Interim report
for the six months ended
30 June 2021

EURASIA MINING PLC

Summary highlights of 2021 to date

- Agreement with Rosgeo concluded in March to form a globally significant battery metals and PGM district on the Kola Peninsula, positioning Eurasia among majors
- Wardell Armstrong International engaged in April for several comprehensive tasks including JORC resource audits which are almost complete and are expected to be announced shortly
- Proposal received in May for the potential acquisition of substantially all of the Company's assets. Since then, additional interest from other parties is being considered by the Board
- Eurasia's representative office in Japan was established
- Eurasia is now fully funded to fulfil its commitments in relation to the Rosgeo JV
- Three plants are now operating at the Company's producing asset West Kytlim
- The Company maintains its focus on ESG including scope 1 to 3 carbon emissions

Chairman's statement

'The first half of 2021 has been a very active period for the Company both operationally and commercially.

We concluded a company transformational, legally binding agreement with Rosgeo covering 9 projects which together with Monchetundra and Monchetundra Flanks (including NKT, high grade nickel-copper-cobalt and PGM deposit) form a globally significant battery metals and PGM district on the Kola Peninsula, positioning our Company among majors in terms of combined resources of Eurasia and the projects included in the agreement with Rosgeo.

Post period-end, Konstantin Firstov joined Eurasia as CEO of our Kola operations from a Managing Director position in Rosgeo bringing additional operational expertise as the former head of open pit mining at Achinsk, the largest operation of Rusal, a leading company in the global aluminium industry, producing metal with a low carbon footprint.

After signing the Rosgeo agreement at the end of March, Eurasia conducted a tender among international technical auditors and in April engaged Wardell Armstrong International for several comprehensive tasks including JORC resource audits which are almost complete and will be announced shortly.

In May we received a proposal for the potential acquisition of substantially all of the Company's assets and the Board decided to focus on this potential asset sale. Since then, we have seen additional interest from other parties. We have attracted top talent and top tier partners and advisers to prioritise and execute our strategy.

Tamerlan Abdikeev based in Tokyo joined the Board and Eurasia's representative office in Japan was established.

Also in May we were offered a $20m private placement at the market price by a leading US institutional investor. In September we cut back to $15m from a larger proposal made by a consortium of US professional institutional investors, again without discount, at the market price of 26p. We are now fully funded to fulfil our commitments in relation to the Rosgeo JV.

We have successfully trebled our production capacity at West Kytlim, our ESG focussed PGM mine, while continuing to develop the electrification of the site to reduce the mine's carbon footprint. To that end we have selected an electric dragline to minimise our impact on the environment as well as to increase the efficiency of the stripping and mining, thereby reducing costs. Thus, the next year is expected to be transformation for West Kytlim on both the mining side with a highly productive electric dragline and on the processing side with 3 plants already launched.

My thanks to the staff and the Board for their continued commitment to creating additional value for our shareholders. The Company is in a very strong position financially, with an excellent portfolio of assets, and in a buoyant market for the future facing green metals: battery metals for EVs and PGMs for the hydrogen economy.'

Christian Schaffalitzky, Executive Chairman

PGM MARKET SUMMARY

The investment case for Platinum Group Minerals ('PGM'), especially Platinum and Palladium continues to be clear and compelling in the immediate and long term, based purely on the fundamentals of demand and supply. The outlook for demand is positive from existing markets in PGM, both industrial[1] and precious metal uses, and from new and emerging markets notably Fuel Cells[2] and the Hydrogen economy[2]. This contrasts with limited new supply under development and major challenges for the traditional global regions for PGM Mining[3]. Structural deficits now exist in both the platinum[4] and palladium markets and are predicted to continue, creating an opportunity for emerging global regions for PGM mining such as Kola.

Platinum has traded above US$1,000/ounce for the first half of 2021 (contrasted with US$870/ounce at this point in the mining season last year[5]) however Palladium is expected to continue to outperform platinum being in a deeper structural deficit than its sister metal, and with further ounces removed from predicted annual supply by difficulties at Norilsk, leading to a predicted market deficit of up to 1million ounces in 2021[6].

The contribution of other PGM namely Rhodium (Rh) and Iridium (Ir) to global metal revenue streams has risen steadily since 2016, reflecting metal price increases rather than increased production, and these metals are set to continue to find niche use cases, eg in the Hydrogen economy in Polymer Electrolyte Membrane (PEM) Fuel Cells (Rh) and Hydrogen production by PEM electrolysis (Ir). Both of these metals are produced at the West Kytlim mine.

Sources:

1: Recovering vehicle sales leading to increased auto-catalyst demand;

Heraeus Platinum standard 2021, page 42.

2 Johnson Matthey presentation of results for the full year ended 31 March 2021;

https://matthey.com/-/media/files/investors/presentation-fy-2020-21.pdf?la=en&hash=A0AAE5C0202CAE9B59F99B9C5A4AA206A656144F

3 https://www.engineeringnews.co.za/article/platinum-group-metals-outlook-constrained-supply-very-strong-demand-growth-wpic-2021-02-08

4 WPIC Platinum Quarterly Q1 2021;

https://platinuminvestment.com/files/782345/WPIC_Platinum_Quarterly_Q1_2021.pdf

5 Eurasia Mining Interim statement 2020;

https://www.investegate.co.uk/eurasia-mining-plc--eua-/rns/interim-report/202009301656546679A/

6 https://www.mining.com/web/global-palladium-deficit-to-widen-in-2021-nornickel/

Environmental Social and Governance ('ESG')

Eurasia is focused on environmentally friendly ('green') mining solutions applied to its portfolio of green metals:

1) Battery Metals (Nickel, Copper and Cobalt) for EVs,

2) PGMs for catalysts and green hydrogen production.

The Company is also targeting top-tier ESG designed to achieve corporate goals, while also making a meaningful contribution beyond creating shareholder value and employment and paying taxes.

Eurasia targets the inclusion in more funds and indices beyond the current ones (ex: L&G Future World ESG UK Index, Liberum's climate portfolio and Solactive ESG indices).

The Company is committed to scope 1 to 3 carbon emissions control:

Scope 1) modern fleet of machinery on site at West Kytlim, switch to electric dragline for overburden removal from 2022

Scope 2) green suppliers selected (for example hydro energy producers, partnership with ESG focused Rosgeo),

Scope 3) organisation wide low environmental impact, and role of metals produced (Eurasia's up stream value chain) in controlling Greenhouse Gas emissions.

This should result in institutional investor (like Blackrock, Fidelity, Vanguard) smart money flow to scope 3 ESG compliant companies.

Eurasia's mines produce green metals with industry leading ESG footprint and the following distinctive features:

- Buildings from wood sourced and milled on mine sites
- No blasting used
- Shallow open pits mined
- Water fully recycled
- No chemicals used
- Low energy consumption
- Annual rehabilitation done

This results in low operating cost (Q1 of the global cost curve), creating superior value to our shareholders.

Eurasia is committed to attaining the highest Corporate Social Responsibility and environmental management standards at its mines. Areas mined at the West Kytlim Mine are remediated on a schedule detailed within our mining, forestry and environmental permits. The shallow open pit nature of the operation allows remediation by refilling open pits with stripped overburden and top soils.

We are committed to ensuring the land disturbed by mining activities is returned in a safe and stable landform that does not cause long term damage to the environment. Our commitment to restoring any damage to the environment is further demonstrated by our commitment to reducing Green House Gas (GHG) emissions at our mine sites.

Further highlights of the Company's top tier ESG focus

- **Protect the environment**
    - Minimise disturbance and mine footprint
    - Complete rehabilitation of mine sites
    - Reduce GHG emissions
- **Employee safety is a first priority;**
    - LTIFR remains at zero for both projects
    - Ongoing COVID 19 protocols in place including medical screening and awareness interviews
- **Build relationships with Stakeholders;**
    - Mine sites engaged with local communities

- Leveraging greater than 20 years' experience working in Russia with continuous open communication with government and both local and federal agencies.

People

Our team of professionals including former senior managers of Norilsk Nickel, Rusal, Polyus, Rosgeo and Highland Gold are managing a tier one asset base of Battery Metals and PGM. Our team members have successfully launched mines within their previous track record of operational achievements, as well as Eurasia's three mines and enrichments plants launched successfully delivering on our promises.

We have a strong in-house team of geologists, mining engineers, EPC managers, metallurgists and M&A professionals.

Our team owns about 20% of Eurasia shares acquired for cash and in lieu of cash compensation that provide proper motivation in line with the best interests of all shareholders.

Partners

Eurasia started as a JV with Anglo American, the world's largest PGM producer.

The Rosgeo projects add to our strong portfolio on top of our Monchetundra, NKT and other Flanks deposits, financed with prudent capital allocation, balancing minimal shareholder dilution and engaging contractors with solid EPCF track records, resulting in a strong financial position with zero debt and approximately $35m cash as at 24 September 2021.

Rosgeo operates globally with Amerada Hess, Chevron, Conoco Phillips, Exxon Mobil, ION, Schlumberger, BP plc, British Gas, Buried Hill, Polyus, Polymetal, Rosatom and Eurasia as partners & clients.

OPERATIONS UPDATE

West Kytlim operating mine, Ural Mountains

- *Near nine-fold increase in mine revenue compared to the same period last year*
- *LTIFR remains at zero for the 2021 season*
- *Three plants now operational as opposed to one in previous seasons- eliminating single asset risk*
- *Advancing the Power line to site to provide electrified overburden stripping*

The phased increase in capacity for the West Kytlim mine has seen a step change in the first half of this year from one plant to three process plants commissioned in August. Whilst one plant was in operation, 170,000 cubic meters PGM bearing gravels were processed from 20 April to 31 July 2021. The Kluchiki work area continues to provide high-grade gravels, backed up by two operational sites within the Bolshaya Sosnovka area, where stripping has commenced and will be reinforced with an electric dragline in the future.

Covid protocols, including social distancing measures and testing of workforce remain in place on site, despite a majority double-vaccinated personnel. Four individuals have recovered from Covid, having contracted in the general population while on leave, and are back at work, following negative tests with no effect on the operation.

West Kytlim is an ESG focussed mine site, meaning that adverse environmental impact is kept to a minimum:

- Limited use of reinforced concrete and asphalt
- Mine buildings built mostly from timber milled on site
- Open pits remediated when mined out, with full recovery 5 to 10 years post mining
- Modern machinery with low carbon footprint.

Our plans to transition from diesel-based stripping to renewable-electric powered stripping are now well advanced. The board recognise the potential to remove the operational GHG emissions associated with this stage of the mining process as valuable in improving the mine's environmental credits with a long-term goal of producing the worlds cleanest, i.e. lowest carbon PGM ounces. Eurasia's experts have evaluated possible draglines in the Urals area and throughout Russia for purchase and shipment to site. The powerline and dragline, despite the initial capital investment will eventually reduce operating costs at the mine meaning there will not be a ‘green premium’ associated cost with PGM ounces produced at the mine.

Although our focus at West Kytlim in 2021 was on the capacity increase and associated stripping works to prepare both Kluchiki and Bolshaya Sosnovka areas to feed 3 washing plants, we have also been mining which resulted in an approximately 9-fold revenue increase compared to 6 months of 2020.

Monchetundra, Monchetundra Flanks and the Rosgeo JV projects

The Company continues to drive the development at its Monchetundra project and within the Rosgeo JV and provides the following summary of events for the first half of this year;

- Wardell Armstrong International engaged
- Recalculation of MT and Flanks resources and pit outlines, reflecting considerable metal price increase since FS of 2016, integrated to Detailed Mining Plan as announced 15 September.
- Block Modelling and open pit contouring and optimisation complete for 6 of 9 Rosgeo JV projects.

Following the appointment of the new CEO at Kola subsidiary company level we have made significant progress at both Monchetundra and on the projects now available to the Company in the Monchetundra Flanks, and the Rosgeo JV. The Monchegorsk area is quite unique globally in having high levels of extensive previous exploration and reporting, and numerous deposits of a similar deposit style and metallurgical type in both the Monchegorsk and Moncheplutоn Massifs, directly adjacent to a major infrastructural corridor and in a mining friendly jurisdiction. Having now established a first mover advantage we are executing on our Kola assets, as we have done in the Urals exceeding our expectations.

James Nieuwenhuys, Chief Executive

Condensed consolidated statement of comprehensive income
for the six months ended 30 June 2021

	Note	6 months to 30 June 2021 (unaudited) £	12 months to 31 December 2020 (audited) £	6 months to 30 June 2020 (unaudited) £
Sales	4	425,965	937,962	48,012
Cost of sales		(665,448)	(1,131,954)	(298,240)
Gross loss		**(239,483)**	**(193,992)**	**(250,228)**
Administrative costs		(1,197,899)	(1,889,793)	(585,537)
Investment income		511	486	429
Finance costs		(53,144)	(100,886)	(30,575)
Other gains	5	24,093	-	-
Other losses	5	-	(1,509,123)	(429,171)
Loss before tax		**(1,465,922)**	**(3,693,308)**	**(1,295,082)**
Income tax expense		-	-	-
Loss for the period		**(1,465,922)**	**(3,693,308)**	**(1,295,082)**
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to profit and loss:				
NCI share of foreign exchange differences on translation of foreign operations		1,293	181,670	56,344
Items that will be reclassified subsequently to profit and loss:				
Parents share of foreign exchange differences on translation of foreign operations		4,116	382,686	139,340
Other comprehensive income for the period, net of tax		**5,409**	**564,356**	**195,684**
Total comprehensive loss for the period		**(1,460,513)**	**(3,128,952)**	**(1,099,398)**
Loss for the period attributable to:				
Equity holders of the parent		(1,351,127)	(3,080,336)	(1,034,870)
Non-controlling interest		(114,795)	(612,972)	(260,212)
		(1,465,922)	**(3,693,308)**	**(1,295,082)**
Total comprehensive loss for the period attributable to:				
Equity holders of the parent		(1,347,011)	(2,697,650)	(895,530)
Non-controlling interest		(113,502)	(431,302)	(203,868)
		(1,460,513)	**(3,128,952)**	**(1,099,398)**
Basic and diluted loss (pence per share)		(0.05)	(0.11)	(0.04)

Condensed consolidated statement of financial position
as at 30 June 2021

	Note	At 30 June 2021 (unaudited) £	At 31 December 2020 (audited) £	At 30 June 2020 (unaudited) £
ASSETS				
Non-current assets				
Property, plant and equipment	6	4,578,844	4,295,908	4,521,464
Assets in the course of construction		124,303	28,957	33,547
Intangible assets	7	792,425	696,504	823,241
Investments in joint ventures	8	368,447	-	-
Total non-current assets		**5,864,019**	**5,021,369**	**5,378,252**
Current assets				
Inventories		360,630	13,695	85,012
Trade and other receivables	9	450,659	285,081	445,858
Current tax assets		5,348	5,307	5,820
Cash and bank balances		16,067,991	5,404,101	50,896
Total current assets		**16,884,628**	**5,708,184**	**587,586**
Total assets		**22,748,647**	**10,729,553**	**5,965,838**
EQUITY				
Capital and reserves				
Issued capital	10	51,080,629	37,812,856	31,031,688
Reserves	11	3,985,486	3,981,370	3,756,507
Accumulated losses		(31,555,180)	(30,204,053)	(28,616,131)
Equity attributable to equity holders of the parent		**23,510,935**	**11,590,173**	**6,172,064**
Non-controlling interest		(1,872,364)	(1,758,862)	(1,531,428)
Total equity		**21,638,571**	**9,831,311**	**4,640,636**
LIABILITIES				
Non-current liabilities				
Lease liabilities	13	405,494	425,923	594,086
Provisions	15	99,422	50,186	59,217
Total non-current liabilities		**504,916**	**476,109**	**653,303**
Current liabilities				
Borrowings	12	32,038	31,684	44,051
Lease liabilities	13	113,059	101,007	105,535
Trade and other payables	14	443,943	287,491	508,032
Provisions	15	16,120	1,951	14,281
Total current liabilities		**605,160**	**422,133**	**671,899**
Total liabilities		**1,110,076**	**898,242**	**1,325,202**
Total equity and liabilities		**22,748,647**	**10,729,553**	**5,965,838**

Condensed statement of changes in equity
for the six months ended 30 June 2020

	Note	Attributable to owners of the parent								
		Share capital £	Share premium £	Deferred shares £	Other reserves £	Foreign currency translation reserve £	Accumulated losses £	**Total attributable to owners of parent** £	Non-controlling interest £	**Total equity** £
Balance at 1 January 2020		2,693,757	20,995,669	7,025,483	3,958,087	(325,342)	(27,581,261)	**6,766,393**	(1,327,560)	**5,438,833**
Issue of ordinary shares on exercise of warrants		22,018	203,657	-	(674)	-	-	**225,001**	-	**225,001**
Issue of shares under employee share option plan		9,000	82,104	-	(14,904)	-	-	**76,200**	-	**76,200**
Transaction with owners		**31,018**	**285,761**	-	**(15,578)**	-	-	**301,201**	-	**301,201**
Loss for the period		-	-	-	-	-	(1,034,870)	**(1,034,870)**	(260,212)	**(1,295,082)**
Other comprehensive loss										
Exchange differences on translation of foreign operations		-	-	-	-	139,340	-	**139,340**	56,344	**195,684**
Total comprehensive income		-	-	-	-	**139,340**	**(1,034,870)**	**(895,530)**	**(203,868)**	**(1,099,398)**
Balance at 30 June 2020		**2,724,775**	**21,281,430**	**7,025,483**	**3,942,509**	**(186,002)**	**(28,616,131)**	**6,172,064**	**(1,531,428)**	**4,640,636**

Condensed statement of changes in equity
for the six months ended 30 June 2021

	Note	Share capital £	Share premium £	Deferred shares £	Other reserves £	Foreign currency translation reserve £	Accumulated losses £	**Total attributable to owners of parent** £	Non-controlling interest £	**Total equity** £
		Attributable to owners of the parent								
Balance at 1 January 2021		2,758,702	28,028,671	7,025,483	3,924,026	57,344	(30,204,053)	11,590,173	**(1,758,862)**	**9,831,311**
Issue of ordinary share capital for cash		53,307	14,072,982	-	-	-	-	**14,126,289**	-	**14,126,289**
Share issue cost		-	(858,516)	-	-	-	-	**(858,516)**	-	**(858,516)**
Transaction with owners		**53,307**	**13,214,466**	-	-	-	-	**13,267,773**	-	**13,267,773**
Loss for the period		-	-	-	-	-	(1,351,127)	**(1,351,127)**	(114,795)	**(1,465,922)**
Other comprehensive loss										
Exchange differences on translation of foreign operations		-	-	-	-	4,116	-	**4,116**	1,293	**5,409**
Total comprehensive income		-	-	-	-	**4,116**	**(1,351,127)**	**(1,347,011)**	**(113,502)**	**(1,460,513)**
Balance at 30 June 2021		**2,812,009**	**41,243,137**	**7,025,483**	**3,924,026**	**61,460**	**(31,555,180)**	**23,510,935**	**(1,872,364)**	**21,638,571**

Condensed consolidated statement of cash flows
for the six months ended 30 June 2021

	6 months to 30 June 2021 (unaudited) £	12 months to 31 December 2020 (audited) £	6 months to 30 June 2020 (unaudited) £
Cash flows from operating activities			
Loss for the period	(1,465,922)	(3,693,308)	(1,295,082)
Adjustments for:			
Depreciation and amortisation of non-current assets	289,850	205,200	54,045
Finance costs recognised in profit or loss	53,144	100,886	30,575
Investment revenue recognised in profit or loss	(511)	(486)	(429)
Loss on impairment of financial assets			
Rehabilitation cost recognised in profit or loss	61,643	(14,671)	649
Net foreign exchange (profit)/loss	(24,093)	1,509,123	429,171
	(1,085,889)	**(1,893,256)**	**(781,071)**
Movements in working capital			
Increase in inventories	(346,782)	(12,152)	(83,225)
Increase in trade and other receivables	(163,307)	(130,219)	(278,022)
Increase/(decrease) in trade and other payables	155,217	(65,555)	149,992
Cash used in operations	**(1,440,761)**	**(2,101,182)**	**(992,326)**
Net cash used in operating activities	**(1,440,761)**	**(2,101,182)**	**(992,326)**
Cash flows from investing activities			
Interest received	511	486	429
Invested to acquire interest in joint venture	(368,447)	-	-
Payments for property, plant and equipment	(629,005)	(687,167)	(158,630)
Payments for other intangible assets	(92,774)	(9,599)	(1,869)
Net cash used in investing activities	**(1,089,715)**	**(696,280)**	**(160,070)**
Cash flows from financing activities			
Proceeds from issues of equity shares	14,126,289	7,934,789	301,201
Payment for share issue costs	(858,516)	(413,359)	-
Proceeds from borrowings	-	300,000	-
Repayment of borrowings	-	(306,341)	
Repayment of lease liability	(13,971)	(81,491)	-
Interest paid	(51,966)	(96,965)	(27,059)
Net cash generated by financing activities	**13,201,836**	**7,336,633**	**274,142**
Net increase/(decrease) in cash and cash equivalents	10,671,360	4,539,171	(878,254)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(7,470)	(55,083)	9,137
Cash and cash equivalents at the beginning of period	5,404,101	920,013	920,013
Cash and cash equivalents at the end of the period	**16,067,991**	**5,404,101**	**50,896**

Selected notes to the condensed consolidated financial statements
for the six months ended 30 June 2021

1. General information

Eurasia Mining plc (the "Company" or the "Group") is a public limited company incorporated and domiciled in Great Britain with its registered office at International House, 42 Cromwell Road, London SW7 4EF, United Kingdom and principal place of business at Clubhouse Bank, 1 Angel Court, EC2R 7HJ. The Company's shares are listed on AIM, a market of the London Stock Exchange. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of platinum group metals, gold and other minerals in Russia.

The financial information set out in these condensed interim consolidated financial statements (the "Interim Financial Statements") do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2020, prepared under International Financial Reporting Standards (the "IFRS"), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified. The report did not contain a statement under Section 498(2) of the Companies Act 2006.

2. Basis of preparation

The Group prepares consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. These condensed consolidated interim financial statements for the period ended 30 June 2021 have been prepared by applying the recognition and measurement provisions of IFRS and the accounting policies adopted in the audited accounts for the year ended 31 December 2020.

These Interim Financial Statements have been prepared under the historical cost convention.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

The Interim Financial Statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

3. Accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2020.

4. Revenue

	6 months to 30 June 2021	**12 months to 31 December 2020**	**6 months to 30 June 2020**
	£	£	£
Sale of platinum and other metals	425,965	937,962	48,012
	425,965	**937,962**	**48,012**

Selected notes to the consolidated financial statements
for the six months ended 30 June 2021 (continued)

5. Other gains and losses

	6 months to 30 June 2021	12 months to 31 December 2020	6 months to 30 June 2020
	£	£	£
Gains			
Net foreign exchange gain	24,093	-	-
	24,093	**-**	**-**
Losses			
Net foreign exchange loss	(429,171)	(1,509,123)	(429,171)
	(429,171)	**(1,509,123)**	**(429,171)**
	(405,078)	**(1,509,123)**	**(429,171)**

6. Property, plant and equipment

	30 June 2021	31 December 2020	30 June 2020
	£	£	£
Net book value at the beginning of period	4,295,908	3,929,037	3,929,037
Additions	533,983	1,288,200	854,922
Depreciation	(289,850)	(205,200)	(54,045)
Exchange differences	38,803	(716,129)	(208,450)
Net book value at the end of period	**4,578,844**	**4,295,908**	**4,521,464**

7. Intangible assets

	30 June 2021	31 December 2020	30 June 2020
	£	£	£
Net book value at the beginning of period	696,504	854,995	854,995
Additions	92,774	9,599	1,869
Exchange differences	3,147	(168,090)	(33,623)
Net book value at the end of period	**792,425**	**696,504**	**823,241**

Intangible assets represent capitalised costs associated with Group’s exploration, evaluation and development of mineral resources.

Selected notes to the consolidated financial statements
for the six months ended 30 June 2021 (continued)

8. Investments in joint venture

	30 June 2021	31 December 2020	30 June 2020
	£	£	£
Investments in joint venture			
Investments in the period	368,447		
	368,447	**-**	**-**

Investment in joint venture is an investment made so far to acquire in stages 75% interests from Rosgeo, a Russian registered and state funded exploration Company in the several new exploration assets. These assets will be held by new joint venture companies where Rosgeo will retain 25%.

9. Trade and other receivables

	30 June 2021	31 December 2020	30 June 2020
Trade receivables	495	-	47,717
Prepayments	22,707	75,041	34,506
Other receivables	427,457	210,040	363,635
	450,659	**285,081**	**445,858**

The fair value of trade and other receivables is not materially different to the carrying values presented. None of the receivables are provided as security or past due.

10. Share capital

	30 June 2021	31 December 2020	30 June 2020
Issued ordinary shares with a nominal value of 0.1p:			
Number	2,724,774,624	2,693,756,753	2,724,774,624
Nominal value (£)	2,724,775	2,693,757	2,724,775

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Issued deferred shares with a nominal value of 4.9 p:			
Number	143,377,203	143,377,203	143,377,203
Nominal value (£)	7,025,483	7,025,483	7,025,483

Deferred shares have the following rights and restrictions attached to them:

- they do not entitle the holders to receive any dividends and distributions;

- they do not entitle the holders to receive notice or to attend or vote at General Meetings of the Company;

- on return of capital on a winding up the holders of the deferred shares are only entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of 0.1p for each ordinary share held by them and do not have any other right to participate in the assets of the Company.

The increase in the Company's issued share capital during the reporting period occurred as follows:

Ordinary shares	Number of shares	Share capital	Share premium
		£	£
Balance at 1 January 2020	2,758,701,681	2,758,702	28,028,671
Share placing for cash	53,306,751	53,307	14,072,982
Cost of issue of shares	-		(858,516)
Balance at 30 June 2021	**2,812,008,432**	**2,812,009**	**41,243,137**

Deferred shares	Number of deferred shares	Deferred share capital
		£
Balance at 1 January and 30 June 2021	**143,377,203**	**7,025,483**

11. Reserves

	30 June 2021	**31 December 2020**	**30 June 2020**
	£	£	£
Capital redemption reserve	3,539,906	3,539,906	3,539,906
Foreign currency translation reserve	61,460	57,344	(186,002)
Equity-based payment reserve	384,120	384,120	402,603
	3,985,486	**3,981,370**	**3,756,507**

The capital redemption reserve was created as a result of a share capital restructuring in earlier years. There is no policy of regular transactions affecting the capital redemption reserve.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into GBP.

The equity-based payments reserve represents a reserve arisen on (i) the grant of share options to employees under the employee share option plan and (ii) on issue of warrants under terms of professional service agreements.

12. Borrowings

	30 June 2021	**31 December 2020**	**30 June 2020**
	£	£	£
Current			
Unsecured loan	32,038	31,684	44,051
	32,038	**31,684**	**44,051**

In 2017 the Group entered into unsecured loan facility to borrow up to 57 million Russian Rubbles (RR) at 14% per annum, from Region Metal, the then contractor and the West Kytlim mine operator. The Group had drawn RR 4.18 million and repaid RR0.9 million by 31 December 2020. As the contractor's arrangements had been discontinued the Group has no intention to utilise any more funds from this facility. The loan is for repayment in 2021.

No borrowing costs were capitalised in 2021 and 2020.

13. Lease liabilities

The Group leases certain of its plant and equipment. The average lease term is 4.5 years (2019: no lease). The Group has option to purchase the equipment for a nominal amount at the maturity of the finance lease. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 21.9% to 23.5% per annum.

Minimum lease payments	**30 June 2021**	**31 December 2020**	**30 June 2020**
	£	£	£
Less than one year	203,647	201,392	233,311
Between one and five years	511,819	572,791	819,682
More than five years	-	-	-
	715,466	774,183	1,052,993
Less future finance charges	(196,913)	(247,254)	(353,372)
Present value of minimum lease payments	**518,553**	**526,929**	**699,621**

Present value of minimum lease payments	**30 June 2021**	**31 December 2020**	**30 June 2020**
	£	£	£
Less than one year	113,059	101,007	105,535
Between one and five years	405,494	425,923	594,086
More than five years	-	-	-
Present value of minimum lease payments	**518,553**	**526,930**	**699,621**

14. Trade and other payables

	30 June 2021	**31 December 2020**	**30 June 2020**
Trade payables	232,746	-	195,443
Accruals	23,051	101,090	38,246
Social security and other taxes	44,594	18,559	37,936
Other payables	143,552	167,842	236,407
	443,943	**287,491**	**508,032**

The fair value of trade and other payables is not materially different to the carrying values presented. The above listed payables were all unsecured.

15. Provision

	30 June 2021 £	31 December 2020 £	30 June 2020 £
Long term provision:			
Environment rehabilitation	99,422	50,186	59,217
Short term provision:			
Environment rehabilitation	16,120	1,951	14,281
	115,542	**52,137**	**73,498**

Movement in provision	Six month to 30 June 2021 £	12 month to 31 December 2020 £	Six month to 30 June 2020 £
At 1 January	52,137	78,103	78,103
Recognised in the period	60,292	15,545	649
Utilised in the period	-	(11,986)	-
Reduction resulting from re-measurement or settlement without cost	-	(19,301)	-
Unwinding of discount and effect of changes in the discount rate	1,178	3,921	-
Exchange difference	1,935	(14,145)	(5,254)
At the end of the period	**115,542**	**52,137**	**73,498**

Provision is made for the cost of restoration and environmental rehabilitation of the land disturbed by the West Kytlim mining operations, based on the estimated future costs using information available at the reporting date. The provision is discounted using a risk-free discount rate of from 6.6% to 6.88% (2020: 3.87% to 5.08%) depending on the commitment terms, attributed to the Russian Federal Bonds.

Provision is estimated based on the sub-areas within general West Kytlim mining licence the company has carried down its operations on by the end of the reporting period. Timing is stipulated by the forestry permits issued at the pre-mining stage for each of sub-areas. Actual costs in respect of the long-term provision recognised in 2021 will be incurred within 2022-2025.

16. Commitments

At the time of the award of the Monchetundra mining license a royalty payment was calculated by the Russian Federal Reserves Commission. 20% of this payment was paid in December of 2018 and the remaining 80%, or Rub16.68 million (approximately £160,000) to be paid by November 2023.

During 2020 the Group entered into several lease agreements to lease mining plant and equipment. As at 31 December 2020 the average lease term was 4.5 years and present value of minimum lease payments £518,553 (2019: £nil).

In March 2021 the Group entered into a cooperation (joint venture) agreement with Rosgeo regarding exploration assets in the proximity of Monchegorsk on Kola Peninsula. The Group will acquire an initial 75% stake in each asset, which will be assigned to separate joint ventures.

The Group's outstanding commitments under the agreement are Rub37.2 mln (approximately £3.7mln) payable in stages conditional to licensing and permitting.