RNS Number : 5854M
Blencowe Resources PLC
13 January 2023

Blencowe Resources Plc

("Blencowe" or the "Company")

Annual Results for the year ended 30 September 2022

And Notice of Annual General Meeting

Blencowe Resources Plc, ("**Blencowe Resources**" or the "**Company**") (LSE: BRES) is pleased to announce its audited financial results for the year ended 30 September 2022 (the "Annual Report") and it's notice of Annual General Meeting ("Notice of AGM").

The Annual Report, Notice of AGM and the associated Form of Proxy will be posted to shareholders and copies will also be available on the Company's website at shortly.

The Annual General Meeting will be held at 55 Athol Street, Douglas, Isle of Man at 10.00a.m. on 15 February 2023.

For further information, please contact:

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Chief Executive Officer's Statement for the period ended 30 September 2022

Shareholders and Stakeholders,

Upon reflection these past 12 months have been one of the most challenging ever in terms of macro-market forces, particularly relating to our London listing, with Brexit fallout, Ukraine invasion, rising inflation and subsequent interest raises to counter these, and a choppy political landscape with no less than two UK Prime Ministers in Number 10 during the reporting period, all to deal with. This is before we manage our own internal project.

Nevertheless, it has proven to me once again that the Board and Executive Management of Blencowe are a very resourceful team, together with our key supporters, and we jointly have considerable experience dealing with all manner of challenges relating to resources development over many years, so none of this was going to get in our way and prevent the continued advancement of Orom-Cross, which is fast turning into a world class graphite project. I would like to thank the full team for everything they have contributed over this period to ensure that we remain on-track to deliver a unique and special mining operation ahead.

The Company completed a second diamond drill programme in 2021 which resulted in a JORC Mineral Resource upgrade in 1H 2022 up to 24.5Mt of graphite at a 6.0% in situ average grade. It must be noted that this JORC Resource has resulted from exploration on circa 1-2% of the estimated overall Orom-Cross deposit which illustrates how much graphite there is at site, and the incredible upside potential that exists to extend both mine life and production volumes in the years ahead.

Further excellent metallurgical test work by SGS in Canada resulted in proving Orom-Cross can upgrade to a very pure concentrate around 96-97% LOI from the composite mix of the two deposits (Northern Syncline and Camp Lode) and equally importantly with high recoveries and low impurities. These will assist greatly in taking the end product through final testing ahead to the 99.95% SPG (spherical purified graphite) product that is used in the production of lithium-ion batteries, which is by far the largest demand accelerator for graphite use ahead. To prove Orom-Cross can deliver a high grade end product is key to getting pre-qualification for sales and ultimately delivering binding offtake agreements within the Definitive Feasibility Study (DFS) in 2023. These test results also proved that our end product retains a high percentage of coarse (large) flakes that sell for significantly more than the smaller flakes, and which will help us deliver a higher weighted average selling price for the full basket of end products. In the words of one of our key marketing consultants who has been closely involved in graphite for over 30 years, Orom-Cross displays one of the best concentrates he has ever seen, and thus should be well received by end users as we move to showcase our products in 2023.

The 24.5Mt JORC Resource underpinned a successful Pre-Feasibility Study (PFS) conducted over 1H 2022, which delivered exceptional results from an initial 14 year life of mine. As noted above this LOM can and will be greatly extended in the future with additional drilling, when required. Some of the highlights of this PFS included low overall operating costs (US$499/t FOB port), high weighted average selling price (US$1,307/t) and from these very healthy margins which delivered an NPV_8 of US$482M and an IRR_8 of 49%. The initial capital requirement for all plant and infrastructure to deliver this was reduced (from PEA/2021: US$80M) to US$62M which makes the start-up proposition more feasible. Nothing was highlighted within the PFS that might derail this project and as such the Company moved into the next and final studies phase, the Definitive Feasibility Study.

The DFS was initially going to include a pilot plant at site, which could start-up graphite operations on a smaller scale and provide product for end user screening, to ultimately become pre-qualified for more substantial sales contracts later on. However, Blencowe more recently uncovered sources who had successfully bulk sample tested other graphite projects in existing pilot plant facilities in China, with resultant binding contracts once fully completed. As China currently represents around 95% of the end market for graphite sales it is believed that pre-qualification into China is sensible, and as such Blencowe has decided to trial a bulk sample of 100 tonnes Orom-Cross raw material through this same facility. This will form a key part of the DFS program in 2023 and will be followed by SPG testing, and ultimately OEM (original equipment manufacturers) testing. These are the necessary steps to provide the basis for full sales contracts and work is already underway to deliver these bulk samples to start the process. It is also expected that Blencowe will lock in an EPC contractor within the DFS process, and all study work will be managed and ultimately peer reviewed using the leading graphite technical specialist engineering firm based in Perth, Australia

The other key aspect of the DFS is project funding, and Blencowe has been working through various options to secure an effective and efficient funding solution for both the DFS and the full project implementation. The Company will provide further updates to the market on this as it eventuates.

Finally, the world is changing fast and within this moving landscape is an increased awareness in ESG (environmental, social and governance) aspects. These are becoming very important as everyone from potential investors to funding partners to end users all require a life cycle sustainable project with an end product that can meet specific standards. Blencowe has many advantages in this regard, including use of green (hydro) energy, solid community agreements and most importantly an awareness of the need to constantly evolve in this key area. An initial ESG review has already been conducted in 2022 using a leading international firm and sustainability will play a big role in the future development of Orom-Cross.

All the work delivered over this year has transformed Orom-Cross from an early stage exploration project to an advanced pre-production powerhouse. In the wider context this is important as the global shift away from fossil fuels towards renewable energy provides a huge opportunity ahead for Orom-Cross, and Blencowe wants to position this exceptional project at the forefront of its peers in all aspects. As demand for lithium-ion batteries accelerates over the next decade and hundreds of gigafactories that will manufacture these batteries open their doors and begin demanding huge volumes of input materials, the forecast demand for flake graphite is anticipated to grow exponentially.

Blencowe is moving quickly to establish itself as the proud owner of one of the largest, highest quality, low cost flake graphite projects in the world. The future is therefore very exciting.

Mike Ralston

Chief Executive office

Strategic Report

The Directors present the Strategic Report for the year ended 30 September 2022.

Results

The results are set out in the Consolidated Statements of Comprehensive Income. The total comprehensive loss attributable to the equity holders of the Group for the period was £1,089,679 (2021: £691,064).

The Group paid no distribution or dividends during the period.

Business model, review of the business and future developments

The Group' principal activity is the exploration of Orom Cross Graphite Project in Northern Uganda, which it owns through its 100% subsidiary Blencowe Resources Uganda Limited.

On 22 February 2022 the Group entered into an agreement with SIPA Exploration Uganda Ltd to acquire a Nickel Sulphide Project in Uganda (Akelikongo). The company was to acquire a 100% of the project through an earn-in over four separate milestones. The earn in investment required the company to spend US$2.75million over a period of 3 years to acquire a 100% of the project.

On 6 September 2022 the Company announced that it had terminated the agreement with SIPA Exploration Uganda Ltd with respect to the Nickel project and it was no longer required to meet any of the spend obligations. A total amount of £404,533 had been spent and capitalised with respect to the Akelikongo project and this was fully impaired to the profit and loss during the year.

The Group's aim is to create value for shareholders through the discovery and development of economic mineral deposits. The Group's strategy is to continue to progress the development of its existing project in Uganda and to evaluate its existing and new mineral resource opportunities.

The Group's business is directed by the Board and is managed on a day-to-day basis by the Executive Chairman, Cameron Pearce. The Board monitors compliance with objectives and policies of the Group through performance reporting, budget updates and periodic operational reviews.

Key performance indicators (KPIs)

Financial KPIs

<u>Results for the year</u>

With no income in the year the Group continues to monitor the loss before tax to ensure the continued viability of the Group and ability to continue to develop the Orom-Cross Graphite Project. The Group has made a loss before tax of £1,085,474 for the year ended 30 September 2022 (2021: loss before tax of £694,726).

<u>Exploration expenditure - funding and development costs</u>

At this stage in the Group's development, the Group is focusing on financing and continued development of the Orom-Cross Graphite Project. Therefore, the funding and development costs of Orom-Cross Graphite project have been chosen as Key Performance Indicators.

The Group incurred £1,423,236 (2021: £976,084) of capitalised exploration costs, of which £1,018,703 related to Orom Cross Graphite Project which were required to carry out the initial drilling costs and testing of the mineral, and £404,533 relating to the Akelikongo project. The costs relating to Akelikongo were subsequently impaired and released to the statement of comprehensive income. These exploration costs are in line with the Board expectations.

In 2022 the Group raised funds of £2,628,748 (2021: £1,373,414) net of issue costs from the equity markets. Please see note 20 for further details of the funds raised after the year end.

At 30 September 2022 the Group had a cash balance of £346,994 (2021: £93,288).

Employees

There were two employees during the year apart from the directors, the Chief Executive Officer ("CEO") and the Chief Operating Officer ("COO"), who are the key management personnel. All current members of the Board and the key management personnel are males. For more information about the Group's key management personnel see note 7.

Social, Community and Human Rights Issues

The Orom-Cross Graphite Project is still at an early stage of project development and further consideration will need to be given to social, community and human rights issues affecting the Project. Currently a key consideration is that under Ugandan law the Company is required to rehabilitate the area affected by the mining activities. Accordingly, under Ugandan law the Company is required to rehabilitate the area affected by the mining activities. Accordingly, there will be a potential cost associated with undertaking this obligation. At this time, although the Group continues to explore and test the minerals, the land has not been affected and therefore the Group has not accounted for any costs associated with the rehabilitation of the area.

On 10 September 2022 BRUL signed a revised agreement with the local communal land association of Locomo village for the land surface rights and has agreed to help provide local education and sensitization of the local communities in Akurumo parish on the opportunities and advantages of mining graphite. BRUL will give employment priorities to the local capable members of Akurumo parish

Since the acquisition of BRUL the Group has donated to local causes, such as a scholarship programme and to fight against COVID-19. The Group will continue to donate to the local communities around the region of Uganda in which the Project Licences are located.

Principal risks and uncertainties and risk management

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors have carried out a robust assessment on the principal risks facing the Group, including those that threaten its business model, future performance, solvency or liquidity.

The Group continues to monitor the principal risks and uncertainties with the help of specialists to ensure that any emerging risk are identified, managed and mitigated. There has been no significant impact to the Group from Covid-19 or from the Russia-Ukraine conflict.

<u>Geological risks</u>

On 19 July 2022, the Group completed the pre- feasibility study for the Orom-Cross graphite project and a net present value (post tax) assessment of $482million has been estimated from the project. The pre-feasibility study indicates a robust, long-term, and profitable mining operation at Orom-Cross. The Pre-feasibility study was managed by leading graphite technical experts Battery Limits Pty Limited (Australia), who have delivered several other graphite project feasibility study in the past. The estimated production per annum will be 36,000tpa as 96-97% end products and increasing this to 147,000tpa in stages. It is estimated that 50% of the product is +100 to +50 mesh fractions. The pre-feasibility study estimated a US$1,307/t weighted average selling price for a basket of end products and US$499/t operating costs, underlining one of the lowest cost graphite projects worldwide. On 26 September 2022 the Group announced that it had commenced the definitive feasibility study with completion date 2H-2023.

The Group uses advisors with specialist knowledge in mining and related environmental management for reducing the impacts of environmental risk.

<u>Government regulation and political risk</u>

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Group believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned exploration and development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Group cannot assure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

The Orom-Cross Graphite Project is located in Uganda. The Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in the country or any other countries in which the Group may operate are beyond the control of the Group and may adversely affect its operations. To mitigate this risk, the Board continues to review any changes on the government regulations and the political stability in Uganda.

Pricing risk

The development and success of any project of the Group will be primarily dependent on the future prices of graphite. The graphite prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to exchange rates, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand, and political and economic conditions. The price of graphite and other commodities have fluctuated widely in recent years, and future price declines could cause any future development of and commercial production from the Group's property to be impracticable. Although the Group will have sufficient working capital for the Working Capital Period, depending on the price of graphite, projected cash flow from planned mining operations may not be sufficient for future operations and the Group could be forced to discontinue any further development and may lose its interest in, or may be forced to sell, some or all of its properties. Future production from the Orom-Cross Graphite Project is dependent on the production of graphite that is adequate to make the project economically viable. The Board regularly monitors the prices of graphite and is prepared to raise further capital if it is required.

Commodity and currency risk

As the Company's potential earnings will be largely derived from the sale of graphite, the Company's future revenues and cash flows will be impacted by changes in the prices and available market of this commodity. Any substantial decline in the price of graphite or in transport or distribution costs may have a material adverse effect on the Company.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centers as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company cost base will be in Pounds Sterling and Ugandan Shilling. Consequently, changes in the Pound Sterling and Ugandan Shilling exchange rates will impact on the earnings of the Company. The exchange rates are affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook. The Directors are confident that they have put in place a strong management team capable of dealing with the above issues as they arise.

Financing

As of October 2022, the Group has been able to raise £750,000, which will support the Group's financial position in the short term. The Group is likely to remain cash flow negative for some time and, although the Directors have confidence in the future revenue earning potential of the Group from its interests in the Orom-Cross Graphite Project, there can be no certainty that the Group will achieve or sustain profitability or positive cash flow from its operating activities. With regards to future capital expenditure on the Orom-Cross Graphite Project, the Company may need to raise additional capital beyond the Working Capital Period to fund additional exploration work for the future development of the Orom-Cross Graphite Project.

The Group has been approached by potential strategic partners who may eventually provide an offtake, funding or development scenario for the Orom-Cross graphite project. If this is not successful, the Board may consider stopping the project until further cash can be generated.

Future mineral prices, revenues, taxes, capital expenditures and operating expenses and geological success will all be factors which will have an impact on the amount of additional capital required. Additionally, if the Group acquires further exploration assets or is granted additional permits and/or exploration licences, this may increase its financial commitments in respect of the Group's exploration activities.

In common with many exploration entities, the Group will need to raise further funds in order to progress the Group from pre-construction phase of its business and eventually into production of revenues.

Environmental and safety

The Orom-Cross Graphite Project is still at an early stage of project development and further consideration will need to be given to environmental and social issues affecting the Orom-Cross Graphite Project. Environmental and safety legislation (e.g. in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from both future and historic exploration or mining activities, which may be costly to remedy. Risks may include on-site sources of environmental contamination such as oil and fuel from the mining equipment and rehabilitation of the site upon expiry of the Project Licences. Under Ugandan law the Company is required to rehabilitate the area affected by the mining activities, accordingly there will be a potential cost associated with undertaking this obligation. It is currently unknown what this could be but the funding of this could have a material impact on the Group's financial position in the future.

If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group.

The Group has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a price which the Group regards as reasonable.

Environmental management systems are in place to mitigate environmental hazard risks. The Group uses advisors with specialist knowledge in mining and related environmental management for reducing the impacts of environmental risk.

Section 172 Statement

The Board believes they have acted in a way most likely to promote the success of the Group for the benefit of its members as a whole, as required by section 172.

The requirements of section 172 are or the Board to:

- consider the likely consequences of any decision in the long term,
- act fairly between the members of the Group,
- maintain a reputation for high standards of business conduct,
- consider the interest of the Group's employees,
- foster the Group's relationship with suppliers, customers and others, and
- consider the impact of the Group's operations on the community and the environment.

The Group operates a mineral exploration business, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Group by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under LES regulations.

The principal decisions taken by the Board during the year relate to the ongoing research and development of the Orom-Cross Graphite Project, which since its acquisition in 2020 is still at an early stage of project development. The Board has looked to build upon the information available and the exploration activities carried out by the Subsidiary prior to its acquisition. Through work such as Metallurgical testwork and preliminary economic assessment the board continues to gather information on the long-term viability of the project and the impact on the local community and the environment. The Board have outlined a work program for the future strategy of the Project. In order to carry out its strategy, the company has entered into a number of contracts with providers who are best placed to undertake the necessary research and review.

On 22 February 2022 the Group acquired project Akelikongo which is a Nickel project with SIPA this project was to be acquired in stages. The Board made a decision to terminate the agreement on 6 September 2022 so that they could focus on the Orom project, following the positive results from the pre-feasibility study. The Board believed it was a strategic decision to deliver better shareholder value by focusing its attention on bringing the Orom-graphite project to operation more quickly.

The Board is ultimately responsible for the direction, management, performance and long-term sustainable success of the Group. It sets the Group's strategy and objective considering the interest of all its stakeholders. A good understanding of the Company's stakeholders enables the Board to factor the potential impact of strategic decisions on each stakeholder group into a boardroom discussion. By considering the Company's purpose, vision and values together with its strategic priorities the Board aims to make sure that its decisions are fair. The Board has always, both collectively and individually, taken decisions for the long term and consistently aims to uphold the highest standards of business conduct. Board resolutions are always determined with reference to the interests of the Company's employees, its business relationships with suppliers and customers. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations providing much needed employment and wider economic benefits to the local communities. In addition, the Group contributes annually towards a scholarship programme for the local community in Uganda. The Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery.

The Group follows international best practice on environmental aspects of our work.

Cameron Pearce

Director
12 January 2023

Directors' Report

The Directors submit their report with the audited Financial Statements for the year ended 30 September 2022.

General information

Blencowe Resources Plc ("the Company"), was incorporated as a private Limited Company under the laws of England and Wales with registered number 10966847 on 18 September 2017. On 13 July 2018, the Company was re-registered as a public company under the Companies Act 2006.

Blencowe's primary focus is on exploration of the Orom-Cross Graphite Project located in Northern Uganda.

Results for the year and distributions

The Group results are set out in the Consolidated Statements of Comprehensive Income. The total consolidated comprehensive loss attributable to the equity holders of the Group for the financial year was £1,089,679 (2021: £691,064). The Group received no income, and the full amount of the loss is due to expenses incurred in capital raising (to the extent not deducted from share premium), identifying and evaluating suitable acquisition targets, and general corporate overheads.

The Group paid no distribution or dividends during the financial year (2021: £Nil).

Subsidiary change of name

On 10 June 2022 Consolidated Africa Resources Ltd a 100% owned subsidiary of Blencowe Resources Plc changed its name to Blencowe Resources Uganda Limited.

The Board of Directors

The Directors who held office during the financial year and to the reporting date, together with details of their interest in the shares of the Company at the reporting date were:

	Number of Ordinary Shares	**Percentage of Ordinary Shares**
Sam Quinn	4,916,667	2.50%
Cameron Pearce	7,516,667	3.82%
Alexander Passmore	1,550,000	0.79%

The Board comprises of one Executive Director and two Non-Executive Directors as detailed below:

Cameron Pearce - Executive Chairman

Cameron Pearce was a founder of the Company and has extensive professional experience in both the Australian and United Kingdom finance industries. In recent times he has provided corporate, strategic, financial and advisory assistance to private and public companies in both Australia and the United Kingdom. Mr Pearce is a member of the Australian Institute of Chartered Accountants and has been in commerce over twenty years holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe, Asia, Africa and Central America. Mr. Pearce has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities.

Sam Quinn - Non Executive Director

Sam Quinn is a corporate lawyer with over a decade's worth of experience in the natural resources sector, in both legal counsel and executive management positions. Mr Quinn was formerly the Director of Corporate Finance and Legal Counsel for the Dragon Group, a London-based natural resources venture capital firm and is currently a partner of Silvertree Partners, a natural resource focussed back office outsourcing business. Mr Quinn has in addition held several management roles for listed and unlisted natural companies and has gained significant experience in the administration, operation, financing and promotion of natural resource companies. Prior to working in the natural administration, operation, financing and promotion of natural resources companies. Prior to working in the natural resources sector, Mr Quinn worked as a corporate lawyer for Jackson McDonald Barristers & Solicitors in Perth, Western Australia and for Nabarro LLP in London.

Alex Passmore - Non Executive Director

Alex Passmore is an experienced corporate executive with strong financial and technical background. Mr Passmore managed the arrangement of debt for many well-known resources companies and has a wealth of experience in project evaluation. He also managed the WA natural resources business of CBA which comprised a substantial portfolio of loan, hedge, trade finance and working capital products to ASX-listed and multi-national resource companies. Prior to this, Mr Passmore held senior roles at Patersons Securities and was director of corporate finance and head of research. Mr Passmore holds a BSc (Hons) in Geology from the University of Western Australia and a graduate diploma of Applied Finance and Investments from the Institute of Securities Australia.

Directors' indemnities

To the extent permitted by law and the Articles, the Company has made qualifying third-party indemnity provisions for the benefit of its directors during the year, which remain in force at the date of this report.

Policy for new appointments

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors (other than alternate directors) must not be less than two and must not be more than 15 in accordance with the Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

Rules for amendments of articles

Directors cannot alter the Company's Articles unless a special resolution is approved by the shareholders. A special resolution requires at least 75% of a company's members to vote in favour for it to pass.

Substantial shareholders

The share capital of Blencowe consist of only one class: ordinary shares. Therefore, all of the Company's shares rank pare passu and no preferential rights apply. No single person directly or indirectly, individually or collectively, exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3% or more of the issued ordinary share capital of the Company as at 30 September 2022:

Shareholder	% of issued share capital of the Company
Jim Nominees Limited	27.21%
Pershing Nominees Limited	14.53%
Hargreaves Lansdown (Nominees) Limited	12.43%
ISI (Nominees) Limited	4.31%
Spreadex Limited	3.80%

Financial risk management

The Group's principal financial instruments comprise cash balances, accounts payable and accounts receivable arising in the normal course of its operations.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. See note 18.2 for more information on the financial risk management objectives and policies.

Employee and Greenhouse Gas (GHG) Emissions

The Group is trading with two employees (see note 7) and the Directors disclosed.

The energy consumption has not been disclosed as the Group's consumption is below 40,000 kWh.

The energy consumption has not been disclosed as the Group's consumption is below 40,000 kWh.

Responsibility statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the financial statements, taken as a whole, provide the information necessary to assess the Group's position, performance, business model and strategy and are fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with UK adopted international accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the management report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Directors are responsible for maintaining the Group's systems of controls and risk management in order to safeguard its assets.

Risk is monitored and assessed by the Board who meet regularly and are responsible for ensuring that the financial performance of the Group is properly monitored and reported. This process includes reviews of annual and interim accounts, results announcements, internal control systems, procedures and accounting policies.

The Board receives guidance from FIM Secretary Limited, the Company Secretary to the Group, covering updates to relevant legalisation and rules to ensure they remain fully informed and able to make informed decisions.

Subsequent events

Please see note 20 for details of the Group's subsequent events.

Directors' confirmation

So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, Crowe U.K LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

By Order of the Board

Cameron Pearce

Director
12 January 2023

Corporate Governance

The Group recognises the importance of, and is committed to, high standards of Corporate Governance. At the date of this Report, and whilst the Group is not formally required to comply with the UK Corporate Governance Code 2018, the Group will try to observe, where practical, the requirements of the UK Corporate Governance Code 2018, as published by The Financial Reporting Council.

In addition, the Company intends to voluntarily observe the requirements of the UK Corporate Governance Code 2018, save as set out below. As at the date of the financial statements the Group is in compliance with the UK Corporate Governance Code 2018 with the exception of the following:

- Given the composition of the Board, certain provisions of the UK Corporate Governance Code, are considered by the Board to be inapplicable to the Company. The Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director and the Audit Committee does not have three independent non-executive directors
- Due to the current size of the company, and the early stages of the Project's life cycle, the Company has not developed a formal diversity policy, and investment in and rewarding of the workforce. Furthermore, there have been no board evaluations conducted within the year.
- The UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following the acquisition.
- No new Directors' nominations were brought forward by the Nomination Committee during the year.

As at the date of the financial statements, the Board has a share dealing code that complies with the requirements of the Market Abuse Regulations. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission.

Set below are Blencowe Resources Plc's corporate governance practices for the year ended 30 September 2022.

<u>Leadership</u>
The Company is headed by an effective Board which is collectively responsible of the long term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year, the Board met on 10 occasions.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- the Group's overall strategy;
- financial statements and dividend policy;
- management structure including succession planning, appointments and remuneration;
- material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- capital structure, debt and equity financing and other matters;
- risk management and internal controls;
- the Group's corporate governance and compliance arrangements; and
- corporate policies

Summary of the Board's work in the financial year - During the year, the Board considered all relevant matters within its remit, but focused in particular on exploration and development of the Orom-Cross Graphite Project in the Republic of Uganda.

Attendance at meetings:

Member		**Meeting attended**
Cameron Pearce	Executive Chairman	10
Sam Quinn	Non-Executive Director	10
Alexander Passmore	Non-Executive Director	10

The Board is pleased with the level of attendance and participation of Directors at Board and committee meetings.

The Chairman, Cameron Pearce, sets the Board Agenda and ensures adequate time for discussion.

Non-executive Directors - The non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors - Are initially appointed for a term of three years, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary is FIM Secretaries Limited which is retained on a consultancy basis. FIM Secretaries Limited is available to Directors and advises the Board on UK compliance matters.

<u>Effectiveness</u>

For the period under review the Board comprised of an Executive Chairman and two non-executive Directors.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - None of the Directors are considered to be independent, as they have shareholdings in the Company as notes. It is intended that additional Directors will be appointed in future and that independence will be one of the key factors taken into account at that time. As at the date of this Report no prospective Directors have been identified and no arrangements exist (formal or informal) for the appointment of any other Director.

Appointments - The Board is responsible for reviewing and the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments - All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an induction as soon as practical on joining the Board.

Conflict of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

<u>Accountability</u>

The Board is committed to provide shareholders with a clear assessment of the Group's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Going concern - As part of their going concern assessment, the Board of Directors have reviewed cash flow forecasts reviewed for the 12 months from the date these financial statements were signed and considered the medium term outlook through to December 2025 as described in the Viability Statement. The Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to December 2025 provided further funding can be raised as required.

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. Key controls consist of segregation of duties, authorisation and approval policies and accounting controls such as monthly reconciliations. The Company has necessary procedures in place for the year under review and up to the date of approval of the Annual Report and Financial Statements. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

The Audit Committee

The Audit Committee comprises of Cameron Pearce, chairman of the committee, and Alex Passmore and aims to meet at least twice a year and is responsible for ensuring that the Group's financial performance is properly monitored, controlled and reported to the Board. During the year of review, the Audit Committee met twice. The Audit Committee is responsible for the scope and effectiveness of the external audit and compliance by the Group with statutory and other regulatory requirements. Given the size of the Group and the relative simplicity of the systems, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Group of its size and include controls over expenditure, regular reconciliations and management accounts.

The Audit Committee monitors in discussion with the auditors:

- the integrity of the financial statements of the Group and significant financial reporting judgments contained in them
- any formal announcements relating to the Group's financial performance
- the Group's internal financial controls and risk management systems
- the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

External auditor's independence

Since the last tender which was conducted in 2018, Crowe U.K LLP has acted as independent auditor for five years.

Remuneration and Nominations Committee

A Remuneration and Nominations Committee was established during 2020 and is made up of the two non-executive directors. The Committee comprises Sam Quinn, chairman of the committee, and Alex Passmore. The Remuneration and Nomination Committee meets at least annually and is responsible for setting the remuneration policy for all executive directors and the Company's chairman, including pension rights and any compensation payments, recommends and monitors the level and structure of remuneration for senior management and evaluates the board of directors and examines the skills and characteristics required of board candidates. During the year of review, the Remuneration and Nomination Committee met once.

Remuneration paid to Directors in the period under review is disclosed in the Directors' Remuneration Report.

Shareholder relations

Communication and dialogue - Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim financial results. All Directors are kept aware of changes in major shareholdings in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results promptly to the market via RNS and also publishes them on the Company's website: www.blencoweresourcesplc.com. Regular market news updates are made in relation to the Company including the status of its exploration and development programme which is also included on the Company's website. Shareholders and other interested parties can subscribe to receive news updates by email by registering online on the website free of charge.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings are also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code (2018), the Board has assessed the prospects of the Company over a four-year period, taking account of the Company's current position and principal risks. For information regarding Group's going concern position and funding requirements over the next twelve months, please see note 2.7.

Time frame
The Board believes that four years is the most appropriate time frame over which the Board should assess the long-term viability of the Group. The Group's current activities do not generate any revenues or positive operating cash flow, and the development of the Orom-Cross Graphite Project to commence production and generate revenues will require significant capital expenditures. The Orom-Cross Graphite Project is not expected to generate positive net cash flow until approximately 2025, some three years from now.

Assessing viability
The main assumption in the Board making its viability assessment is the ability of the Group to raise further funds in order to progress from the exploration phase into feasibility and eventually into production of revenues. The Group may not be able to obtain additional financing as and when needed which could result in a delay or indefinite postponement of exploration and development activities. The expected cost of bringing the project to an initial production target of 75,000t is USD62,000,000.

Principal risk
The Directors have carried out a robust assessment of the principal risks facing the Group as described on the preceding pages including those that threaten its business model, future performance, solvency or liquidity. The Directors are confident that they have put in place a strong management team wide-ranging expertise in mineral exploration who are capable of dealing with the risk management in order to safeguard the Group's assets. The directors are aware that the risks that could have the most adverse effect are funding and capital markets, potential other risks include the political risk in the country of business.

Based on the financial impact of the analysis outlined above and the associated risks, management actions and controls that are either in place or could be implemented, the Board has been able to conclude that the Company will be able to deliver the Orom-Cross Graphite Project.

Confirmation of viability
Taking account of these matters, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2025, assuming that the financing referred to above is completed as described. The Company's going concern statement is detailed in note 2.7.

The Directors' Remuneration Report sets out the Company's policy on the remuneration of Directors together with the details of Directors' remuneration packages and services contracts for the year ended 30 September 2022.

The Remuneration and Nomination Committee comprises Sam Quinn, who acts as chairman of the committee and Alex Passmore, and meets at least annually. The Remuneration Committee reviews the scale and structure of the Directors' fees, taking into account the interests of the shareholders and the performance of the Company and Directors.

The items included in this report are unaudited unless otherwise stated.

The Company maintains contact with its shareholders about remuneration in the same way as other matters and, as required by Section 439 of the Companies Act 2006, this remuneration report will be put to an advisory vote of the Company's shareholders at the forthcoming Annual General Meeting.

Directors' Remuneration report

Statement of Blencowe Plc's policy on Directors' Remuneration

As set out in the Company's Prospectus dated 30 March 2020, each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. All the Directors are entitled to be reimbursed by the

Company for travel, hotel and other expenses incurred by them in the course of their directors' duties relating to the Company.

Any fees payable to the Directors after an Acquisition will be determined as part of the negotiations for the Acquisition, and will be dependent on whether the Directors remain on the board of the Company in any event.

There have been no changes to the Directors' remuneration or remuneration policy since the publication of the Company's Prospectus dated 30 March 2020 with the exception of those mentioned below. The terms and conditions of appointment for all the members of the Board are available for inspection at our registered office.

Terms of employment

Cameron Pearce was appointed on 8 June 2018 by the Company to act as a Non-Executive Director and Chairman of the Company with fees of £36,000 per annum. Following the Company's readmission to the London Stock Exchange ("LSE") on 28 April 2020, Mr Pearce was reappointed with fees of £96,000 per annum. The appointment is for an initial term of 24 months and thereafter can be terminated by the Company on six months written notice or by Mr Pearce on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Pearce will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Pearce chooses to terminate his appointment within 12 months following a change of control.

Sam Quinn was appointed on 8 June 2018 by the Company to act as a Non-Executive Director with fees of £24,000 per annum. Following the readmission of the Company to the LSE on 28 April 2020, Mr Quinn was engaged as a Non-Executive director with fees of £24,000 per annum. The appointment is for an initial term of 24 months and thereafter the appointment can be terminated by the Company on six months written notice or by Mr Quinn on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Quinn will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Quinn chooses to terminate his appointment within 12 months following a change of control.

Alex Passmore was appointed on 8 June 2018 by the Company to act as a Non-Executive Director with fees of £12,000 per annum. Following the readmission of the Company to the LSE on 28 April 2020, Mr Passmore was engaged as a Non-Executive director with fees of £24,000 per annum. On 12 May 2020, the Board agreed to keep Mr Passmore's fees at £12,000 per annum until further capital is raised. On 15 March 2021, the Board agreed to increase Mr Passmore's fees from 1 March 2021 to £18,000 per annum. The appointment is for an initial term of 24 months and thereafter the appointment can be terminated by the Company on six months written notice or by Mr Passmore on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Passmore will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Passmore chooses to terminate his appointment within 12 months following a change of control.

Remuneration Policy

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy. Currently, there are no benefits in place.

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors:

	Cameron Pearce	**Sam Quinn**	**Alexander Passmore**	**Total**
30 September 2021				
Base fee	96,000	24,000	15,000	135,000
Share Based Payments	71,318	49,923	21,395	142,636
Total 30 September 2021	**167,318**	**73,923**	**36,395**	**277,636**
30 September 2022				
Base fee	96,000	24,000	18,000	138,000
Bonuses	16,000	4,000	3,000	23,000
Share based payments	21,068	14,045	7,023	42,136
Total 30 September 2022	**133,068**	**42,045**	**28,023**	**203,136**

The percentage of directors' emoluments of the total administrative costs for the year is 30% (2021: 34%). The directors' base fees increased did not increase (2021: 36%). While the base salary costs of the key management employees increased by 28% (2021: 82%).

Statement of Directors' shareholding and share interest

The Directors who served during the year ended 30 September 2022, and their interests at that date, are disclosed.

Issue of options

As at the reporting date, the number of shares options that the Company has issued to the Board and Senior Management are as follow;

Cameron Pearce (Chairman)	5,000,000
Mike Ralston (CEO)	5,500,000
Lionshead Consultants Ltd (Sam Quinn) (Non Exec Director)	3,750,000
Alexander Passmore (Non Exec Director)	1,750,000
Iain Wearing (COO)	5,000,000

For further information, please see notes 17 and 20.

Other matters

The Company does not currently have any annual or long-term incentive schemes (other than the one stated above) in place for any of the Directors and as such there are no disclosures in this respect.

The Company does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors.

As the Company currently has no trade, no performance graph and table has been included but will be included in future accounting periods.

By Order of the Board

Sam Quinn

Director
12 January 2023

Independent Auditor's Report to the Members of Blencowe Resources Plc

Opinion

We have audited the financial statements of Blencowe Resources Plc (the "Parent Company") and its subsidiary (the 'Group') for the year ended 30 September 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, Parent Company statement of financial position, consolidated statement of changes in equity, Parent Company statement of changes in equity, consolidated statement of cash flows, Parent Company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards ; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.7 to the financial statements, which explains that the Group and Parent Company's ability to continue as a going concern is dependent on the availability on further fundraising. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have highlighted going concern as a key audit matter due to the estimates and judgements the Directors are required to make in their going concern assessment, and their effect on our audit strategy. Our audit work in response to this key audit matter included:

- We obtained the going concern assessment prepared by the directors, and performed a detailed review of the supporting cash flow forecasts. We challenged the key assumptions based on expected activity within the going concern period, and comparison to historical actual monthly expenditure.
- We held discussions with the directors on how they plan to raise the funding required by the cash flow forecasts. This was considered against their previous success in fundraising for the project.
- We reviewed the completeness of disclosures made in the financial statements in relation to going concern, and that these are in line with the going concern assessment provided to us by the directors.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £140,000 (2021 £105,000), based on 2% of total assets. Materiality for the Parent Company financial statements as a whole was set at £120,000 (2021: £90,000) based on 2% of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £98,000 (2021: £74,550) for the group and £84,000 (2021: £63,900) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with those charged with governance to report to it all identified errors in excess of £7,000 (2021: £5,250). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through the Parent Company based in the United Kingdom whose main function is the incurring of administrative costs and providing funding to the exploration subsidiary in Uganda. In addition to the Parent Company, the Ugandan subsidiary was considered to be a significant component.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed in respect of each component. A full scope audit of both the Parent Company and the Ugandan subsidiary were carried out by the group audit team.

Given the Ugandan subsidiary is in the exploration stage of its work, we did not consider it necessary to visit Uganda. Documentation and explanations from Uganda were obtained remotely.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We set out below, together with the material uncertainty related to going concern above, those matters we considered to be key audit matters.

Key audit matter	How the scope of our audit addressed the key audit matter
1. Carrying value of intangible assets (note 9) The Group carries intangible assets totalling £6.6m (2021: £5.3m) in relation to the Orom-Cross project in Uganda. These costs are capitalized in accordance with the requirements of IFRS 6. At each reporting date, the directors are required to assess whether there are any indicators of impairment, that would require an impairment assessment to be carried out. The directors concluded there were no indicators of impairment. The directors' consideration of the impairment indicators requires them to make certain judgements, and may include certain estimates. These matters, together with the materiality of the exploration and evaluation assets make this a key audit matter.	We obtained and reviewed the directors' assessment of the indicators of impairment, as set out in IFRS 6 "Exploration for and evaluation of mineral resources". The following work was undertaken: • We obtained copies of all licenses held by the Group, and performed procedures to confirm the Group's control of the licenses, that they remain valid, and to check there is an expectation that exploration licenses will be renewed in the normal course of business. • We made specific enquiries of the directors and key staff involved in the exploration work, and reviewed budgets and forecasts to support the Group continuing with further exploration work in each of its license areas. • We considered the results of the pre-feasibility study completed during the period, for any matters that may indicate impairment. • We reviewed the adequacy of disclosures in the financial statements in relation to the impairment consideration. Based on our work performed, we consider the directors' assessment, and the financial statements disclosures to be appropriate.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out in the notes, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and the procedures in place for ensuring compliance. The most significant regulations identified were the Companies Act 2006, listing rules of the London Stock Exchange and the requirements of the Group's mining and exploration licenses. Our work included direct enquiry of the directors, who oversee all legal proceedings, reviewing Board minutes and inspection of correspondence.
- We made enquiries of management, and external legal counsel in Uganda about any litigations and claims and compliance with local legislation in Uganda.
- We performed detailed substantive testing over the expenses in connection with the Akelikongo project that was exited during the period. We held discussions with management, and reviewed documentation from external sources to confirm the project was a bona-fide transaction, and that there were no indications of undisclosed related party involvement.
- We communicated the relevant laws and regulations identified to all members of the engagement team, and remained alert to any indication of non-compliance with laws and regulations, or potential fraud, throughout our audit work.
- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimation or judgement, this included risk-based testing of journal transactions using data analytic software, both at the year end and throughout the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board of Directors on 14 December 2018 to audit the financial statements for the period ending 30 September 2018. Our total uninterrupted period of engagement is five years, covering the periods ending 30 September 2018 to 30 September 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group's or the company and we remain independent of the group's and the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, U.K.

Date: 12 January 2023

Consolidated Statement of Comprehensive Income for the year ended 30 September 2022

	Notes	**30 Sep 2022 GBP**	**30 Sep 2021 GBP**
Exploration costs		(4,853)	(11,690)
Impairment - Akelikongo project		(404,533)	-
Administrative fees and other expenses	5	(681,488)	(815,415)
Adjustments to surface liability	15	51,316	177,639
Operating loss		**(1,039,558)**	**(649,466)**
Finance costs		(45,916)	(45,260)
Loss before tax		**(1,085,474)**	**(694,726)**
Income tax	8	**-**	**-**
Loss for the year attributable to owners of the parent		**(1,085,474)**	**(694,726)**
Other comprehensive income			
Exchange differences on translation of foreign operation:		**(4,205)**	3,662
Other comprehensive (loss)/income, net of tax		**(4,205)**	3,662
Total comprehensive loss attributable to owners of the parent		**(1,089,679)**	**(691,064)**
Basic and diluted loss per share (pence)	10	**(0.68)**	**(0.61)**

Consolidated Statement of Financial Position as at 30 September 2022

	Notes	**30 Sep 2022 GBP**	**30 Sep 2021 GBP**

Non-Current Assets			
Intangible assets	9	6,615,253	5,296,289
Current assets			
Trade and other receivables	13	85,847	52,580
Cash and cash equivalents		346,994	93,288
Total current assets		**432,841**	**145,868**
Total assets		**7,048,094**	**5,442,157**
Current liabilities			
Creditors: Amounts falling due within one year	14	(326,375)	(280,071)
Total current liabilities		**(326,375)**	**(280,071)**
Non-current liabilities			
Surface liabilities	15	(823,852)	(887,560)
Total liabilities		**(1,150,227)**	**(1,167,631)**
Net assets		**5,897,867**	**4,274,526**
Equity			
Share capital	16	1,181,316	901,316
Share premium	16	7,480,829	5,132,081
Share options reserve	17	402,148	317,876
Translation reserve	2.9	(543)	3,662
Accumulated losses		(3,165,883)	(2,080,409)
Total equity		**5,897,867**	**4,274,526**

These financial statements were approved by the Board of Directors and authorised for issue on 12 January 2023 and signed on its behalf by:

Cameron Pearce Sam Quinn

Director Director

Parent Statement of Financial Position as at 30 September 2022

	Notes	30 Sep 22 GBP	Restated 30 Sep 21 GBP
Fixed assets			
Investment in subsidiaries	11	4,892,924	3,936,953
Non-current assets	12	521,944	445,804
Total fixed assets		**5,414,868**	**4,382,757**
Current assets			
Trade and other receivables	13	315,030	187,163
Cash and cash equivalents		346,994	93,288
Total current assets		**662,024**	**280,451**
Total assets		**6,076,892**	**4,663,208**
Current liabilities			
Creditors: Amounts falling due within one year	14	(159,530)	(280,110)
Total current liabilities		**(159,530)**	**(280,110)**
Net assets		**5,917,362**	**4,383,098**
Equity			
Share capital	16	**1,181,316**	**901,316**
Share premium	16	**7,480,829**	**5,132,081**
Share options reserve	17	**402,148**	**317,876**
Accumulated losses		**(3,146,931)**	**(1,968,175)**
Total equity		**5,917,362**	**4,383,098**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £1,178,756 (2021: £651,982).

The Financial Statements were approved and authorised for issue by the Board of Directors on 12 January 2023 and were signed on its behalf by:

Cameron Pearce   Sam Quinn

Director   Director

Consolidated Statement of Changes in Equity for the year ended 30 September 2022

	Share capital GBP	Share premium GBP	Share option reserve GBP	Accumulated losses GBP	Translation reserve GBP	Total equity GBP
Balance as at 30 Sep 2020	**783,333**	**3,876,650**	**100,471**	**(1,453,551)**	**-**	**3,306,903**
Loss for the year	-	-	-	(694,726)	-	(691,064)
Exchange differences on translation of foreign operations	-	-	-	-	3,662	3,662
Total comprehensive loss	**-**	**-**	**-**	**(694,726)**	**3,662**	**(691,064)**
Transactions with owners						
New shares issued (note 16)	117,983	1,344,300	-	-	-	1,462,283
Share issue costs	-	(88,869)	-	-	-	(88,869)
Issue of share options/warrants	-	-	285,273	-	-	285,273
Movement on warrant reserve	-	-	(67,868)	67,868	-	-
Total transactions with owners	**117,983**	**1,255,431**	**217,405**	**67,868**	**-**	**1,658,687**
Balance as at 30 Sep 2021	**901,316**	**5,132,081**	**317,876**	**(2,080,409)**	**3,662**	**4,274,526**
Loss for the year	-	-	-	(1,085,474)	-	(1,085,474)
Exchange differences on translation of foreign operations	-	-	-	-	(4,205)	(4,205)
Total comprehensive loss	**-**	**-**	**-**	**(1,085,474)**	**(4,205)**	**(1,089,679)**
Transactions with owners						
New shares issued (note 16)	280,000	2,520,000	-	-	-	2,800,000
Share issue costs	-	(171,252)	-	-	-	(171,252)
Issue of share options		-	84,272	-	-	84,272
Total transactions with owners	**280,000**	**2,348,748**	**84,272**	**-**	**-**	**2,713,020**
Balance as at 30 Sep 2022	**1,181,316**	**7,480,829**	**402,148**	**(3,165,883)**	**(543)**	**5,897,867**

Parent Statement of Changes in Equity for the year ended 30 September 2022

	Share capital GBP	Share premium GBP	Share option reserve GBP	Accumulated losses GBP	Total equity GBP
Balance as at 30 Sep 2020	**783,333**	**3,876,650**	**100,471**	**(1,384,061)**	**3,376,393**
Loss for the year	-	-	-	(651,982)	(651,982)
Total comprehensive loss	**-**	**-**	**-**	**(651,982)**	**(651,982)**

Total transactions with owners					
New shares issued (note 16)	117,983	1,344,300	-	-	1,462,283
Share issue costs	-	(88,869)	-	-	(88,869)
Issue of share options/warrants	-	-	285,273	-	285,273
Movement on warrants reserves	-	-	(67,868)	67,868	-
Total transactions with owners	**117,983**	**1,255,431**	**217,405**	**67,868**	**1,658,687**
Balance as at 30 Sep 2021	**901,316**	**5,132,081**	**317,876**	**(1,968,175)**	**4,383,098**
Loss for the year	-	-	-	(1,178,756)	(1,178,756)
Total comprehensive loss	**-**	**-**	**-**	**(1,178,756)**	**(1,178,756)**
Total transactions with owners					
New shares issued (note 16)	280,000	2,520,000	-	-	2,800,000
Issue of share options/warrants	-	-	84,272	-	84,272
Share issue costs	-	(171,252)	-	-	(171,252)
Total transactions with owners	**280,000**	**2,348,748**	**84,272**	**-**	**2,713,020**
Balance as at 30 Sep 2022	**1,181,316**	**7,480,829**	**402,148**	**(3,146,931)**	**5,917,362**

Consolidated Statement of Cash Flows for the year ended 30 September 2022

	Notes	30 Sep 2022 GBP	30 Sep 2021 GBP
Operating activities			
Loss after tax		(1,085,474)	(694,726)
Finance costs		45,916	45,260
Adjustment to Surface Liability	15	(51,316)	(177,639)
Share issue/warrant cost	17	84,272	285,273
Impairment - Akelikongo costs	9	404,533	-
Unrealised currency translation		(208,371)	55,785
Changes in working capital			
(Increase)/decrease in trade and other receivables		(33,267)	19,441
Increase/(decrease) in trade and other payables		76,483	(9,494)
Net cash flows utilised by operating activities		**(767,224)**	**(476,100)**
Cash flows from investing activities			
Investment in exploration assets	9	(1,423,236)	(976,084)
Net cash flows utilised by investing activities		**(1,423,236)**	**(967,084)**
Cash flows from financing activities			
Payment of Surface Liability		-	(33,798)
Shares issued (net of issue cost)	16	2,444,166	1,373,414
Net cash flows from financing activities		**2,444,166**	**1,339,616**
Increase/(decrease) in cash and cash equivalents		**253,706**	**(112,568)**
Cash and cash equivalents at the beginning of the year		93,288	205,856
Cash and cash equivalents at 30 September		**346,994**	**93,288**

Non-cash transaction

As part of the share issue on 15 December 2021, £184,582 was settled against creditor balances outstanding. This amount has been reflected in the working capital movement and the cash received on shares issued.

Net Debt note

	Cash at bank and in hand GBP	Surface Liability GBP	Total GBP
At 1 October 2020	205,856	(1,024,737)	**(818,881)**
Cash flows	(112,568)	33,798	**(112,568)**
Other non-cash changes	-	103,379	**137,179**
As 30 September 2021	93,288	(887,560)	**(794,272)**
As 30 September 2021	93,288	(887,560)	**(794,272)**
Cash flows	253,706	-	**253,706**
Other non-cash changes	-	(90,695)	**(90,695)**
As 30 September 2022	346,994	(978,255)	**(631,261)**

Parent Statement of Cash Flows for the year ended 30 September 2022

	Notes	30 Sep 2022 GBP	30 Sep 2021 GBP
Operating activities			
Loss after tax		(1,178,756)	(651,982)
Less finance income		(24,354)	(21,564)
Increase in bad debt provision	12,13	9,408	12,048
Share issue/warrant cost	17	84,272	285,273
Changes in working capital			
Increase in trade and other receivables		(120,783)	(80,559)
Increase/(decrease) in trade and other payables		64,002	(25,632)
Net cash flows from operating activities		**(1,166,211)**	**(482,416)**
Cash flows from investing activities			
Loan advanced to subsidiary		(68,278)	(102,982)
Investment in subsidiary, relating to exploration costs paid	11	(955,971)	(900,467)
Net cash flows from investing activities		**(1,024,249)**	**(1,003,450)**
Cash flows from financing activities			
Shares issued (net of issue cost)	16	2,444,166	1,373,414
Net cash flows from financing activities		**2,444,166**	**(1,373,414)**
Increase/(decrease) in cash and cash equivalents		**253,706**	**(112,452)**
Cash and cash equivalents at the beginning of the year		93,288	205,740
Cash and cash equivalents at 30 September		**346,994**	**93,288**

Non-cash transaction

As part of the share issue on 15 December 2021, £184,582 was settled against creditor balances outstanding. This amount has been reflected in the working capital movement and the cash received on shares issued.

Notes to the Financial Statements for the year ended 30 September 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 is situated in England and Wales at 167-169 Great Portland Street, Fifth Floor London, W1W 5PF.

The Group did not earn any trading income during the year under review but incurred expenditure associated with financing and operation of the Group and developing its principal assets.

2. Accounting Policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the Company and Group's Financial Statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

The Company and Group's Financial Statements have been prepared in accordance with UK adopted international accounting standards ("IFRS"). The Company Financial Statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

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

Prior year adjustment

The Parent Company statement of financial position has been restated to reclassify expenditure incurred by the Company on the Orom Cross project from intangible assets to investments in subsidiary. This has been done as exploration intangible assets can only be recognised by the company which holds the rights to explore. This is a change in classification only and results in a decrease in intangible assets and increase in investment of £1,936,953 at 30 September 2021. (Note 9)

2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary Blencowe Resources Uganda Ltd ("BRUL") (formerly Consolidated African Resources (Uganda) Ltd ("CARU")).

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised, are eliminated in full.

2.3 Changes in significant accounting policies

The Group has adopted all new IFRS and amendments to IFRS applicable for this period. There has been no change to the Group's accounting policies as a result, and no other significant impact to the financial statements.

2.4 Standards, amendments and interpretations to published standards not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- IFRS 17 Insurance Contracts - Effective for periods beginning on or after 1 January 2023
- Classification of liabilities as current or non-current (Amendments to IAS 1) - Effective for periods beginning on or after 1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - Effective for periods beginning on or after 1 January 2023
- Definition of Accounting Estimate (Amendments to IAS 8) - Effective for periods beginning on or after 1 January 2023
- Deferred Tax Related to Leases and Decommissioning Obligations - Amendments to IAS 12 Income Taxes - Effective for periods beginning on or after 1 January 2023
- Leases - amendments IFRS 16 to clarify how a seller-lessee subsequently measures sale and leaseback transactions - Effective for periods beginning on or after 1 January 2024.
- Classification of debt with covenants (Amendments to IAS 1) - Effective for periods beginning on or after 1 January 2024.

The Directors have reviewed the IFRS standards in issue which are effective for annual accounting years ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial statements of the Group.

2.5 Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurements of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, exploratory drilling, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Impairment

Exploration and evaluation assets are not subject to amortisation until production commences but are assessed for impairment when an event or trigger requires an assessment to be carried out. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ("CGU's"), which are based on specific projects or geographical areas. Currently there is only one CGU relating to the Orom-Cross Project. Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Statement of Comprehensive Income.

Exploration and evaluation assets recorded at fair-value on acquisition

Exploration assets which are acquired are recognised at fair value. When an entity is acquired whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration.

2.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

(i) *Financial assets*

Financial assets are classified at initial recognition. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Classification and measurement is based on both whether contractual cash flows are solely payments of principal and interest; and whether the debt instrument is held to collect those cash flows. In the case of the Group, all financial assets meet this criteria and they are held at amortised cost.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the ECL model.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a '12-month ECL'). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a 'lifetime ECL').

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. The Group's financial liabilities include trade and other payables and surface liabilities.

Subsequent measurements

Surface liabilities and trade and other payables.

After initial recognition, surface liabilities and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

2.7 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Chief Executive Officer's Statement.

The Group had £7,048,094 of total assets at 30 September 2022 (2021: £5,442,157), of which £346,994 are held as cash and cash equivalents (2021: £93,288).

As part of their going concern assessment, the Board of Directors have reviewed cash flow forecasts reviewed for the 12 months from the date these financial statements were signed and considered the medium term outlook through to 2025 as described in the Viability Statement. The Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to December 2025 provided further funding can be raised as required.

Subsequent to the year-end the Group has raised additional funding through a share capital raised in order to further the development of the Group's activities (see note 20) however, the Board of Directors appreciate that significant further funding will be required to achieve the desired project outcome of cash generative production in 2025. The raising of further funding is not guaranteed and will be dependent on a successful definitive feasibility study to demonstrate the commercial potential of the project, for these reasons there is a material uncertainty in respect of going concern.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Warrants

Warrant options are classified as equity. The fair value of the warrants has been calculated using the Black-Scholes option pricing model. For more information, please see note 17.

Share options

The Group accounts for the equity-settled share options it has issued in accordance with IFRS 2. The share options are recognised at their fair value at the date of grant. The total share based payment charge expensed is recognised over the vesting period, which is the period over which performance conditions are to be satisfied. The fair value is calculated using the Black-Scholes option pricing model. The inputs used in the model are based on management's best estimate.

No expense is recognised for options that do not ultimately vest, except for awards where vesting is conditional on a market condition or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided all other performance or service conditions are satisfied.

2.9 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Great British Pounds currency (GBP).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on the consolidation of the Group's companies are accumulated in the translation reserve. The Company's only subsidiary is Blencowe Resources Uganda Limited, whose functional currency is USD

2.10 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive potential Ordinary Shares.

2.11 Income tax

Income tax expense comprises current tax and deferred tax.

Current income tax

A 19% rate of corporate income tax applies to the Company.

Deferred income tax

Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the period when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

2.12 Cash and cash equivalents

Cash and cash equivalents in the Company and Group statements of financial position comprise bank balances only.

3. Critical accounting estimates and judgments

In preparing the Company and Group Financial Statements, the Directors are required to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, may not accurately reflect the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting estimates

Interest charge on amounts falling after one year

At year end NPV of the surface rights owed to the owners of the land is £978,255 (2021: £887,560). Interest is charged on the liabilities at a rate of 5%, if the discount rate used to calculate the present value of the liabilities was to increase by 1%, the carrying value of the surface rights liability would decrease by around £60,000 (2021: £25,000). The interest charged during the year was for the surface rights was £45,916 (2021: £45,260), if the rate was increased by 1% then the interest charge would increase by approximately £5,000 (2021: £17,000). For further information on the lease, please see note 15.

Critical accounting judgements

Impairment of intangible assets - exploration and evaluation costs

IFRS 6 requires entities recognising exploration and evaluation assets to perform an impairment test on those assets when specific facts and circumstances indicate an impairment test is required. The assessment involves judgement as to the status of licenses and the likelihood of renewal of exploration licenses which expire in the near future. The directors also make a judgement on the ability to meet license obligations, budgets and plans for future exploration activity, the results of that exploration activity, and to assess the recoverability of the capitalised exploration and evaluation costs on development of the project.

Going concern

In their assessment of going concern, the Directors have prepared cash flow forecast showing the Groups' expected future expenditure. The Directors were required to make estimated and judgements over future cash flows and funding. For further information about the Group's going concern, please see note 2.7.

4. Operating Segment activities

The Group is engaged in the business of mining. At this stage in the Group's development, the Group is focusing on financing and continued development of the Orom-Cross Graphite Project. Which is the only operating segment, and all non-current assets are located in Uganda.

With no income in the year the Group continues to monitor the loss before tax to ensure the continued viability of the Group and ability to continue to develop the project.

5. Administrative fee and other expenses

	30 Sep 2022 GBP	**30 Sep 2021** GBP
Directors' remuneration (see note 6)	173,413	138,787
Professional fees	274,333	100,256
Salaries (see note 7)	142,500	58,000
Listing fees	26,910	42,535
Audit fees	29,000	25,000
Share option/warrant cost (see note 17)	84,272	285,273
Administration fees	47,000	52,000
Broker fees	38,048	48,990
Travelling expenses	34,167	1,529
Miscellaneous fees	30,862	3,855
Foreign currency (gain)/loss	(199,017)	59,190
Total	**681,488**	**815,415**

Key management remuneration, together with any share-based payments, are disclosed in note 7.

6. Directors' remuneration

	30 Sep 2022 GBP	**30 Sep 2021** GBP
Base fees	138,000	135,000
Employer NI	2,770	2,095
Bonuses	23,000	-
Directors expenses	9,643	1,691
Share based payments	42,136	142,636
Total	**215,549**	**281,423**

In addition, the Directors received options which are disclosed in note 17. The total value of warrants issued to the Directors during the financial year is £Nil (2021: £Nil).

7. Key management personnel

The number of key management (excluding members the Board) employees throughout the year was as follows;

	30 Sep 2022	**30 Sep 2021**
By the Company	2	2
By the Group	2	2

The key management employees who were appointed during the year, together with details of their interest in the shares of the Company as at the reporting date were:

	Number of shares	**Value of the shares**
Michael Ralston - CEO	2,725,000	£163,950

Michael Ralston - CEO	2,725,000	£163,950
Iain Wearing - COO	208,333	£12,500

The total base salary costs for the year was £142,500 (2021: £111,000) of which £75,000 (2021: £53,000) were capitalised as they are related to the Orom-Cross Graphite Project. Total share-based payments for the year were £42,136 (2021: £142,636). There was no other component of compensation.

8. Taxation

Analysis of charge in the year	**30 Sep 2022**	**30 Sep 2021**
	GBP	GBP
Current tax:		
UK Corporation tax on loss for the year	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	-	-

	30 Sep 2022	**30 Sep 2021**
	GBP	GBP
Loss on ordinary activities before tax	(1,178,756)	(584,114)
Expenses not deductible for tax	182,679	341,988
Total taxable loss for the year	(996,077)	(242,126)
Analysis of charge in the year		
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 19% (2021: 19%)	(189,255)	(46,004)
Tax losses carried forward	(189,255)	(46,004)
Current tax charged	-	-

The Parent Company has accumulated tax losses arising in the UK of £2,480,826 (2021: £1,484,749) that are available, under current legislation, to be carried forward against future profits.

9. Intangible and other assets

For the year ended 30 September 2022 intangible assets represent only capitalised costs associated with the Group's exploration, evaluation and development of mineral resources.

Group	**Exploration assets**	**Total**
	GBP	GBP
Balance at 30 September 2020	4,377,127	4,377,127
Additions - during the year	976,084	976,084
Exchange Differences	(56,922)	(56,922)
Balance at 30 September 2021	5,296,289	5,296,289
Additions - during the year	1,423,236	1,426,236
Impairment - Akelikongo costs	(404,533)	(404,533)
Exchange Differences	300,261	300,261
Balance at 30 September 2022	6,615,253	6,615,253

Company	**Exploration assets**	**Total**
	GBP	GBP
Balance at 30 September 2021 as previously stated	1,936,953	1,936,953
Prior year adjustment to reallocate to investment in subsidiary (note 11)	(1,936,953)	(1,936,953)
Balance at 30 September 2021 (as restated), and as at 30 September 2022	-	-

On 22 February 2022 the Group entered project Akelikongo which is a Nickel project with SIPA this project was to be acquired in stages. On completion of the first stage, the Board made a decision to terminate the agreement on 6 September 2022 so that they could focus on the Orom project, following the positive results from its pre-feasibility study. As a result, the costs capitalised relating to the Akelikongo project were fully impaired at that date.

Other additions during the year represent exploration costs at Orom-Cross Graphite Project which were required to carry out the initial drilling costs and testing of the mineral. Management performed a review for indications of impairment as at 30 September 2022 and concluded no impairment was required.

The exploration assets in the Company have been restated at 30 September 2021 and reclassified to the investment in subsidiary as this entity is the mining licence holder.

10. Loss per share

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

	30 Sep 2022	30 Sep 2021
Earnings		
Loss from continuing operations for the year attributable to the equity holders of the Company (£)	(1,085,474)	(694,726)
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	160,790,224	114,070,173
Basic and diluted loss per share (pence)	**(0.68)**	**(0.61)**

11. Investment in subsidiary

Details of the Company's subsidiary at 30 September 2022 are as follows:

Name of the subsidiary	Place of incorporation	Portion of ordinary shares held	Principal activity
Blencowe Resources Uganda Ltd (Formerly Consolidated African Resources (Uganda) Ltd)	Uganda	100%	Exploration

	30 Sep 2022	30 Sep 2021
Investments in subsidiary		
Investments at the beginning of the year as previously stated	3,936,953	2,000,000
Prior year adjustment to reclassify from exploration assets (note 9)	-	1,936,953
Additions during the year	955,971	-
Total investment in subsidiary	**4,892,924**	**3,936,953**

12. Long term: non-current assets

	30 Sep 2022		30 Sep 2021	
	Group GBP	Company GBP	Group GBP	Company GBP
Loan to subsidiaries (see below)	-	549,415	-	469,267
Less: ECL provision	-	(27,471)	-	(23,463)
Total	**-**	**521,944**	**-**	**445,804**

On 18 December 2020 the Company and its subsidiary entered into a loan agreement. This agreement replaces any previous loan agreements. The facility is for an amount up to £5,000,000 and carries an interest of 5% per annum chargeable at year end.

Following the acquisition of BRUL, the loan now is considered to be a long-term asset.

During the year, the Company agreed to cover some expenses for Blencowe Resources Uganda Ltd (BRUL) for the value of £88,148 (2021: £102,983). The amount borrowed at the year end was £487,081 (2021: £431,288). The total interest charged for the year ended 30 September 2021 was £24,354 (2021: £21,564). The interest payable at the yearend was £62,334 (2021: £37,979).

The value of the loan is subject to 12 months ECL of 5%, representing the possible default events over the next 12 months of the financial instrument. Due to the increase of expenses paid by the Company on behalf of BRUL, the loan and its interest has increased, this has led to an increase in the provision during the year.

	30 Sep 2022		30 Sep 2021	
	Group GBP	Company GBP	Group GBP	Company GBP
Brought forward ECL provision	-	23,463	-	18,499
Provision expense	-	4,008	-	4,964
Carried forward ECL provision	**-**	**27,471**	**-**	**23,463**

13. Trade and other receivables

30 Sep 2022	30 Sep 2021

	Group	Company	Group	Company
	GBP	GBP	GBP	GBP
Other receivables	24,765	253,948	8,752	143,335
Prepayments	61,082	61,082	43,828	43,828
Total	**85,847**	**315,030**	**52,580**	**187,163**

Included within other receivables is amounts receivable from BRUL.

	Group	Company	Group	Company
	GBP	GBP	GBP	GBP
Amount receivable from BRUL (formerly CARU)	-	241,667	-	141,667
Less: ECL provision	-	(12,083)	-	(7,084)
Total	**-**	**229,584**	**-**	**134,583**

In the current year the value of the receivable was subject to 12 months ECL of 5%. The increase in the provision expense is due to the charge of management fees from the Company to its subsidiary BRUL. As of the year end, the amount that BRUL (formerly CARU) owes the Company on management services was £241,667 (2021: £141,667).

	30 Sep 2022		**30 Sep 2021**	
	Group	Company	Group	Company
	GBP	GBP	GBP	GBP
Brought forward ECL provision	-	7,084	-	-
Provision expense	-	4,999	-	7,084
Carried forward ECL provision	**-**	**12,083**	**-**	**7,084**

14. Creditors: Amounts falling due within one year

	30 Sep 2022		**30 Sep 2021**	
	Group	Company	Group	Company
	GBP	GBP	GBP	GBP
Trade Payables	140,018	127,577	238,614	238,653
Land Owners Liability	154,403	-	-	-
Accruals	31,954	31,953	41,457	41,457
Total	**326,375**	**159,530**	**280,071**	**280,110**

15. Creditors: Amounts falling after one year

The Ugandan Mining Act 2003 requires an applicant for a mining lease to obtain surface rights from landowners in the mineral area before the respective mining lease can be granted. Accordingly, when the Group acquired its subsidiary, it obtained surface rights by way of 49 years lease over the area. The liability to the landowners 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.

On 10 September 2022 the surface rights agreement was revised and signed between the Locomo Communal Land Association and Blencowe Resources Uganda Limited, the surface rights remain at 49 years. The liability to the land owners will be paid in 8 instalments at defined dates with the final payment due in 2035.

	30 Sep 2022	**30 Sep 2021**
	GBP	GBP
Total payable as at 1 October	887,560	1,024,737
Change in estimate	(51,316)	(177,639)
Interest charged during the period	45,916	45,260
Exchange loss/(gain) on valuation	96,095	(4,798)
Total payable as at 30 September	**978,255**	887,560
Analysis between current and non-current liability		
Payable within 12 months	154,403	-
Payable after 12 months	823,852	887,560
	978,255	**887,560**

The value of the liability is measured at the present value of the contractual payments due to the Land Owners' Association over the lease term, with the discount rate of 5%.

At the statement of financial position date, the Group undiscounted amount payable to the Land Owners is;

	2022	2021
	GBP	GBP
Payable within 1 years	154,403	-

Payable within 2-5 years	308,806	279,964
Payable after 5 years	926,418	979,875
	1,389,627	1,259,839

16. Share capital

	Number of shares issued	Nominal value per share GBP	Share capital GBP	Share Premium GBP	Total share capital GBP
At 30 Sep 2020	**98,333,326**		**783,333**	**3,876,650**	**4,659,983**
Issue of Ordinary Shares	23,596,624	0.005	117,983	1,344,300	1,462,283
Share issue costs	-	-	-	(88,869)	(88,869)
At 30 Sep 2021	**121,929,950**		**901,316**	**3,876,650**	**6,033,397**
Issue of Ordinary Shares	56,000,000	0.005	280,000	2,520,000	2,800,000
Share issue costs	-	-	-	(171,252)	(171,252)
At 30 Sep 2022	**177,929,950**		**1,181,316**	**7,480,829**	**8,662,145**

During the year ended 30 September 2022, the Company issued the following shares;

Date	Number of Ordinary Shares issued	Nominal Share Value GBP	Share price GBP
15 December 2021	40,000,000	0.005	0.0500
19 April 2022	16,000,000	0.005	0.0500

All of the shares issued are classed as ordinary and have similar rights attached to them. 20,000,000 warrants classified as equity were issued with the 15 December 2021 share issue, and a further 8,000,000 warrants classified as equity were issued with the 19 April 2022 share issue.

The Directors are authorised to issue 196,679,950 ordinary shares. As at 30 September 2022 the number of shares issued and fully paid were 177,594,950 (2021: 121,929,950), 335,000 of the shares issued in December 2021 are still unpaid at year end.

17. Share based payments

Warrants

The following warrants were issued in exchange for a good or service:

	30 Sep 2022		**30 Sep 2021**	
Warrants	Number warrants	Weighted Average exercise price	Number warrants	Weighted Average exercise price
Outstanding on 01 Oct	1,250,000	6.00p	1,250,000	6.00p
Issued during the year	-	-	-	-
Cancelled/ Exercised	-	-	-	-
Outstanding on 30 Sep	**1,250,000**	**6.00p**	1,250,000	6.00p
Weighted average remaining contractual Life		**0.57 years**		1.57 years

The warrants have no vesting period and have been recognised in full upon issue. If the warrants remain unexercised after a period of three years from the date of grant, they will expire. The holder may exercise the subscription right at any time within the subscription period.

The above warrants were valued using the Black Scholes valuation method. The assumptions used are detailed below. The expected future volatility has been determined by reference to the average volatility of similar entities:

Warrants	**30 Sep 2021**
Weighted Average Share Price	6.00p
Weighted Average Exercise Price	6.00p

Expected Volatility	51%
Expected Life	3 years
Risk-free Rate	0.23%
Expected Divided	Nil
Weighted Average Fair Value (GBP)	**32,603**

Options

The following options were issued in exchange for a good or service:

Options	30 Sep 2022 Number Options	30 Sep 2022 Weighted Average exercise price	30 Sep 2021 Number Options	30 Sep 2021 Weighted Average exercise price
Outstanding on 01 Oct	10,000,000	6.00p	-	-
Issued during the year	6,000,000	6.00p	10,000,000	6.00p
Cancelled/ Exercised	-	-	-	-
Outstanding on 30 Sep	**16,000,000**	**6.00p**	10,000,000	6.00p
Weighted average remaining contractual Life		**3.78 years**		4.21years

The options issued prior to 01 October 2021 have no vesting periods and have been recognised upon issue. If the options remain unexercised after a period of five years from the date of grant, they will expire. The share options cannot be exercised if the holder has ceased employment.

The options issued during the year include a market based vesting condition, the share options would only vest if the share price of the Company trades in excess of 10p per share for 10 consecutive days.

The above options were valued using the Black Scholes valuation method. The assumptions used are detailed below. The expected future volatility has been determined by reference to the average volatility of similar entities:

Options	**30 Sep 2022**	**30 Sep 2021**
Weighted Average Share Price	5.22p	6.13p
Weighted Average Exercise Price	6.00p	6.00p
Expected Volatility	48%	54%
Expected Life	5 years	5 years
Risk-free Rate	0.76%	0.27%
Expected Divided	Nil	Nil
Weighted Average Fair Value (GBP)	**369,545**	285,273

Deferred Tax

No deferred tax asset has been recognised in respect of share options and warrants due to the uncertainty of the future trading profits.

18. Financial instruments

18.1 Categories of financial instruments

	30 Sep 2022		30 Sep 2021	
	Group	**Company**	**Group**	**Company**
	GBP	GBP	GBP	GBP
Financial assets at amortised cost				
Trade and other receivables	-	253,948	-	150,419
Cash and cash equivalents	346,994	346,994	93,288	93,288
Financial liabilities at amortised cost				
Trade and other payables	326,375	159,530	280,071	280,110
Surface liability	978,255	-	887,560	-

18.2 Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, trade and other payables and trade and other receivables. The fair value of the Groups financial instruments are equal to their carrying value. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD") and Ugandan shilling ("UGX"). Foreign exchange risk arises from recognised monetary assets and liabilities. The Group also exposes to currency exposure, BRUL expenses are paid in both USD and UGX, with the amount payable to the land owners denominated in UGX.

The table below summaries the financial assets and liabilities denominated in foreign currencies.

	30 Sep 2022		30 Sep 2021	
	USD	UGX	USD	UGX
Financial Assets	1,534	-	566	-
Financial Liabilities	35,509	978,256	185,268	887,560

With all other variables held constant, the effect on profit and loss had the functional currency of the Group weakened or strengthened against USD/UGX by 5% at the year end results in a £28,709 (2021: £35,000) change in value.

Credit risk

Credit risk arises on cash balances. The amount of credit risk is equal to the amounts stated in the statements of financial position for each of the assets (notes 12 & 13).

The Group's policy to manage this risk is to deal with banks that are regulated entities. The Group's principal banker, Barclays Bank PLC, is regulated by the United Kingdom Financial Services Authority, and has a credit rating of A1 (2021: A1).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit. The Company aims to maintain flexibility in funding.

The maturity of the Company's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments is disclosed in notes 14, falls within one year and payable on demand.

Capital risk

The Company defines capital as the total equity of the Company. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

19. Related party transactions

Details of Directors' remuneration are disclosed in note 6.

Sam Quinn is a director and shareholder of the Company and a Director of Lionshead Consultants Limited. During the year, Lionshead Consultants Limited charged consultancy fees of £24,000 (2021: £24,000).

20. Events after the reporting date

On 26 October 2022 the Group raised additional funds through a strategic investment by AIM-Listed Jangada Mines Plc and two existing major shareholders. £750,000 was raised through a placing of 18,750,000 ordinary shares at 4p per share. The proceeds will be used to fund the delivery of 100 tonne bulk sample from Orom-Cross to China and general working capital.

On 27 October 2022 5,000,000 share options were issued to the directors and senior management of the company at 5p per share, these shares will not vest unless the share price of the company trades in excess of 10p per share for 10 consecutive days.

END

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