

Blencowe Resources Plc

Interim Financial Statements

For the six month period
ended 31 March 2020

Blencowe Resources Plc

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Blencowe Resources Plc

Interim Management Report

Dear shareholder,

I am pleased to present the interim report and accounts for the six month period to 31 March 2020 for Blencowe Resources Plc.

As shareholders are aware, the past few months have seen the Company pass significant milestones with the reverse takeover of Consolidated African Resources (Uganda) Ltd, ("CARU"), the owner of the Orom Graphite Project in northern Uganda, fundraise of £2m and relisting on the LSE. The Company has thereby met its initial objective in identifying and acquiring an early stage natural resources project with tremendous growth potential.

However, the Transaction completed on 28 April after the reporting date for these interim accounts, and therefore they do not show the financial effect of the Transaction. These accounts, therefore show the position prior to the transaction. For an overview of how the accounts would appear on completion of the Transaction, please refer to Part VIII "Pro Forma Financial Information Of The Enlarged Group" of the prospectus issued by the Company on 30 March 2020.

In the period covered by these financial statements, I and my co-directors, with the support of our new management team and professional advisers, were fully engaged in preparing for the Transaction. The balance sheet at 31 March shows net liabilities of £177,000 as a result of the expenditure incurred in connection with the Transaction. The issue of shares for cash and to acquire CARU restored the Company to a positive net asset position, and the Company is now well funded to meet the next stage of its development plans.

The Orom-Cross Graphite Project is a potential world class graphite project both by size and end-product quality, with circa 75% of the resource expected to comprise of the most desirable and high value jumbo, extra-large and large flake product. The deposit, estimated to be in excess of 3 billion tonnes, presents as a large, shallow open-pit mine, with anticipated low strip ratio and free dig operations, suggesting future OPEX and CAPEX within the lowest quartile when compared to other producers. A 21-year Mining Licence was awarded in 2019, significantly de-risking any development. Whilst the travel restrictions imposed as a result of COVID-19 have inhibited progress in recent weeks, this does not detract from the long-term economic attractiveness of the project, The Company has now mobilised drill teams to site to recommence the test drilling program.

I would like to thank the team for their support in the launch of this exciting journey, and I thank shareholders for investing in the Company's future.

Cameron Pearce

Director

2 June 2020

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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 European Union (“EU”).

The Interim Financial Statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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 Company’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 Company’s transactions and disclose with reasonable accuracy at any time its financial position of the Company 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 Company 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 EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the period;
- the Director’s report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.
- 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 company’s performance, business model and strategy.

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Statement of Comprehensive Income for the six month period ended 31 March 2020

		6 months ended 31 Mar 2020 (Unaudited) GBP	6 months ended 31 Mar 2019 (Restated) (Unaudited) GBP	12 months ended 30 Sep 2019 (Audited) GBP
Administrative fees and other expenses	5	(481,752)	(82,973)	(243,119)
Operating loss		(481,752)	(82,973)	(243,119)
Finance costs		-	-	-
Loss before tax		(481,752)	(82,973)	(243,119)
Income tax		-	-	-
Loss for the period and total comprehensive loss for the period		(481,752)	(82,973)	(243,119)
Basic and diluted loss per share (pence)	7	(1.52)	(0.38)	(0.93)

There was no other comprehensive income for the period ended on 31 March 2020.

The accompanying notes on pages 7 to 9 form an integral part of the Financial Statements.

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Statement of Financial Position as at 31 March 2020

		As at 31 Mar 2020	As at 31 Mar 2019 (Restated)	As at 30 Sept 2019
	Notes	(Unaudited) GBP	(Unaudited) GBP	(Audited) GBP
Current assets				
Trade and other receivables	6	252,693	-	256,854
Cash and cash equivalents		88,249	206,794	141,992
Total current assets		340,942	206,794	398,846
Current liabilities				
Creditors: Amounts falling due within one year		518,643	33,645	111,724
Total current liabilities		518,643	33,645	111,724
Net (liabilities) / assets		(177,701)	173,149	287,122
Equity				
Share capital		450,000	400,000	450,000
Share premium		209,983	-	209,983
Warrants reserves		50,707	19,642	33,778
Retained earnings		(888,391)	(246,493)	(406,639)
Total equity		(177,701)	173,149	287,122

The accompanying notes on pages 7 to 9 form an integral part of the Financial Statements.

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Statement of Changes in Equity for the six month period ended 31 March 2020

	Share capital GBP	Share premium GBP	Warrant reserves GBP	Retained earnings GBP	Total equity GBP
Balance as at 30 Sep 2018	400,000	-	5,506	(163,520)	241,986
Total comprehensive loss for 6 months					
Loss for the period	-	-	-	(82,973)	(82,973)
Total comprehensive loss	-	-	-	(82,973)	(82,973)
Contributions from equity holders					
Issue of warrants	-	-	14,136	-	14,136
Total contributions from equity holders	-	-	14,136	-	14,136
Balance as at 31 Mar 2019	400,000	-	19,642	(246,493)	173,149
Total comprehensive loss for 6 months					
Loss for the period	-	-	-	(160,146)	(160,146)
Total comprehensive loss	-	-	-	(160,146)	(160,146)
Contributions from equity holders					
New shares issued	50,000	350,000	-	-	400,000
Share issued costs	-	(140,017)	-	-	(140,017)
Issue of warrants	-	-	14,136	-	14,136
Total contributions from equity holders	50,000	209,983	14,136	-	274,119
Balance as at 30 Sep 2019	450,000	209,983	33,778	(406,639)	287,122
Total comprehensive loss for 6 months					
Loss for the period	-	-	-	(481,752)	(481,752)
Total comprehensive loss	-	-	-	(481,752)	(481,752)
Contributions from equity holders					
Issue of warrants	-	-	16,929	-	16,929
Total contributions from equity holders	-	-	16,929	-	16,929
Balance as at 31 Mar 2020	450,000	209,983	50,707	(888,391)	(177,701)

The accompanying notes on pages 7 to 9 form an integral part of the Financial Statements.

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Statement of Cash Flows for the six month period ended 31 March 2020

		As at 31 Mar 2020	As at 31 Mar 2019 (Restated)	As at 30 Sept 2019
	Notes	(Unaudited) GBP	(Unaudited) GBP	(Audited) GBP
Operating activities				
Loss after tax	5	(481,752)	(82,973)	(243,119)
Share based payment		16,929	14,136	28,272
<i>Changes in working capital</i>				
Decrease/(increase) in trade and other receivables		3,497	-	(256,853)
Increase/(decrease) in trade and other payables		407,583	(2,458)	75,620
Net cash flows from operating activities		(53,743)	(71,295)	(396,080)
Financing activities				
Shares issued		-	-	400,000
Shares issued (cost)		-	-	(140,017)
Net cash flows from financing activities		-	-	259,983
Increase in cash and short-term deposits				
		(53,743)	(71,295)	(136,097)
Cash and short-term deposits brought forward		141,992	278,089	278,089
Cash and cash equivalents at end of period				
		88,249	206,794	141,992

The accompanying notes on pages 7 to 9 form an integral part of the Financial Statements.

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Notes to the Financial Statements for the six month period ended 31 March 2020

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 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 2020.

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 are presented in £, which is the Company'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 Company Financial Statements cover the 6 month period ended 31 March 2019 and the 12 month period ended 30 September 2019.

It was noted that in the 31 March 2019 period, warrant costs of £14,136 were not accrued for. Therefore, the 31 March 2019 figures have been restated to show its correct allocation of costs and a corresponding reduction of total equity. The basic and diluted loss per share for the period ended in 31 March 2019 has increased from 0.37p to 0.38p.

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. 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 2019. A copy of these financial statements is available on the Company website at <https://blencoweresourcesplc.com/>

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5. Administrative fee and other expenses

	6 months ended 31 Mar 2020	6 months ended 31 Mar 2019 (Restated)	12 Months ended 30 Sep 2019
	(Unaudited)	(Unaudited)	(Audited)
	GBP	GBP	GBP
Directors' remuneration	45,052	29,881	75,077
Professional fees	220,701	31,279	54,203
Listing fees	77,830	-	19,552
Audit fees	75,000	3,000	19,200
Share issue/warrant cost	16,930	14,136	28,272
Project Costs	10,530	2,919	12,211
Provision	663	-	11,172
Administration fees	9,000	-	8,159
Broker fees	2,500	-	5,000
Printing expenses	12,857	-	-
Travelling expenses	7,260	1,393	4,685
Miscellaneous fees	3,430	365	5,588
Total	481,752	82,973	243,119

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.

6. Trade and other receivables

	6 months ended 31 Mar 2020	6 months ended 31 Mar 2019 (Restated)	12 Months ended 30 Sep 2019
	(Unaudited)	(Unaudited)	(Audited)
	GBP	GBP	GBP
Loan to CARU	257,184	-	223,431
Other receivables	7,344	-	37,495
Prepayments	-	-	7,100
	264,528	-	268,026
Less: provision	(11,835)	-	(11,172)
Total	252,683	-	256,854

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7. Loss per share

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

	6 months ended 31 Mar 2020 (Unaudited)	6 months ended 31 Mar 2019 (Unaudited)	12 Months ended 30 Sep 2019 (Audited)
Earnings	GBP	GBP	GBP
Loss from continuing operations for the period attributable to the equity holders of the Company	(481,852)	(82,973)	(243,119)
Number of shares			
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	31,666,664	21,666,664	26,187,212
Basic and diluted loss per share (pence)	(1.52)	(0.38)	(0.93)

There are no potentially dilutive shares in issue.

8. Related party transactions

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

9. Events after the reporting date

On 23 April 2020 the Company's Annual General Meeting took place and shareholders approved the acquisition from Consolidated Africa Limited ("CRA") and New Energy Minerals Africa Pty Ltd ("New Energy") of 100% of the share capital of Consolidated African Resources (Uganda) Ltd ("CARU") on issue of 25,000,000 Ordinary Shares to CRA and the issue of 8,333,333 Ordinary Shares to New Energy. CARU is a Ugandan registered company and is the owner of the Orom Graphite Project in northern Uganda.

On 28 April, the Company completed the transaction to acquire CARU and raised £2m of gross proceeds at 6p per share through a placing of £1.5m and subscription by an African based strategic investor for £500,000. On the same day, the Ordinary Shares were readmitted to the Standard List of the London Stock Exchange.

Following issue of the above shares to placees and subscribers, the Company has a total of 98,333,326 Ordinary Shares in issue.