



BLENCOWE

•••• **RESOURCES**

LSE: BRES

#BRES

DEVELOPING THE SUBSTANTIAL OROM-CROSS GRAPHITE PROJECT

Highly leveraged into the rapidly growing Electric Vehicle market

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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.

COMPANY OVERVIEW

BOARD OF DIRECTORS



Cameron Pearce
Chairman



Mike Ralston
CEO



Alex Passmore
Director



Sam Quinn
Director

KEY MANAGEMENT & ADVISORS

Iain Wearing, COO

Oscar Van Antwerpen, Technical

CORPORATE HIGHLIGHTS

Ticker Main Board London Stock Exchange/Standard Listing	BRES.L
Market Cap @6p	c. £9.3m
Enterprise Value	c. £7.0m
Warrants & Options Average Exercise Price = 7.5p	69.8m
Issued Share Capital	161.9m
Updated: December 2021	

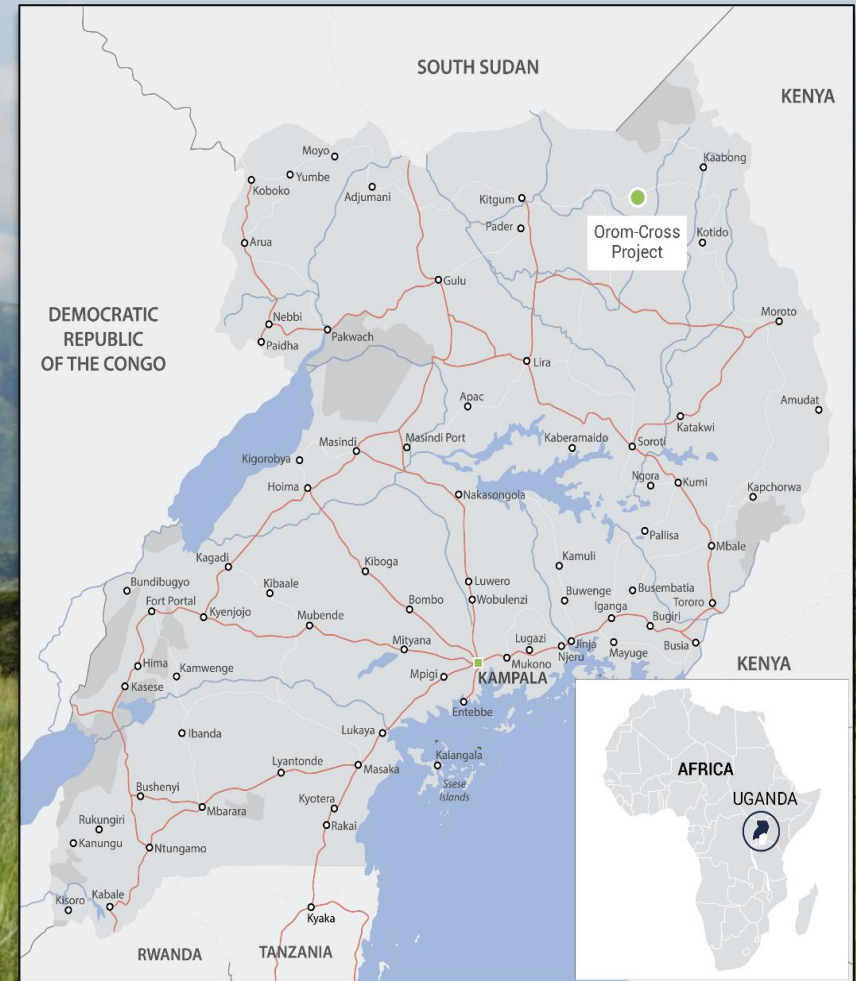
SIGNIFICANT SHAREHOLDERS

Orom-Cross Vendor	12%
Board & Management	11%
Spreadex Ltd	7%
Brandon Hill Capital	5%

BLENCOWE VALUE PROPOSITION

Orom-Cross Graphite Project Overview

- Estimated 2.5Bn tonnes graphite within tenements
- First 15 years' Life of Mine drilled to JORC Standard
- 97.3% TGC concentrate / low impurities / high recoveries
- Good mix of jumbo / large / small flakes sizes
- 21 year Mining License already awarded
- Uganda - a top tier mining destination in Africa
- Strong stable supportive Government / low royalties
- Project at Pre-Feasibility Study Phase
- PEA completed – NPV US\$317M / Free Cash Generated US\$351M / IRR 49%
- Low operating cost / substantial operating margin
- Strong graphite demand forecast to fulfil exponential growth in Li-ion batteries for EV market
- Price spiking forecast from 2025 as shortages emerge



KEY MILESTONES OVER PAST 18 MONTHS

BLENCOWE HAS ALREADY ADDED CONSIDERABLE VALUE TO THE PROJECT

- Acquired Orom-Cross Project and raised £2m for project development through UK listing
- 21 year Mining License delivered with project

H2
2020

- Maiden JORC Standard Resource announced for Orom-Cross

May
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

- Raised £2M via placement for PFS 2022

April
2020

- Comprehensive 2,000m (65 holes) diamond drill program delivered to delineate JORC Resource

April
2021

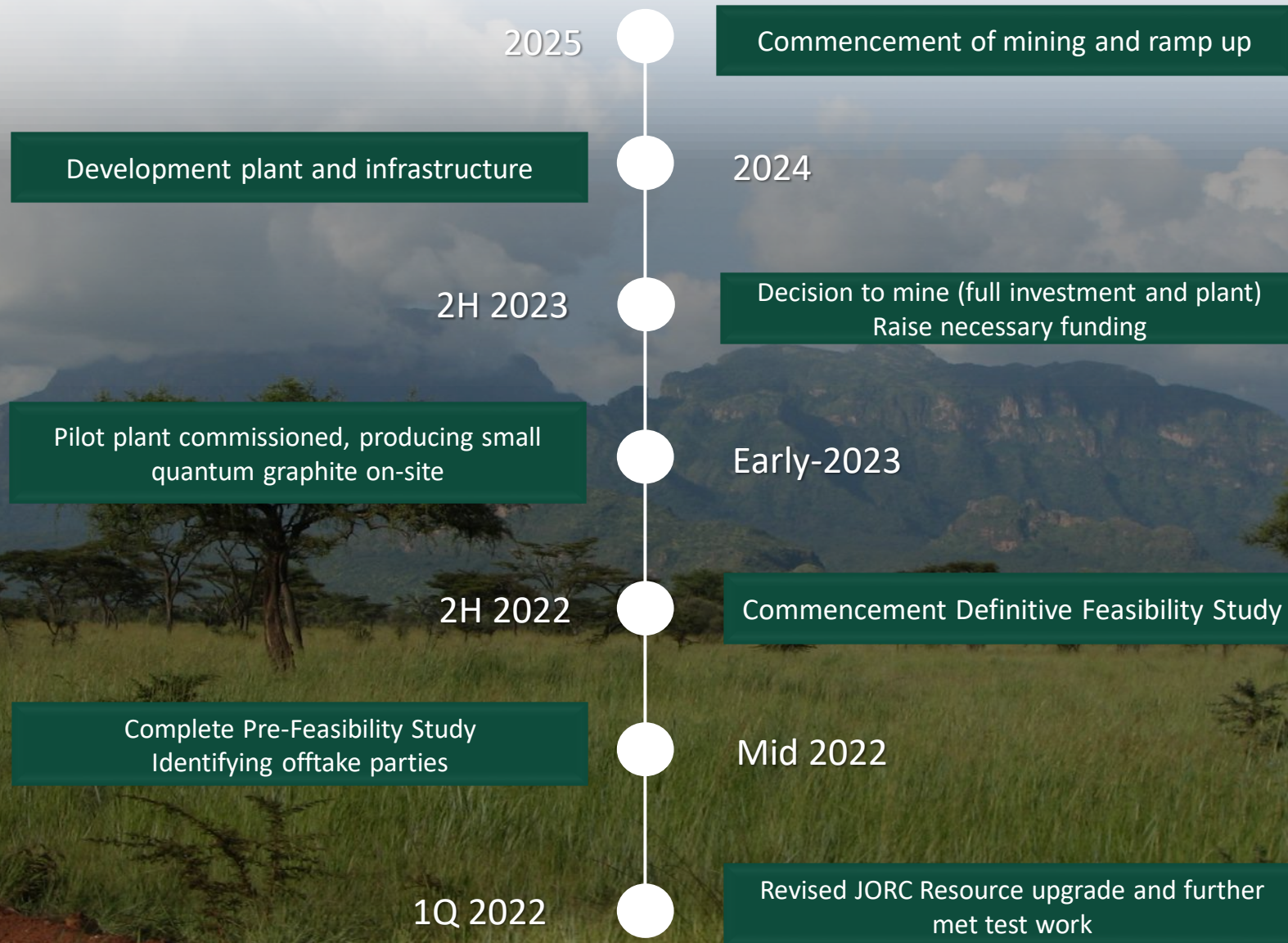
- Further 2,200m (74 holes) diamond drill program to infill JORC Resource to Indicated/Measured status
- Completion of infill drill program (July 2021)

July
2021

- Completion of Preliminary Economic Assessment (PEA) being first full commercial study on project

November
2021

FORWARD STRATEGY AND ANTICIPATED TIMELINES



PRELIMINARY ECONOMIC ASSESSMENT

COMMERCIAL STUDY SHOWS THE HUGE POTENTIAL WITHIN OROM-CROSS

Key Performance Indicators

**PRODUCTION
TONNAGE
75,000 tpa**

**LIFE OF MINE
13 years**

**EBITDA
US\$40M**

**CAPITAL
EXPENDITURE
US\$80M**

**WEIGHTED AVERAGE
SELLING PRICE
US\$1,050/t**

**OPERATING COST
US\$498/t**

**NET PRESENT
VALUE
US\$317M**

**IRR
49%**

**PAYBACK ON
CAPITAL
4 years**

**Potential Global Top 10 &
Lowest Cost Quartile Producer**

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

Less than 1% of Project drilled to date

Mineral Resources			
Area		Mt	% Total Carbon
Northern Syncline	Inferred	3.5	6.09
	Indicated	1.9	5.82
Weathered sub-total		5.5	5.99
	Inferred	9.0	6.06
	Indicated	1.9	5.80
In-situ sub-total		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 Q1 2022**
 - *Uplift to >20Mt total JORC Resource*
 - *Bring 4Mt Camp lode into JORC Resource – lift overall grade to ~8.0%*
 - *Lift current 3.5Mt Indicated & Measured Resource to >10Mt*

FORECAST 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 97-98% 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	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

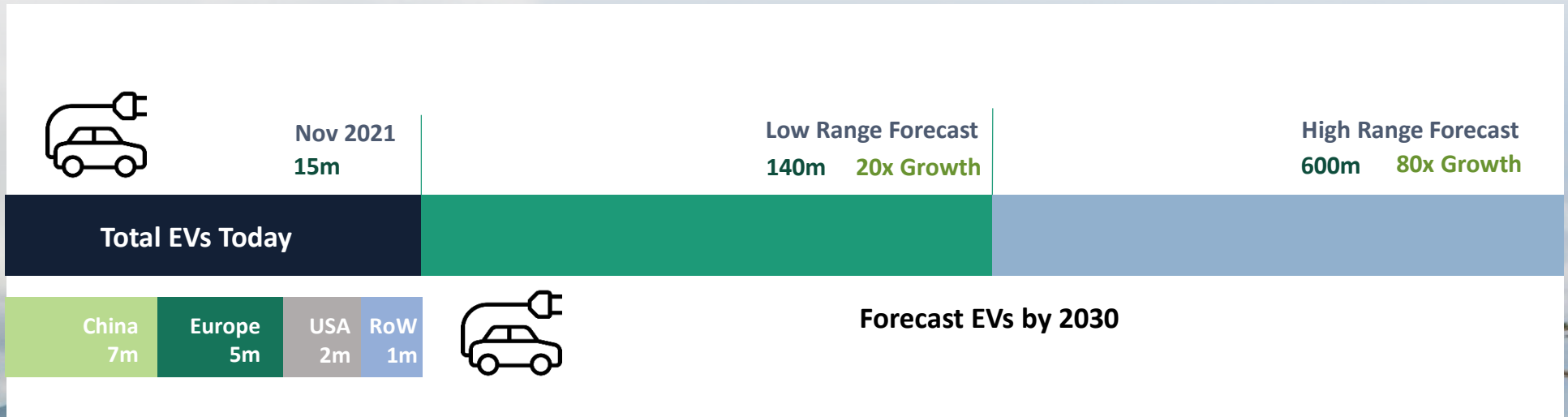
Typical applications for different graphite flake sizes

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

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 ahead

MICRO MARKET

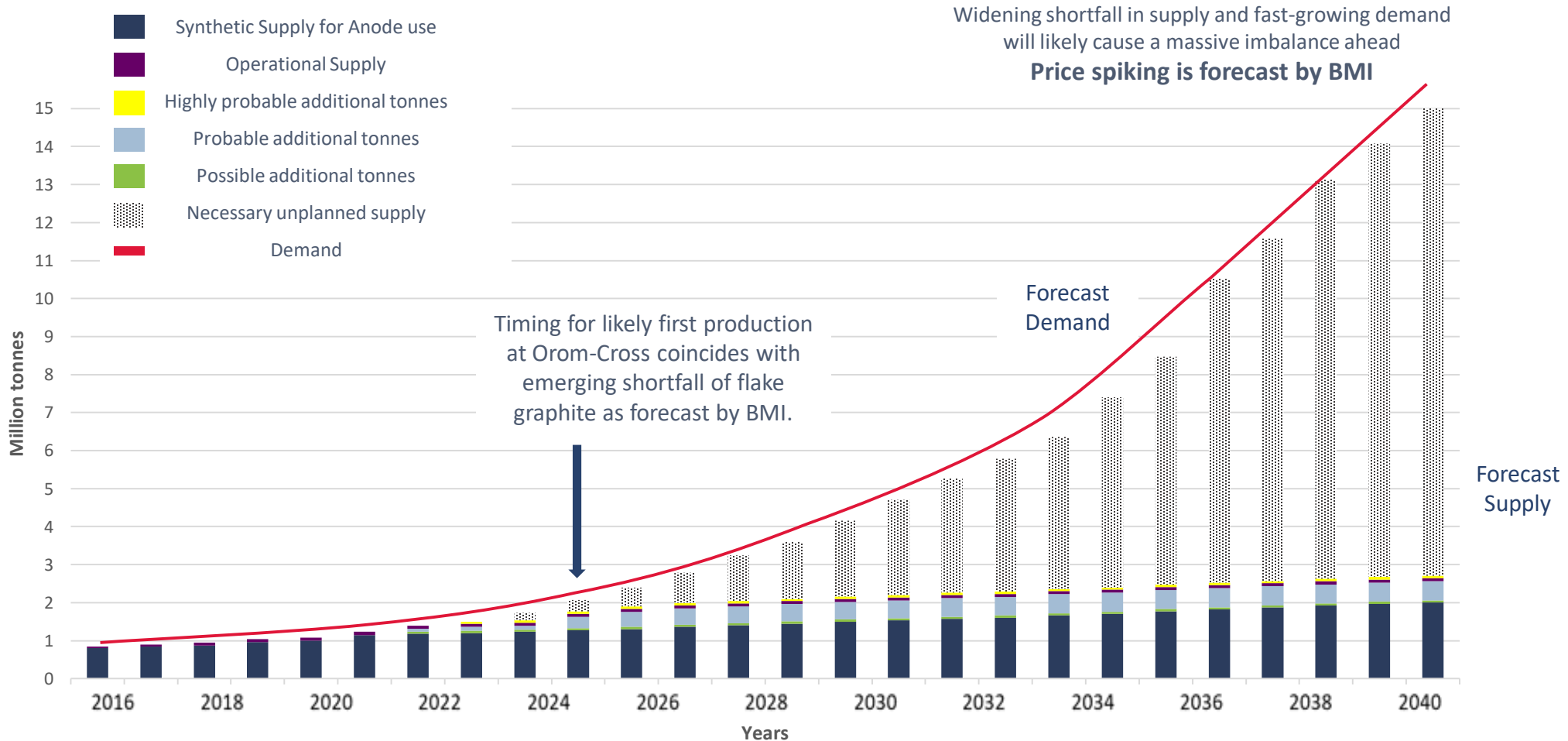
- Reduction in average EV cost
- Technological development;
 - Vehicles
 - Energy Storage / Batteries
- Increase in number of Charging Stations
- First-Mover Advantages;
 - Tesla success
 - China market share
- Auto-manufacturers moving upstream

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

FLAKE GRAPHITE - LONG TERM SUPPLY FORECAST, 2015-2040

We expect that market to remain in structural deficit requiring ongoing investment in new capacity



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.

Environmental :

- Carbon neutral footprint
- Green (hydro) power for project
- Max use of renewable energy sources
- Long term restoration of all mined areas



Social :

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

Governance :

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



BLENCOWE RESOURCES INVESTMENT CASE



Orom-Cross set to become a Top 10 Global, lowest-cost quartile graphite producer



Outstanding economics for a multi-decade operation



Located in a safe mining jurisdiction



High quality concentrate with low impurities



Significant potential to extend both production volumes and mine life via additional drilling



Global mega-trends (Electric Vehicles) driving phenomenal demand growth ahead



PEA completed
Pre-Feasibility underway

BLENCOWE

..... RESOURCES



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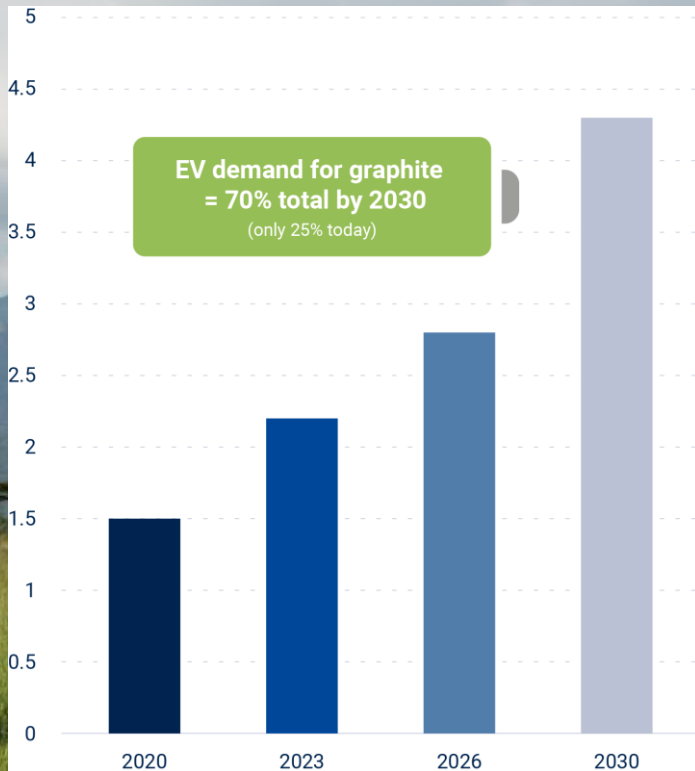
Appendix



GRAPHITE

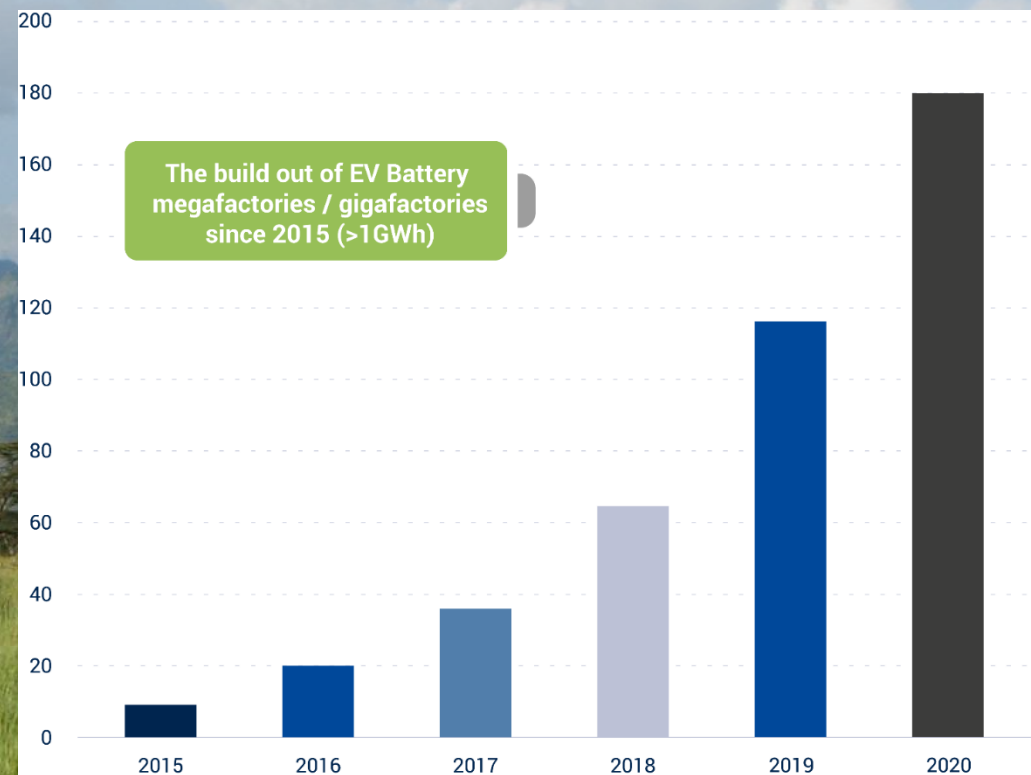
Fully leveraged to EV growth

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



GROWTH IN Li-ion BATTERY MEGAFACTORIES




















BMI announced 200th Megafactory under commission or producing worldwide in March 2021 – each one requires substantial graphite
Total now ~250



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	DAIMLER	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	VOLKSWAGEN	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.