METALS EXPLORATION PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or the "Company"), the Philippine gold producer, announces its interim results for the six months ended 30 June 2022, and will be made available on the Company's website at www.metalsexploration.com.

Highlights

- **Gold production of 31,348 ounces (H1 2021: 35,316 ounces);**
- **Gold recoveries of 87.7% (H1 2021: 81.0%);**
- **Operating profit of US$9.4 million achieved (H1 2021: US$14.2 million);**
- **Positive cashflow from operations of US$17.0 million (H1 2021: US$21.3 million);**
- **The Group's senior debt was US$8.1 million (H1 2021: US$42.4 million) - it is expected that the senior loan will be fully repaid during Q4 2022.**
- **Net Debt as at 30 June 2022 US$92.9 million (H1 2021: US$111.0 million);**
- **Over 17 million man-hours since the last reported lost-time injury.**

Production Summary

Runruno Project Production Summary	Units	Actual 6 Months to 30 June 2022	Actual 6 Months to 30 June 2021	Actual 12 Months to 31 December 2021
Mining				
Ore Mined	Tonnes	1,289,123	713,742	1,896,808
Waste Mined	Tonnes	5,676,856	4,537,749	8,874,266
Total Mined	Tonnes	6,965,979	5,251,491	10,771,074
Au Grade Mined	g/tonne	1.10	1.27	1.21
Strip Ratio		4.28	5.92	4.43
Processing				
Ore Milled	Tonnes	1,017,258	1,048,290	2,136,875
Gold (Au) Grade	g/tonne	1.09	1.29	1.26
Sulphur Grade	%	0.98	1.11	0.97
Au Milled (contained)	ounces	35,742	43,620	86,611
Recovery	%	87.7	81.0	83.7
Au Poured	ounces	31,348	35,316	73,206
Sales				
Au Sold	ounces	30,676	34,745	72,447
Au Price	US$/oz	1,878	1,797	1,792

Review of Operations

Safety and health
The outstanding safety record of the operation continues with in excess of 17 million man-hours with no lost time incidents occurring since the last lost time incident in December 2016. All employees and contractors are to be congratulated on this ongoing achievement.

The COVID-19 vaccination programme has been successful in that in excess of 95% of all staff and on-site contractors have received at least two vaccine doses. This has contributed to the mine-site operations being unaffected as a result of COVID-19.

Finance
A lower head grade of 1.10g/t for H1 2022 (H1 2021: 1.27g/t) contributed to lower gold production and sales revenue. Gold sales were US$57.6 million (H1 2021 US$62.4 million). Operations resulted in positive free cash flow of US$17.0 million (H1 2021: US$21.3 million).

As at H1 2022 end, the Group's senior debt was US$8.1 million (H1 2021: US$42.4 million) with net debt of US$92.9 million (H1 2021: US$109.6 million). Total debt repayments made during H1 2022 were US$17.0 million (H1 2021: US$20.6 million). It is expected that the senior loan will be fully repaid during Q4 2022. Details of these debt facilities can be found in Note 5.

Mining
Mining production of ore and waste was 7.0Mt for H1 2022 (H1 2021: 5.3Mt) and the total ore mined was 1.3Mt (H1 2021: 0.7Mt).

Mining of Stage 1 of the mine plan was completed during H1 2022, while mining of Stage 2 was completed in early Q3 2022. In-pit back-filling of waste is well underway.

Full access to Stage 3 of the mine plan, which is critical to the mining operation schedule, was not achieved during H1 2022. Notwithstanding several court orders in the Company's favour, access to a key area of Stage 3 was not achieved. This resulted in changes to the Company mine plan delaying access to higher grade material in Stage 3. Mining of this material is now scheduled to commence in Q3 2022. These access issues have also temporarily halted both the resource definition and exploration drill programmes planned for Stages 4 and 5. Access to the final Stage 3 areas was secured during Q3 2022.

During H1 2022, due to macro-economic conditions, there was a noticeable increase in the cost of essential consumables including fuel, explosives etc, resulting in mining unit costs exceeding budget. The Company's mining equipment fleet performed adequately during H1 2022.

Process plant
Throughput for H1 2022 of 1.02Mt (H1 2021: 1.05Mt) was on budget, however, operations were managed to a lower feed grade. Delays in accessing mine plan Stage 3 and 4 affected the head grade during H1 2022, with higher grade material from Stage 3 now scheduled to be accessed during H2 2022.

Gold production for H1 2022 was 31,348 ounces (H1 2021: 35,316 ounces). Notwithstanding the below noted BIOX performance issues, a higher gold recovery rate of 87.7% was achieved (H1 2021: 81.0%).

Adverse weather events resulted in numerous power failures during Q2 2022. These power outages contributed to a lack of stability of the BIOX bacteria culture; giving rise to resultant production losses over several weeks. Difficulties were experienced in re-establishing a stable bacteria culture in the BIOX circuit due to an unknown contaminant that developed in the return water sources that were being used to feed the BIOX circuit. As a result of these issues BIOX has under-performed in H1 2022, impacting overall gold produced during the period. Since period end, there have been no further water contaminant issues, which are expected to have a similar effect on the BIOX circuit's performance.

A major upgrade to the process plant return water and cooling systems is underway. Once completed, the Company will have an increased ability to control BIOX temperature and to reduce the risk of contaminated return water feed.

Further unplanned process plant downtime during H1 2022 was caused in the main by tails line failures and conveyor belt and return water line repairs.

Residual Storage Impoundment ("RSI")
The RSI is operating to design with an excellent environmental performance record. Construction of the final Stage 6 RSI lift has commenced with completion expected by year end.

The performance of the RSI is continuously monitored by an independent international consulting group. Engineering and final detailed designs for the final in-rock spillway are well advanced with the commencement of construction expected in H1 2023.

Community & Government Relations
Productive relations with both the community and the Philippine government continue. The Company, with the assistance of various government agencies, finally secured full access to Stage 3 mine areas in Q3 2022. Further removal of illegal miners, their infrastructure and dwellings from mine plan Stages 4 and 5 is required to allow exploration drilling to be undertaken in these areas.

Corporate
In June 2022 Tim Livesey replaced Jeremy Wrathall as an Independent Non-Executive Director of the Company. Mr Livesey has been appointed Chairman of the Remuneration Committee and a member of the Audit Committee.

The 2022 AGM held in June 2022 approved acapital sub-division and capital reduction. The capital sub-division corporate event changed the nominal value of ordinary shares to £0.0001 while creating a new class of Deferred Shares effective from the date of the AGM.

Since period end, the Company completed the capital reduction corporate event, eliminating both the Deferred Share capital account and the Share Premium account, resulting in a capital reduction of approximately US$224 million, with an offsetting US$224 million credit applied against the accumulated profit and loss account. This has simplified the Company's equity structure whilst adding greater flexibility for both future equity raises and shareholder distributions.

In addition, in June 2022, the Company issued 17,462,835 ordinary shares at an issue price of £0.01245 to certain members of senior management in lieu of a £217,400 cash bonus.

For further information please visit or contact www.metalsexploration.com

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CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME for the six months ended 30 June 2022

	Notes	*6 month period ended 30 June 2022 (unaudited)*	*6 month period ended 30 June 2021 (unaudited)*	*Year ended 31 December 2021 (audited)*
		US$	*US$*	*US$*
Continuing Operations				
Revenue		57,621,936	62,439,246	129,843,489
Cost of sales		(42,493,529)	(44,363,193)	(91,977,555)
Gross profit		15,128,407	18,076,053	37,865,934
Administrative expenses		(5,724,198)	(3,897,168)	(8,475,303)
Operating profit		**9,404,209**	**14,178,885**	**29,390,631**
Impairment loss		(670,677)	(798,275)	(1,450,078)
Loss on sale of assets		-	(78,206)	(78,206)
Net finance and other costs		(7,271,289)	(7,324,104)	(16,232,196)
Loss on fair value changes to derivatives		(526,495)	-	(332,996)
Share based payment expense		(75,698)	-	(10,982)
Share of (loss)/ profit of associates		(2,729)	(6,642)	18,232
Profit before tax		**857,321**	**5,971,658**	**11,304,405**
Tax expense		(75,255)	(29,910)	(11,769)
Profit for the period attributable to equity holders of the parent		**782,066**	**5,941,748**	**11,292,636**
Other comprehensive income:				
Items that may be re-classified subsequently to profit or loss:				
Exchange differences on translating foreign operations		40,020	(1,428,287)	(791,929)
Items that will not be re-classified subsequently to profit or loss:				
Re-measurement of pension liabilities		-	-	123,855
Total comprehensive profit for the period attributable to equity holders of the parent		**822,086**	**4,513,461**	**10,624,562**
Earnings per share:				
Basic cents per share	*4*	**0.04**	**0.29**	**0.55**
Diluted cents per share		**0.04**	**0.28**	**0.52**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at 30 June 2022

	Notes	*30 June 2022 (Unaudited) US$*	*30 June 2021 (Unaudited) US$*	*31 December 2021 (Audited) US$*
Non-current assets				
Property, plant and equipment		88,810,504	99,810,635	95,941,405
Other intangible assets		49,743	65,396	70,115
Investment in associate companies		179,536	157,391	182,265
Trade and other receivables		5,572,524	5,606,159	5,529,628
		94,612,307	**105,639,581**	**101,723,413**
Current assets				
Inventories		22,136,388	16,524,182	17,217,885
Trade and other receivables		6,890,283	7,023,876	5,968,568
Cash and cash equivalents		288,439	4,702,995	4,736,970
		29,315,110	**28,251,053**	**27,923,423**
Non-current liabilities				
Loans	*5*	(74,146,474)	(85,041,950)	(78,856,268)
Trade and other payables		(1,871,640)	(1,938,387)	(1,950,535)
Deferred tax liabilities		(880,935)	(838,661)	(805,680)
Provision for mine rehabilitation		(4,031,740)	(3,310,074)	(4,015,050)
		(80,930,789)	**(91,129,072)**	**(85,627,533)**
Current liabilities				
Trade and other payables		(12,791,908)	(10,095,399)	(10,328,000)
Loans - current portion	*5*	(18,711,883)	(29,264,218)	(23,834,279)
Derivative liabilities		(805,124)	-	(332,996)
		(32,308,915)	**(39,359,617)**	**(34,495,275)**
Net assets		**10,687,713**	**3,401,945**	**9,524,028**
Equity				
Share capital	6	27,952,353	27,950,217	27,950,217
Share premium account	6	196,118,890	195,855,125	195,855,125
Acquisition of non-controlling interest reserve		(5,107,515)	(5,107,515)	(5,107,515)
Translation reserve		14,708,496	16,262,872	14,668,476
Re-measurement reserve		162,003	38,148	162,003
Other reserves		1,613,617	1,526,937	1,537,919
Profit and loss account		(224,760,131)	(233,123,839)	(225,542,197)
Equity attributable to equity holders of the parent		**10,687,713**	**3,401,945**	**9,524,028**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2022

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2022	27,950,217	195,855,125	(5,107,515)	14,668,476	162,003	1,537,919	(225,542,197)	9,524,028
Exchange differences on translating foreign operations	-	-	-	40,020	-	-	-	40,020
Profit for the period	-	-	-	-	-	-	782,066	782,066
Share based payment	-	-	-	-	-	75,698	-	75,698
Total comprehensive (loss)/profit for the period	-	-	-	40,020	-	75,698	782,066	897,784
Equity issue	2,136	263,765	-	-	-	-	-	265,901
Balance at 30 June 2022	**27,952,353**	**196,118,890**	**(5,107,515)**	**14,708,496**	**162,003**	**1,613,617**	**(224,760,131)**	**10,687,713**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2021

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2021	27,950,217	195,855,125	(5,107,515)	17,691,159	38,148	1,526,937	(239,065,587)	(1,111,516)
Exchange differences on translating foreign operations	-	-	-	(1,428,287)	-	-	-	(1,428,287)
Profit for the period	-	-	-	-	-	-	5,941,748	5,941,748
Total comprehensive (loss)/profit for the period	-	-	-	(1,428,287)	-	-	5,941,748	4,513,461
Balance at 30 June 2021	**27,950,217**	**195,855,125**	**(5,107,515)**	**16,262,872**	**38,148**	**1,526,937**	**(233,123,839)**	**3,401,945**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2021

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2021	27,950,217	195,855,125	(5,107,515)	15,460,405	38,148	1,526,937	(236,834,833)	(1,111,516)
Exchange differences on translating foreign operations	-	-	-	(791,929)	-	-	-	(791,929)
Change in pension liability	-	-	-	-	123,855	-	-	123,855
Profit for the year	-	-	-	-	-	-	11,292,636	11,292,636
Share based payments	-	-	-	-	-	10,982	-	10,982
Total comprehensive profit/(loss) for the period	-	-	-	(791,929)	123,855	10,982	11,292,636	10,635,544
Balance at 31 December 2021	**27,950,217**	**195,855,125**	**(5,107,515)**	**14,668,476**	**162,003**	**1,537,919**	**(225,542,197)**	**9,524,028**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT for the six months ended 30 June 2022

	Notes	*6 month period ended 30 June 2022 (unaudited) US$*	*6 month period ended 30 June 2021 (unaudited) US$*	*Year ended 31 December 2021 (audited) US$*
Net cash arising from operating activities		**17,037,683**	**21,274,714**	**46,515,768**
Investing activities				
Exploration expenses incurred		-	(285,885)*	(338,203)
Purchase of property, plant and equipment		(3,991,767)	(4,636,801)	(11,542,751)
Purchase of intangible assets		-	(45,993)*	(45,993)
Proceeds from sale of plant and equipment		-	60,000	60,000
Net cash used in investing activities		**(3,991,767)**	**(4,908,679)**	**(11,866,947)**
Financing activities				
Repayment of borrowings – principal and interest		(17,000,000)	(20,600,000)	(39,675,000)
Net cash arising from financing activities		**(17,000,000)**	**(20,600,000)**	**(39.675.000)**
Net(decrease)/increase in cash and cash equivalents		(3,954,084)	(4,233,965)	(5,026,179)
Cash and cash equivalents at beginning of period		4,736,970	8,931,792	8,931,792
Foreign exchange difference		(494,447)	5,168	831,357
Cash and cash equivalents at end of period		**288,439**	**4,702,995**	**4,736,970**

* Restated 30 June 2021 to be consistent with subsequent disclosure as at the 31 December 2021 year end

Notes to the condensed consolidated interim financial statements

1. General information

These condensed consolidated interim financial statements of Metals Exploration and its subsidiaries (the "Group") were approved by the Board of Directors on 13 September 2022. Metals Exploration is the parent company of the Group. Its shares are quoted on AIM market of the London Stock Exchange plc. The registered address of Metals Exploration plc is 38 – 43 Lincoln's Inn Fields, London, WC2A 3PE.

The condensed consolidated interim financial statements for the period 1 January 2022 to 30 June 2022 are unaudited. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted in the UK and applicable as at 31 December 2022. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information the condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period from 1 January 2021 to 30 June 2021 and the audited financial year ended 31 December 2021.

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 accounts for the year ended 31 December 2021, which were prepared under International Financial Reporting Standards, were filed with the Registrar of Companies. The auditors reported on these accounts and their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with UK-adopted international accounting standards. The financial information has been prepared based on UK-adopted international accounting standards that the Board of Directors expect to be applicable as at 31 December 2022.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are measured at fair value, and in accordance with UK-adopted international accounting standards. There have been no changes in accounting policies as described in the 2021 annual financial statements.

3. Going concern

These condensed consolidated interim financial statements of the Group have been prepared on a going concern basis, which contemplates the continuity of business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

Although as at 30 June 2022, the Group's current liabilities continue to exceed its current assets, primarily due to the estimated external borrowings the Group expects to repay within the next 12 months, there is no obligation to adhere to a set loan principal or interest repayment schedule.

The Group is not subject to any set principal or interest repayment schedule. Excess free cashflow is required to be paid to lenders on a minimum quarterly basis only when net working capital is in excess of US$5million. In addition, the Group is not in default if it is unable to make a quarterly payment to the lenders, but would continue to be obliged to pay out the excess free cash flow as soon as possible. As a result of these debt repayment arrangements, including the ongoing existence of a US$5million positive net working capital balance, together with the sustained positive cash flows being produced by the Runruno Project, the Directors believe there is no material uncertainty over the Group's going concern.

The Group and its ability to operate as a going concern and to meet its commitments as and when they fall due is dependent upon the ability of the Group to operate the Runruno Project successfully so as to generate sufficient cash flows to enable the Group to settle its liabilities (including the restructured debt facilities) as they fall due.

The Board of Directors believes that the Runruno Project will continue to operate successfully and produce positive cash flows for at least 12 months from the date of this interim report, being 13 September 2022. As a result, the Board of Directors considers it appropriate that the half-year financial information should be prepared on a going concern basis.

Notes to the condensed consolidated interim financial statements

4. Earnings per share

The earnings per share was calculated on the basis of net profit/(loss) attributable to equity shareholders divided by the weighted average number of ordinary shares.

	6 month period ended 30 June 2022 (unaudited) US$	*6 month period ended 30 June 2021 (unaudited) US$*	*Year ended 31 December 2021 (audited) US$*
Earnings			
Net profit/(loss) attributable to equity shareholders for the purpose of basic and diluted earnings per share	782,066	5,941,748	11,292,636
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,072,588,751	2,071,334,586	2,071,334,586
Number of dilutive shares under warrant/option	114,083,011	30,950,049	115,983,670
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,186,671,762	2,102,284,635	2,187,318,256
Basic earnings cents per share	0.04	0.29	0.55
Diluted earnings cents per share	0.04	0.28	0.52

Notes to the condensed consolidated interim financial statements

5. Loans

Senior debt
On 28 May 2015, the Group entered into a loan with two foreign international resource banks for US$83,000,000 in project finance (the "Facility Agreement"). In January 2020 the Facility Agreement was acquired by companies associated with the Mezzanine Lenders (the "New Lenders").

In October 2020 the Group completed a debt restructuring with the New Lenders, whereby the Group no longer has an obligation to meet any fixed interest and principal repayment schedule (the "New Senior Debt"). The Group's repayment obligation under the New Senior Debt is limited to making a quarterly repayment of that amount which equals the available net working capital ("NWC") over and above a minimum US$5 million NWC buffer. NWC is defined as the Group's available cash on hand plus gold sales proceeds due, and gold doré on hand or in transit, less all current liabilities (including budgeted operational, CAPEX and exploration expenses, taxes, hedging costs and government charges, but excluding all unpaid debt principal and interest).

The principal plus capitalised interest balance owing by the Group under the Facility Agreement as at 30 June 2022 was US$8,109,129 (30 June 2021: US$42,410,937).

Mezzanine debt
Since 2015, the Company has entered into numerous facility agreements with two major shareholders, MTL (Luxembourg) Sarl and Runruno Holdings Limited (the "Mezzanine Lenders"). The purpose of these unsecured advances was for general corporate and working capital requirements of the Company and to enable completion of the Runruno Project.

In October 2020 the various original mezzanine facilities were consolidated into two new facilities (the "New Mezzanine Facilities") and a £100,000 revolving credit facility. There is no obligation to make any repayment of any amounts due under the New Mezzanine Facilities until the New Senior Debt is fully repaid. The New Mezzanine Facilities interest rate will initially be 15% per annum, reducing to 7% per annum once the New Senior Debt has been fully repaid. The principal and accrued interest/fees balance owing by the Company to the Mezzanine Lenders as at 30 June 2022 was US$85,117,009 (30 June 2021: US$73,314,888).

The Group's outstanding debt is summarised as follows:

	June 2022	*June 2021*	*December 2021*
	US$	*US$*	*US$*
Total loans due within one year*	18,711,883	29,264,218	23,834,279
Total loans due after more than one year*	74,146,474	85,041,950	78,856,268

* Given the Group is not subject to a fixed repayment schedule then, in accordance with the restructured debt facilities, there is no certainty as to what amount of debt will be repaid within one year from period end. Thus the determination of what debt is deemed current and what is deemed non-current is subject to estimation. In making this calculation the Group has taken into account the Group's estimate of what principal repayments will be made during the next 12 month period.

Notes to the condensed consolidated interim financial statements

6. Share capital

The 17 June 2022 AGM approved a capital reorganisation which consisted of both a capital sub-division and a capital reduction. The capital sub-division effected a change in the nominal value of ordinary shares. This was achieved by dividing the existing ordinary shares of £0.01 nominal value into one New Ordinary Share, with a nominal value of £0.0001 and one Deferred Share with a nominal value of £0.0099 each. The Deferred Shares have limited rights and the restrictions as set out in the new Articles of the Company adopted at the AGM. This capital sub-division was effective as from the day of the AGM.

The capital reduction element was to cancel, for no consideration the deferred shares and share premium account by way of creating a reserve to be offset against accumulated losses. This capital reduction was subsequently completed in July 2022 and is a non-adjusting post-balance sheet event. The issued capital of the Company as at 30 June 2022 is shown below.

	June 2022	*June 2021*	*December 2021*	***June 2022***	*June 2021*	*December 2021*
	Number of shares	*Number of shares*	*Number of shares*	***US$***	*US$*	*US$*
Ordinary shares of £0.01 par value						
Opening balance	2,071,334,586	2,071,334,586	2,071,334,586	27,950,217	27,950,217	27,950,217
Sub-division	(2,071,334,586)	-	-	(27,950,217)	-	-
Closing balance	-	2,071,334,586	2,071,334,586	-	27,950,217	27,950,217
Ordinary shares of £0.0001 par value						
Opening balance	-	-	-	-	-	-
Sub-division	2,071,334,586	-	-	279,502	-	-
Issued in period	17,461,835	-	-	2,136	-	-
Closing balance	**2,088,796,421**	-	-	**281,638**	-	-
*Deferred shares of £0.0099 par value**						
Opening balance	-	-	-	-	-	-
Sub-division	2,071,334,586	-	-	27,670,715	-	-
Closing balance*	**2,071,334,586**	-	-	**27,670,715**	-	-
Total share capital				**27,952,353**	27,950,217	27,950,217

* Following completion of the necessary court approval process these Deferred Shares were cancelled in July 2022.

Notes to the condensed consolidated interim financial statements

7. Contingent liabilities

The Group has no contingent liabilities identified as at 30 June 2022 (2021: US$nil).

8. Subsequent events

There have been no subsequent disclosable events other than the completion of the capital reduction referred to in note 6.