

Blencowe Resources Plc

Consolidated Interim
Financial Statements

For the six month period
ended 31 March 2024

Blencowe Resources Plc

Contents

Interim Management Report	1
Responsibility Statement of the Directors in respect of the Interim Report	2
Consolidated Statement of Comprehensive Income for the six month period ended 31 March 2024 ..	3
Consolidated Statement of Financial Position as at 31 March 2024	4
Consolidated Statement of Changes in Equity for the six month period ended 31 March 2024	5
Consolidated Statement of Cash Flows for the six month period ended 31 March 2024.....	7
Notes to the Financial Statements for the six month period ended 31 March 2024	8

Blencowe Resources Plc

Interim Management Report

This report covers the period 30 September 2023 to 31 March 2024, and subsequent events to 30 April 2024.

Work has been progressing on many fronts, on four continents, as the Orom-Cross Definitive Feasibility Study (“DFS”) gathers momentum.

In September the long-awaited Technical Assistance Grant Agreement (“TAG”) was signed with the US Government’s private sector investment arm, the Development Finance Corporation (“DFC”). This is a US\$5 million grant awarded to Blencowe to assist with DFS costs and it is with pleasure I note that Blencowe is the first pre-production graphite company to receive such a grant from the US Government. Aside from the obvious advantages of having approximately 40% of our overall DFS costs being funded for free the credibility of both our Company and our Orom-Cross project are both significantly raised by having a partner of this calibre. Blencowe wishes to state once again our appreciation to DFC for this grant and all efforts will be made to deliver a first class DFS as a result.

To date US\$3 million of this grant funding has been received as tranches are delivered on DFS milestones being achieved. It is our expectation that the final US\$2 million will be received over the next six months for further work and ultimately completion of DFS. In addition, DFC is mandated to play a role as lead partner in a funding solution for Orom-Cross implementation ahead, and management are working closely with DFC to ensure that this will happen as substantial funding solutions remain the largest challenge for any new graphite project, so to have DFC involved adds significant weight and prestige, and a potential funding party with US\$5 million skin in the game.

During this period several key milestones have been met with regards to actual DFS work. In 2H 2023 a 100-tonne bulk sample was mined and delivered to a technical facility in northern China which is a leading expert on graphite processing, and this ore was then beneficiated into 96% LOI concentrate. This in turn provides offtakers with the knowledge that commercial scale processing of Orom-Cross ore can deliver same high quality results as all lab-scale testing has shown to date, and secondly to provide a substantial quantum of 96% concentrate for Blencowe to send to various parties as samples, for testing and review. Following the success of this action, and the request of several tier one potential offtake partners, Blencowe has more recently mined a further 600-tonne bulk sample and sent it to the same facility, for the same reasons. This latest sample will also be beneficiated beyond 96% concentrate to a 99.95% uncoated SPG (spheronised, purified graphite) which is very near to what is used in the lithium-ion battery as graphite content.

Ultimately Blencowe is seeking offtake contracts and this commercial scale test work is designed to provide the samples and the results to qualify Orom-Cross product for these contracts, which themselves form an integral part of the DFS.

Other work continues within Uganda on infrastructure, community relations, environmental updates and all other key aspects of the DFS, and Blencowe remains working towards end-2024 as the delivery date for the DFS – subject to all necessary funding received to deliver as such.

Specialist technical work has also been underway in this period in the USA, considering the beneficiation of Orom-Cross concentrates to various high end products, up to 99.99% which is military grade. To date all work has been successful and provided evidence Orom-Cross has one of the most pure concentrates and upgraded products and this will bode well in future offtake discussions.

Despite all of this progress the Company is facing macro-challenges and the UK market remains flat, which has a direct impact on both the share price and market value. Blencowe will continue to market its achievements and remains positive on the medium and longer term outlook for graphite. We will continue to build our project and add value as this will ultimately be significant as demand continues to rise, while supply of graphite (particularly high quality) remains static.

We thank our shareholders and other stakeholders for their continued support and we look forward to continuing to kick goals ahead to deliver the DFS and success for the Company.

Mike Ralston
Chief Executive Officer

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 interim 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 2024

	Notes	6 months ended 31 Mar 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 months ended 30 Sep 2023 (Audited) GBP
Exploration costs		(23,669)	(16,642)	(53,347)
Administrative fees and other expenses	5	(682,486)	(446,424)	(1,298,872)
Operating loss		(706,155)	(463,066)	(1,352,219)
Finance costs		(19,685)	(23,010)	(45,748)
Loss before tax		(725,840)	(486,076)	(1,397,967)
Income tax		-	-	-
Loss after tax		(725,840)	(486,076)	(1,397,967)
Other comprehensive income				
Exchange differences on translation of foreign operation		64,153	7,807	31,282
Other comprehensive income, net of tax		64,153	7,807	31,282
Total comprehensive loss		(661,687)	(478,269)	(1,366,685)
Basic and diluted loss per share (pence)	10	(0.31)	(0.28)	(0.70)

There was no other comprehensive income for the period ended on 31 March 2024.

The accompanying notes on pages 8 to 11 form an integral part of the Interim Financial Statements.

Blencowe Resources Plc

Consolidated Statement of Financial Position as at 31 March 2024

	Notes	As at 31 Mar 2024 (Unaudited) GBP	As at 31 Mar 2023 (Unaudited) GBP	As at 30 Sept 2023 (Audited) GBP
Non-Current Assets	6	7,061,967	7,065,820	7,604,564
Current assets				
Trade and other receivables	7	113,470	135,901	31,863
Cash and cash equivalents		444,991	130,740	129,853
Total current assets		558,461	266,641	161,716
Total assets		7,620,428	7,332,461	7,766,280
Current liabilities				
Creditors: Amounts falling due within one year	8	(1,238,944)	(414,843)	(1,076,169)
Total current liabilities		(1,238,944)	(414,843)	(1,076,169)
Non-current liabilities				
Surface liabilities	9	(783,549)	(785,520)	(818,915)
Total liabilities		(2,022,493)	(1,200,363)	(1,895,084)
Net assets		5,597,935	6,132,098	5,871,196
Equity				
Share capital	12	1,377,801	1,275,066	1,338,566
Share premium	12	8,986,590	8,099,579	8,637,399
Warrants reserves		428,342	402,148	428,342
Translation reserve		94,892	7,264	30,739
Retained earnings		(5,289,690)	(3,651,959)	(4,563,850)
Total equity		5,597,935	6,132,098	5,871,196

The accompanying notes on pages 8 to 11 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 2024

	Share capital GBP	Share premium GBP	Share option reserves GBP	Retained earnings GBP	Translation reserve GBP	Total equity GBP
Balance as at 30 Sep 2022	1,181,316	7,480,829	402,148	(3,165,883)	(543)	5,897,867
Total comprehensive loss for 6 months						
Loss for the period	-	-	-	(486,076)	-	(486,076)
Total comprehensive loss	-	-	-	(486,076)	-	(486,076)
Contributions from equity holders						
New shares issued	93,750	656,250	-	-	-	750,000
Share issue costs	-	(37,500)	-	-	-	(37,500)
Exchange differences on translation	-	-	-	-	7,807	7,807
Total contributions from equity holders	93,750	618,750	-	-	7,807	720,307
Balance as at 31 Mar 2023	1,275,066	8,099,579	402,148	(3,651,959)	7,264	6,132,098
Total comprehensive loss for 6 months						
Loss for the period	-	-	-	(911,891)	-	(911,891)
Total comprehensive loss	-	-	-	(911,891)	-	(911,891)
Contributions from equity holders						
New shares issued	63,500	571,500	-	-	-	635,000
Share issue costs	-	(33,680)	-	-	-	(33,680)
Warrants reserve	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	26,194	-	23,475	49,669
Total contributions from equity holders	63,500	537,820	26,194	-	23,475	650,989
Balance as at 30 Sep 2023	1,338,566	8,637,399	428,342	(4,563,850)	30,739	5,871,196

Blencowe Resources Plc

Consolidated Statement of Changes in Equity for the six month period ended 31 March 2024 (continued)

	Share capital GBP	Share premium GBP	Share option reserves GBP	Retained earnings GBP	Translation reserve GBP	Total equity GBP
Balance as at 30 Sep 2023	1,338,566	8,637,399	428,342	(4,563,850)	30,739	5,871,196
Total comprehensive loss for 6 months						
Loss for the period	-	-	-	(725,840)	-	(725,840)
Total comprehensive loss	-	-	-	(725,840)	-	(725,840)
Contributions from equity holders						
New shares issued	39,235	353,115	-	-	-	392,350
Share issued costs	-	(3,924)	-	-	-	(3,924)
Exchange differences on translation of foreign operations	-	-	-	-	64,153	64,153
Total contributions from equity holders	39,235	349,191	-	-	64,153	452,579
Balance as at 31 Mar 2024	1,377,801	8,986,590	428,342	(5,289,690)	94,892	5,597,935

The accompanying notes on pages 8 to 11 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 2024

	Notes	As at 31 Mar 2024 (Unaudited) GBP	As at 31 Mar 2023 (Unaudited) GBP	As at 30 Sept 2023 (Audited) GBP
Operating activities				
Loss after tax		(725,839)	(486,076)	(1,397,967)
Depreciation		-	104	-
Finance costs		19,685	23,010	45,748
Adjustment to Surface Liability		-	-	-
Share issue/warrant cost		-	-	26,194
Unrealised currency translation		126,864	261,566	182,264
Changes in working capital				
Decrease/(increase) in trade and other receivables	7	(81,607)	(50,054)	53,984
Increase/(decrease) in trade and other payables	8	162,775	(39,568)	272,664
Net cash flows from operating activities		(498,122)	(291,018)	(817,113)
Investment activities				
Purchase of fixed assets		-	(748)	-
Investment in exploration assets		(1,175,345)	(621,988)	(713,848)
Net cash flows from investment activities		(1,175,345)	(622,736)	(713,848)
Financing activities				
DFC Government grant	6	1,600,178	-	-
Shares issued (net of issue cost)		388,427	697,500	1,313,820
Net cash flows from financing activities		1,988,605	697,500	1,313,820
Increase in cash and short-term deposits		315,138	(216,254)	(217,141)
Cash and short-term deposits brought forward		129,853	346,994	346,994
Cash and cash equivalents at end of period		444,991	130,740	129,853

The accompanying notes on pages 8 to 11 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 2024

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 167-169 Great Portland Street, Fifth Floor, London, England W1W 5PF.

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 2024 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 six month period ended 31 March 2024.

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 2023 which have been prepared in accordance with IFRS as adopted by UK. 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 GBP, which is the Group's functional currency. All amounts have been rounded to the nearest pound, unless otherwise stated.

Government grants

This is the first reporting period the Group is recognising government grants. Government grants are recognized once the entity has complied with conditions attaching to them and they have been received. Governments grants are accounted for using the capital approach under which a grant is recognized outside the profit and loss. Government grants related to assets, are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Comparative figures

The comparative figures have been presented as the Group Financial Statements cover the 6 month period ended 31 March 2023 and the 12 month period ended 30 September 2023. During 2024, the Group discovered that share premium had been erroneously classified as share capital and administration expenses captured as share issue costs for interim accounts as at 31 March 2023. Refer to Note 12.

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 2023. 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 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 Months ended 30 Sep 2023 (Audited) GBP
Directors' remuneration	69,857	70,023	140,051
Professional fees	80,001	121,692	226,471
Salaries	75,000	75,000	150,000
Listing fees	20,933	18,218	41,123
Audit fees	33,498	21,644	35,000
Share issue/warrant cost	-	-	26,194
Administration fees	23,500	23,500	47,000
Sponsorship	5,690	-	-
Broker fees	18,434	20,500	41,000
Travelling expenses	11,034	7,959	16,852
Ugandan taxes	342,751	-	392,425
Miscellaneous fees	4,445	87,888	72,625
Royalties	1,244	-	-
Foreign currency (gain)/loss	(3,901)	-	110,131
Total	682,486	446,424	1,298,872

The Group had two employees who are key management personnel and three Directors. The Directors and the key management personnel's remuneration related solely to short term employee benefits.

6. Non-Current assets

For the period ended 31 March 2024 intangible assets represents capitalised costs associated with the Group's exploration, evaluation and development of mineral resources net of any Government grants received.

	6 months ended 31 Mar 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 months ended 30 Sept 2023 (Audited) GBP
Exploration assets	8,662,145	7,065,176	7,604,564
Property, Plant and Equipment	-	644	-
Grant from US Government (Refer below)	(1,600,178)	-	-
Total	7,061,967	7,065,820	7,604,564

The company signed a US\$5 million agreement with the U.S. International Development Finance Corporation ("DFC") in order to provide substantial funding for the Orom Cross Definitive Feasibility Study programme, via a Technical Assistance Grant ("TAG"). The DFC is a proxy for the US Government which funds the organisation and ultimately sets its vision, parameters and funding distribution. DFC payments will be made as agreed feasibility study milestones are achieved. As part of the US\$5 million Technical Assistance Grant ("TAG") the DFC has a right of first refusal on commercial terms to arrange project financing for the Orom-Cross project, which may deliver Blencowe with a full funded solution to bring Orom-Cross into production with support from a major financial institution. The agreement is subject to various events of default.

Blencowe Resources Plc

7. Trade and other receivables

	6 months ended 31 Mar 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 Months ended 30 Sep 2023 (Audited) GBP
Other receivables	35,166	21,526	9,421
Prepayments	78,304	114,375	22,442
Total	113,470	135,901	31,863

8. Creditors: Amounts falling due within one year

	6 months ended 31 Mar 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 Months ended 30 Sep 2023 (Audited) GBP
Payables	707,912	103,980	644,585
Surface liabilities (Note 9)	-	143,036	-
Accruals and provision	194,352	167,827	39,159
Ugandan taxes	336,680	-	392,425
Total	1,238,944	414,843	1,076,169

9. Surface liabilities

Blencowe Resources Uganda Limited, 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 Blencowe Resources Uganda Limited a 49 year lease over an area. The liability to the land owners is to be paid in 8 instalments at defined dates with the final payment due in 2035.

	6 months ended 31 Mar 2024 (Unaudited) GBP	6 months ended 31 Mar 2023 (Unaudited) GBP	12 Months ended 30 Sep 2023 (Audited) GBP
Total payable at the beginning of the period	818,915	978,255	978,255
Utilisation	-	-	(148,468)
Interest charged during the period	19,685	23,010	45,748
Exchange loss on valuation	(55,051)	(72,709)	(56,620)
Total payable as at period end	783,549	928,556	818,915
Analysis between current and non-current liability			
Payable within 12 months	-	143,036	-
Payable after 12 months	783,549	785,520	818,915
	783,549	928,556	818,915

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%.

10. Loss per share

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

Blencowe Resources Plc

	6 months ended 31 Mar 2024 (Unaudited)	6 months ended 31 Mar 2023 (Unaudited)	12 Months ended 30 Sep 2023 (Audited)
Earnings	GBP	GBP	GBP
Loss from continuing operations for the period attributable to the equity holders of the Group	(661,687)	(478,269)	(1,397,967)
Number of shares			
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	210,540,876	168,803,923	200,041,594
Basic and diluted loss per share (pence)	(0.31)	(0.28)	(0.70)

There are no potentially dilutive shares in issue.

11. 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 £18,000 (31 March 2023: £18,000 and 30 Sep 2023: £36,000).

12. Reclassification

During 2024, the Group discovered that share premium had been erroneously classified as share capital and administration expenses captured as share issue costs for interim accounts as at 31 March 2023. These errors have been corrected by restating each of the affected financial statement line items for prior periods. The following table summarises the impact on the Group's consolidated accounts.

	Impact of reclassification		
	As previously reported	Restatement	As restated
	GBP	GBP	GBP
Total assets	7,332,461	-	7,332,461
Total liabilities	(1,215,363)	15,000	(1,200,363)
Net assets	6,117,098	15,000	6,132,098
Share capital	1,931,316	(656,250)	1,275,066
Share premium	7,428,329	671,250	8,099,579
Warrants reserve	402,148	-	402,148
Translation reserve	7,264	-	7,264
Retained earnings	(3,651,959)	-	(3,651,959)
Total Equity	6,117,098	15,000	6,132,098

There is no material impact on the Group's basis or diluted earnings per share and no impact on the total operating, investing or financing cashflows for the half year ended 31 March 2023.

13. Events after the reporting date

On 10 April 2024, the Company announced the receipt of its third tranche US\$1 million funding from the United States International Development Finance Corporation ("DFC"). This payment, representing a further 20% of the full US\$5 million DFC grant further supports the ongoing Orom-Cross Definitive Feasibility Study ("DFS") costs, bringing the total received to US\$3 million since the agreement was signed in Sept 2023. The DFC is the primary US Government finance institution set up to provide financially sound solutions for private sector initiatives pertaining to critical challenges facing the world.