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Bluejay Mining PLC
27 September 2018

Bluejay Mining plc / EPIC: JAY / Market: AIM / Sector: Mining

27 September 2018

Bluejay Mining plc ('Bluejay' or the 'Company')
Interim Results

Bluejay Mining plc, the AIM and FSE listed exploration company with projects in Greenland and Finland, is pleased to announce its interim results for the six months ended 30 June 2018.

Overview

- Focussed on advancing the world's highest-grade ilmenite project into production:
    - Total resources at the Dundas Ilmenite Project ('Dundas' or the 'Dundas Project') now sit at 96 million tonnes at 6.9% ilmenite (in situ) - an increase of some 400% on the maiden resource announced in April 2017.
    - Offtake discussions with major players continue to advance for up to the entire planned initial annual ilmenite production from Dundas.
    - Engineering optimisations identified in both process design and capital requirements for the development which will deliver significant additional economic benefits and further enhance project economics.
    - Pre-Feasibility Study ('PFS') now re-scoped to include optimisations, will result in an updated timeline for the final PFS report, individual modules of the PFS will be released as they are completed starting November 2018 with final report released to market Q1 2019.
    - Environmental and Social Impact Assessment ('ESIA') continue to advance and completion is expected Q4 2018.
    - Important civil and site works completed at Moriusaq together with the installation of storage and accommodation capacity as well as the delivery of a small 30t mining fleet for bulk sample purposes.
    - Completion of a proof of concept 10,000t bulk sample on site grading ±40% ilmenite.
    - Drilling completed over Iterlak area indicating potential to expand resources in this area. Currently Iterlak has an Exploration Target of between 20Mt and 60Mt at between 6% and 10% ilmenite (in-situ).
- Additional upside available from Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project ('Disko' or the 'Disko Project'):
    - 2017 exploration work confirmed a working sulphide system and a number of prospective anomalies, with initial chemical assays in oxidised surface material returning 2.02% nickel, 0.8% copper and 0.2% cobalt.
    - Significantly increased the Disko Project's licence size by acquiring an additional 1,616km^2, taking the total project area to 2,586km^2.
    - Work underway to refine drill targets.
- Strengthened board and management team to deliver on the critical production milestones ahead.
- Current cash position of £11 million - follows successful Placing of £17 million in February 2018.

Chairman's Statement

I am pleased to report that the Company made very good progress both during the H1 2018 reporting period and in the following months to date. All targeted work programmes on site were delivered with the results of our work to start to filter through to the market shortly. Leveraging off previous campaigns, the 100% owned Dundas Project has continued to grow beyond expectations. A preliminary economic assessment of the raised beaches at Moriusaq indicate a robust project can be realised and, with recent optimisations now being built into the Dundas Project, I am confident that during Q1 2019 we will deliver an attractive development proposal in the PFS. Work during the year continued to confirm Dundas as the world's highest-grade mineral sand ilmenite deposit whilst also earning us the title of Greenland's "Prospector and Developer of the Year 2017" by the Government of Greenland. Pleasingly, 2018 continues to deliver key milestones including, but not limited to, a 400% increase in JORC resources, significant optimisations and costs savings on infrastructure capital and unit costs that are expected to enhance already positive project economics, completion of 3 years of baseline studies and advancing the EISA to a point where they are now nearing completion.

As a consequence of incorporating these optimisations, it is now expected that the final PFS will be released during Q1 2019. Although we are disappointed with the delays, it is important to note that these project optimisations will expand what is already an economic development into a significantly more robust long-term operation. I am confident that the wait will be worth it. In addition to a positive outcome on the Moriusaq raised beaches there is also the potential of a significant Iterlak resource to look forward to. If, as the Company believes, we are able to demonstrate resources at Iterlak, extrapolating the development to include Iterlak should show a multi-decade operation is achievable.

Looking first at the resource, the main deliverable during the period under review was arguably the aforementioned 400% resource increase. As a result, the Dundas Project resource (JORC) now stands at 96 million tonnes at 6.9% ilmenite (in situ). Whilst pleased with this result we intend to continue to work with our independent assessors, SRK, to refine this resource model and add work conducted during the 2018 field season. The surprise discovery however was an additional Exploration Target of between 20 million tonnes and 60 million tonnes at between 6% and 10% ilmenite (in-situ) for the Iterlak Delta target area. This result suggests that Iterlak hosts mineralisation in similar sized zones to Moriusaq but with even higher grades, indicating good potential to enhance the economics and life-of-mine of the Dundas Project even further. This could be transformational as I believe Dundas is already a company-making project based on the result at Moriusaq alone - add to this the discovery at Iterlak and it elevates the Dundas Project to a new level.

Part of the objective of our 2018 work programmes has, as a result, been to further prove up the resource potential around the Iterlak Delta. This work programme was concluded earlier this month and comprised extensive drilling and trenching on raised beaches at the Iterlak Delta, east of the Iterlak Delta and at the foreland west of the Iterlak Delta, with 68 holes drilled in total. Trenching was also undertaken at Moriusaq, and whilst the full results are expected later this year in Q4, initial indications are very encouraging. At the Iterlak Delta 23 holes were drilled averaging 12m, without the interception of bedrock and with ilmenite bearing sediments encountered in all holes. We therefore have strong confidence that there is potential to further enhance the value of Dundas.

Whilst advancing the exploration potential of Dundas is something we are always actively doing, our first and foremost focus is of course realising production at the asset. To this end, numerous work programmes were also completed as part of our 2018 field work. These include a number of key geotechnical and surveying requirements, including hydrogeology installations around the licence area, establishment of a year-round weather monitoring station, and geotechnical assessments for infrastructure locations. Infrastructure at the site has also been greatly enhanced, including installation of a 350kVA power generation facility, completion of a 30-man container camp to expand current capacity, and an upgraded mining fleet.

Third and final year environmental baseline studies have also been completed, which will facilitate the completion of the social and environmental impact assessment (SEIA) to then feed into final licencing applications that are now at an advanced stage. The PFS currently underway will also form an important part of this licencing application, giving us a clearer indication on the economics of the Dundas Project and enabling us to then complete final feasibility studies ahead of commencing commercial production. We look forward to sharing the results of this study as and when the various work streams are completed and believe the results will reinforce the strong value dynamics of Dundas, which is expected to be in the lowest quartile of ilmenite production costs globally thanks to its simple and streamlined processing requirement and strategic location close to end-user markets in Europe and North America.

Looking at the ilmenite end-users, discussions are well advanced with a number of major players with a view to securing agreements for the entire initial planned annual ilmenite production. In support of these discussions, during the 2018 field season we excavated, screened and stockpiled 10,000 tonnes of ROM grading ±40% ilmenite, which is set to be delivered to interested parties for further processing and testing. We look forward to sharing developments on these discussions in due course. This remains a key focus for the team but we ask shareholders to be patient as negotiating with major industry players can be quite a lengthy process, however I would like to assure shareholders that we remain optimistic of a positive outcome.

Aside from Dundas, we also hold a number of other prospective assets in Greenland, which offer additional value uplift - namely the 2,586 sq km Disko-Nuussuaq Magmatic Massive Sulphide ('MMS') nickel-copper-platinum project ('Ni-Cu-PGM'), which has shown its potential to host mineralisation similar to the world's largest nickel/copper sulphide mine Norilsk-Talnakh, and the 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project, where historical work has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and identified four large-scale drill ready targets.

Disko is the more advanced of these assets, with results from 2017 exploration work confirming a working sulphide system and a number of prospective anomalies, with initial chemical assays in oxidised surface material returning 2.02% nickel, 0.8% copper and 0.2% cobalt. Based on the quality of these results and the Company's understanding of the Disko Project's potential scale and value, Bluejay significantly increased the Disko Project's licence size in May 2018 by acquiring an additional 1,616km^2, taking the total project area to 2,586km^2, which is approximately the same size as Luxembourg. We believe the scale and potential of this asset is huge, and whilst Dundas is our primary development focus work is underway to refine drill targets to better determine Disko's development potential. We don't believe this the Disko Project's value is currently reflected in our share price and as a result we believe strong value uplift potential exists from this asset.

Corporate

As part of our preparations for mining commencement at Dundas, a number of Board changes have been completed during the period and post-period-end. In June 2018 Garth Palmer joined the Board as Non-Executive Director. Garth, who served as the Company Secretary to Bluejay for the last six years has a deep understanding of the business and is a Chartered Accountant with more than 15 years' experience providing accounting, financial as well as corporate & company secretarial services.

Following this, in August 2018, Ian Henderson was appointed to the Board as a Non-Executive Director. Ian is a pre-eminent figure in the natural resource investment community with significant commercial experience having spent over 20 years at JP Morgan, during which time he ran both the UK Global Financials Fund and the firm's Natural Resources funds, the latter of which, at their zenith, comprised of assets approaching US$10 billion. Ian's skill set and contact base has already proven to be incredibly valuable when promoting Bluejay and Dundas across the international mining investment industry.

Finally, earlier this month Bo Møller Stensgaard joined the team as General Manager of Bluejay Mining, a non-board role, and also became Executive Director of Dundas Titanium A/S and Disko Exploration Ltd. As a Danish national and preeminent geologist with extensive operational experience in Greenland - he was previously a senior research scientist at the Danish state survey and has advised multiple European federal and commercial entities in the field of commodity development - Bo is ideally placed to support Bluejay in advancing Dundas into production. He will initially focus on working with the existing feasibility team to submit and secure the exploitation licence ahead of planned mining.

Financial

As is to be expected with an exploration company, for the six-month period ended 30 June 2018 the Group is reporting a pre-tax loss of £867,791 (six months ended 30 June 2017: £785,377). The Group's net cash balance as at 30 June 2018 was £13,153,866 (six months ended 30 June 2017: £5,761,518).

Outlook

Dundas is an exceptional asset. Not only does it claim the prestigious title of being the world's highest-grade ilmenite project, but it is chemically homogenous with low impurities, which means that only simple, low cost processing is required. This not only has a positive cost implication but also a low environmental impact. We believe that the results of our upcoming PFS will reinforce these strong fundamentals and also reaffirm its significant commercial and strategic value. Furthermore, whilst the scale of the Dundas Project is already significant, resource results during the period, including the extraordinary discovery at Iterlak, clearly indicate the firm possibility of a large and long-life operation with obvious expansion potential.

It is because of this scale and grade, together with our strategic location in Greenland, that our ilmenite product is so highly sought. Finalising discussions with offtake partners is a critical focus for us and whilst commercial negotiation can be a lengthy process, we are confident that the end result will be a positive one.

Finally, the last hurdle to production is undoubtedly the grant of our exploitation licence. This application process continues to advance positively, and we continue to enjoy a good relationship with the Government of Greenland and the local community within which we operate, as evidenced by a number of constructive meetings held on site during the 2018 field season. We will of course continue to keep shareholders updated on developments relating to this licencing application as they occur.

Finally, I give my thanks to our board and management team for their consistent hard work during the period; it is thanks to their skill set and experience that we have been able to advance Dundas so quickly to a point of imminent commercialisation. We now look forward to the next historic milestone of transitioning from explorer and developer to miner for the benefit of all stakeholders, to whom I also give thanks for their ongoing support.

Mike Hutchinson
Non-Executive Chairman

Market Abuse Regulation (MAR) Disclosure
Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

****ENDS****

For further information please visit http://www.titanium.gl or contact:

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Notes

Bluejay is dual listed on the London AIM market and Frankfurt Stock Exchange and primarily focussed on advancing the Dundas Ilmenite Project in Greenland into production in the near term. Dundas has been proven to be the highest-grade mineral sand ilmenite project globally, with a JORC Compliant Resource of 96 million tonnes at 6.9% ilmenite (in situ) and an Exploration Target over the Iterlak Delta of between 20 million tonnes and 60 million tonnes at between 6% and 10% ilmenite (in-situ) (see full Mineral Resource Statement below).

The Company's strategy is focused on securing an offtake partner and commencing commercial production at Dundas in the near term in order to create a company capable of self-funding exploration on current projects and future acquisitions.

Bluejay holds two additional projects in Greenland - the 2,586 sq km Disko-Nuussuaq Magmatic Massive Sulphide nickel-copper-platinum project, which has shown its potential to host mineralisation similar to the world's largest nickel/copper sulphide mine Norilsk-Talnakh, and the 107sq km Kangerluarsuk Sed-Ex lead-zinc-silver project, where historical work has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and identified four large-scale drill ready targets.

The Company also has a 100% interest in a portfolio of copper, zinc and nickel projects in Finland. This multi-commodity portfolio has been restructured to be cost-sustainable whilst determining the best plan for future development.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2018 Unaudited £	6 months to 30 June 2017 Unaudited £
Continuing operations			
Revenue		1,782	-
Administration expenses		(855,654)	(797,352)
Foreign exchange		(18,330)	11,278
Operating loss		**(872,202)**	**(786,074)**
Finance income		4,411	737
Finance costs		-	(40)
Loss before taxation		**(867,791)**	**(785,377)**
Corporate tax expense		**-**	**-**
Loss for the period		**(867,791)**	**(785,377)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		(25,425)	237,599
Total comprehensive income for the period		**(893,216)**	**(547,778)**
Loss per share from continuing operations attributable to the equity owners of the parent			
Basic and diluted (pence per share)	6	**(0.104) p**	**(0.113) p**

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	6 months to 30 June 2018 Unaudited £	Year ended 31 December 2017 audited £	6 months to 30 June 2017 Unaudited £
Non-Current Assets				
Property, plant and equipment		2,974,273	631,054	572,576
Intangible assets	5	21,064,819	17,971,795	15,103,825
		24,039,092	**18,602,849**	**15,676,401**
Current Assets				
Trade and other receivables	7	747,286	642,870	635,435
Cash and cash equivalents		13,153,866	2,901,922	5,761,518
		13,901,152	**3,544,792**	**6,396,953**
Total Assets		**37,940,244**	**22,147,641**	**22,073,354**
Non-Current Liabilities				
Other Liabilities		1,052	-	-
Deferred Tax Liabilities		496,045	496,045	494,803
		497,097	**496,045**	**494,803**
Current Liabilities				
Trade and other payables		845,307	564,471	243,445

	845,307	**564,471**	**243,445**
Total Liabilities	**1,342,404**	**1,060,516**	**738,248**
Net Assets	**36,597,840**	**21,087,125**	**21,335,106**
Capital and Reserves Attributable to Equity Holders of the Company			
Share capital	5,975,019	5,967,268	5,966,820
Share premium	43,616,756	27,220,576	26,822,720
Deferred shares	1,825,104	1,825,104	1,825,104
Other reserves	(6,975,329)	(6,949,904)	(7,063,126)
Retained losses	(7,843,710)	(6,975,919)	(6,216,414)
Total Equity	**36,597,840**	**21,087,125**	**21,335,104**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Attributable to owners of the Parent							
	Note	**Share capital £**	**Share premium £**	**Deferred shares £**	**Other reserves £**	**Retained losses £**	**Total £**	**Non-controlling interest £**	**Total equity £**
Balance as at 1 January 2017		**5,951,291**	**21,890,866**	**1,825,104**	**(7,247,122)**	**(5,487,149)**	**16,932,990**	**583,374**	**17,516,364**
Loss for the period		-	-	-	-	(785,377)	(785,377)	-	(785,377)
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-	-	-
Currency translation differences		-	-	-	237,599	-	237,599	-	237,599
Total comprehensive income for the year		-	-	**-**	**237,599**	**(785,377)**	**(547,778)**	**-**	**(547,778)**
Proceeds from share issues		2,916	3,497,084	-	-	-	3,500,000	-	3,500,000
Issue costs		-	(324,509)	-	-	-	(324,509)	-	(324,509)
Share based payments		11,666	1,152,727	-	-	-	1,164,393	-	1,164,393
Issued options		-	-	-	2,509	-	2,509	-	2,509
Exercised options		947	606,552	-	(56,112)	56,112	607,499	-	607,499
Acquisition of non-controlling interest		-	-	-	-	-	-	(583,374)	(583,374)
Total transactions with owners, recognised in equity		**15,529**	**4,931,854**	**-**	**(53,603)**	**56,112**	**4,949,892**	**-**	**4,366,518**
Balance as at 30 June 2017		**5,966,820**	**26,822,720**	**1,825,104**	**(7,063,126)**	**(6,216,414)**	**21,335,104**	**-**	**21,335,104**
Balance as at 1 January 2018		**5,967,268**	**27,220,576**	**1,825,104**	**(6,949,904)**	**(6,975,919)**	**21,087,125**	**-**	**21,087,125**
Loss for the period		-	-	-	-	(867,791)	(867,791)	-	(867,791)
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-	-	-
Currency translation differences		-	-	-	(25,425)	-	(25,425)	-	(25,425)
Total comprehensive income for the year		**-**	**-**	**-**	**(25,425)**	**(867,791)**	**(893,216)**	-	**(893,216)**
Proceeds from share issues		7,728	16,992,272	-	-	-	17,000,000	-	17,000,000
Issue costs		-	(641,069)	-	-	-	(641,069)	-	(641,069)
Share based payments		23	44,977	-	-	-	45,000	-	45,000
Total transactions with owners, recognised in equity		**7,751**	**16,396,180**	**-**	**-**	**-**	**16,403,931**	-	**16,403,931**
Balance as at 30 June 2018		**5,975,019**	**43,616,756**	**1,825,104**	**(6,975,329)**	**(7,843,710)**	**36,597,840**	-	**36,597,840**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 June 2018 Unaudited £	**6 months to 30 June 2017 Unaudited £**
Cash flows from operating activities		
Loss before taxation	(867,791)	(785,377)

Adjustments for:		
Share option expense	-	2,509
Share based payments	45,000	70,000
Depreciation	26,653	92,892
Foreign exchange differences	(11,705)	(347,842)
(Increase)/decrease in trade and other receivables	(146,077)	(342,622)
(Decrease)/increase in trade and other payables	281,889	81,758
Net cash used in operations	**(672,031)**	(1,228,682)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,372,378)	(643,640)
Purchase of software	-	(1,836)
Purchase of intangible assets	(3,160,930)	(753,234)
Net cash generated from investing activities	**(5,533,308)**	(1,398,710)
Cash flows from financing activities		
Proceeds received from issue of shares	17,041,662	4,256,349
Cost of issue	(641,071)	(324,509)
Net cash generated from financing activities	**16,400,591**	3,931,840
Net increase in cash and cash equivalents	**10,195,252**	1,304,448
Cash and cash equivalents at beginning of period	**2,901,922**	4,474,762
Exchange (losses)/gains on cash and cash equivalents	56,692	(17,692)
Cash and cash equivalents at end of period	**13,153,866**	5,761,518

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 Market of the London Stock Exchange ('AIM') and the Frankfurt Stock Exchange. The Company is incorporated and domiciled in the UK.

The address of its registered office is 2nd Floor, 7-9 Swallow Street, London W1B 4DE.

2. Basis of Preparation

The condensed interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

Statutory financial statements for the period ended 31 December 2017 were approved by the Board of Directors on 30 May 2018 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, but did include an emphasis of matter with regards the recovery of input VAT, further information on which is included in Note 7.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company and Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2018.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2017 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.bluejaymining.com. The key financial risks are liquidity risk, credit risk, interest rate risk and fair value estimation.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 3 of the Company's 2017 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period except for the following:

3. Accounting Policies

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial year beginning 1 January 2018

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Group:

- IFRS 9 - Financial Instruments (effective 1 January 2018)
- IFRS 2 (Amendments) - Share-based payments - classification and measurement (effective 1 January 2018)
- Annual Improvements 2014-2016 Cycle
- IFRIC Interpretation 22 - Foreign currency transactions and advanced consideration (effective 1 January 2018)

The Directors believe that the adoption of these standards have not had a material impact on the financial statements other than changes to disclosures.

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

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

Standard		Effective date
IAS 28 (Amendments)	Long term interests in associates and joint ventures	*1 January 2019
Annual Improvements	2015 - 2017 Cycle	*1 January 2019
IAS 19 (Amendments)	Employee Benefits	*1 January 2019
IFRIC 23	Uncertainty over income tax treatments	*1 January 2019

**Not yet endorsed by the EU.*

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

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2018 (six months ended 30 June 2017: £nil).

5. Intangible Assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated assets.

Cost and Net Book Value	**Goodwill**	**Exploration & evaluation assets £**	**Total £**
Balance as at 1 January 2017	-	13,122,167	**13,122,167**
Additions	-	753,234	**753,234**
Addition through acquisition of subsidiary (at fair value)	-	621,459	**621,459**
Exchange rate movements	-	606,965	**606,965**
As at 30 June 2017	**-**	**15,103,825**	**15,103,825**
Balance as at 1 January 2018	-	17,971,795	**17,971,795**
Additions	-	3,160,930	**3,160,930**
Exchange rate movements	-	(67,906)	**(67,906)**
As at 30 June 2018	**-**	**21,064,819**	**21,064,819**

6. Loss per Share

The calculation of loss per share is based on a retained loss of £867,791 for the six months ended 30 June 2018 (six months ended 30 June 2017: £785,377) and the weighted average number of shares in issue in the period ended 30 June 2018 of 835,552,686 (six months ended 30 June 2017: 693,350,259).

No diluted earnings per share is presented for the six months ended 30 June 2018 or six months ended 30 June 2017 as the effect on the exercise of share options would be to decrease the loss per share.

7. Other Receivables

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 £399,563 at 30 June 2018 which is included within trade and other receivables.

The Directors strongly refute the view of HMRC that the Company does not constitute a business for VAT purposes. The case is proceeding to Tribunal and resolution is not expected any earlier than Q4 2018. The Company has engaged professional services of legal counsel who will be representing it before the Tribunal. Counsel confirms the Company has a strong case.

Accordingly, the Directors believe that the amount of £655,055 will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

8. Events after the Reporting Date

There have been no events after the reporting date of a material nature.

9. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 26 September 2018.

****ENDS****

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Interim Results
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