28 September 2018

Cadence Minerals plc

("Cadence Minerals", "Cadence" or "the Company")

Interim Results for the six months ended 30 June 2018

Cadence Minerals plc, (AIM/NEX: KDNC; OTC: REMMY), which invests in highly prospective lithium and rare earth mineral projects, announces its interim results for the six months ended 30 June 2018.

HIGHLIGHTS

- **Fundamental Supply of Lithium Compounds remains constrained**
- **Long-term battery grade lithium pricing increased during the period and remains US$15,000 per tonne**
- **European Metals Holdings ("EMH") the owner of the Cinovec project in the Czech Republic;**
    - **Completed test work on roast improving lithium recoveries to 95%.**
    - **Announced a revised pre-feasibility study which will envisage the production of lithium hydroxide which is currently priced at around US$17,000 per tonne.**
- **Reconnaissance exploration was completed at San Luis lithium project which has identified some 10 thousand hectares of prospective ground of lithium bearing pegmatites.**
- **Subsequent to the year-end Macarthur entered into an exclusive advisory agreement with UK based Capstan Capital Partners LLP ("Capstan") to seek the necessary funding required to advance Macarthur's significant iron ore projects located in Western Australia.**

STRATEGIC REVIEW

By most of the fundamental measures in supply and demand dynamics, whether it be constrained supply chains, strong product pricing or build out capacity for the product, the long-term outlook for lithium and lithium compounds remains strong.

Nonetheless, for 2018, there have been several analysts that have continued to suggest a wave of supply of lithium compounds and therefore a softening in lithium prices. Our research and "boots on the ground" approach tells a very different story.

The oversupply camp point to increasing capacity from China, Australia and the Atacama that will swamp the market. However, this fails to take account of two critical points. Firstly, the delivery of battery grade lithium compounds is not easy, even with the typical commissioning delays associated with mining projects, there is then the added aspect of a complex and capital-intensive hydrometallurgical plant, to get these commissioned and financed is difficult. Therefore, the reality is the supply will be delayed in our view, and only those projects with sufficient scale and competitive cost structure will be able to attract the financing to enter the supply chain.

Secondly, the additional capacity from Australia is, for the large majority, shipped as spodumene to China, where it is converted to lithium compounds. So, to understand supply, you need to understand the conversion capacity of China, which by all accounts are struggling to install new conversion plants in time and will probably be only able to produce 200,000 tonnes of lithium carbonate in 2019. Both of the above point to a constrained supply chain and not a wave of supply.

When we look at pricing over the period, several detractors will point to the drop in the price of Lithium compounds in China. The reality is that Chinese pricing was influenced in part by brine projects in China needing to sell below battery grade lithium carbonate to fund operations. To us, the most representative pricing of battery grade lithium carbonate is from South America where pricing continued to increase over the year and currently trades at around US$15,000 per tonne of battery grade lithium carbonate.

Despite all of these constraints in supply and the positive outlook on the demand side equities in the lithium market have softened considerably during the year with the Global X lithium ETF dropping by 19% over the six months to June 2018, with some lithium project developers dropping up to 65% over the same period.

Our investments were not immune to this softening, and our principle two investments in Bacanora Lithium and European Lithium reduced in price by 20% and 53% respectively. This, in turn, was reflected in our share price performance which reduced by 33% over the period and our absolute return figures which were at the period ended 26% which is in line with the return figures on Global X Lithium ETF over the same period.

Table 1: Absolute Return Figures

	30/06/2017	31/12/2017	30/06/2018
Book Value (GB£ ,000)	17,904	11,345	11,104
Mark to Market Equity Value (GB£ ,000)	30,882	24,869	14,005
Absolute Return on Equity (%)	72%	119%	26%
Global X Lithium & Battery Tech Returns (%)	13%	51%	27%

Despite the performance of our investments, the underlying projects remain sound and have the right cost structure and scale to potentially be significant contributors to the battery supply chain.

Of note was the progress that European Metals Holdings have made during the year. It has improved roast recoveries in their lab test work, and since the end of June 2018 they received approvals to carry out geotechnical drilling and announced that they would be carrying out a revised pre-feasibility study to produce lithium hydroxide which is scheduled to be published in the coming months. Given the pricing and demand for this compound, we would hope to see an improvement in the economics of the project.

Bacanora continued to make progress during the year at a project level, however, as a result of market volatility in the lithium markets, it decided not to proceed with the equity portion of its project financing. It is continuing the front-end engineering design of the project and has drawn down US$25 million of its US$150 million debt facility.

The board and its strategy have evolved significantly since 2014. Its focus since September last year is to invest in earlier stage exploration projects, as this is typically where the largest return is for relatively low levels of investment capital. The risk associated with investing in any resource projects at an early stage is high, therefore, and in order to mitigate this risk, our goal from the outset is to obtain a deep fundamental understanding of the resource, its chemistry and management team.

By doing so, we can eliminate the many of the potential investments that we review during the year and fund projects that we believe will deliver value to our shareholders. We look to fund projects via earning in, at solely our option, and if at all possible look to incentivise our joint venture partners via equity in Cadence against deliverables that will add value. Importantly we also take an active approach to our investments by being part of the management team and enshrining our minority shareholder protections in joint venture agreements.

During the six months, we have reviewed numerous projects, inclusive of brines in the Atacama, Cobalt in the USA, and pegmatites in multiple places in Africa, all of which had their attractions however they did not match our investment criteria so were rejected.

We continue to review possible investments and seek out new opportunities always with the ultimate aim of securing an asset that has the potential to add significant value to our share price.

The future remains very exciting for the Company. We will continue to review our investments in our investee companies, with regular meetings with management. Importantly we will continue to examine the market perception of lithium and if required ensure we limit our exposure to further downside in our equity positions.

INVESTMENT REVIEW

Bacanora Lithium Plc ("Bacanora")

At the period end Cadence owned 8.3% of Bacanora's equity and a 30% stake in the Mexalit S.A. de CV ("Mexalit") joint venture which forms part of the Sonora Lithium Project in Northern Mexico.

Bacanora has two lithium development assets, the Sonora Lithium Project and the Zinnwald Lithium Project. Bacanora has a 50% interest in, and joint operational control, of the Zinnwald Lithium Project. Zinnwald represents a strategic asset located near a thriving market for lithium and energy products.

Bacanora's principal asset is the Sonora Lithium Project in northern Mexico. The asset has Measured plus Indicated Mineral Resource estimate of over 5 million tonnes ('Mt') (comprising 1.9 Mt of Measured Resources and 3.1Mt of

Indicated Resources) of lithium carbonate equivalent ('LCE') and an additional Inferred Mineral Resource of 3.7 Mt of LCE, Sonora is regarded as one of the world's larger known clay lithium deposits.

In January 2018 Bacanora published its Feasibility Study ("FS") on the project. The FS targeted a two-stage open-pit operation, reaching 35,000 tonnes (t) of lithium carbonate (Li_2CO_3) per annum ("tpa") in year four. The FS has a pre-tax NPV of US$1.25 billion and an IRR of 26%. The capital and working capital costs of the first stage of production (17,500 t of Li_2CO_3 per annum) is estimated to be US$460 million. Under our estimation, The FS mine plan currently has some 12% of the plant feed being mined from the 30% joint venture areas owned by Mexalit.

After the period end, Bacanora announced its financing strategy and were able to secure a US$150 million debt funding from RK Mine Finance. Additionally, Bacanora was able to secure conditional investments totalling US$90 million from the State General Reserve of Oman and Bacanora's off-take partner, Hanwa Co., Ltd. These combined financing represented US$240 million of the US$460 million required. In July Bacanora elected not to proceed with a further US$100 equity placing, citing current volatility in global commodities markets.

Both our 8.3% equity stake in Bacanora and our ownership in the Mexalit joint venture could represent a substantial return for Cadence in the form of cash flow from the Sonora Lithium Project. Which we estimate could be as much US$106 million (net present value, 10% discount) using a lithium carbonate price of 13,000 per tonne and a dilution of 3X of the current equity on issue in Bacanora. This is of course contingent on Bacanora securing the necessary financing and executing the development of the Sonora Lithium project as per the FS published in January this year.

European Metals Holdings Limited ("EMH")

At the end of June 2018 and as a result of share issues by EMH Cadence held a 19.7% in EMH, through this equity holding we have an economic interest in the Cinovec lithium and tin deposit.

At an operational level, the Cinovec lithium project progressed well. However, this progress was overshadowed by Czech presidential elections and, in particular, the statement of the Czech Minister of Industry and Trade which purported to terminate the memorandum of understanding between EMH and Czech Ministry of Industry of Trade. As stated by EMH the termination of the MOU does not in any way affect the exploration rights of EMH tenure over its exploration permits.

Despite this, there were substantial strides made in the development of the Cinovec Lithium Project. Of note was the improvement in lithium recoveries announced in March, which was increased to 95%. In addition, EMH continued to work on the pilot scale beneficiation work, this work along with the improved lithium recoveries meant that subsequent to the period end EMH was able to report increased lithium production from 20,800 tpa to 22,500 tpa.

Moreover, EMH has commenced work on an update of the Preliminary Feasibility Study to model the production of higher value lithium hydroxide due to its increasing use in lithium-ion batteries. We expect the results from this to be announced in the coming months.

San Luis Lithium Project

In December 2017 Cadence Minerals announced that it had executed binding investment agreements to acquire up to 100% of six prospective hard rock lithium assets in Argentina.

These transactions mark the start of the Company's strategic shift to earn into early stage lithium assets in well-known lithium jurisdictions where we see the potential to deliver shareholder value by investing in projects that have shorter development timeline to cashflow than a typical lithium carbonate producer.

The San Luis Project Consist of claims over 55,773 hectares for six exploration permits within the known spodumene bearing pegmatite fields in San Luis Province, Central Argentina.

During the period under review the investee's geology team, utilising a range of remote sensing and geographical information system (GIS) tools, have completed several desktop studies which identify highly prospective areas for lithium mineralisation in known spodumene bearing pegmatite bodies. Encouragingly, there are multiple indicators that confirm the presence of spodumene bearing pegmatite bodies including geological structural features, aero-magnetic radiometric data analysis, satellite imagery and differentiation in granitic bodies.

The net result is that out of the 55,773 hectares, comprising the six assets total area, the geology team have identified 10,049 hectares as high-priority areas for the next phase of the exploration programme

Finalised Environmental Impact Assessments have been submitted to the mining regulator for these high priority areas, with applications for drilling permits to follow

The project team are now in discussions with third-party suppliers, including drilling contractors, and intend to fast-track the next phase of exploration as soon as regulatory approval is secured.

On grant of the exploration permits Cadence will acquire up to 49% by spending £1.1m on exploration and drilling, and by issuing £0.4 million of new ordinary shares in Cadence to The Vendors. Cadence has an option to acquire up to 100% by issuing a further £1.75m of new ordinary shares in Cadence. During the period Cadence completed its initial £0.10 million investment for 4% of the exploration permit.

Auroch Minerals

At the end of the period Cadence had a 6.6% interest in Auroch Minerals, its focus over the period under review has been the development of the high-grade zinc, Bonaventura Project and the Arden zinc, copper-cobalt project. Drilling has commenced at both of these highly prospective projects, both of which are expected to take between six and eight weeks to complete.

The Bonaventura Project contains several historic artisanal mines for zinc, lead, copper, gold and silver that were worked at various times up to the 1920's. Soil-sampling over the Bonaventura Project has been completed with zinc anomalism following the strike of the regional Cygnet-Snelling Fault.

The Vinco Target, which is situated 1,500m along strike from Grainger target, has previously been surveyed using high-resolution aeromagnetics, including induced polarisation (IP) and gravity surveys.

The IP survey interpretation over the Dewrang target identified two-highly chargeable anomalies at approximately 200m depth over a strike length of over 400m. Anomalies indicate the potential for the presence of high-grade base-metal sulphides, making Dewrang a high-priority area for exploration.

In addition to the base metal targets, the Kohinoor target remains highly prospective for gold mineralisation, with historic composite samples taken from the first level of the main historic workings.

The Arden project consists of a Sedex type potential deposit. The Sedex potential was initially discovered by Kennecott (Rio Tinto Group) between 1966 and 1972, identifying anomalous Sedex-style zinc mineralisation up to 40m wide and with a potential for over 10km of the strike. However, since 1980 the area has been the focus of regional diamond exploration, and as such the Sedex horizon at the Ragless Range Target had not been explored.

Auroch has moved quickly to realise the project potential, undertaking reconnaissance field mapping, rock-chip sampling,a reinterpretation of historical data and an Aeromagnetic survey before initiating its maiden drill programme in August 2018. Arden enjoys access to world-class infrastructure including the railway to Port Augusta, which passes just to the south of the tenement.

Macarthur Minerals ("Macarthur")

Cadence at the end of the period had 12.1% equity interest in Macarthur, which is an Australian mining exploration company which has a diverse portfolio over multiple asset types, commodities and locations.

During the period its efforts have been focused on the early exploration of its gold, nickel and lithium projects in Western Australia.

However of most interest was the work that has been carried on its substantial Iron Ore Projects in the Yilgran Region of Australia, which have Mineral Resources comprised of Indicated Mineral Resources of approximately 54.5 Mt @ 47.2% Fe and approximately 26Mt @ 45.4% Fe Inferred resources.

Subsequent to the year-end Macarthur entered into an exclusive advisory agreement with UK based Capstan Capital Partners LLP ("Capstan") to seek the necessary funding required to advance Macarthur's significant iron ore projects located in Western Australia.

Macarthur has been reviewing its iron ore projects in light of the emergence of rail and port capacity through to the Port of Esperance and the cessation of mining at Cleveland-Cliffs Inc's Asia Pacific Iron Ore projects and Mineral Resources Limited's Carina project.

Clancy Exploration ("Clancy")

At the end of the period, Cadence held 4.5% interest in Clancy, which focused its efforts during the period in acquiring and developing 100% of key cobalt licenses adjacent to the Bou Azzer Cobalt mine in Morocco, which is famous for being a primary cobalt producer. Initial surface sampling has been carried out, and due diligence has been completed. The acquisition is in the process of completion, and we await further news in this regard.

Yangibana Rare Earth Project

Cadence owns a 30% free carried interest in the Yangibana North, Gossan, Hook, Kanes Gossan, Lions Ear and Bald Hill North rare earth projects ("Yangibana North Project") in Western Australia. These projects form part of the larger Yangibana Rare Earth Project ("the Project"). The free carry is up to the commencement of the feasibility study.

Hastings Technology Metals Ltd ("Hastings"), which is the operator of the Project and the owner of the remaining 70% in the Yangibana North Project, made considerable progress during the year to date. This included securing funding for the initial long lead items for the project and securing an offtake of Memorandum of Understanding with Tyssenkrupp Raw Materials GmbH.

During the period we engaged with the management of Hastings, to discuss and review the reasoning why our joint venture areas are not included in the current mining plans. In conclusion, although mineral resources are substantial, using the currently envisaged beneficiation and hydrometallurgical process, the higher grade in the joint venture areas is offset by the higher processing costs associated with the ore. Therefore, Hastings envision that the ore will be included in the later stages of the mining plan, which is out of the scope of the feasibility study. In this regard, we view that our priority should be to look to extract value from the asset in the short to medium term.

FINANCIAL REVIEW

During the period, the Group made a loss before taxation of £4.60 million (30 June 2017: profit of £0.89 million; year ended 31 December 2017: profit £1.19 million). This was primarily due to a decrease in market price of our investments in Bacanora, following the overall trend in the market within lithium stocks.

There was a weighted basic loss per share of 0.058p (30 June 2017: profit per share 0.011p, 31 December 2016: profit per share 0.015p). Foreign currency translation differences marginally increased comprehensive loss for the period to £4.66 million (30 June 2017: total comprehensive income of £0.84 million, 31 December 2016: total comprehensive expenditure of £1.88 million).

Administrative expenses decreased by £0.33 million compared to the same period last year; this decrease was driven by cost-cutting measures across the board inclusive of an average 30% reduction in directors salaries, which took effect in April this year. We continue to reduce costs and expect this downward trend in costs for the remainder of this financial year.

The total assets of the group decreased from £35.17 million at 31 December 2017 to £25.41 million. Of this amount, £9.95 million represent the market value of our available for sale investments at the period end. The reduction in the total assets is as a result of the decrease in the value of Bacanora equity, which was the primary driver for the decrease in available for sale asset value.

It is important to note that this does not include our investment in EMH. Our investment in EMH is classified as an investment in an associate and held at a value of £12.9 million. EMH is classified as such because we hold in excess of 19% and Kiran Morzaria, the Chief Executive Office of Cadence is also a Non-Executive Director of EMH.

Our borrowings of £4.18 million as at the 31 December 2017 reduced to £3.06 million by the end of the period as we paid back our convertible loans.

During the period, our net cash outflow from operating activities was £0.45 million compared to £1.46 million during the same period last year. The variance is attributable to the decreased administrative expenses as highlighted above. We invested a further £0.47 million in blue-chip liquid stocks in the lithium sector. We disposed of £0.44 million some of which included the aforementioned lithium stocks as well as some Bacanora equity, which taken together provided a £0.10 million realised profit on disposal. We also paid back some £1.12 million of our convertible loan during the period, which was the primary driver in reducing our cash position to £0.2 million.

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CADENCE MINERALS PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	**Unaudited Period ended 30 June 2018**	Unaudited Period ended 30 June 2017	Audited Year ended 31 December 2017
		£'000	£'000	£'000
Income				-
Unrealised (loss)/profit on available for sale assets		**(3,730)**	2,331	1,353
Realised profit on available for sale assets		**105**	2	3,118
Other income		**48**	60	145
		(3,577)	2,393	4,616
Share based payments		**(3)**	-	(2)
Impairment of intangible assets		**-**	-	(300)
Other administrative expenses		**(785)**	(1,123)	(1,800)
Total administrative expenses		**(788)**	(1,123)	(2,102)
Operating (loss)/profit		**(4,365)**	1,270	2,514
Share of associates losses		**(182)**	(103)	(339)
Finance cost		**(59)**	(272)	(986)
(Loss)/profit before taxation		**(4,606)**	895	1,189
Taxation		**-**	-	**-**
(Loss)/profit attributable to the equity holders of the Company		**(4,606)**	895	1,189
Other comprehensive (expenditure)/income				
Foreign currency translation differences		**(53)**	(53)	686
Other comprehensive (expenditure)/income for the period net of tax		**(53)**	(53)	686
Total comprehensive income/(expenditure) for the period		**(4,659)**	842	1,875
(Loss)/Profit per share				
Basic (pence per share)	*3*	**(0.0587)**	0.0115	0.0152
Diluted (pence per share)	*3*	**(0.0506)**	0.0095	0.0125

CADENCE MINERALS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Share capital	Share premium account (restated)	Share-based payment reserve	Hedging, Loan & Exchange reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017	**1,192**	**27,145**	**4,410**	**(254)**	**(7,968)**	**24,525**
Issue of share capital	2	157	-	-	-	159
Transfer on lapse of warrants	-	-	(396)	-	396	-
On settlement of loan notes	-	-	-	(33)	-	(33)
Transactions with owners	2	157	- 396	- 33	396	126
Foreign exchange	-	-	-	553	-	553
Profit for the period	-	-	-	-	895	895
Total comprehensive income for the period	-	-	-	553	895	1,448
Balance at 30 June 2017 (unaudited)	**1,194**	**27,302**	**4,014**	**266**	**(6,677)**	**26,099**
Issue of share capital	8	250	-	-	-	258
Share based payments	-	-	2	-	-	2
Transfer on lapse of warrants	-	-	(285)	-	285	-
Transfer on cancellation of options	-	-	(553)	-	553	-
On issue of loan notes	-	-		412		412
On settlement of loan notes	-	-		(474)		(474)
Transactions with owners	8	250	- 836	(62)	838	198
Foreign exchange	-	-	-	133	-	133
Profit for the period	-	-	-	-	294	294
Total comprehensive income for the period	-	-	-	133	294	427
Balance at 31 December 2017	**1,202**	**27,552**	**3,178**	**337**	**(5,545)**	**26,724**
Share based payments	-	-	3	-	-	3
Transfer on lapse of warrants	-	-	(132)	-	132	-
Transactions with owners	-	-	(129)	-	132	3
Foreign exchange	-	-	-	(53)	-	(53)
On conversion of loan notes	-	-	-	-	-	-
Loss for the period	-	-	-	-	(4,606)	(4,606)
Total comprehensive loss for the period	-	-	-	(53)	(4,606)	(4,659)
Balance at 30 June 2018 (unaudited)	**1,202**	**27,552**	**3,049**	**284**	**(10,019)**	**22,068**

CADENCE MINERALS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

		Unaudited	Unaudited	Audited
		30 June 2018	30 June 2017	31 December 2017
Assets	**Notes**	**£'000**	£'000	£'000
Non-current				
Intangible assets		**1,875**	2,228	1,887
Tangible assets		**-**	-	-
Investment in associate		**12,918**	12,879	12,988
		14,793	15,107	14,875
Current assets				
Trade and other receivables		**461**	421	722
Available for sale asset		**9,946**	18,498	13,534
Cash and cash equivalents		**216**	2,125	2,037
Total current assets		**10,623**	21,044	16,293
Total assets		**25,416**	36,151	31,168
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables		**290**	227	262
Borrowings		**3,058**	9,825	4,182
Total current liabilities and total liabilities		**3,348**	10,052	4,444
Equity				
Share capital	*4*	**1,202**	1,194	1,202
Share premium		**27,552**	27,302	27,552
Share based payment reserve		**3,049**	4,014	3,178
Hedging & Exchange reserve		**284**	266	337
Retained earnings		**(10,019)**	(6,677)	(5,545)
Total equity and liabilities to owners of the company		**22,068**	26,099	26,724
Total equity and liabilities		**25,416**	36,151	31,168

CADENCE MINERALS PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 30 JUNE 2018

	Unaudited Period ended	Unaudited Period ended	Audited Year ended
	30 June 2018	30 June 2017	31 December 2017
	£'000	£'000	£'000
Cash flows from operating activities			
Operating (loss)/profit	**(4,365)**	1,270	2,514
Net realised/unrealised (loss)/profit on AFSA	3,625	(2,333)	(4,471)
Impairment of intangible assets	**-**	-	300
Equity settled share-based payments	**3**	-	2
Decrease/(increase) in trade and other receivables	**261**	(19)	(320)
Increase/(decrease) in trade and other payables	**28**	(376)	(83)
Net cash outflow from operating activities	**(448)**	(1,458)	(2,058)
Taxation	**-**	-	-
Cash flows from investing activities			
Payments for investments in AFS assets	**(476)**	(214)	(214)
Receipts on sale of AFS assets	**438**	16	7,118
Payments for investments in associates	**-**	-	(345)
Investment in exploration costs	**(100)**	(312)	(270)
Net cash outflow from investing activities	**(138)**	(510)	6,289
Cash flows from financing activities			
Net (loan repayments)/borrowings	**(1,176)**	-	(5,400)
Finance cost	**(59)**	(99)	(986)
Net cash inflow from financing activities	**(1,235)**	(99)	(6,386)
Net (decrease)/increase in cash and cash equivalents	**(1,821)**	(2,067)	(2,155)
Cash and cash equivalents at beginning of period	**2,037**	4,192	4,192
Cash and cash equivalents at end of period	**216**	2,125	2,037

NOTES TO THE INTERIM REPORT
FOR THE PERIOD ENDED 30 JUNE 201

1 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2017 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified.

The principal accounting policies of the Group are consistent with those detailed in the 31 December 2017 financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

GOING CONCERN

The Directors have prepared cash flow forecasts for the period ending 30 September 2018. The forecasts demonstrate that the Group has sufficient funds to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the accounts have been prepared on a going concern basis.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results

2 SEGMENTAL REPORTING

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The chief operating decision maker reviews financial information for and makes decisions about the Group's performance as a whole. The Group has not actively traded during the period.

Subject to further acquisitions the Group expects to further review its segmental information during the forthcoming financial year.

3 PROFIT PER SHARE

The calculation of the (loss)/profit per share is based on the (loss)/profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Unaudited six months ended 30 June 2018	Unaudited six months ended 30 June 2017	Audited year ended 31 December 2017
	£'000	£'000	£'000
(Loss)/profit on ordinary activities after tax (£'000)	**(4,606)**	895	1,189
Weighted average number of shares for calculating basic loss/profit per share	**7,851,440,338**	7,773,489,131	7,811,370,698
Share options and warrants exercisable	**1,259,575,345**	1,689,215,294	1,664,564,973
Weighted average number of shares for calculating diluted loss/profit per share	**9,111,015,683**	9,462,704,425	9,475,935,671
Basic and diluted (loss)/profit per share (pence)	**(0.0587)**	0.0115	0.0152
Diluted (loss)/profit per share (pence)	**(0.0506)**	0.0095	0.0125

4 SHARE CAPITAL

	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017
	£'000	£'000	£'000
Allotted, issued and fully paid			
173,619,050 deferred shares of 0.24p (30 June and 31 December 2017: 173,619,050)	**417**	417	417
7,851,440,338 ordinary shares of 0.01p (30 June 2017: 7,777,690,338, 31 December 2017: 7,851,440,338)	**785**	777	785
	1,202	1,194	1,202