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

30 September 2019

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 2019.

Overview:

- Excellent progress achieved across the Greenland focussed portfolio, a jurisdiction increasingly recognised as one of the last underdeveloped mineral regions
- Operational focus remained on Dundas Titanium Project, the world's highest-grade ilmenite mineral sand project where multiple milestones have been achieved including:
    - Resource upgraded to 117Mt at 6.1% ilmenite
    - Maiden offshore Exploration Target of between 330Mt and 530Mt
    - Agreement signed with Rio Tinto Iron and Titanium Canada Inc
    - Submission of Environmental and Social Impact Assessments
    - Publication of Summary Pre Feasibility Study
    - Shipment of first Bulk sample to Canada for testing at RTIT's Sorel-Tracy plant in Quebec
    - Application for an exploitation licence lodged on 17 September 2019
- Working closely with all stake holders including Greenlandic Government and local communities to advance project portfolio and deliver "discover, develop and deliver" strategy
- Exploration programme, being executed on Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide ('MMS') Nickel-Copper-Cobalt-Platinum Group Metals ('PGM') Project and planned for the Kangerluarsuk zinc-lead- silver project
- Defined strategy in place to advance portfolio to build value

Chairman's Statement

This has been a transformational period for Bluejay, culminating in the recent submission of an Exploitation Licence for the Dundas Titanium Project, the world's highest-grade ilmenite mineral sand project, and the most advanced of our mineral development projects in Greenland. Dundas represents a blueprint of how we want to develop our projects and build value for the benefit of all stakeholders.

We have a world-class portfolio located in one of the last underdeveloped mineral regions, something that was highlighted by recent comments made by US President Trump, and since my last report we have achieved multiple milestones. In particular, on 29 May 2019, we announced a 15% increase in total Mineral Resource to 117Mt at 6.1% ilmenite in-situ, added a JORC compliant shallow-marine exploration target of 300-530 MT at 0.4-4.8% ilmenite in-situ and completed a comprehensive and conservative Pre-Feasibility Study ('PFS') which identifies a robust project. Furthermore we submitted both the Environmental Impact Assessment ('EIA') and Social Impact Assessment ('SIA') to the Government of Greenland, signed an agreement with Rio Tinto Iron and Titanium Canada Inc. ('Rio Tinto' or 'RTIT') and completed our first major bulk sample export for processing in Quebec, Canada. As I think you will agree, the work streams have been extensive, and the team has done a stellar job in advancing shareholders' interests as well as to continue to de-risk the portfolio and build value.

Although from an exploration perspective we were active on all our Greenlandic projects which cover nickel, copper, cobalt, PGMs, zinc, lead and silver, our operational focus has been on delivering a commercially viable mining operation at Dundas.

Submission of the Exploitation Licence application to the Greenlandic Ministry of Mines and Minerals represented the culmination of three years of extensive baseline studies and surveys, which have highlighted the scale, value, technical feasibility and positive impact of the Dundas Project. Importantly, throughout the submission preparation, we have been working closely with the Greenlandic authorities, Municipalities and various other Greenlandic stakeholders, who have consistently demonstrated their support for the Project.

On the resource, we achieved an increase of circa 15% to 117Mt at 6.1% ilmenite (in situ) at a 0% cut-off grade, as well as a Maiden offshore Exploration Target of between 300Mt and 530Mt of ilmenite at an average expected grade range of 0.4 to 4.8% ilmenite in-situ. Due to the exposed nature of the deposit and its visible continuity, we are confident that we will be able to increase and further validate these figures across the existing concessions at Dundas. We have and will continue to refine the shallow marine investigations; both for ongoing environmental baseline work, as well as continuing to better understand the nature of these extensive high-grade resources. Although not needed in the viable onshore mining scenario, the offshore resources constitute a significant upside scenario for future expansion of the operation where up to another 50 years of exploitation potential exists.

The EIA and SIA were promising: the EIA found that no major environmental obstacles or larger impacts were present; the SIA anticipated a positive impact on both the local and national economy through the provision of goods and services from local companies, the payment of royalties, corporate taxes and income taxes, as well as the creation of significant employment opportunities for local and regional Greenlandic workers. The project will increase the skilled workforce of Greenland as well as provide an excellent training ground for the broader mining sector. We hold continued extensive consultation with all relevant government agencies, educational institutions and local communities, receiving and have received back substantial public support for Dundas' development across the entire Qaanaaq region, while ensuring that all stakeholders benefit from the Project's development. We are delighted to be able to contribute to this region and Greenland as a whole.

In June 2019, our in-house technical operational team, alongside SRK Exploration Services UK and IHC Robbins finalised and submitted the detailed PFS which marked the completion of the final necessary module in order to lodge an exploitation application. The conclusions highlighted a commercially viable operation with an economically mineable deposit. It was based only on an initial JORC Compliant Ore Reserve of 67.1Mt with a mean grade of 3.45% TiO_2 (equal to 7.3% ilmenite in situ), taken from within the Moriusaq Project area only and compiled to deliver two outcomes. First, as a high-level assessment on a small part of the Dundas total mineral resources and secondly to accelerate the exploitation permitting process in Greenland. The study is extremely conservative in its assumptions and is a stress tested outcome to ensure long term viability. The Company is confident that there are areas to significantly reduce both the capital and operating costs for the Project. The key financial numbers included a 32.8% IRR on base case pricing assumption post-tax and post-finance of NPV US$83.1MM and a US$153.1MM undiscounted net profit over an initial 9-year life of mine ('LOM'). Inclusion of the two years of indicated resources raises the LOM from nine to eleven years, increases the IRR to 34% on the upside case, post-tax, post-finance NPV5 of US$130.7MM and gives a US$247.2MM undiscounted net profit, further demonstrating the sensitivity of the operation to mine life, which the Company is extremely confident it can increase to many decades beyond the currently assumed nine years in the study.

The quality of the Dundas asset was further endorsed by the agreement signed with Rio Tinto, one of the world's largest mining groups. Working with RTIT provides an opportunity for both operational and economic optimisation as each company evaluates the Project, including the shipment of a bulk sample to the Sorel-Tracy plant in Quebec, Canada, which is RTIT's major ilmenite processing facility. In line with this, the departure of the 42,000t bulk sample material to our pilot processing facility in Quebec this month was both an exciting advancement and key achievement in the development of Dundas. This shipment, which was historically significant as being the most northerly bulk cargo ever to be extracted and shipped anywhere in the world, also demonstrates that our nameplate full production target of 440,000 tonnes or ten shipments of this size in one year, is very manageable. On arrival at the Port of Contrecoeur, the sample will be transported to our plant and once refined to circa 10,000t of HMC, half of the sample will be sent to RTIT at the Sorel-Tracy's facility for extensive analysis to confirm suitability for large scale commercial use. The balance will be used in other ongoing customer acceptance programmes the Company has underway. We believe this testing, when paired with RTIT's site visit to Dundas and the shore loaded "proof of concept" bulk sample, reflects positively on the long-term and potential value of the Project.

We remain confident that the material sourced from Dundas will be valuable for not just RTIT but other operations globally as we continue to lock down the next steps, including offtake arrangement for the proposed 440,000tpa production. Moreover, with the ilmenite market demonstrating favourable pricing trends, we believe we are perfectly placed to realise the potential for our shareholders, being one of the few, truly viable, titanium sand opportunities globally. As we have said many times before, we believe that the Dundas ilmenite is at the top of its peer group, as demonstrated by the many characteristics displayed by the Project, such as grade, size and chemistry.

The portfolio approach adopted in Greenland is a crucial part of our "*discover, develop and deliver"* strategy. Accordingly, a comprehensive exploration and evaluation programme is underway at the Disko-Nuussuaq Magmatic Massive Sulphide Nickel-Copper-Cobalt-Platinum Group Metals Project in West Greenland, to redefine both new and circa 20 previously defined drill targets through reprocessing and validating historical data and acquiring new geophysical and geochemical data. Disko shares many geological characteristics with the Norilsk Nickel District in Siberia, the largest nickel district in the world, which hosts copper-nickel-PGMs and it is probable that the licences at Disko-Nuussuaq have the potential to host a significant discovery. We are delighted to be able to run two fieldwork programmes simultaneously and believe the work ongoing at Disko will produce a major discovery, reinforcing the considerable value, as well as the geological and commercial significance of our Greenlandic portfolio.

Additionally, we intend to continue evaluating and preparing a drill programme for the 107km^2 Kangerluarsuk zinc-lead- silver project, where historical work has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and has identified four large-scale drill ready targets.

We are also maintaining our Finnish projects; the Outokumpu copper-nickel-cobalt-gold project, Hammaslahti copper-zinc-gold-silver project and the Enonkoski nickel-copper-cobalt-PGM project. We hope that following the finalisation of our bulk sample assessments at RTIT's facility in Quebec, we will be able to advance the development of these additional assets in our portfolio.

Financial

The Company being a resource development company and not currently generating revenue is reporting a loss before taxation of the Group for the year ended 30 June 2019 which amounted to £203,059 (6 months ended 30 June 2018: £867,791). The Group's net cash balance as at 30 June 2019 was £6,509,390 (30 June 2018: £13,153,866).

Outlook

We are extremely excited about both our project portfolio and our operational jurisdiction. Greenland's international prestige has drastically increased as the country took to the global stage over President Trump's recent comments. This interest in Greenland and its considerable mineral wealth has also highlighted the prospectivity and geographic benefits of our portfolio. Greenland's supportive and strategic jurisdiction, when paired with our high-grade, low capex, defined and scaled deposit, has highlighted Bluejay to be of significant interest internationally, something further illustrated by our agreement with RTIT.

We have an international network of advisors and consultants that we are utilising to deliver on our objectives, including the likes of SRK Consulting, IHC Robbins, Royal IHC, Orbicon A/S and Amec Foster Wheeler Americas Ltd, and closely liaise with institutions including the Geological Survey of Denmark and Greenland ('GEUS') and the relevant departments of the Greenlandic government, which we will continue to utilise as we progress our portfolio. Indeed, we consider ourselves extremely fortunate to enjoy the close cooperation and support of the Greenlandic authorities and Government, as well as the local communities where we operate.

Finally, I would like to thank our strategic partners, shareholders, local authorities and all our stakeholders to whom we owe a debt of gratitude for their continued support and faith in both Dundas and Bluejay as a whole. The Company will continue to provide updates regarding our operational progress, including the Dundas licence decision and ongoing negotiations as regularly as possible and I look forward to continuing our journey and building Bluejay into a producing entity.

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****

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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 117 million tonnes at 6.1% ilmenite (in situ), an onshore Exploration Target over the Iterlak Delta of between 20 million tonnes and 60 million tonnes at between 6% and 10% ilmenite (in-situ) and an offshore Exploration Target of between 300 million tonnes and 530 million tonnes at between 0.4% and 4.8% ilmenite (in-situ).

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 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Continuing operations			
Revenue		1,048	1,782
Administration expenses		(949,606)	(855,654)
Other losses		(24,718)	-
Foreign exchange		(9,058)	(18,330)
Operating loss		**(982,334)**	**(872,202)**
Finance income		7,336	4,411
Finance costs		(1,341)	-
Other gains	7	773,280	-
Loss before taxation		**(203,059)**	**(867,791)**
Income tax expense		**-**	**-**
Loss for the period		**(203,059)**	**(867,791)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		38,518	(25,425)
Total comprehensive loss for the period		**(164,541)**	**(893,216)**
Earnings per share from continuing operations attributable to the equity owners of the parent			
Basic and diluted (pence per share)	8	(0.024) p	(0.104) p

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2019 Unaudited £	31 December 2018 audited £	30 June 2018 Unaudited £
Non-current assets				
Property, plant and equipment	5	2,984,303	2,846,091	2,974,273
Intangible assets	6	17,353,690	15,478,246	21,064,819
		20,337,993	**18,324,337**	**24,039,092**
Current assets				
Financial assets at fair value through profit or loss	7	450,778	330,402	-
Trade and other receivables		977,250	768,960	747,286
Cash and cash equivalents		6,509,390	8,843,709	13,153,866
		7,937,418	9,943,071	13,901,152
Total assets		**28,275,411**	**28,267,408**	**37,940,244**
Non-current liabilities				
Other liabilities		-	-	1,052
Deferred tax liabilities		496,045	496,045	496,045
		496,045	**496,045**	**497,097**
Current liabilities				
Trade and other payables		544,067	783,836	845,307
		544,067	**783,836**	**845,307**
Total liabilities		**1,040,112**	**1,279,881**	**1,342,404**
Net assets		**27,235,299**	**26,987,527**	**36,597,840**
Capital and reserves attributable to equity holders of the Company				
Share capital		7,800,733	7,800,237	7,800,123
Share premium		44,150,956	43,739,139	43,616,756
Other reserves		(6,776,577)	(6,799,892)	(6,975,329)
Retained losses		(17,939,813)	(17,751,957)	(7,843,710)
Total equity		**27,235,299**	**26,987,527**	**36,597,840**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Other reserves	Retained losses	Total
	£	£	£	£	£
Balance as at 1 January 2018	**7,792,372**	**27,220,576**	**(6,949,904)**	**(6,975,919)**	**21,087,125**
Loss for the period	-	-	-	(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)
Total comprehensive income for the year	**-**	**-**	**(25,425)**	**(867,791)**	**(893,216)**
Proceeds from share issues	7,728	16,992,272	-	-	17,000,000
Issue costs	-	(641,069)	-	-	(641,069)
Share based payments	23	44,977	-	-	45,000
Total transactions with owners, recognised in equity	-	-	-	(867,791)	(867,791)
Balance as at 30 June 2018	**7,800,123**	**43,616,756**	**(6,975,329)**	**(7,843,710)**	**36,597,840**
Balance as at 1 January 2019	**7,800,237**	**43,739,139**	**(6,799,892)**	**(17,751,957)**	**26,987,527**
Loss for the period	-	-	-	(203,059)	(203,059)
Other comprehensive income for the year	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-	-	-
Currency translation differences	-	-	38,518	-	38,518
Total comprehensive income for the year	**-**	**-**	**38,518**	**(203,059)**	**(164,541)**
Exercise of share options and warrants	496	411,817	(13,604)	13,604	412,313
Expiry of share options	-	-	(1,599)	1,599	-
Total transactions with owners, recognised in equity	**496**	**411,817**	**(15,203)**	**15,203**	**397,110**
Balance as at 30 June 2019	**7,800,733**	**44,150,956**	**(6,766,577)**	**(17,939,813)**	**27,235,299**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 June 2019 Unaudited £	6 months to 30 June 2018 Unaudited £
Cash flows from operating activities		
Loss before taxation	(203,059)	(867,791)
Adjustments for:		
Gain on financial assets at fair value through profit or loss	(344,475)	-
Profit on sale of financial assets at Fair value through profit or loss	(428,805)	
Share based payments	-	45,000
Depreciation	217,665	26,653
Foreign exchange differences	9,058	(11,705)
Loss on disposal of assets	70,436	-
Increase in trade and other receivables	(208,290)	(146,077)
Decrease in trade and other payables	(239,770)	281,889
Net cash used in operations	**(1,127,240)**	**(672,031)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(536,877)	(2,372,378)
Proceeds from sale of financial assets at fair value through profit or loss	643,369	-
Proceeds from sale of property, plant and equipment	100,634	-
Purchase of intangible assets	(1,864,371)	(3,160,930)
Net cash generated from investing activities	**(1,657,245)**	**(5,533,308)**
Cash flows from financing activities		
Proceeds received from issue of shares	412,313	17,041,662
Cost of issue	-	(641,071)
Net cash generated from financing activities	**412,313**	**16,400,591**
Net increase in cash and cash equivalents	**(2,372,172)**	**10,195,252**
Cash and cash equivalents at beginning of period	**8,843,709**	**2,901,922**
Exchange gains on cash and cash equivalents	37,853	56,692
Cash and cash equivalents at end of period	**6,509,390**	**13,153,866**

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 2018, 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 2018 were approved by the Board of Directors on 3 June 2019 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) and in respect of the recoverability of a receivable held by the Company due from a subsidiary undertaking.

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 2019.

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 2018 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 4 of the Company's 2018 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 2018.

3.1 Changes in accounting policy and disclosures

(a) Accounting developments during 2019

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2019 but did not result in any material changes to the financial statements of the Group or Company.

The following standards were adopted by the Group during the year:

- IFRS 16 - Leases (effective 1 January 2019)
- Annual Improvements 2015-2017 Cycle
- IAS 28 – Long term interests in associates and joint ventures (effective 1 January 2019)
- IFRIC 23 - Uncertainty over income tax treatments (effective 1 January 2019)

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

Standard		Effective date
IFRS 3 (Amendments)	Business Combinations – Definition of a business	1 January 2020*
Various	Amendments to conceptual framework	1 January 2020*
IAS 1& IAS 8 (Amendments)	Definition of material	1 January 2020*

* Subject to EU endorsement

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 2019 (2018: £nil).

5. Property, plant and equipment

	Software	Machinery & equipment	Office equipment	Total
	£	£	£	£
Cost				
As at 1 January 2018	**12,664**	**671,011**	**11,340**	**695,015**
Exchange Differences	-	1,487	-	1,487
Additions	-	2,345,938	23,930	2,369,868
As at 30 June 2018	**12,664**	**3,018,436**	**35,270**	**3,066,370**
As at 1 July 2018	**12,664**	**3,018,436**	**35,270**	**3,066,370**
Exchange Differences	-	4,717	-	4,717
Additions	15,806	68,397	14,019	98,222
As at 31 December 2018	**28,470**	**3,091,550**	**49,289**	**3,169,309**
As at 1 January 2019	**28,470**	**3,091,550**	**49,289**	**3,169,309**
Exchange Differences	-	(3,478)	-	(3,478)
Additions	-	535,046	1,821	536,867
Disposals	-	(213,048)	-	(213,048)
As at 30 June 2019	**28,470**	**3,410,070**	**51,110**	**3,489,650**
Depreciation				
As at 1 July 2016	**8,113**	**48,292**	**7,556**	**63,961**
Charge for the period	2,253	21,834	2,566	26,653
Exchange differences	-	1,483	-	1,483
As at 31 December 2017	**10,366**	**71,609**	**10,122**	**92,097**
As at 1 January 2018	**10,366**	**71,609**	**10,122**	**92,097**
Charge for the year	4,110	214,101	5,726	223,937
Exchange differences	-	7,184	-	7,184
As at 31 December 2018	**14,476**	**292,894**	**15,848**	**323,218**
As at 1 January 2018	**14,476**	**292,894**	**15,848**	**323,218**
Charge for the year	4,810	206,509	6,346	217,665
Disposals	-	(39,231)	-	(39,231)
Exchange differences	-	3,695	-	3,695
As at 30 June 2019	**19,286**	**463,867**	**22,194**	**505,347**
Net book value as at 30 June 2018	**2,298**	**2,946,827**	**25,148**	**2,974,273**
Net book value as at 31 December 2018	**13,994**	**2,798,656**	**33,441**	**2,846,091**
Net book value as at 30 June 2019	**9,184**	**2,946,203**	**28,916**	**2,984,303**

6. 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	Exploration & evaluation assets £
Balance as at 1 January 2018	17,971,795
Additions	3,160,930
Exchange rate movements	(67,906)
As at 30 June 2018	**21,064,819**
Balance as at 1 January 2019	15,478,246
Additions	1,864,371
Exchange rate movements	11,073
As at 30 June 2019	**17,353,690**

7. Financial assets at fair value through profit or loss

	30 June 2019 £
As at 1 January 2019	330,402
Disposals	(224,099)
Fair value gain	344,475
As at 30 June 2019	**450,778**

The financial assets are measured at fair value using quoted prices and are therefore are all classified as level 1 of the fair value hierarchy. During the period, the Group made a profit of £428,805 on the disposal of financial assets.

8. Earnings per Share

The calculation of earnings per share is based on a retained loss of £203,059 for the six months ended 30 June 2019 (six months ended 30 June 2018: £867,791) and the weighted average number of shares in issue in the period ended 30 June 2019 of 852,888,087 (six months ended 30 June 2018: 835,552,686).

No diluted earnings per share is presented for the six months ended 30 June 2019 or six months ended 30 June 2018 as the effect on the exercise of share options would be to decrease the loss per share.

9. 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 £554,221 at 30 June 2019 which is included within trade and other receivables. HMRC has made a further protective assessment for this amount, bringing the total amount of the dispute at 30 June 2019 to £809,713.

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 Q1 2020. 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 £809,713 will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

10. Events after the Reporting Date

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

11. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 27 September 2019.

****ENDS****