

Blencowe Resources Plc

Consolidated Interim
Financial Statements

For the six month period
ended 31 March 2021

Blencowe Resources Plc

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Blencowe Resources Plc

Interim Management Report

Dear Shareholder,

It is with pleasure we present you with the Interim Results for the Company, and an update on various activities underway within Blencowe. The past year has been a challenging one for everybody and it has forced us all to adapt to continue to work, using different methodologies wherever necessary to achieve outcomes. I am pleased to report that the team within Blencowe, and that includes the wider support network of parties that help and support us everywhere, have all pulled together superbly and found ways to deliver solutions to overcome all challenges. It is times like this that board, management and key relationships are tested and I would like to give each and every party included under this umbrella my heartfelt thanks for their efforts. They have been appreciated.

We have always known that we have a significant resource asset at Orom-Cross, and post the RTO in April 2020 we set out to put as much value onto this project as we could, with a goal to remain efficient in all we did, both in terms of time and cost. In the past year we have achieved a number of key milestones that continue to add value, culminating in our maiden JORC Resource estimate for over 16 million tonnes graphite, and this represents a starting point as we have explored only the smallest fraction of what is available there. We have identified two excellent deposits, one of particular high grade, and we drilled them out in a substantial programme that completed in 2H 2020. Samples were sent to South Africa for assaying, and others to Canada where our metallurgical partner is currently well underway with what is turning out to be a successful test program to deliver a quality concentrate that will be in high demand as we move into production.

We continue to build on these early successes and we have recently initiated a second substantial drilling program in the field at Orom-Cross to further delineate these two deposits and prepare them for mining planning and pit designs that will be required within the feasibility study. Our plan remains straightforward, to continue building this project towards a decision to mine whilst utilising all our experience to ensure that all key requirements are suitably covered to de-risk the process.

Blencowe remains a firm believer that the push for renewable energy will continue gathering huge momentum moving forward, and the transition from fossil fuel engines to electric vehicles (EVs) will play a central role in this. Currently the lithium-ion battery is the accepted technology that will power these EVs and graphite remains a core component within the anode inside the battery. It is therefore logical to assume demand for graphite will remain highly leveraged to growth in demand for lithium ion batteries, and over the next few years Blencowe intends to bring into production one of the lower cost, high grade graphite projects in the world, located in a safe long term jurisdiction for development of such a project.

We continue to appreciate your support as a shareholder as we continue this exciting journey.

Mike Ralston
Chief Executive Officer
02 June 2021

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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 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 EU, 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.

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Consolidated Statement of Comprehensive Income for the six month period ended 31 March 2021

		6 months ended 31 Mar 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 months ended 30 Sep 2020 (Audited) GBP
Exploration costs		(1,999)	-	(9,736)
Administrative fees and other expenses	5	(304,238)	(481,752)	(1,015,053)
Operating loss		(306,237)	(481,752)	(1,024,789)
Finance costs		(23,444)	-	(33,295)
Loss before tax		(23,444)	(481,752)	(1,058,084)
Income tax		-	-	-
Loss for the period and total comprehensive loss for the period		(329,681)	(481,752)	(1,058,084)
Basic and diluted loss per share (pence)	7	(0.01)	(1.52)	(1.74)

There was no other comprehensive income for the period ended on 31 March 2021.

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

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Consolidated Statement of Financial Position as at 31 March 2021

	Notes	As at 31 Mar 2021 (Unaudited) GBP	As at 31 Mar 2020 (Unaudited) GBP	As at 30 Sept 2020 (Audited) GBP
Non-Current Assets		4,390,956	-	4,377,127
Current assets				
Trade and other receivables	6	84,717	252,693	72,020
Cash and cash equivalents		611,231	88,249	205,856
Total current assets		695,948	340,942	277,877
				4,655,003
Total assets		5,086,904	340,942	
Current liabilities				
Creditors: Amounts falling due within one year		377,415	518,643	498,588
Total current liabilities		377,415	518,643	498,588
Non-current liabilities				
Surface liabilities		764,494	-	849,512
Total liabilities		1,141,909	518,643	1,348,100
Net assets		3,944,995	(177,701)	3,306,903
Equity				
Share capital		878,258	450,000	783,333
Share premium		4,884,146	209,983	3,876,650
Warrants reserves		164,601	50,707	100,471
Retained earnings		(1,982,010)	(888,391)	(1,453,551)
Total equity		3,944,995	(177,701)	3,306,903

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

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Consolidated Statement of Changes in Equity for the six month period ended 31 March 2021

	Share capital GBP	Share premium GBP	Warrant reserves GBP	Retained earnings GBP	Total equity GBP
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)
Total comprehensive loss for 6 months					
Loss for the period	-	-	-	(576,332)	(576,332)
Total comprehensive loss	-	-	-	(576,332)	(576,332)
Contributions from equity holders					
New shares issued	333,333	3,666,667	-	-	4,000,000
Issue of warrants	-	-	49,764	-	49,764
Adjustment on consolidation – IFRS 9				11,171	11,171
Total contributions from equity holders	333,333	3,666,667	49,764	11,171	4,060,935
Balance as at 30 Sep 2020	783,333	3,876,650	100,471	(1,453,551)	3,306,903
Total comprehensive loss for 6 months					
Loss for the period	-	-	-	(329,681)	(329,681)
Total comprehensive loss	-	-	-	(329,681)	(329,681)
Contributions from equity holders					
New shares issued	94,925	1,093,992	-	-	1,188,917
Share issued costs	-	(86,496,)	-	-	(86,496)
Warrants reserve	-	-	77,194	-	77,194
Warrants exercised			(13,064)	13,064	-
Adjustment on consolidation – IFRS 9				(211,842)	(211,842)
Total contributions from equity holders	94,925	1,007,496	64,130	(198,778)	967,773
Balance as at 31 Mar 2021	878,258	4,884,146	164,601	(1,982,010)	3,944,995

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 2021

	Notes	As at 31 Mar 2021 (Unaudited) GBP	As at 31 Mar 2020 (Unaudited) GBP	As at 30 Sept 2020 (Audited) GBP
Operating activities				
Loss after tax	5	(329,681)	(481,752)	(1,058,084)
Amortisation		1,349	-	1,919
Finance costs		23,444	-	33,295
Share issue/warrant cost		64,130	16,929	66,693
Changes in working capital				
Decrease/(increase) in trade and other receivables		(12,697)	3,497	(27,426)
Increase/(decrease) in trade and other payables		(229,635)	407,583	131,821
Net cash flows from operating activities		(483,090)	(53,743)	(851,782)
Cash flows from financing activities				
Investment in exploration assets		(213,956)	-	(1,084,354)
Net cash flows from investment activities		(213,956)		(1,084,354)
Financing activities				
Shares issued		1,188,917	-	2,000,000
Shares issued (cost)		(86,496)	-	-
Net cash flows from financing activities		1,102,421	-	2,000,000
Increase in cash and short-term deposits		405,375	(53,743)	63,864
Cash and short-term deposits brought forward		205,856	141,992	141,992
Cash and cash equivalents at end of period		611,231	88,249	205,856

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 2021

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.

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 2021.

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 2020 which have been prepared in accordance with IFRS as adopted by EU 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 2020 and the 12 month period ended 30 September 2020.

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 2020. A copy of these financial statements is available on the Group website at <https://blencoweresourcesplc.com/>

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5. Administrative fee and other expenses

	6 months ended 31 Mar 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 Months ended 30 Sep 2020 (Audited) GBP
Directors' remuneration	68,471	45,052	107,102
Professional fees	47,627	220,701	437,340
Salaries (see note 7)	18,000	-	27,500
Listing fees	19,593	77,830	26,599
Audit fees	12,500	75,000	25,000
Fees payable to group auditors for non-audit services	-	-	69,275
Share issue/warrant cost	77,194	16,929	66,693
Project Costs	-	10,530	-
Administration fees	28,500	9,000	24,486
Broker fees	3,244	2,500	190,833
Travelling expenses	971	7,260	7,260
Miscellaneous fees	27,868	16,950	32,965
Total	304,238	481,752	1,015,053

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 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 Months ended 30 Sep 2020 (Audited) GBP
Loan to CARU	-	257,184	-
Other receivables	22,002	7,344	67,902
Prepayments	62,715	-	4,119
	84,717	264,528	72,021
Less: provision	-	(11,835)	-
Total	84,717	252,693	72,021

7. Creditors: Amounts falling due within one year

	6 months ended 31 Mar 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 Months ended 30 Sep 2020 (Audited) GBP
Payables	131,138	209,881	281,726
Other payables	233,049	80,000	175,225
Accruals and provision	13,227	228,762	41,637
Total	377,415	518,643	498,588

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8. Creditors: Amounts falling after one year

CARU 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 lease is payable in 11 instalments effective 31st January 2020.

	6 months ended 31 Mar 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 Months ended 30 Sep 2020 (Audited) GBP
Total payable at the beginning of the period	1,024,737	-	-
Addition to non-current liabilities	-	-	1,009,049
Interest charged during the period	22,685	-	11,923
Exchange loss on valuation	(49,879)	-	3,765
Total payable as at period end	997,543	-	1,024,737
Analysis between current and non-current liability			
Payable within 12 months	233,049	-	175,225
Payable after 12 months	764,494	-	849,512
	997,543		1,024,737

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:

	6 months ended 31 Mar 2021 (Unaudited) GBP	6 months ended 31 Mar 2020 (Unaudited) GBP	12 Months ended 30 Sep 2020 (Audited) GBP
Earnings			
Loss from continuing operations for the period attributable to the equity holders of the Group	(329,681)	(481,852)	(1,058,084)
Number of shares			
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	3,108,550,648	31,666,664	60,707,758
Basic and diluted loss per share (pence)	(0.01)	(1.52)	(1.74)

There are no potentially dilutive shares in issue.

10. Related party transactions

The 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 £12,000 (31 March 2020: £Nil and 30 Sep 2020: £10,000).

11. Events after the reporting date

The total number of shares raised by the Company since 31 March 2021 up to the date these Interim Financial Statements were signed were 886,667, of which 686,667 were warrants exercised.