit or loss						
Currency translation differences		-	-	1,399,646	-	1,399,646
Total comprehensive income for the year		**-**	**-**	**1,399,646**	**(2,257,599)**	**(857,953)**
Share based payments	16	166	156,378	-	-	156,544
Issued Options	17			35,872	-	35,872
Expired options	17	-	-	(51,670)	51,670	-
Total transactions with owners, recognised directly in equity		**166**	**156,378**	**(15,798)**	**51,670**	**192,416**
Balance as at 31 December 2020		**7,484,232**	**55,620,034**	**(6,220,719)**	**(21,749,624)**	**35,153,923**

The Notes on pages 30 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 January 2019		**7,800,237**	**43,739,139**	**311,397**	**(21,409,348)**	**30,441,425**
Loss for the year		-	-	-	(3,161,498)	(3,161,498)
Total comprehensive income for the year		**-**	**-**	**-**	**(3,161,498)**	**(3,161,498)**
Proceeds from share issues	16	11,500	11,488,500	-	-	11,500,000
Issue costs	16	-	(175,800)	-	-	(175,800)
Share based payments	16	496	411,817	-	-	412,313
Issued Options	17			36,175	-	36,175
Exercised options		-	-	(13,605)	13,605	-
Expired Options		-	-	(1,598)	1,598	-
Other equity adjustments		(328,167)	-	328,167	-	-
Total transactions with owners, recognised directly in equity		**(316,171)**	**11,724,517**	**349,139**	**15,203**	**11,772,688**
Balance as at 31 December 2019		**7,484,066**	**55,463,656**	**660,536**	**(24,555,643)**	**39,052,615**
Balance as at 1 January 2020		**7,484,066**	**55,463,656**	**660,536**	**(24,555,643)**	**39,052,615**
Profit for the year		-	-	-	773,890	773,890
Total comprehensive income for the year		**-**	**-**	**-**	**773,890**	**773,890**
Share based payments	16	166	156,378	-	-	156,544
Issued Options	17			35,872	-	35,872
Expired Options	17	-	-	(51,670)	51,670	-
Total transactions with owners, recognised directly in equity		**166**	**156,378**	**(15,798)**	**51,670**	**192,416**
Balance as at 31 December 2020		**7,484,232**	**55,620,034**	**644,738**	**(23,730,083)**	**40,018,921**

The Notes on pages 30 to 54 form part of these Financial Statements.

BLUEJAY MINING PLC

STATEMENTS OF CASH FLOWS
For the year ended 31 December 2020

		Group		Company	
	Note	**Year ended 31 December 2020**	Year ended 31 December 2019	**Year ended 31 December 2020**	Year ended 31 December 2019
		£	£	**£**	£
Cash flows from operating activities					
Profit/(Loss) before income tax		**(2,487,563)**	**(1,806,941)**	**773,890**	**(3,161,498)**
Adjustments for:					
Depreciation	6	**606,585**	**500,479**	**103,308**	**61,519**
Loss/(gain) on financial assets at FVTPL	8	**-**	**(668,133)**	**-**	**(668,133)**
Loss on sale of property, plant and equipment	6	**-**	**71,644**	**-**	**-**
Share options expense	17	**35,872**	**36,175**	**35,872**	**36,175**
Share based payments	176	**156,544**	**412,313**	**156,544**	**412,313**
Intercompany management fees		**-**	**-**	**(574,921)**	**(665,120)**
Net finance (income)/costs	21	**(1,968)**	**(6,454)**	**(641,556)**	**(458,442)**
Non cash loss/(gain)		**4,371**	**96,568**	**(1,648,862)**	**1,483,889**
Impairments		**14,299**	**-**	**-**	**-**
Income tax received	23	**229,963**	**-**	**-**	**-**
Changes in working capital:					
(Increase)/Decrease in trade and other receivables	10	**305,100**	**(1,156,028)**	**1,054,892**	**647,777**
Increase/(Decrease) in trade and other payables	12	**(345,257)**	**459,847**	**(820,248)**	**526,623**
Net cash used in operating activities		**(1,482,054)**	**(2,060,530)**	**(1,561,081)**	**(1,784,897)**
Cash flows from investing activities					
Purchase of property plant and equipment	6	**(243,854)**	**(543,556)**	**(17,331)**	**(12,539)**
Sale/(purchase) of financial assets at FVTPL	8	**(100,000)**	**998,535**	**(100,000)**	**998,535**
Sale of property, plant and equipment	6	**-**	**165,140**	**-**	**-**
Purchase of quoted shares measured at fair value through the profit or loss	8	**-**	**-**	**-**	**-**
Purchase of intangible assets	7	**(2,471,136)**	**(7,841,020)**	**-**	**-**
Interest received		**6,697**	**10,683**	**6,697**	**10,683**
Net cash used in investing activities		**(2,808,293)**	**(7,210,218)**	**(110,634)**	**996,679**
Cash flows from financing activities					
Proceeds from issue of share capital	16	**-**	**10,925,000**	**-**	**10,925,000**
Transaction costs of share issue	16	**-**	**(175,800)**	**-**	**(175,800)**
Net loans granted to subsidiary undertakings		**-**	**-**	**(2,795,805)**	**(8,538,772)**
Repayment of loans		**(80,814)**	**-**	**(80,814)**	**-**
Interest paid		**(1,528)**	**(4,229)**	**-**	**(2,492)**
Net cash generated from financing activities		**(82,342)**	**10,744,971**	**(2,876,619)**	**2,207,936**
Net decrease/(increase) in cash and cash equivalents		**(4,372,689)**	**1,474,223**	**(4,548,334)**	**1,419,718**
Cash and cash equivalents at beginning of year		10,314,701	8,843,709	**10,197,337**	8,777,619
Exchange gain on cash and cash equivalents		835	(3,231)	**27**	**-**
Cash and cash equivalents at end of year	11	**5,942,848**	**10,314,701**	**5,649,030**	**10,197,337**

Major non-cash transactions

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

The Notes on pages 30 to 54 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. General information

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

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

2. Summary of significant Accounting Policies

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

2.1. Basis of preparation of Financial Statements

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

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

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

2.2. New and amended standards

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2020

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

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 – Definition of a business
- Amendments to IAS 1 and IAS 8 – Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

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

New IFRS Standards and Interpretations not adopted

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

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

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

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

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

2.3. Basis of Consolidation

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

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

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

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

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

2.4. Going concern

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

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

The Group’s business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman’s Report on pages 3-7. In addition, Note 3 to the Consolidated Financial Statements includes the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

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

2.5. Segment reporting

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

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

2.6. Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

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

2.7. Intangible assets

Exploration and evaluation assets

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

Exploration and evaluation assets are recorded and held at cost

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

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

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

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

2.8. Investments in subsidiaries

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

2.9. Property, plant and equipment

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

Office Equipment – 5 years

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

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

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

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

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

2.10. Impairment of non-financial assets

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

2.11. Financial assets

(a) Classification

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

(b) Recognition and measurement

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

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

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

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

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

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

(c) Impairment of financial assets

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

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

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

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

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

(d) Derecognition

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

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

2.12. Financial liabilities

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Trade and other payables

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

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

Derecognition

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

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

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

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

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

2.13. Leases

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-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, USD or Danish Krone. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of inter company loans. The Group has sensitised the figures for fluctuations in foreign exchange rates, as the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations which are separately disclosed, and is predominantly due to the exceptional nature of the Euro exchange rate in the last two years in the current economic climate. Further detail is in note 3.3

(b) Price risk

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

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

Credit risk

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

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

Liquidity risk

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

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

3.2. Capital risk management

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

At 31 December 2020 the Group had borrowings of £nil (31 December 2019: £nil) and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

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

3.3. Sensitivity analysis

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

Potential impact on Euro expenses: 2020	**(Loss)/profit before tax for the year ended 31 December 2020**		**Equity before tax for the year ended 31 December 2020**	
	Group	**Company**	**Group**	**Company**
Increase/(decrease) in foreign exchange rate	**£**	**£**	£	£
10%	(2,253,463)	773,890	35,607,276	40,018,921
-10%	(2,214,304)	773,890	34,708,604	40,018,921

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

4. Critical accounting estimates and judgements

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

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

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

Impairment of intangible assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2020 of £26,768,227 (2019: £23,138,507) Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement.

VAT receivable

At 31 December 2020, the Group and Company have recognised an amount of £737,059 (2019: £588,302) within trade and other receivables which relates to VAT receivable. The amount is subject to an on-going enquiry with HMRC, further details of which can be found in Note 27. The Company won the initial court case however HMRC have appealed the decision. The Directors believe that the amount will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

Useful economic lives of property, plant and equipment

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

Share based payment transactions

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

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

Recovery of other receivables
Included in other receivables is an amount of £155,806 (2019: £575,000) as at 31 December 2020 in respect of unpaid ordinary share capital issued on 25 November 2020. The Directors believe that the amount will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

5. Segment information

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

The Group had no turnover during the period.

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

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

6. Property, plant and equipment

Group

	Right of use assets	Software	Machinery & equipment	Office equipment	Total
	£	£	£	£	£
Cost					
As at 1 January 2019	**-**	**28,470**	**3,091,550**	**49,289**	**3,169,309**
Exchange Differences	-	-	(164,770)	(274)	(165,044)
IFRS 16 Adjustment	182,542	-	-	-	182,542
Additions	-	8,623	531,017	3,916	543,556
Disposals	-	-	(202,413)	-	(202,413)
As at 31 December 2019	**182,542**	**37,093**	**3,255,384**	**52,931**	**3,527,950**
As at 1 January 2020	**182,542**	**37,093**	**3,255,384**	**52,931**	**3,527,950**
Exchange Differences	-	-	192,414	182	192,596
Additions	-	9,221	226,523	8,110	243,854
As at 31 December 2020	**182,542**	**46,314**	**3,674,321**	**61,223**	**3,964,400**
Depreciation					
As at 1 January 2019	**-**	**14,476**	**292,894**	**15,848**	**323,218**
Charge for the year	40,565	10,796	436,487	12,631	500,479
Disposals	-	-	(37,273)	-	(37,273)
Exchange differences	-	-	(26,719)	(178)	(26,897)
As at 31 December 2019	**40,565**	**25,272**	**665,389**	**28,301**	**759,527**
As at 1 January 2020	**40,565**	**25,272**	**665,389**	**28,301**	**759,527**
Charge for the year	81,130	11,089	502,650	11,716	606,585
Exchange differences	-	-	41,232	145	41,377
As at 31 December 2020	**121,695**	**36,361**	**1,209,271**	**40,162**	**1,407,489**
Net book value as at 31 December 2019	**141,977**	**11,821**	**2,589,995**	**24,630**	**2,768,423**
Net book value as at 31 December 2020	**60,847**	**9,953**	**2,465,050**	**21,061**	**2,556,911**

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

Company

	Right of use assets	Software	Office equipment	Total
	£	£	£	£
Cost				
As at 1 January 2020	-	**28,470**	**41,916**	**70,386**
IFRS 16 Adjustment	182,542	-	-	182,542
Additions	-	8,623	3,916	12,539
As at 31 December 2019	**182,542**	**37,093**	**45,832**	**265,467**
As at 1 January 2020	**182,542**	**37,093**	**45,832**	**265,467**
Additions	-	9,221	8,110	17,331
As at 31 December 2020	**182,542**	**46,314**	**53,942**	**282,798**
Depreciation				
As at 1 January 2019	-	**14,476**	**11,634**	**26,110**
Charge for the period	40,565	10,796	10,158	61,519
As at 31 December 2019	**40,565**	**25,272**	**21,792**	**87,629**
As at 1 January 2020	**40,565**	**25,272**	**21,792**	**87,629**
Charge for the year	81,130	11,089	11,088	103,307
As at 31 December 2020	**121,695**	**36,361**	**32,880**	**190,936**
Net book value as at 31 December 2019	**141,977**	**11,821**	**24,040**	**177,838**
Net book value as at 31 December 2020	**60,847**	**9,953**	**21,062**	**91,862**

Depreciation expense of £103,307 (31 December 2019: £61,519) for the Company has been charged in administration expenses.

7. Intangible assets

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

	Group	
	31 December 2020	31 December 2019
Exploration & Evaluation Assets - Cost and Net Book Value	**£**	£
Cost		
As at 1 January	**32,012,092**	24,351,831
Additions	**2,471,136**	7,841,020
Exchange differences	**1,158,584**	(180,759)
As at year end	**35,641,812**	32,012,092
Provision for impairment		
As at 1 January	**8,873,585**	8,873,585
Impairments	**-**	-
As at year end	**8,873,585**	8,873,585
Net book value	**26,768,227**	23,138,507

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

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

In 2019, the Directors recognised an impairment of £8,873,585 in respect of exploration projects in Finland following their impairment assessment because certain project areas were no longer considered to be prospective and no further exploration or evaluation work was planned or budgeted for. The carrying value of the remaining project areas in Finland was assessed by the Directors as recoverable through a new strategy of identifying a preferred partner to enter into a joint venture agreement. During 2020 there has been progress in locating a preferred partner and an agreement on the Enokoski project was signed in November 2020. The Directors do not consider that the Finish projects should be impaired further based on being able to finalise terms with a preferred partner in the future.

Following their assessment, the Directors concluded that no impairment charge was required at 31 December 2020.

8. Financial assets measured at fair value

	Group		**Company**	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	£	£	**£**	£
As at 1 January	-	330,402	-	330,402
Acquisition of quoted shares	100,000	-	100,000	-
Disposal of quoted shares	-	(998,535)	-	(998,535)
Fair value gain	-	668,133	-	688,133
As at year end	**100,000**	**-**	**100,000**	**-**

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

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

9. Investments in subsidiary undertakings

	Company	
	31 December 2020	31 December 2019
	£	£
Shares in Group Undertakings		
At beginning of period	**558,342**	2,000,002
Transfer of investment	**-**	58,340
Impairment charge	**-**	(1,500,000)
At end of period	**558,342**	558,342
Loans to Group undertakings	**32,609,750**	27,621,284
Total	**33,168,092**	28,179,626

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

Subsidiaries

Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Centurion Mining Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Dormant
Centurion Universal Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Holding
Finland Investments Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Holding
FinnAust Mining Finland Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
FinnAust Mining Northern Oy	Kummunkatu 23, FI-83500 Outokumpu, Finland	Finland	Nil	100%	Exploration
Disko Exploration Limited	2nd Floor 7-9 Swallow Street, London, England, W1B 4DE	United Kingdom	100%	100%	Exploration
Dundas Titanium A/S	c/o Nuna Advokater ApS, 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 2020	31 December 2019	**31 December 2020**	31 December 2019
Current	**£**	£	**£**	£
Trade receivables	**317,502**	43,925	**4,620**	4,312
Amounts owed by Group undertakings	**-**	-	**172,400**	395,174
Prepayments	**99,353**	83,423	**96,040**	83,423
VAT receivable (See note 27)	**794,532**	619,957	**737,059**	588,302
Other receivables	**292,509**	712,450	**237,966**	657,160
Total	**1,503,896**	1,459,755	**1,248,085**	1,728,371

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

At 31 December 2020 all trade and other receivables were fully performing. No ageing analysis is considered necessary as the Group has no significant trade receivable receivables which would require such an analysis to be disclosed under the requirements of IFRS 7.

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

	Group		Company	
	31 December 2020 £	31 December 2019 £	**31 December 2020 £**	31 December 2019 £
UK Pounds	**1,039,017**	1,401,201	**1,248,085**	1,728,371
Euros	**71,770**	38,637	**-**	-
Danish Krone	**393,109**	19,917	**-**	-
	1,503,896	1,459,755	**1,248,085**	1,728,371

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

11. Cash and cash equivalents

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

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

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

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

12. Trade and other payables

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

Trade payables include amounts due of £90,283 in relation to exploration and evaluation activities.

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

	Group		Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	£	£	**£**	£
UK Pounds	**231,456**	1,061,692	**175,928**	996,176
Euros	**529,326**	29,957	**-**	-
Danish Krone	**418,908**	151,198	**-**	-
	1,179,690	1,242,847	**175,928**	996,176

13. Lease liabilities

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

	Group and Company	
	31 December 2020	**31 December 2019**
Lease liabilities	**£**	**£**
Not later than one year	62,220	80,814
Later than one year and no later than five years	-	62,220
Later than five years	-	-
	62,220	**143,034**
Future finance charges on finance lease liabilities	780	3,966
Present value of finance lease liabilities	**63,000**	**147,000**

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

14. Deferred tax

An analysis of deferred tax liabilities is set out below.

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

15. Financial Instruments by Category

Group

	31 December 2020			31 December 2019		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
Assets per Statement of Financial Performance	£	£	£	£	£	£
Trade and other receivables (excluding prepayments)	**1,404,543**	**-**	**1,404,543**	1,376,332	-	1,376,332
Financial assets at fair value through profit or loss	**-**	**100,000**	**100,000**	-	-	-
Cash and cash equivalents	**5,942,848**	**-**	**5,942,848**	10,314,701	-	10,314,701
	7,347,391	**100,000**	**7,447,391**	11,691,033	-	11,691,033

	31 December 2020		31 December 2019	
	Amortised cost	Total	Amortised cost	Total
Liabilities per Statement of Financial Performance	£	£	£	£
Trade and other payables (excluding non-financial liabilities)	**1,179,690**	**1,179,690**	1,242,847	1,242,847
Finance lease liability	**62,220**	**62,220**	143,034	143,034
	1,241,910	**1,241,910**	1,385,881	1,385,881

Company

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

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

16. Share capital and premium

Group and Company	Number of shares		Share capital	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Ordinary shares	971,629,460	969,969,397	97,162	96,996
Deferred shares	558,104,193	558,104,193	558,104	558,104

Deferred A shares	68,289,656,190	68,289,656,190	6,828,966	6,828,966
Total	**69,819,389,843**	**69,817,729,780**	**7,484,232**	**7,484,066**

Issued at 0.01 pence per share	Number of Ordinary shares	Share capital £	Share premium £	Total £
At 1 January 2019	**850,007,782**	**85,001**	**43,739,139**	**43,824,140**
Issue of new shares – 24 January 2019	1,461,615	145	102,167	102,312
Issue of new shares – 24 January 2019	1,000,000	100	59,900	60,000
Exercise of options – 2 May 2019	300,000	30	29,970	30,000
Exercise of options – 10 May 2019	2,200,000	220	219,780	220,000
Issue of new shares – 25 November 2019	75,000,000	7,500	7,316,700	7,324,200
Issue of new shares – 12 December 2019	40,000,000	4,000	3,996,000	4,000,000
As at 31 December 2019	**969,969,397**	**96,996**	**55,463,656**	**55,560,652**
As at 1 January 2020	**969,969,397**	**96,996**	**55,463,656**	**55,560,652**
Issue of new shares – 10 November 2020	1,660,063	166	156,378	156,544
As at 31 December 2020	**971,629,460**	**97,162**	**55,620,034**	**55,717,196**

Deferred Shares (nominal value of 0.1 pence per share)	Number of Deferred shares	Share capital £
As at 1 January 2019	**588,104,193**	**588,104**
Other equity adjustment	(30,000,000)	(30,000)
As at 31 December 2019	**558,104,193**	**558,104**
As at 1 January 2020	**558,104,193**	**558,104**
As at 31 December 2020	**558,104,193**	**558,104**

Deferred A Shares (nominal value of 0.1 pence per share)	Number of Deferred A shares	Share capital £
As at 1 January 2019	**71,271,328,120**	**7,127,132**
Other equity adjustment	(2,981,671,930)	(298,167)
As at 31 December 2019	**68,289,656,190**	**6,828,966**
As at 1 January 2020	**68,289,656,190**	**6,828,966**
As at 31 December 2020	**68,289,656,190**	**6,828,966**

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

17. Share based payments

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

			Options & Warrants	
Grant Date	Expiry Date	Exercise price in £ per share	**31 December 2020**	**31 December 2019**
17 December 2016	17 December 2021	0.07	1,228,153	1,228,153
9 June 2017	9 June 2022	0.165	1,025,000	1,025,000
17 October 2017	17 October 2020	0.20	-	5,350,000
17 October 2017	17 October 2020	0.25	-	5,350,000
17 October 2017	17 October 2020	0.30	-	5,350,000
23 July 2019	23 July 2023	0.10	5,200,000	5,200,000
23 July 2019	23 July 2023	0.15	5,200,000	5,200,000
23 July 2019	23 July 2023	0.20	5,600,000	5,600,000
10 July 2020	30 July 2025	0.10	5,150,000	-
10 July 2020	30 July 2025	0.15	2,100,000	-
			25,503,153	**34,303,153**

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

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

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

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

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

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.
A reconciliation of options and warrants granted over the year to 31 December 2020 is shown below:

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

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

During the period there was a charge of £35,872 (2019: £36,175) in respect of share options.

18. Other reserves

	Group					
	Merger reserve	**Foreign currency translation reserve**	**Reverse acquisition reserve**	**Redemption reserve**	**Share option reserve**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
At 31 December 2019	**166,000**	**(194,102)**	**(8,071,001)**	**364,630**	**129,906**	**(7,604,567)**
Currency translation differences	**-**	1,399,646	-	-	-	**1,399,646**
Expired Options	-	-	-	-	(51,670)	**(51,670)**
Issued Options	-	-	-	-	35,872	**35,872**
At 31 December 2020	**166,000**	**1,205,544**	**(8,071,001)**	**364,630**	**114,108**	**(6,220,719)**

19. Employee benefit expense

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

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

Of the above Group staff costs, £455,385 (year ended 31 December 2019: £763,055) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

20. Directors' remuneration

	Year ended 31 December 2020			
	Short-term benefits	**Post-employment benefits**	**Share based payments**	**Total**
	£	**£**	**£**	**£**
Executive Directors				
Roderick McIllree	53,391	2,421	-	55,812
Bo Stensgaard	106,250	-	-	106,250
Non-executive Directors				
Ian Henderson	38,750	-	-	38,750
Peter Waugh	18,600	867	-	19,467
Michael Hutchinson	90,375	-	-	90,375
	307,366	**3,288**	**-**	**310,654**

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

Of the above Group directors' remuneration, £123,683 (31 December 2019: £44,412) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

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

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

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

21. Finance income

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

22. Other gain/(losses)

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

23. Income tax expense

No charge to taxation arises due to the losses incurred.

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

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

The weighted average applicable tax rate of 21.62% (2019: 21.96%) used is a combination of the 19% standard rate of corporation tax in the UK, 20% Finnish corporation tax and 30% Greenlandic corporation tax.

The Group has a potential deferred income tax asset of approximately £959,066 (2019: £1,189,029) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £6,719,484 (2019: £6,181,673) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

24. Earnings per share

Group

The calculation of the total basic earnings per share of (0.23) pence (31 December 2019: (0.21) pence) is based on the loss attributable to equity holders of the parent company of £2,257,600 (31 December 2019: £1,806,941) and on the weighted average number of ordinary shares of 970,205,253 (31 December 2019: 969,969,397) in issue during the year.

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

25. Expenses by nature

	Group	
	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Employee expenses	**367,891**	437,329
Establishment expenses	**72,010**	105,971
Travel & subsistence	**111,954**	130,708
Professional & consultancy fees	**970,021**	897,713
IT & Software	**20,366**	17,605
Insurance	**73,192**	76,157
Depreciation	**606,585**	500,479
Share Option expense	**35,872**	36,175
Payments to acquire royalties	**200,000**	-
Other expenses	**52,929**	57,487
Total administrative expenses	**2,510,820**	2,259,624

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

Services provided by the Company's auditor and its associates

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

	Group	
	Year ended 31 December	Year ended 31 December
	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	**69,375**	65,655
Fees payable to the Company's auditor for tax compliance & other services	**47,540**	20,868

26. Commitments

License commitments

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

As at 31 December 2020 these are as follows:

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

As a result of the COVID-19 pandemic, the Greenland Government has approved that there will be no mineral exploration licence spend obligations for the period 1 January 2020 until 31 December 2021.

27. Contingent liabilities

The Directors are in the process of appealing an assessment made by HMRC which relates to the Company's ability to claim input VAT because, in the view of HMRC, the Company does not technically constitute a business for the purposes of VAT and is not eligible to make such claims in connection with services it supplied to the Company's subsidiaries. The initial assessment raised by HMRC is for an amount of £255,492 and relates to input VAT claimed and repaid by HMRC between 2012-2015. At the point the assessment was raised, HMRC ceased to repay any further claims for input VAT made by the Company. The Company has continued to submit the appropriate returns to HMRC and as a result, the Company has a receivable from HMRC of £737,059 at 31 December 2020 which is included within trade and other receivables. HMRC has made a further protective assessment for this amount, bringing the total amount of the dispute at 31 December 2020 to £992,551.

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

The Directors believe that the amount of £992,551 will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

28. Related party transactions

Loans to Group undertakings

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

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

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

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

All intra Group transactions are eliminated on consolidation.

Other transactions

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

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

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

29. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

30. Events after the reporting date

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

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

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