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 2020.

Overview:

- **Dundas**
  - Focussed on commencing near-term production at world class Dundas Ilmenite Project ('Dundas') in Greenland
  - Mining Licence application entering final documentation and decision phase following completion of the public consultation
  - Confidential MOU extended to allow definitive agreement to be executed with multinational trading firm for between 250 to 300ktpa
- **Wider portfolio**
  - Extensive exploration and drill programme planned at Disko-Nuussuaq Ni-Cu-Co-PGE-Au Project ('Disko') to target multiple nickel and copper geochemical anomalies and Kangerluarsuk zinc-lead-silver project ('Kangerluarsuk') postponed due to COVID-19
  - Low-cost fieldwork programme recently undertaken at two new Mineral Exploration Licences known as the Thunderstone Project targeting several high-priority gold and base metal geochemical anomalies
- **COVID-19 response and Corporate**
  - Decisive, appropriate and timely cost saving action taken to protect shareholders' capital, while safeguarding employees, stakeholders and citizens in all Company jurisdictions
  - Strong cash management
  - Field activities recommenced late summer at Thunderstone with strict COVID-19 protocols in place
  - Positive adjustments to 2020 Greenlandic Licence Obligations and Licence extension award

Chairman's Statement

The new year commenced as planned, with the Company continuing the processing of the Dundas ilmenite bulk sample in Quebec, the acquisition of infrastructure and capital equipment, and the engagement of drilling contractors for our exploration plans at Disko and Kangerluarsuk. However, the unexpected outbreak of COVID-19 in this six-month period derailed all field activities with the introduction of lockdowns and international travel restrictions. In March 2020, the Company took swift, decisive and appropriate action to protect employees, stakeholders, citizens and shareholders' capital by shifting focus to a combination of cost savings throughout the entire organisation, while at the same time progressing all our projects as much as was possible from outside of the field. We shifted focus away from COVID-19 affected activities onto unaffected tasks within the Company's control, including desktop re-analysis work and the exploitation application for Dundas where we anticipate a decision in the coming months. Elsewhere we increased licence holdings where appropriate and I am delighted to say that we were able to conduct our first reconnaissance programme late last month at our newly acquired gold and base metal project at Thunderstone in South Greenland.

With regards to capital expenditure during the period, in addition to accommodation purchases for the Dundas site, we set up a small logistics hub in Ilulissat, West Greenland and paid for the pilot plant facility in Quebec. Both Directors and staff accepted salary reductions as we focussed on reducing central costs in line with activities. The Company had already paid for some services and equipment in the first quarter, as expectations of a significant field work programme for 2020 meant contractors, drilling supplies and some field equipment had to be mobilised in anticipation of this. These services and equipment are still to be deployed and/or sit as credit. The published £7.0m cash balance at the period end excludes £720,000 of receivables due from suppliers and other parties and £914,870 of VAT receivable from HMRC VAT claims, so the cash balance remains healthy, aided by dispensations provided by the Greenlandic government with respect to 2020 licence commitments.

Dundas

A completed Pre-Feasibility Study ('PFS') on Dundas based on the current JORC compliant Mineral Resource of 117Mt at 6.1% ilmenite indicates a profitable operation is possible. Importantly, the PFS is based upon only a small fraction of the identified mineralisation with more than 30km of identified sands. Currently there is up to 785Mt of independently verified JORC resources that should eventually allow for many decades of mine life to be added past the current 11 year PFS. By year end the Company is aiming to complete a capex reduction programme by utilising local as well as European suppliers, with preliminary results to date showing significant savings can be achieved. To secure the future of Dundas the Company is focused on obtaining the requisite Exploitation Licence, which was submitted to the Mineral Licence and Safety Authority ('MLSA') on 17 September 2019 and included the Environmental and Social Impact Assessments ('EIA' and 'SIA'). Both the SIA and EIA were confirmed as compliant shortly thereafter, enabling the Company to move into the Public Consultation period, which commenced at the end of June 2020 and was finalised on 2 September 2020.

The Company, together with the Government of Greenland, is now focused on completing the Impact Benefit Agreement as well as a "White Book", which includes questions received in the Public Consultation meetings that will be used to make amendments, if applicable, to both the SIA and EIA.

Other progress at Dundas includes the purchase of containerised accommodation facilities for site and the completion and exportation of the first major bulk sample for processing at our pilot plant (the 'Plant') in Quebec. The Plant commenced operations in February 2020 and had been running at full capacity for several weeks until the COVID-19 outbreak. As a result of the pandemic, processing was suspended in line with Quebec government guidance and the Plant was placed on care and maintenance.

In April 2020, we signed a confidential MOU with a multinational trading firm in the global titanium feedstock market for a prospective offtake for 200tkpa ilmenite and possible project financing. After the period end, we were delighted to announce the extension and increase in potential offtake amount of this prospective agreement for up to 250 to 300tkpa. We will update the market by 31 October 2020 on these discussions and continue to engage with a number of other leading industry players with a view to securing additional commercial offtake agreements.

Wider Portfolio

The Company continues to drive value through the development of its other large scale, high grade projects in Greenland that provide exposure to commodities including nickel, copper, cobalt, lead, zinc and platinum group elements ('PGE').

In February 2020, we announced highly encouraging assay results from the first geochemical survey undertaken at our Disko-Nuussuaq Ni-Cu-Co-PGE-Au Project, which was completed in October 2019. These identified multiple nickel and copper geochemical anomalies, further enforcing both new and pre-existing anomalies. In addition, the Company was granted a newly expanded licence area at Disko as well as a new licence on Disko Island, which increased Bluejay's total land position at the project to 2,897 km^2.

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

In April 2020, we were awarded two new Mineral Exploration Licences in South Greenland covering a total of 2,025 km^2 near the southern tip of Greenland, which is highly prospective for several commodities. Collectively known as the Thunderstone Project ('Thunderstone'), a low-cost fieldwork programme was agreed in August 2020 to follow up on several high-priority gold and base metal geochemical anomalies identified as part of Bluejay's recent re-analysis of historical stream sediments. Furthermore, we commissioned Dr Philippa Mason of HME Partnership to carry out a project-wide remote sensing study for Thunderstone utilising Aster, Sentinel-2, Landsat-8 and Arctic DEM satellite data. Testament to our confidence in the asset, Bluejay applied for an extension of both Thunderstone licences as a result of the geochemical anomalies identified from the new stream sediment data. This includes a cluster of gold anomalies close to historical reports of gold-bearing quartz veins, as well as PGE anomalies, some of which are coincident with anomalous copper, nickel, cobalt, and chromium, supporting the presence of mineralised mafic-ultramafic intrusions. We were delighted, as mentioned earlier, to be able to commence field activity late last month at Thunderstone and we look forward to sharing the results of this work in Q4 2020. Bluejay aims to resume exploration activities at our other projects as soon as is feasible.

We also maintain a portfolio of Finnish assets: the Hammaslahti copper-zinc-gold-silver project; the Enonkoski nickel-copper-cobalt-PGM project; and the Outokumpu copper-gold project. We continue to evaluate the best outcome for maximising shareholder value.

Greenlandic COVID response

Bluejay was impressed with the response of the Government of Greenland in light of the pandemic, which recognised the issues exploration companies faced. The government approved two major amendments to its mineral licensing standard terms and conditions: the postponement of the transferred outstanding annual exploration obligations for all mineral exploration licences by one year; and the extension of the licence period for all mineral exploration licences by one year. This clearly demonstrates Greenland's support for its minerals sector, and, whilst the Company has no outstanding expenditure commitments for 2020, the various expenditure credits that the Company currently enjoys for its licences will be carried forward into 2021.

Corporate

Following the strategic investment made by Greenland Ventures and Vækstfonden into Bluejay in December 2019, we were delighted to welcome Per Buhl Olsen to the board of Dundas Titanium, our 100% owned subsidiary that owns the Dundas project, as a Non-Executive Director in late January 2020. Per Buhl is an experienced Investment Manager and finance professional with significant corporate experience. Based in Nuuk, Greenland and on the board of several Greenland focussed companies, he is very well-connected and is a skilled negotiator and analyst with a deep knowledge of the country's society and politics.

Financial

The Company implemented a cost saving programme in April 2020 to reduce corporate overheads, including a reduction in salaries for Directors and employees to ensure company longevity as a result of COVID-19. As already mentioned, Greenlandic authorities waived the Exploration Licence commitments for 2020, further alleviating corporate overheads. In anticipation of significant field work for 2020, some contracting, drilling supplies and field equipment had to be mobilised. These services and equipment are still to be deployed and many have been paid for and therefore sit as assets of the Company in Ilulissat, Greenland.

In addition to the accommodation purchases for the Dundas site mentioned earlier, Bluejay has acquired an office in Ilulissat, West Greenland and paid for the rented pilot plant in Quebec. As Bluejay is a resource development company and is not currently generating revenue, the Company is reporting a loss before taxation of the Group for the six months ended 30 June 2020 of £1,161,905 (6 months ended 30 June 2019: £203,059). The Group's net cash balance as at 30 June 2020 was £7,014,057 (30 June 2019: £6,509,390). The Company spent £3.3m in the first half (almost entirely in early Q1) versus £230,000 since quarter end. In addition to the rented pilot plant, the remainder of the spend was on field equipment, drill supplies and pre-payments – assets the Company now owns and which are mostly located at our Ilulissat location in Greenland. The £7m cash balance at the period end excludes £720,000 of receivables due and £914,870 of VAT receivable from the HMRC tribunal claim, so the cash balance remains healthy with little planned cash needs for the rest of this year, aided by the pragmatism of the Greenlandic authorities in easing licence commitments for 2020.

Outlook

Our focus remains on securing an offtake agreement and commencing production at Dundas at the earliest opportunity as we look to realise the project's potential and, in the process, prove its high-quality status. However, our confidence is not just limited to Dundas but extends to our wider portfolio where work programmes are recommencing.

Given Bluejay is operating within a supportive jurisdiction, has large scale resources, high grades, a proven processing route, low costs, strong economics, institutional and industry backers, a team with a proven track record of delivery, and access to end markets, the outlook for the Company remains highly positive. The Company looks forward to providing further updates, including progress on the imminent exploitation licence decision, during the remainder of the year.

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.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2020 Unaudited £	6 months to 30 June 2019 Unaudited £
Continuing operations			
Revenue		-	1,048
Administration expenses		(1,158,204)	(949,606)
Other gains/(losses)		19,523	(24,718)
Foreign exchange		(27,730)	(9,058)
Operating loss		**(1,166,411)**	**(982,334)**
Net finance income		4,506	5,995
Other gains		-	773,280
Loss before taxation		**(1,161,905)**	**(203,059)**
Income tax expense		**-**	**-**
Loss for the period		**(1,161,905)**	**(203,059)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		871,308	38,518
Total comprehensive loss for the period		**(290,597)**	**(164,541)**
Earnings per share from continuing operations attributable to the equity owners of the parent			
Basic and diluted (pence per share)	7	(0.012) p	(0.024) p

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2020 Unaudited £	31 December 2019 Audited £	30 June 2019 Unaudited £
Non-current assets				
Property, plant and equipment	5	2,781,056	2,768,423	2,984,303
Intangible assets	6	24,749,482	23,138,507	17,353,690
		27,530,538	**25,906,930**	**20,337,993**
Current assets				
Financial assets at fair value through profit or loss		-	-	450,778
Trade and other receivables		1,789,076	1,459,755	977,250
Cash and cash equivalents		7,014,057	10,314,701	6,509,390
		8,803,133	**11,774,456**	**7,937,418**
Total assets		**36,333,671**	**37,681,386**	**28,275,411**
Non-current liabilities				
Lease liabilities		62,220	62,220	-
Deferred tax liabilities		496,045	496,045	496,045
		558,265	**558,265**	**496,045**
Current liabilities				
Lease liabilities		40,710	80,814	-
Trade and other payables		225,833	1,242,847	544,067
		266,543	**1,323,661**	**544,067**
Total liabilities		**824,808**	**1,881,926**	**1,040,112**
Net assets		**35,508,863**	**35,799,460**	**27,235,299**
Capital and reserves attributable to equity holders of the Company				
Share capital		7,484,066	7,484,066	7,800,733
Share premium		55,463,656	55,463,656	44,150,956
Other reserves		(6,733,259)	(7,604,567)	(6,776,577)
Retained losses		(20,705,600)	(19,543,695)	(17,939,813)
Total equity		**35,508,863**	**35,799,460**	**27,235,299**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Other reserves	Retained losses	Total
	£	£	£	£	£
Balance as at 1 January 2019	**7,800,237**	**43,739,139**	**(6,799,892)**	**(17,751,957)**	**26,987,527**
Loss for the 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**
Balance as at 1 January 2020	**7,484,066**	**55,463,656**	**(7,604,567)**	**(19,543,695)**	**35,799,460**
Loss for the period	-	-	-	(1,161,905)	(1,161,905)
Other comprehensive income for the year	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-	-	-
Currency translation differences	-	-	871,308	-	871,308
Total comprehensive income for the year	**-**	**-**	**871,308**	**(1,161,905)**	**(290,597)**
Exercise of share options and warrants	-	-	-	-	-
Expiry of share options	-	-	-	-	-
Total transactions with owners, recognised in equity	**-**	**-**	**871,308**	**(1,161,905)**	**(290,597)**
Balance as at 30 June 2020	**7,484,066**	**55,463,656**	**(6,733,259)**	**(20,705,600)**	**35,508,863**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 June 2020 Unaudited	6 months to 30 June 2019 Unaudited
	£	£
Cash flows from operating activities		
Loss before taxation	(1,161,905)	(203,059)
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)
Depreciation	293,953	217,665
Impairments	14,299	-
Other non-cash adjustments	4,340	-
Loss on disposal of assets	-	70,436
Increase in trade and other receivables	121,731	(199,232)
Decrease in trade and other payables	(1,461,880)	(239,770)
Net cash used in operations	**(2,189,462)**	**(1,127,240)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(233,713)	(536,877)
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
Interest received	1,896	-
Purchase of intangible assets	(841,078)	(1,864,371)
Net cash used in investing activities	**(1,072,895)**	**(1,657,245)**
Cash flows from financing activities		
Proceeds received from issue of shares	-	412,313
Repayment of borrowings	(40,104)	-
Net cash (used in)/generated from financing activities	**(40,104)**	**412,313**
Net decrease in cash and cash equivalents	**(3,302,461)**	**(2,372,172)**
Cash and cash equivalents at beginning of period	**10,314,701**	**8,843,709**
Exchange gains on cash and cash equivalents	1,817	37,853
Cash and cash equivalents at end of period	**7,014,057**	**6,509,390**

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 2019, 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 2019 were approved by the Board of Directors on 20 May 2020 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 paragraph in respect of; the recovery of input VAT (further information on which is included in Note 7); the recoverability of a receivable held by the Company due from a subsidiary undertaking; the recoverability of projects in Finland; and the group's assessment of the COVID-19 impact on going concern.

Going concern

The Group is managing the impact of the COVID-19 pandemic on its business and the uncertainty it creates. The Company has taken swift pre-emptive action to ensure the safety of its employees, contractors and supply chain. This includes a full financial and strategic review designed to safeguard and ensure the stability and longevity of Bluejay activities for the benefit for all its stakeholders.

The interim Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group has sufficient funds to meet all committed and contractual expenditure and to maintain good title to the exploration licences.

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 2019 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 2019 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 2019.

3.1 Changes in accounting policy and disclosures

(a) Accounting developments during 2020

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 2020 but did not results 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 3 (Amendments) – Business Combinations (effective 1 January 2020)

- IAS 1 (Amendments) – Presentation of Financial Statements (effective 1 January 2020)
- IAS 8 – Accounting policies, Changes in Accounting Estimates (effective 1 January 2020)

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

Standard		Effective date
IAS 1	Classification of liabilities as current or non-current	1 January 2023*
Various	Annual improvements to IFRS Standards 2018-2020	1 January 2022*

* 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 2020 (2019: £nil).

5. Property, plant and equipment

	Software	Machinery & equipment	Office equipment	Right of use assets	Total
	£	£	£	£	£
Cost					
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**
As at 1 July 2019	**28,470**	**3,410,070**	**51,110**	**-**	**3,489,650**
Exchange Differences	-	(154,686)	(274)	-	(154,960)
Additions	8,623	-	2,095	-	10,718
IFRS 16 adjustment	-	-	-	182,542	182,542
As at 31 December 2019	**37,093**	**3,255,384**	**52,931**	**182,542**	**3,527,950**
As at 1 January 2020	**37,093**	**3,255,384**	**52,931**	**182,542**	**3,527,950**
Exchange Differences	-	92,987	-	-	92,987
Additions	-	226,423	7,290	-	233,713
As at 30 June 2020	**37,093**	**3,574,794**	**60,221**	**182,542**	**3,854,650**

Depreciation					
As at 1 January 2019	**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**
As at 1 July 2019	**19,286**	**463,867**	**22,194**	**-**	**505,347**
Charge for the year	5,986	229,978	6,285	-	242,249
IFRS 16 adjustment	-	-	-	40,565	40,565
Exchange differences	-	(28,456)	(178)	-	(28,634)
As at 31 December 2019	**25,272**	**665,389**	**28,301**	**40,565**	**759,527**
As at 1 January 2020	**25,272**	**665,389**	**28,301**	**40,565**	**759,527**
Charge for the year	6,091	241,424	5,873	40,565	293,953
Exchange differences	-	20,114	-		20,114
As at 30 June 2020	**31,363**	**926,927**	**34,174**	**81,130**	**1,073,594**
Net book value as at 30 June 2019	**9,184**	**2,946,203**	**28,916**	**-**	**2,984,303**
Net book value as at 31 December 2019	**11,821**	**2,589,995**	**24,630**	**141,977**	**2,768,423**
Net book value as at 30 June 2020	**5,730**	**2,647,867**	**26,047**	**101,412**	**2,781,056**

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 2019	15,478,246
Additions	1,864,371
Exchange rate movements	11,073
As at 30 June 2019	**17,353,690**
Balance as at 1 July 2019	17,353,690
Additions	5,976,649
Exchange rate movements	(191,832)
As at 31 December 2019	**23,138,507**
Balance as at 1 January 2020	23,138,507
Additions	841,078
Exchange rate movements	769,897
As at 30 June 2020	**24,749,482**

7. Earnings per Share

The calculation of earnings per share is based on a retained loss of £1,161,905 for the six months ended 30 June 2020 (six months ended 30 June 2019: £203,059) and the weighted average number of shares in issue in the period ended 30 June 2020 of 969,969,397 (six months ended 30 June 2019: 852,888,087).

No diluted earnings per share is presented for the six months ended 30 June 2020 or six months ended 30 June 2019 as the effect on the exercise of share options would be to decrease the loss per share.

8. 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 £659,378 at 30 June 2020 which is included within trade and other receivables. HMRC has made a further protective assessment for this amount, bringing the total amount of the dispute at 30 June 2019 to £914,870.

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 2021. 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 £914,870 will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

9. Events after the Reporting Date

On 8 July 2020, the Company issued options over 7,250,000 ordinary shares of 0.01 pence to key employees. The share options will vest on 10 July 2020 and expire on 30 July 2025.

On 2 September 2020, the Company filed an application with FINRA, the Financial Industry Regulatory Authority, for the Company's ordinary share capital to trade on the OTC Market's OTCQB trading platform in the United States of America.

10. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 29 September 2020.