

# **Blencowe Resources Plc**

Consolidated Interim  
Financial Statements

For the six month period  
ended 31 March 2022

# Blencowe Resources Plc

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# Blencowe Resources Plc

## Interim Management Report

The past six months (and subsequent events to 31 March 2022) have seen excellent progress at the Orom-Cross graphite project, and the Company's profile in Uganda as a whole.

An internally generated Preliminary Economic Assessment ("PEA") was delivered in October 2021 which highlighted a low cost, high margin mining operation with strong Net Present Value and other key performance indicators. This PEA will be augmented by a Pre-Feasibility Study ("PFS") which is due mid-2022.

An extensive second diamond drilling programme at Orom-Cross in 2H 2021 delivered an updated JORC Standard Mineral Resource of 24.5Mt at 6.0% graphite, which was a 50% increment to the maiden JORC Resource delivered in 2021. Furthermore, the high quantum of Indicated and Measured Resources within this total means that Blencowe has enough graphite for first 20 years life of mine, to be included within the PFS. All necessary resource definition drilling for first production is now completed.

The Company has been working continuously with graphite technical experts SGS Lakeside in Canada to complete metallurgical test work showing what quality of concentrate may be delivered at Orom-Cross and results for this work have been outstanding. The 96-97% LOI concentrate will be a premium grade product, and the specific attributes within this should ensure the end products are attractive to a wide range of end users. Technical Data Sheets are being prepared right now to send to prospective end users across various industry sectors to gauge their initial interest for various Orom-Cross products.

During the period Blencowe engaged leading Sustainability consultants ERM to undergo a first stage program of working with the Company to ensure that Orom-Cross delivers strong ESG (environmental, social and governance) and sustainability credentials. This is seen as a very important aspect moving forward and the Company is particularly keen to get this right from the start, to deliver as green an end product from as life cycle sustainable a project as possible. Significant progress has already been made but this is an ongoing exercise that will continue forward as the project moves towards first production in 2023.

In 1Q 2022 the Company announced an earn-in agreement to complement the Orom-Cross graphite project with the highly prospective Akelikongo nickel project, also located in northern Uganda. This is a synergistic exploration project located approximately 150kms from Orom-Cross that previous owners SIPA Resources and Rio Tinto had spent US\$15 million on early stage development, including 19,000m of drilling. There is already an 800m mineralised zone with both disseminated and massive nickel sulphides and Blencowe will look to add value to Akelikongo via extending this mineralised zone. An airborne electromagnetic survey is underway to locate additional drill targets and, if successful, these will be drilled in 2H 2022. Nickel is another key battery metal with forecast future high demand, similar to graphite. Both projects will be managed via the same in-country team within Uganda.

Finally, in April 2022 Blencowe announced the first significant institutional investor on the register, with highly recognised and sought-after mining and resources fund RAB Capital taking a 10% stake in the Company by investing a further £800,000. Their support is appreciated and Blencowe hopes for further market recognition once the PFS is delivered and the market is better able to appreciate the value within the Company's emerging portfolio of resource assets.

Despite Covid and the challenges this has presented, particularly to travel, the Company has made substantial progress in this period and will continue to do so ahead as further milestones are delivered.

Mike Ralston  
Chief Executive Officer  
22 June 2022

# **Blencowe Resources Plc**

## **Responsibility Statement of the Directors in respect of the Interim Report**

The Directors are responsible for preparing the Interim Financial Statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Interim Financial Statements in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the United Kingdom ("UK").

The Interim Financial Statements are required to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these Interim Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information and make judgements that are reasonable, prudent and provides relevant, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time its financial position of the Group to enable them ensure that the financial statements comply with the requirements of the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and Interim Financial Statements. Legislation governing the preparation and dissemination of Interim Financial Statements may differ from one jurisdiction to another.

We confirm that to the best of our knowledge:

- the Interim Financial Statements, prepared in accordance with International Financial Reporting Standards as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the period;
- the Director's report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group's performance, business model and strategy.

# Blencowe Resources Plc

## Consolidated Statement of Comprehensive Income for the six month period ended 31 March 2022

	Notes	6 months ended 31 Mar 2022 (Unaudited) GBP	6 months ended 31 Mar 2021 (Unaudited) GBP	12 months ended 30 Sep 2021 (Audited) GBP
Exploration costs		(2,744)	(1,999)	(11,690)
Administrative fees and other expenses	5	(331,617)	(304,238)	(815,415)
Adjustments to Liability to Land Owners		-	-	117,639
<b>Operating loss</b>		<b>(334,361)</b>	<b>(306,237)</b>	<b>(649,466)</b>
Finance costs		(21,974)	(23,444)	(45,260)
<b>Loss before tax</b>		<b>(356,336)</b>	<b>(629,681)</b>	<b>(694,726)</b>
Income tax		-	-	-
<b>Loss after tax</b>		<b>(356,336)</b>	<b>(329,681)</b>	<b>(694,726)</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operation		(2,061)	-	3,662
<b>Other comprehensive income, net of tax</b>		<b>(2,061)</b>	<b>-</b>	<b>3,662</b>
<b>Total comprehensive loss</b>		<b>(358,397)</b>	<b>(329,681)</b>	<b>(691,064)</b>
<b>Basic and diluted loss per share (pence)</b>	9	<b>(0.27)</b>	<b>(0.01)</b>	<b>(0.61)</b>

There was no other comprehensive income for the period ended on 31 March 2022.

The accompanying notes on pages 8 to 10 form an integral part of the Interim Financial Statements.

# Blencowe Resources Plc

## Consolidated Statement of Financial Position as at 31 March 2022

	Notes	As at 31 Mar 2022 (Unaudited) GBP	As at 31 Mar 2021 (Unaudited) GBP	As at 30 Sept 2021 (Audited) GBP
<b>Non-Current Assets</b>		<b>5,815,114</b>	<b>4,390,956</b>	<b>5,296,289</b>
<b>Current assets</b>				
Trade and other receivables	6	248,413	84,717	52,580
Cash and cash equivalents		968,693	611,231	93,288
<b>Total current assets</b>		<b>1,217,106</b>	<b>695,948</b>	<b>145,868</b>
<b>Total assets</b>		<b>7,032,220</b>	<b>5,086,904</b>	<b>5,442,157</b>
<b>Current liabilities</b>				
Creditors: Amounts falling due within one year		282,217	377,415	280,071
<b>Total current liabilities</b>		<b>282,217</b>	<b>377,415</b>	<b>280,071</b>
<b>Non-current liabilities</b>				
Surface liabilities		924,359	764,494	887,560
<b>Total liabilities</b>		<b>1,206,576</b>	<b>1,141,909</b>	<b>1,167,631</b>
<b>Net assets</b>		<b>5,825,644</b>	<b>3,944,995</b>	<b>4,274,526</b>
<b>Equity</b>				
Share capital		1,101,316	878,258	901,316
Share premium		6,841,596	4,884,146	5,132,081
Warrants reserves		317,876	164,601	317,876
Translation reserve		1,601	-	3,662
Retained earnings		(2,436,745)	(1,982,010)	(2,080,409)
<b>Total equity</b>		<b>5,825,644</b>	<b>3,944,995</b>	<b>4,274,526</b>

The accompanying notes on pages 8 to 10 form an integral part of the Interim Financial Statements.

## Blencowe Resources Plc

### Consolidated Statement of Changes in Equity for the six month period ended 31 March 2022

	Share capital GBP	Share premium GBP	Share option reserves GBP	Retained earnings GBP	Translation reserve GBP	Total equity GBP
<b>Balance as at 30 Sep 2020</b>	<b>783,333</b>	<b>3,876,650</b>	<b>100,471</b>	<b>(1,453,551)</b>	-	<b>3,306,903</b>
<b>Total comprehensive loss for 6 months</b>						
Loss for the period	-	-	-	(329,681)	-	(329,681)
<b>Total comprehensive loss</b>	-	-	-	<b>(329,681)</b>	-	<b>(329,681)</b>
<b>Contributions from equity holders</b>						
New shares issued	94,925	1,093,992	-	-	-	1,188,917
Share issue costs	-	(86,496)	-	-	-	(86,496)
Issue of warrants	-	-	77,194	-	-	77,194
Warrants exercised	-	-	(13,064)	13,064	-	-
<b>Total contributions from equity holders</b>	<b>94,925</b>	<b>1,007,496</b>	<b>64,130</b>	<b>13,064</b>	-	<b>1,178,615</b>
<b>Balance as at 31 Mar 2021</b>	<b>878,258</b>	<b>4,884,146</b>	<b>164,601</b>	<b>(1,770,168)</b>	-	<b>4,156,837</b>
<b>Total comprehensive loss for 6 months</b>						
Loss for the period	-	-	-	(365,045)	-	(365,045)
<b>Total comprehensive loss</b>	-	-	-	<b>(365,045)</b>	-	<b>(365,045)</b>
<b>Contributions from equity holders</b>						
New shares issued	23,058	250,308	-	-	-	273,366
Share issue costs	-	(2,373)	-	-	-	(2,373)
Issue of warrants	-	-	208,079	-	-	208,079
Warrants exercised	-	-	(54,804)	54,804	-	-
Exchange differences on translation of foreign operations	-	-	-	-	3,662	3,662
<b>Total contributions from equity holders</b>	<b>23,058</b>	<b>247,935</b>	<b>153,275</b>	<b>54,804</b>	<b>3,662</b>	<b>482,734</b>
<b>Balance as at 30 Sep 2021</b>	<b>901,316</b>	<b>5,132,081</b>	<b>317,876</b>	<b>(2,080,409)</b>	<b>3,662</b>	<b>4,274,526</b>

## Blencowe Resources Plc

### Consolidated Statement of Changes in Equity for the six month period ended 31 March 2022 (continued)

	Share capital GBP	Share premium GBP	Share option reserves GBP	Retained earnings GBP	Translation reserve GBP	Total equity GBP
<b>Balance as at 30 Sep 2021</b>	<b>901,316</b>	<b>5,132,081</b>	<b>317,876</b>	<b>(2,080,409)</b>	<b>3,662</b>	<b>4,274,526</b>
<b>Total comprehensive loss for 6 months</b>						
Loss for the period	-	-	-	(356,336)	-	(356,336)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(356,336)</b>	<b>-</b>	<b>(356,336)</b>
<b>Contributions from equity holders</b>						
New shares issued	200,000	1,800,000	-	-	-	2,000,000
Share issued costs	-	(90,485)	-	-	-	(90,485)
Exchange differences on translation of foreign operations	-	-	-	-	(2,061)	(2,061)
<b>Total contributions from equity holders</b>	<b>200,000</b>	<b>1,709,515</b>	<b>-</b>	<b>-</b>	<b>(2,061)</b>	<b>1,907,454</b>
<b>Balance as at 31 Mar 2022</b>	<b>1,101,316</b>	<b>6,841,596</b>	<b>317,876</b>	<b>(2,436,745)</b>	<b>1,601</b>	<b>5,825,644</b>

The accompanying notes on pages 8 to 10 form an integral part of the Interim Financial Statements.



# Blencowe Resources Plc

## Consolidated Statement of Cash Flows for the six month period ended 31 March 2022

	Notes	As at 31 Mar 2022 (Unaudited) GBP	As at 31 Mar 2021 (Unaudited) GBP	As at 30 Sept 2020 (Audited) GBP
<b>Operating activities</b>				
Loss after tax	5	(356,336)	(329,681)	(694,726)
Amortisation		-	1,349	-
Finance costs		21,974	23,444	45,260
Adjustment to Surface Liability		-	-	(177,639)
Share issue/warrant cost		-	64,130	285,273
Unrealised currency translation		(61,217)	-	55,785
<b>Changes in working capital</b>				
Decrease/(increase) in trade and other receivables		(195,833)	(12,697)	19,441
Increase/(decrease) in trade and other payables		38,945	(229,635)	(9,494)
Net cash flows from operating activities		(552,467)	(483,090)	(476,100)
<b>Cash flows from financing activities</b>				
Investment in exploration assets		(481,643)	(213,956)	(976,084)
<b>Net cash flows from investment activities</b>		<b>(481,643)</b>	<b>(213,956)</b>	<b>(976,084)</b>
<b>Financing activities</b>				
Shares issued		2,000,000	1,188,917	-33,798
Shares issued (cost)		(90,485)	(86,496)	1,373,414
<b>Net cash flows from financing activities</b>		<b>1,909,515</b>	<b>1,102,421</b>	<b>1,339,616</b>
<b>Increase in cash and short-term deposits</b>		<b>875,404</b>	<b>405,375</b>	<b>(112,568)</b>
Cash and short-term deposits brought forward		93,288	205,856	205,856
<b>Cash and cash equivalents at end of period</b>		<b>968,692</b>	<b>611,231</b>	<b>93,288</b>

The accompanying notes on pages 8 to 10 form an integral part of the Interim Financial Statements.

# Blencowe Resources Plc

## Notes to the Financial Statements for the six month period ended 31 March 2022

### 1. General

Blencowe Resources Plc (the “Company”) is a public limited company incorporated and registered in England and Wales on 18 September 2017 with registered company number 10966847 and its registered office situated in England and Wales at 25 Bilton Road, Rugby, CV22 7AG.

The Group did not earn any trading income during the period under review but incurred expenditure in developing its principal assets.

The Consolidated Interim Financial Statements of the Company for the six month period ended 31 March 2022 comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”).

### 2. Accounting Policies

#### Basis of preparation

The Interim Financial Statements of the Group are unaudited condensed financial statements for the 6 month period ended 31 March 2022.

The accounting policies applied by the Group in these Interim Financial Statements, are the same as those applied by the Group in its consolidated financial statements, and have been prepared on the basis of the accounting policies applied for the financial year to 30 September 2021 which have been prepared in accordance with IFRS as adopted by UK for. The Group Financial Statements have been prepared using the measurement bases specified by IFRS each type of asset, liability, income and expense.

The Group Financial Statements are presented in £, which is the Group’s functional currency. All amounts have been rounded to the nearest pound, unless otherwise stated.

#### Comparative figures

The comparative figures have been presented as the Group Financial Statements cover the 6 month period ended 31 March 2021 and the 12 month period ended 30 September 2021.

### 3. Critical accounting estimates and judgments

In preparing the Group’s Interim Financial Statements, the Directors have to make judgments on how to apply the Group’s accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Group Financial Statements.

### 4. Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Blencowe Resources Plc for the year ended 30 September 2021. A copy of these financial statements is available on the Group website at <https://blencoweresourcesplc.com/>

# Blencowe Resources Plc

## 5. Administrative fee and other expenses

	6 months ended 31 Mar 2022 (Unaudited) GBP	6 months ended 31 Mar 2021 (Unaudited) GBP	12 Months ended 30 Sep 2021 (Audited) GBP
Directors' remuneration	70,046	68,741	138,787
Professional fees	130,655	47,627	100,256
Salaries	60,000	18,000	58,000
Listing fees	19,783	19,593	42,535
Audit fees	4,375	12,500	25,000
Share issue/warrant cost	-	77,194	285,273
Administration fees	23,500	28,500	52,000
Broker fees	29,542	3,244	48,990
Travelling expenses	-	971	1,529
Miscellaneous fees	(6,284)	27,868	63,045
<b>Total</b>	<b>331,617</b>	<b>304,238</b>	<b>815,415</b>

The Group did not employ any staff during the period other than Directors. The Directors are the only members of key management and their remuneration related solely to short term employee benefits.

## 6. Trade and other receivables

	6 months ended 31 Mar 2022 (Unaudited) GBP	6 months ended 31 Mar 2021 (Unaudited) GBP	12 Months ended 30 Sep 2021 (Audited) GBP
Other receivables	37,997	22,002	8,752
Prepayments	210,416	62,715	43,828
<b>Total</b>	<b>248,413</b>	<b>84,717</b>	<b>52,580</b>

## 7. Creditors: Amounts falling due within one year

	6 months ended 31 Mar 2022 (Unaudited) GBP	6 months ended 31 Mar 2021 (Unaudited) GBP	12 Months ended 30 Sep 2022 (Audited) GBP
Payables	268,067	131,138	238,614
Land Owners Liability	-	233,049	-
Accruals and provision	14,150	13,228	41,457
<b>Total</b>	<b>282,217</b>	<b>377,415</b>	<b>280,071</b>

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## 8. Creditors: Amounts falling after one year

CARU, the Company's subsidiary entered into an agreement for surface rights over the land in the mineral area of the licence. The land owners granted CARU a 49 year lease over an area. The liability to the land owners is to be paid in 10 instalments on a section basis as the project progresses. The progress on each section is not limited to any time frames and is at the Group's discretion.

	<b>6 months ended 31 Mar 2022 (Unaudited) GBP</b>	<b>6 months ended 31 Mar 2021 (Unaudited) GBP</b>	<b>12 Months ended 30 Sep 2021 (Audited) GBP</b>
Total payable at the beginning of the period	887,560	1,024,737	1,024,737
Change in estimate	-	-	(177,639)
Interest charged during the period	21,975	22,685	45,260
Exchange loss on valuation	14,825	(49,879)	(4,798)
<b>Total payable as at period end</b>	<b>924,359</b>	<b>997,543</b>	<b>887,560</b>
Analysis between current and non-current liability			
Payable within 12 months	-	-	-
Payable after 12 months	924,359	997,543	887,560
	<b>924,359</b>	<b>997,543</b>	<b>887,560</b>

The value of the lease is measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate of 5%.

## 9. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	<b>6 months ended 31 Mar 2022 (Unaudited) GBP</b>	<b>6 months ended 31 Mar 2021 (Unaudited) GBP</b>	<b>12 Months ended 30 Sep 2021 (Audited) GBP</b>
<b>Earnings</b>			
Loss from continuing operations for the period attributable to the equity holders of the Group	(353,336)	(329,681)	(694,726)
<b>Number of shares</b>			
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	133,655,997	98,345,650	114,070,173
<b>Basic and diluted loss per share (pence)</b>	<b>(0.27)</b>	<b>(0.34)</b>	<b>(0.61)</b>

There are no potentially dilutive shares in issue.

## 10. Related party transactions

There are no related party transactions during the period except for the Directors' remuneration, which have been disclosed in note 5.

Sam Quinn is a director and shareholder of the Company and a Director of Lionshead Consultants Limited. During the period, Lionshead Consultants Limited charged fees for consultancy fees of £26,400 (31 March 2021: £12,000 and 30 Sep 2021: £24,000).

# **Blencowe Resources Plc**

## **11. Events after the reporting date**

On 16 April 2022, the Company issued 16,000,000 new ordinary shares of 0.06p at a price of 5p per new ordinary share. In addition, the holder of these share will receive 1 warrant per 2 placing shares, exercisable at 8p for 3 years from admission.