

DEVELOPING THE SUBSTANTIAL OROM-CROSS GRAPHITE PROJECT

Highly leveraged into the fast-growing Electric Vehicle market

BLENCOWE

..... RESOURCES

LSE: BRES



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COMPETENT PERSONS STATEMENT

The geological information in this announcement that relates to Orom Graphite Project is based on information compiled and fairly represented by Mr Oscar Van Antwerpen, who is a Member of the Geological Society of South Africa and a registered professional scientist at the South African Council of Natural Scientific Professions. Mr Van Antwerpen is employed by Minrom Consulting Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Van Antwerpen consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

BLENCOWE VALUE PROPOSITION

DEVELOPING A WORLD CLASS GRAPHITE DEPOSIT

Size and Scale of Project

- Estimated 2.5 billion tonnes graphite within tenements
- First thirteen years' Life of Mine already drilled to JORC Standard

Highest Quality End Product

- 97.3% TGC concentrate / low impurities / high recoveries
- Good mix of jumbo / large / small flakes sizes

Safe Location

- Uganda - a top tier mining destination in Africa
- Strong stable supportive Government / low royalties

Advanced Project

- 21 year Mining License already awarded
- Project has now moved into Feasibility Studies Phase

Successful First Commercial Study

- PEA completed – NPV US\$317M / Free Cash Generated US\$351M
- Low operating cost / substantial margin

Huge Leverage into Battery Metals Market

- Strong graphite demand forecast for growth in EV market
- Price spiking forecast from 2025 as graphite shortages emerge

OROM-CROSS GRAPHITE PROJECT OVERVIEW



- 21 Year Mining Licence awarded in 2019
- 100% Orom-Cross was acquired in April 2020
- Orom-Cross has the scope to become a world class graphite project both by size and by end product quality (circa 2-3 billion tonnes estimated in situ graphite)
- Metallurgical test work shows the graphite can be processed to a high quality 97-98% TGC concentrate
- The project is a shallow open pit deposit, with low strip ratio and free digging, thus delivering low operating costs
- Orom-Cross contains a large component of high value jumbo and large flake product, which are more scarce and sell at a premium to smaller flakes
- Uganda is a stable African country, with a strong mining code, low royalties and a stable currency, making Orom-Cross attractive long term to potential strategic investors and offtake partners
- Strong management team to deliver project with significant African / mining experience

KEY MILESTONES OVER PAST 18 MONTHS

BLENCOWE HAS ADDED CONSIDERABLE VALUE TO PROJECT OVER PAST 18 MONTHS

- **April 2020**
 - Acquired Orom-Cross Project and raised £2m for project development through UK listing
 - 21 year Mining License delivered with project
- **H2 2020**
 - Comprehensive 2,000m (65 holes) diamond drill program delivered to delineate JORC Resource
- **April 2021**
 - Maiden JORC Standard Resource announced for Orom-Cross
- **May 2021**
 - Further 2,200m (74 holes) diamond drill program to infill JORC Resource to Indicated/Measured status
 - Completion of infill drill program (July 2021)
- **July 2021**
 - Successful completion of metallurgical test work (SGS labs Toronto) on end product graphite as concentrate
 - Proves that Orom-Cross can produce a high quality concentrate
- **October 2021**
 - Completion of Preliminary Economic Assessment (PEA) being first full commercial study on project

PRELIMINARY ECONOMIC ASSESSMENT

COMMERCIAL STUDY SHOWS THE HUGE POTENTIAL WITHIN OROM-CROSS

Key Performance Indicators

LIFE OF MINE	13 years	Initial period; considered likely to extend significantly further with additional drilling
PRODUCTION TONNAGE	75,000 tpa	End product; average over of Life of Mine
NET PRESENT VALUE	US\$317M	Using 8% discount rate
IRR	49%	Low upfront capex, significant cash flows
CAPITAL EXPENDITURE	US\$80M	Assumed funded 65% debt : 35% equity
PAYBACK ON CAPITAL	4 years	Low sustaining capital after payback
WEIGHTED AVERAGE SELLING PRICE	US\$1,050/t	Assumed CIF China (Europe prices 10% higher) Assumes 4 separate end products sold as concentrates
OPERATING COST	US\$498/t	Average over Life of Mine
EBITDA	US\$40M	Average over Life of Mine
CUMULATIVE LIFE OF MINE FREE CASH (pre-tax)	US\$351M	Free after-tax cash generated over Life of Mine

Cautionary Statement: The PEA is a purely internal model and is not externally signed off by a third party technical firm.
Numbers are generated by Blencowe management and consultants using existing data, knowledge and experience for the Orom-Cross Project

JORC MINERAL RESOURCE

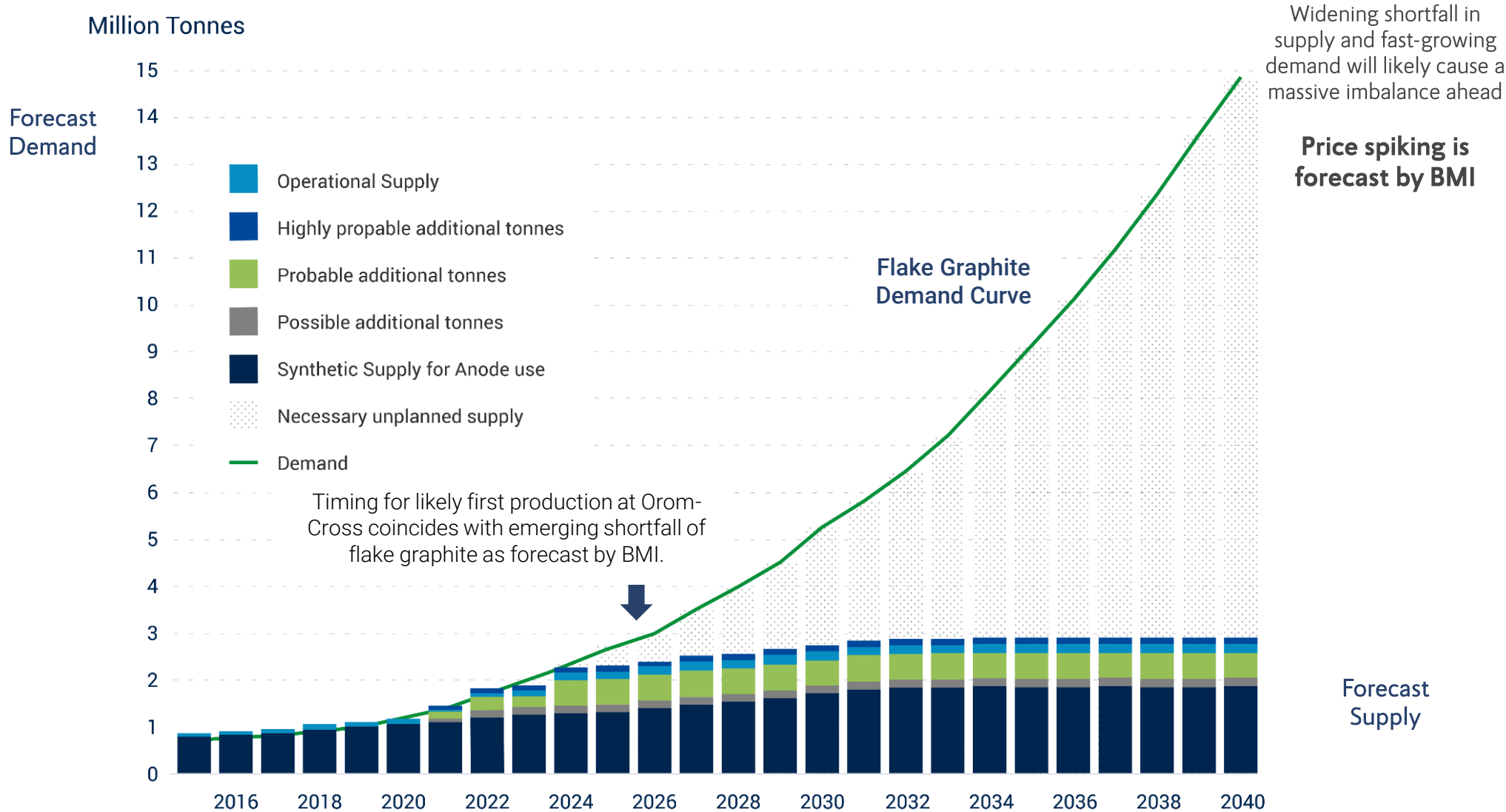
Mineral Resources			
Area		Mt	% Total Carbon
Northern Syncline	Inferred	3.5	6.09
	Indicated	1.9	5.82
		5.5	5.99
	Inferred	9.0	6.06
	Indicated	1.9	5.80
		10.7	6.01
TOTALS	Inferred	12.5	6.07
	Indicated	3.5	5.81
		16.3	6.01

Metallurgy		
Deposit	Upgraded Concentrate (% TGC)	Recoveries (%)
Northern Syncline Lower grade	98.1%	80.9%
Northern Syncline Higher grade	97.2%	80.9%
Camp Lode Lower grade	98.1%	80.4%
Camp Lode Higher Grade	94.7%	88.4%
Composite (Mix of all)	97.3%	90.1%

Notes:

- Over 900,000t of contained graphite within maiden JORC Resource
- Stage 2 / 2,200m infill drilling completed – **Revised JORC Resource Q4 2021**
 - Uplift to >20Mt total JORC Resource
 - Bringing 4Mt Camp lode into JORC Resource – lift overall grade to ~8.0%
 - Lift current 3.5Mt Indicated & Measured Resource to >10Mt

GRAPHITE SUPPLY DEFICIT NEXT 2 DECADES



MARKET PRICES

Orom-Cross 4x end-products as high grade concentrates

Mesh Size		Concentrate (% TCG)	% End Product	2021 CIF China USD 94-95% TGC	2021 CIF China USD 97% TGC	Estimated 2025 CIF China USD 97/98% TGC
Jumbo	+32 / +48	98.0%	13.7%	1,250	1,400	1,650
Large	+80	97.7%	22.5%	850	1,000	1,250
Medium	+100/+150	97.2%	24.7%	700	850	1,000
Small	+200 / +325 / - 325	96.5%	39.1%	600	675	750
Weighted Average			100.0%			1,050




- Orom-Cross will likely sell 4 distinct, separate end-products with above mesh sizes
- CIF China prices typically 10% lower than CIF Europe - European prices higher which provides upside potential if buyers sourced
- 5-10% increase in selling price for every 1% greater purity of concentrate above 94% TGC (entry level battery grade)

OROM-CROSS END PRODUCT

SALES OPTIONS

Typical applications for different graphite flake sizes

- Orom-Cross to sell 65% End Product as Small/Medium flake concentrate and 35% as Jumbo/Large concentrate

Jumbo/Large (20 to 80 mesh) 	Medium (80 to 150 mesh) 	Small (+150 mesh) 
<ul style="list-style-type: none"> Gaskets and seals Flame retardants Thermal sheets and lining steel foundries Fuel cells Plugging agents Expandable graphite * Graphite foils Thermal management <p><i>Generally, these are speciality products that require the highest quality graphite, and for which a premium is paid.</i></p>	<ul style="list-style-type: none"> Basic refractory Magnesia carbon Alumina carbon Unshaped refractory Flame retardants Lithium-ion batteries (for use in EVs) 	<ul style="list-style-type: none"> Paints and coats Pencils Dry and Ni MH batteries Lubrication Friction materials Foundry Composites Lithium-ion batteries (for use in EVs) Space technology

Expandable graphite (Jumbo/XL/Large) is a growing market (BMI estimates growth at ~10% p.a.)

- Used in thermal management of consumer electronics and industrial applications, including heat and corrosion resistant gaskets and fire retardants.
- Fuel cell and flow batteries are also new and potentially large markets for expandables due to high release of energy.
- Limited supply of expandable graphite makes it valuable, with associated higher prices and higher demand.
- Whilst China has significant small fines graphite and can offset supply variations internally it does not have much jumbo/X-L flakes and cannot do the same

OROM-CROSS

2021/2022 WORK PROGRAMME



Q2 2021 – Stage 2 JORC Resource Drilling

- Targeting 20Mt Resource with 10Mt as Indicated/Measured (for first 10 years life of mine)
- Represents <1% of total deposit
- In situ average grade 7-8% but pockets of higher grade (>10%)
- Revised JORC Resource to market by end-2021

COMPLETED

Q2 2021 - Phase 2 metallurgical test work

- 97.3% TGC (total graphite content)
- Low impurities (thorium, vanadium, ash, sulphur)
- High recoveries (90%)
- High proportion Jumbo/XL/Large flakes within concentrate

COMPLETED

Studies Phase (2021/22)

- Q3 2021: Completion of Preliminary Economic Assessment (PEA) – first internal economic assessment of full project

COMPLETED

- Q4 2021: Commencement of the Pre-Feasibility Study (PFS) – external sign off on project operations and outcomes

UNDERWAY

ESG COMPLIANT

ENVIRONMENTAL, SOCIAL & GOVERNANCE RESPONSIBILITIES

Blencowe takes its ESG responsibilities seriously and has policies in place and actions underway to maintain high ESG standards as it drives towards first production.

Company wants to ensure that all stakeholders ultimately prosper from all value-adding at the Orom-Cross Project.

- Low impact studies
- Carbon neutral footprint
- Max use of renewable energy sources
- Long term restoration of all mined areas



- Community Welfare Agreement already giving substantial payments to locals
- Longer term jobs & education fund

- Strict adherence to all rights, responsibilities and expectations between various stakeholders in all decision making



CORPORATE OVERVIEW

- Blencowe acquired 100% of the Orom-Cross Project in April 2020 – paid for in shares
- Raised £2.0m in cash at same time for project development, plus further ~£1m since
- Tight structure, experienced (African resources) management team, strong UK market liquidity

Corporate Highlights	
Ticker	BRES.L
Market Cap @ 6p	c. £7.3m
Enterprise Value	c. £6.5m
Issued Share Capital	121.9m
Warrants and Options	49.8m
New Cash raised (April 2020) @ 6p	£2.0m
New Cash raised (Dec 2020) @ 6p	£0.3m
New Cash raised (Jan 2021) @ 8p	£0.5m
New Cash raised (July 2021) @ 6p	£0.25m

Significant Shareholders	%
Orom-Cross Vendor	16%
Board & Management	13%
Spreadex Ltd	13%
Brandon Hill Capital	7%

VWAP of outstanding warrants is 6.8p and would provide a further ~£2m cash into the Company if all are exercised



**Cameron Pearce,
Chairman**

Mr Pearce is a Chartered Accountant with extensive professional experience in the finance sector in Australia and the UK. His particular focus and experience is in the setup, listing and development stage of public companies, specifically in the junior resources market, and he has been instrumental in raising capital for various listed companies over the past decade. Mr Pearce has had previous experience managing the transitional stage of several UK-listed companies, including most recently Emmerson Plc.



Mike Ralston, CEO

Mr Ralston is a Chartered Accountant with 25 years' successfully developing businesses worldwide. As a senior executive and board member for several junior listed resource companies spanning 17 years, he has raised ~A\$300m in debt and equity in this time. He brings extensive corporate experience including the development of at least three mining companies from start-up through to production. Previous appointments include MD Balamara Resources Ltd (large scale coal projects in Poland), CFO Kangaroo Resources Ltd (projects in Indonesia into production, before its acquisition by a major Indonesian coal producer for ~A\$600m in 2010). Mr Ralston is the founder and Non-Executive Chairman of ASX-listed Trigg Mining Limited.



**Alex Passmore,
Director**

Mr Passmore is a geologist with significant technical experience developing early-stage mining projects worldwide. He has been involved in a number of junior resource companies, working in both technical and corporate positions. He brings a range of knowledge in the battery metals sector having been a Director of Cobalt One Ltd, which merged with First Cobalt in 2017 to form the largest Canadian cobalt exploration company. Mr Passmore is currently Managing Director of ASX-listed Rox Resources, a gold exploration company in Australia.



**Sam Quinn,
Director**

Mr Quinn is an experienced corporate lawyer based in UK who focusses primarily on the setup and development of junior resource companies. He has been involved in several junior listed exploration companies in UK over the past decade, with emphasis on legal, administrative, corporate and strategic advice and capital raising. Mr Quinn is currently a Non-Executive director of Red Rock Resources Plc and Tectonic Gold plc.

KEY MANAGEMENT & ADVISORS

Iain Wearing, COO

Mr Wearing is a Mining Engineer with 30 years experience in the resource industry, including significant project experience in Africa. He has been involved in the technical management of African projects for several companies, including Rolute Mining and Barrick Gold, and he has managed studies for several major projects including the Kibali Gold Project for Moto Gold, Syama Project in Mali, and Golden Pride in Tanzania.

Iain brings a wealth of technical expertise to the team. His knowledge in Study management, operations planning and costing, as well as operations management, will be critical to Orom moving forward as Blencowe moves towards first production.

Oscar Van Antwerpen, Technical

Mr Van Antwerpen is a geologist and a Member of the Geological Society of South Africa and a registered professional scientist at the South African Council of Natural Scientific Professions . He is the founder and Managing Director of Minrom Consulting (South Africa), which is a specialist service provider to resource companies working assets within the African continent.

Minrom has been the technical advisor to CRA on Orom-Cross Project for the majority of the exploration work conducted there over the past five years. Mr Van Antwerpen is a resource expert within the African market and he has advised successful international mining companies such as BHP Billiton, Goldfields, Samancor, and DRA International.

Mr Van Antwerpen will remain in a consulting position with Blencowe to ensure that the knowledge gained at Orom over the past five years is brought forward and utilised. He will be a key part of the planning and execution team going forward.



Resource definition drilling at Orom-Cross Project

APPENDIX – GRAPHITE MARKET

APPENDIX 1

BENCHMARK MINERALS

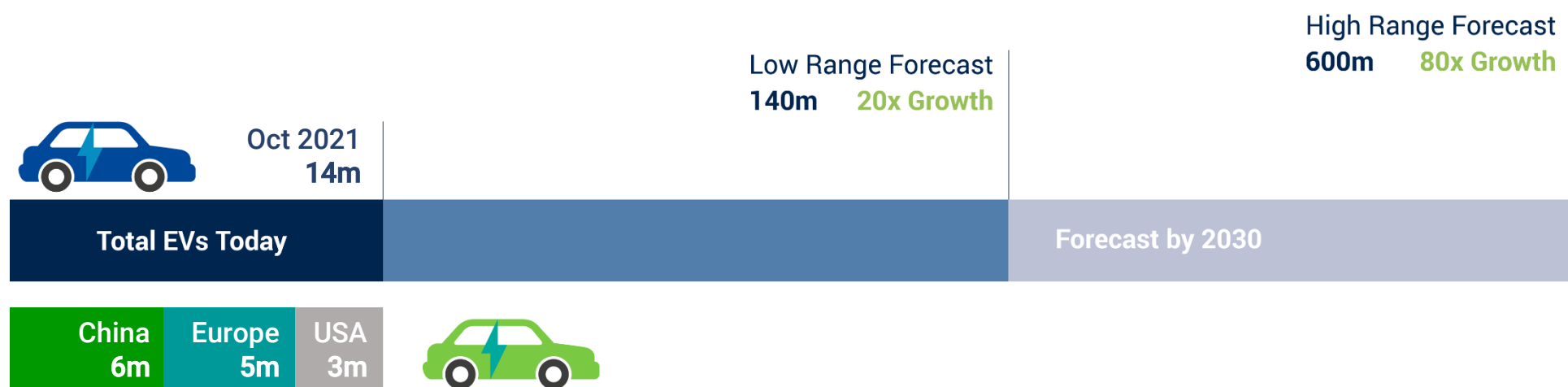
“Graphite is the number one raw material input into a Li-ion battery”

Simon Moores is a leading authority on lithium ion battery and energy storage supply chains with a specialist focus on lithium, graphite, and cobalt. He is MD of Benchmark Mineral Intelligence, an independent price assessment and consultancy company for lithium ion battery supply chain

- Reporting from the Prospectors and Developers Association of Canada (PDAC), Benchmark Minerals Intelligence Managing Director, Simon Moores, reiterates the importance of the battery element as approximately 50% of Li-ion batteries by mass is graphite.
- Currently, the global market offers 165ktpa anode material for existing manufacturing capacity, which needs to rise to 1.8Mtpa by 2030.
- Anode formation relies on synthetic and natural blending, however, the higher cost of synthetic and the difficulty scaling production will boost the significance of natural sources.
- Simon Moore also emphasises capital market investment is one of the greatest risks to global electrification as sustained funding is falling short for the “biggest trend in the 21st century, which is energy storage”.
- The rise of battery Megafactories is huge, with ~200 currently under development and >50 operating at multi-GWh scales.
- Scaling the supply chain presents huge challenges as speciality markets grow from niche 100ktpa industries to multi-million tonne scale.
- The trends cumulatively indicate there is a major supply risk across the battery metal space, particularly across the US and Europe where the four metals (lithium, cobalt, nickel and graphite) are designated critical metals, requiring sustained and significant global investment to advance capacity.

ELECTRIC VEHICLES

ONE OF THE FASTEST GROWING TRENDS WORLDWIDE



Source – Benchmark Minerals Intelligence 20-year demand-supply forecast (July 2019)

Drivers for phenomenal EV growth

MICRO MARKET

- Reduction in average EV cost
- Technological development;
 - Vehicles
 - Energy Storage / Batteries
- Increase in number of Charging Stations
- First-Mover Advantages;
 - Tesla success
 - China market share
- Auto-manufacturers moving upstream

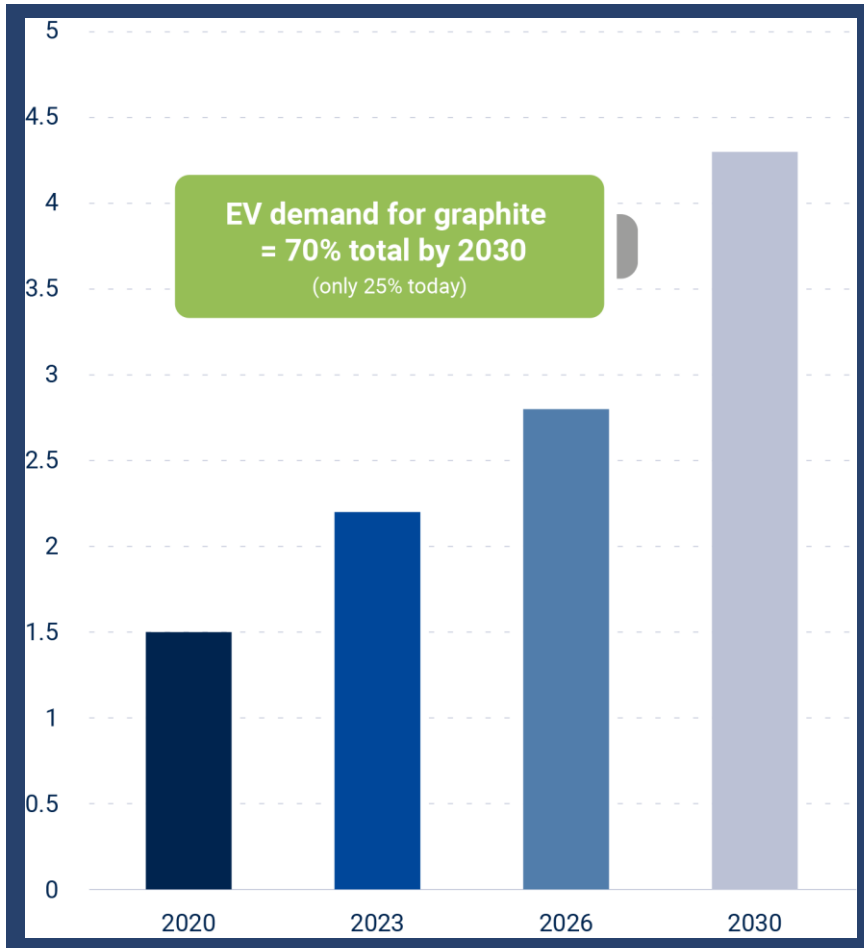
MACRO MARKET

- Global warming
- Environmental awareness – moving from fossil fuels to renewables
- Politics
- Economics (stimulus spend on infrastructure)
- Government Support / Agendas
- Generational transition / market demand
- Biden bringing US back into major energy and renewables treaties

GRAPHITE

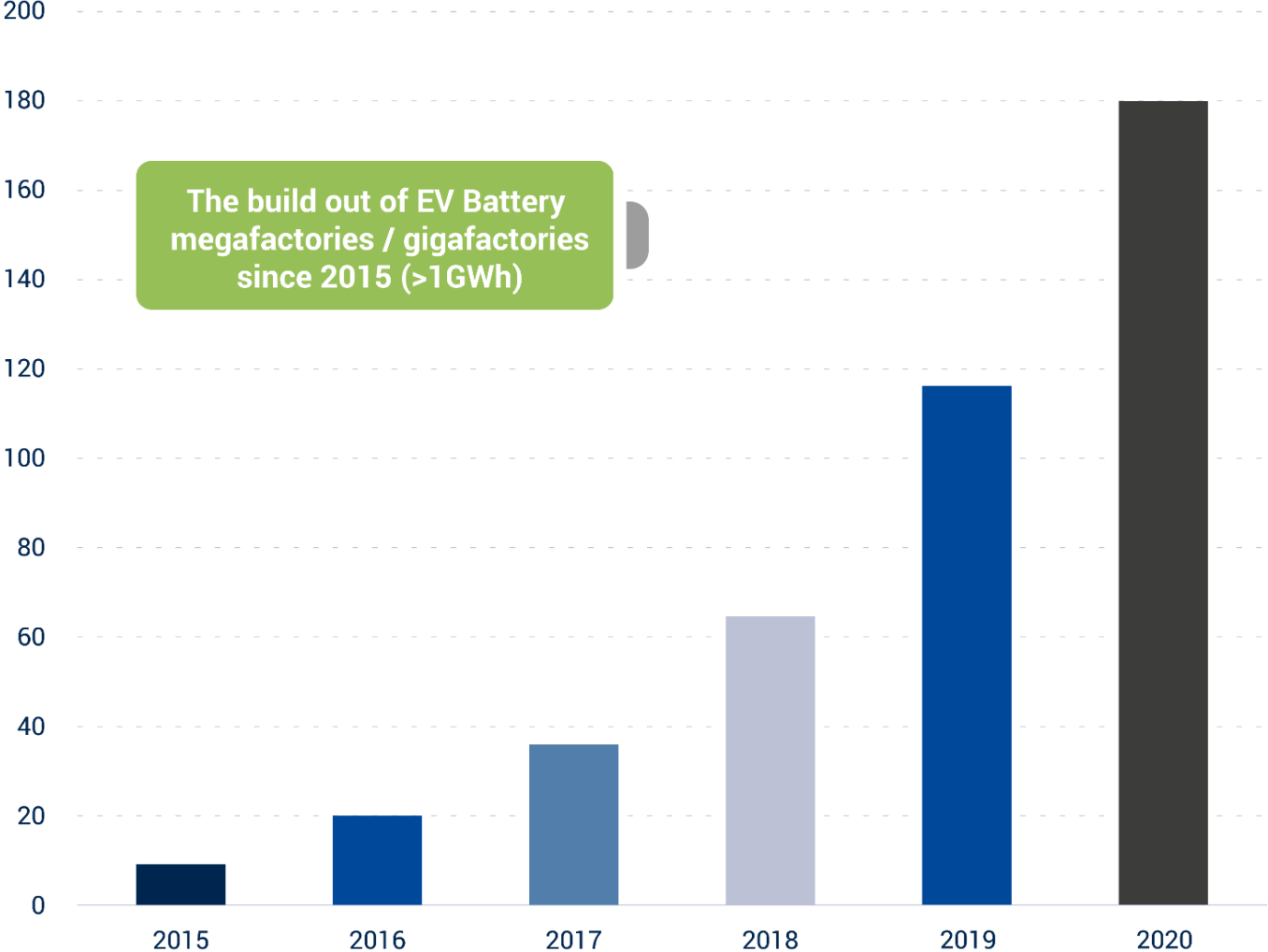
FULLY LEVERAGED TO EV GROWTH

Forecast Demand for Flake Graphite to 2030 (Million tonnes per annum)



- EVs require Lithium-ion batteries and Graphite is a major part of Li-ion battery
- Elon Musk famously said in 2016 that: “Our cells (batteries) should be called Nickel-Graphite instead of Lithium-ion, because primarily the cathode is nickel and the anode is graphite with silicon oxide.”
- Over half of the carbon anode is based on natural graphite, whereas lithium content makes up less than 10% of the cathode.
- Natural flake graphite remains the preferred material with the highest carbon grades best suited for use in batteries
- Battery grade graphite starts at 94% TGC concentrate
- Orom-Cross has 97.3% TGC grade – high quality
- Typically graphite makes up around 50% of the total weight of the Li-ion battery.
- Any major growth in demand for EV’s ahead will therefore have a directly corresponding growth in demand for flake graphite. It is highly leveraged.
- **Blencowe owns 100% of one of the largest, high quality flake graphite projects in the world in a safe location.**

GROWTH IN Li-ion BATTERY MEGAFACTORIES



BMI announced 200th Megafactory under commission or producing worldwide in March 2021
Total now >250

GRAPHITE

KEY PRICE DRIVERS



PRICE

TOTAL GRAPHITIC CONTENT ("Purity") of Conc.

Phase 2 test work shows 97-98% TGC for Orom-Cross concentrate. Each 1% above 94% = 10% higher price Low impurities = higher prices

FLAKE SIZE

Jumbo, XL and Large flake size make up ~ 36% of Orom-Cross product based on recent test work

SUPPLY






















Less supply worldwide of Jumbo and X-Large flakes = less price pressure Consistent supply from mine important for offtake partners

EVs

SHIFTING GLOBAL STRATEGY

Almost every major vehicle manufacturer worldwide has an aggressive EV strategy for the next decade, which will result in considerably more EV sales and associated Li-ion battery sales.

Natural flake graphite demand will rise in sync.

	500k units in 2020, from 200k in 2018		600k unit sales by 2020		1 million units p.a. by 2020, from 250k in 2017.
	500k units in 2020, no ICE engines by 2025		15-25% of fleet by 2025		150k unit sales in China by 2020 - 500k by 2025.
	600k sales by 2020		25% of fleet by 2025, including new USA EV production		70% of China sales by 2025, including a JV with VW for EVs
	30% of fleet by 2025		2-3m globally by 2025, including JV with Ford for EVs in USA		25% of EU sales by 2020.
	60% of fleet by 2020		50% of fleet sales by 2020		10 new BEVs in early 2020s.
	200k unit sales in 2020		80% of models to be electrified by 2025		65% of fleet sales by 2030.
	300k unit sales by 2020, no ICE models by 2025		EV models across all brands, no diesel by 2022		300k unit sales by 2020.

Source - Syrah Resources Presentation 2019

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