

Blencowe Resources Plc

Interim Financial Statements

For the six month period
ended 31 March 2019

Blencowe Resources Plc

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Blencowe Resources Plc

Interim Management Report

Blencowe was formed for the purposes of acquiring a natural resources asset, and, having reviewed several projects, the Board is pleased to have identified a suitable asset and to have made significant progress in due diligence, and to have had its shares listed on a public stock exchange to enable it to complete the acquisition. The Board believes that the Company is now well positioned to implement its strategy.

Whilst the financial results in this report are for the six months to 31 March 2019, the key developments which we are pleased to report on took place after that date.

Capital raising and Financial Results

Its entire issued share capital, being 31,666,664 ordinary shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) on the 18th April 2019 and to trading on the London Stock Exchange's Main Market for listed securities.

Since incorporation and up to the date of this report, the Company has raised a total share capital of £800,000 (before costs), but the listing price implied a valuation of £1.26 million. The Company is well funded to meet anticipated costs leading up to completion of the Transaction and associated capital raising.

The total comprehensive loss for the six month period to 31 March 2019 was £82,837, which was made up entirely of the Company's operating expenses.

Orom Graphite Project

The Company announced on 13 May 2019 that it had entered into Heads of Agreement with Consolidated Africa Limited ("CRA") and New Energy Minerals Africa Pty Ltd ("New Energy") for the proposed assignment to the Company of a binding option for it to acquire 100% of the share capital of Consolidated African Resources (Uganda) Ltd ("CARU"), a subsidiary of CRA, by way of a reverse takeover ("Transaction"). CRA has given its binding consent to the assignment of the option. CARU is a Ugandan registered company which is the owner of the Orom Graphite Project in northern Uganda.

Blencowe will, subject to due diligence, exercise the option to acquire the entire share capital of CARU with the total aggregate consideration payable by the Company being £2,000,000 (two million pounds), to be satisfied in full by the issue of 33,333,333 new ordinary shares of the Company at an implied price of £0.06 per share, of which £500,000 will be payable to New Energy as consideration for the assignment of the option and £1,500,000 will be payable to CRA as the acquisition price for CARU. Completion of the Transaction will be conditional on Blencowe raising working capital for the enlarged group to further develop the Orom Graphite Project. As a budget and work programme for the Orom Graphite Project has not yet been agreed, the quantum of any such fundraise is at the date of this announcement still undetermined.

Whilst the principal terms of the Transaction have been agreed, the acquisition remains subject to due diligence, completion of the acquisition documentation, completion of the fundraising and re-listing of the enlarged group on the London Stock Exchange. Accordingly, there is no certainty that it will be completed. If the Transaction is completed, it will constitute a reverse takeover under the Listing Rules and will be subject to approval by shareholders of the Company at a general meeting.

In accordance with the Listing Rules, the listing of its shares on the London Stock Exchange has been suspended, pending publication of a prospectus setting out details of the proposed Transaction and the fundraising (or in the alternative the Company announces that it has elected not to exercise the option).

We are pursuing a metal that has strong future for the next 20 years given that graphite is the largest component of the lithium battery. We believe that the Orom Graphite Project can be globally significant due to the high-quality product and scale of the target resource. The graphite is characterised by large and jumbo flake size with both high grade and purity that is in short supply for the battery metals sector. Also, the Ugandan government who are very keen to develop their mining sector, recently granted CARU a 21 year mining licence over 19sqkm of the Orom Graphite Project.

Blencowe Resources Plc

Statement of Directors' Responsibilities

The Directors confirm that this condensed interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

Future developments

The board of Blencowe looks forward to keeping shareholders informed of further developments in what we believe is a very exciting transaction.

Cameron Pearce
Director

27 August 2019

Blencowe Resources Plc

Statement of Comprehensive Income for the six month period ended 31 March 2019

	Notes	6 months ended 31 March 2019 GBP	13 months ended 30 September 2018 GBP
Administrative fees and other expenses	4	(82,837)	(144,014)
Operating loss		(82,837)	(144,014)
Finance costs		-	-
Loss before tax		(82,837)	(144,014)
Income tax		-	-
Loss for the period and total comprehensive loss for the period		(82,837)	(144,014)
Basic and diluted loss per share (pence)	5	(0.37)	(1.13)

There was no other comprehensive income for the period ended on 31 March 2019.

The accompanying notes on pages 7 to 8 form an integral part of the Financial Statements.

Blencowe Resources Plc

Statement of Financial Position as at 31 March 2019

	As at 31 March 2019 GBP	As at 30 Sept 2018 GBP
Current assets		
Cash and cash equivalents	206,794	278,089
Trade and other receivables	-	-
Total current assets	206,794	278,089
Current liabilities		
Creditors: Amounts falling due within one year	33,645	22,103
Total current liabilities	33,645	22,103
Net assets	173,149	255,986
Equity		
Share capital	400,000	400,000
Retained earnings	(226,851)	(144,014)
Total equity	173,149	255,986

The accompanying notes on pages 7 to 8 form an integral part of the Financial Statements

Blencowe Resources Plc

Statement of Changes in Equity for the six month period ended 31 March 2019

	Share premium GBP	Retained earnings GBP	Total equity GBP
Balance as at 18 September 2017 on incorporation	1	-	1
Total comprehensive loss during 2018			
Loss for the period	-	(144,014)	(144,014)
Total comprehensive loss	-	(144,014)	(144,014)
Contributions from equity holders			
New shares issued (note 8)	399,999	-	399,999
Total contributions from equity holders	399,999	-	399,999
Balance as at 30 September 2018	400,000	(144,014)	255,986
Total comprehensive loss for 6 months			
Loss for the period	-	(82,837)	(79,837)
Total comprehensive loss	-	(82,837)	(79,837)
Balance as at 31 March 2019	400,000	(226,851)	176,149

The accompanying notes on pages 7 to 8 form an integral part of the Financial Statements.

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Statement of Cash Flows for the six month period ended 31 March 2019

	Notes	2019 GBP	2018 GBP
Operating activities			
Loss after tax	4	(82,837)	(144,014)
<i>Changes in working capital</i>			
Increase in trade and other payables	6	11,542	22,103
Net cash flows from operating activities		(71,295)	(121,911)
Financing activities			
Shares issued (net of issue costs)		-	400,000
Net cash flows from financing activities		-	400,000
Increase in cash and short-term deposits		(71,295)	278,089
Cash and short-term deposits brought forward		278,089	-
Cash and short-term deposits at 31 March 2019		203,794	278,089

The accompanying notes on pages 7 to 8 form an integral part of the Financial Statements .

Blencowe Resources Plc

Notes to the Financial Statements for the six month period ended 31 March 2019

1. General

Blencowe Resources Plc (the "Company") is a public limited company incorporated and registered in England and Wales on 18 September 2017 (as Cora Gold Limited, the name was changed to Blencowe Resources Limited on the 26 September 2017 and to Blencowe Resources plc on 13 July 2018) with registered company number 10966847 and its registered office situated in England and Wales with its registered office at 25 Bilton Road, Rugby, CV22 7AG.

The Company did not trade during the period under review.

2. Accounting Policies

Basis of preparation

The interim financial statements of Blencowe Resources Plc are unaudited condensed financial statements for the 6 month period ended 31 March 2019. These include audited comparatives for the 13 month period from inception to 30 September 2018.

The accounting policies applied by the Company in these interim financial statements, are the same as those applied by the Company in its consolidated financial statements, and have been prepared on the basis of the accounting policies expected to apply for the financial year to 30 September 2019 which have been prepared in accordance with IFRS as adopted by EU for. The Company Financial Statements has been prepared using the measurement bases specified by IFRS each type of asset, liability, income and expense.

The Company Financial Statements is presented in GBP, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise stated.

3. Critical accounting estimates and judgments

In preparing the Company's Interim Financial Statements, the Directors have to make judgments on how to apply the Company'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 Company Financial Statements.

4. Administrative fee and other expenses

	6 months ended 31 March 2019	13 Months ended 30 September 2018
	GBP	GBP
Directors' remuneration	43,881	42,000
Professional fees	31,279	24,044
Share issue cost	-	38,138
Audit fees	3,000	6,600
Administration fees	-	9,000
Travelling expenses	1,393	20,339
Miscellaneous fees	365	3,893
Project Costs	2,919	-
Total	82,837	144,014

The company 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.

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5. Loss per share

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

	6 months ended 31 March 2019 GBP	13 Months ended 30 September 2018 GBP
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Company	(79,837)	(144,014)
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	21,666,664	12,720,424
Basic and diluted loss per share (pence)	(0.37)	(1.13)

There are no potentially dilutive shares in issue.

6. Related party transactions

There are no related party transactions during the period except for the Directors' remuneration, which has been disclosed in note 4.

7. Events after the reporting date

Shares in the Company were admitted to the Official List of the London Stock Exchange on 11 April 2019, and commenced trading on 18 April 2019. Throughout the six months to 31 March 2019 and thereafter up to the date of the listing, there were 21,666,664 Ordinary Shares in issue. In conjunction with the listing, a further 8,500,000 Ordinary Shares were issued at a price of 4pence per share, to raise £340,000 before costs, or £260,000 after costs. In addition, a further 1,500,000 Ordinary Shares were issued in settlement of £60,000 of costs incurred under two Facilitation Agreements with third party service providers.

On 13 May 2019, the Company requested temporary suspension from the stock exchange as a result of the Heads of Agreement entered to acquire Consolidated African Resources (Uganda) Ltd (CARU). CARU is a Ugandan registered company which is the owner of the Orom Graphite Project in Northern Uganda.