



**BLENCOWE**

•••• RESOURCES

LSE: BRES

#BRES

**BUILDING A PORTFOLIO OF  
SUSTAINABLE 'GREEN'  
BATTERY METALS PROJECTS**

*Highly leveraged as Renewable Energy Source Materials 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.

# EMERGING PORTFOLIO OF KEY BATTERY METALS PROJECTS

Two Highly Synergistic Projects within just ~150kms of each other in northern Uganda

## OROM-CROSS GRAPHITE:

- Substantial graphite deposit (2-3 billion tonnes)
- Advanced – 21 year mining license already awarded
- Currently within PFS stage
- Targeting first production from mid-2023 (pilot plant)

Both Projects highly leveraged into the Battery Metals market as non-replaceable materials within the Li-ion battery

## AKELIKONGO NICKEL PROJECT:

- Highly prospective nickel sulphide exploration project
- Substantial work already completed by vendors
- Considerable upside potential
- Blencowe to explore for a large scale VMS system



# BLENCOWE - 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 @5p	c. £8.1m
Enterprise Value	c. £6.5m
Warrants & Options Average Exercise Price = 7.5p	74.9m
Issued Share Capital	161.9m
Updated: February 2022	

## SIGNIFICANT SHAREHOLDERS

Board & Management	10%
Spreadex	10%
Jub Capital	9%
Brandon Hill Capital	3%

# LIFE CYCLE SUSTAINABILITY

Focus going well beyond the ESG norm to deliver Sustainable Green Graphite Products from Operations

## ENVIRONMENTAL:

- Focus on renewable energy options to drive all operations:
  - 100% grid energy for processing plant will be generated from Isimba hydro-power station ~150kms from site
  - Solar energy powering camp
  - Electric drying (graphite processing)
- Environmental consultants advising to deliver fully sustainable products
- Excess power generated to local community
- Carbon-neutral footprint
- Lowest emission transport option to port
- Regeneration of all natural bushland and regeneration of site
- Operations will be audited and certified to international standards:
  - ISO 14001 (Environmental Management Systems)
  - ISO 9001 (Quality Management Systems)
  - ISO 45001 (Occupational Health & Safety)



Isimba is a 183 megawatts Hydroelectric Power Station commissioned in 2019

# LIFE CYCLE SUSTAINABILITY

## Community Development and Participation

### SOCIAL DEVELOPMENT:

- Building an operation in close co-operation with local population and their involvement
- Social awareness programs
- Community Development Agreement in place to return value to the local participants:
  - US\$1.8M to be returned to community over life of mine, with US\$180k already paid out
  - Uplifting local education via funding schools and scholarships
  - Assisting development of local community agriculture schemes via purchase of equipment
- Ongoing audit of all activities to ensure relevant and value-adding



# VALUE PROPOSITION

## Orom-Cross Graphite Project Overview

- Estimated 2.5Bn tonnes graphite within tenements
- First 15 years' Life of Mine drilled to JORC Standard; no further drilling required
- 97.3% TGC concentrate / low impurities / high recoveries
- Good mix of jumbo & large (35%) / medium & small (65%) 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 (> US\$500/t)
- Strong graphite demand forecast to fulfil exponential growth in Li-ion batteries for EV market
- Price spiking forecast for graphite from 2025 as demand exceeds supply
- Focus on building pilot plant by mid-2023 to start initial production.
- Main plant (25ktpa) targeted for 2025 start-up

# KEY MILESTONES OVER PAST 24 MONTHS

BLENCOWE HAS ALREADY ADDED CONSIDERABLE VALUE TO OROM-CROSS GRAPHITE 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

Feb  
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

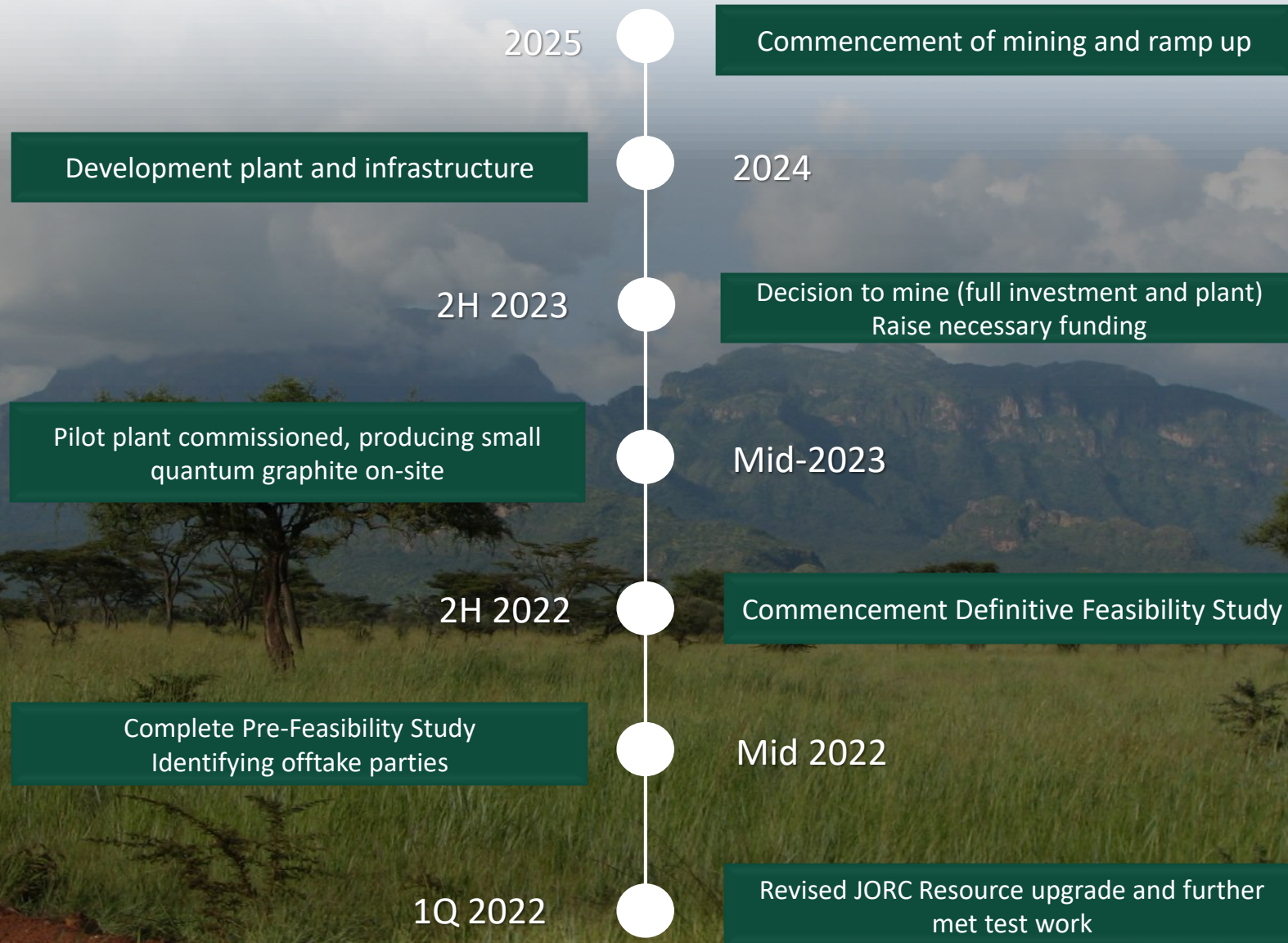
- Completion of Preliminary Economic Assessment (PEA) being first full commercial study on project

November  
2021

- Acquired Akelikongo nickel project



# FORWARD STRATEGY AND ANTICIPATED TIMELINES - GRAPHITE



# PRELIMINARY ECONOMIC ASSESSMENT

COMMERCIAL STUDY SHOWS HUGE POTENTIAL WITHIN OROM-CROSS GRAPHITE PROJECT

## 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**

**PFS TO FOCUS ON  
SMALLER 25ktpa  
STARTUP  
(LOWER CAPEX)  
WITH EXPANSION  
TO 100ktpa OVER  
FIRST 10 YEARS LIFE  
OF MINE**

**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		<b>5.5</b>	<b>5.99</b>
	Inferred	9.0	6.06
	Indicated	1.9	5.80
In-situ sub-total		<b>10.7</b>	<b>6.01</b>
TOTALS	Inferred	12.5	6.07
	Indicated	3.5	5.81
		<b>16.3</b>	<b>6.01</b>

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%
<b>Composite (Mix of all)</b>	<b>97.3%</b>	<b>90.1%</b>

## 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 will produce 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
<b>Weighted Average</b>		<b>100.0%</b>			<b>1,050</b>




- 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

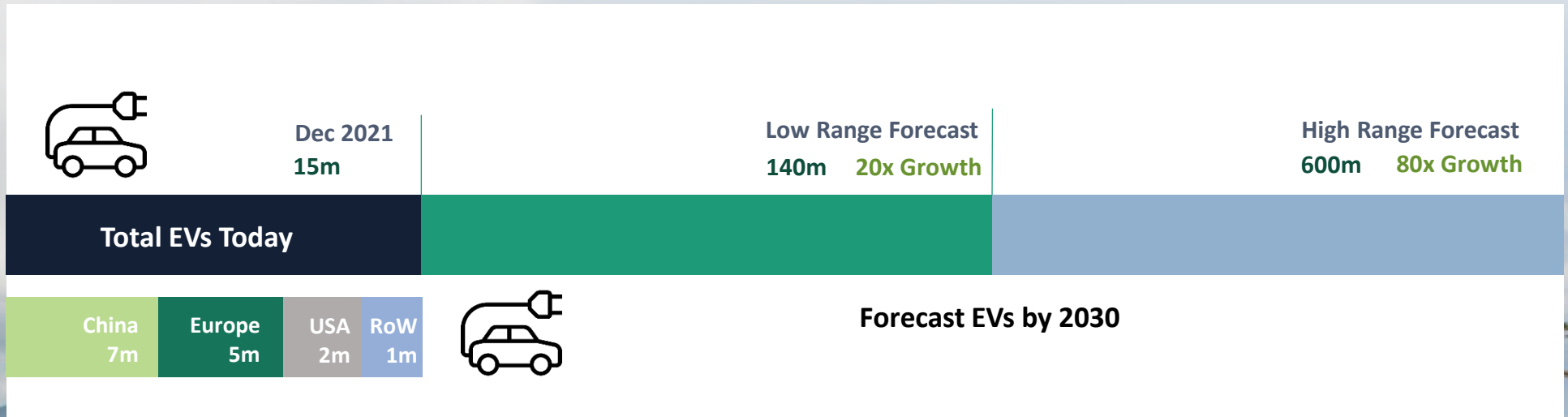
### Typical applications for different graphite flake sizes

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

<b>Jumbo/Large</b> (20 to 80 mesh) 	<b>Medium</b> (80 to 150 mesh) 	<b>Small</b> (+150 mesh) 
<ul style="list-style-type: none"><li>▪ Gaskets and seals</li><li>▪ Flame retardants</li><li>▪ <b>Thermal sheets and lining steel foundries</b></li><li>▪ Fuel cells</li><li>▪ Plugging agents</li><li>▪ Expandable graphite</li><li>▪ Graphite foils</li><li>▪ Thermal management</li></ul> <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"><li>▪ Basic refractory</li><li>▪ Magnesia carbon</li><li>▪ Alumina carbon</li><li>▪ Unshaped refractory</li><li>▪ Flame retardants</li><li>▪ <b>Lithium-ion batteries (for use in EVs)</b></li></ul>	<ul style="list-style-type: none"><li>▪ Paints and coats</li><li>▪ Pencils</li><li>▪ Dry and Ni MH batteries</li><li>▪ Lubrication</li><li>▪ Friction materials</li><li>▪ Foundry</li><li>▪ Composites</li><li>▪ <b>Lithium-ion batteries (for use in EVs)</b></li><li>▪ Space technology</li></ul>

# 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

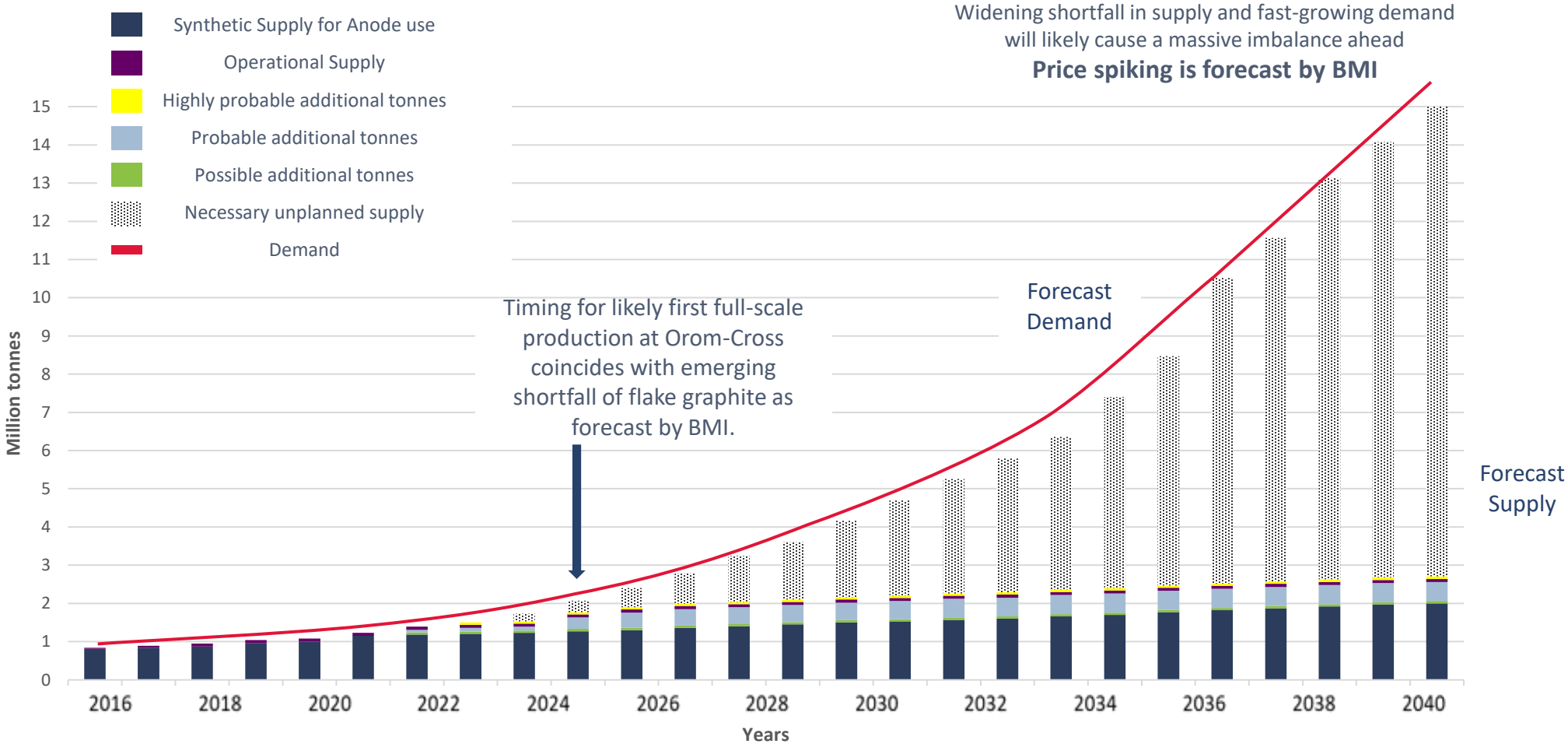
- Reduction in average EV cost
- Technological development;
  - Vehicles
  - Energy Storage / Batteries
- Increase in number of Charging Stations
- First-Mover Advantages;
  - Tesla success
  - China market share
- Auto-manufacturers moving upstream

### 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



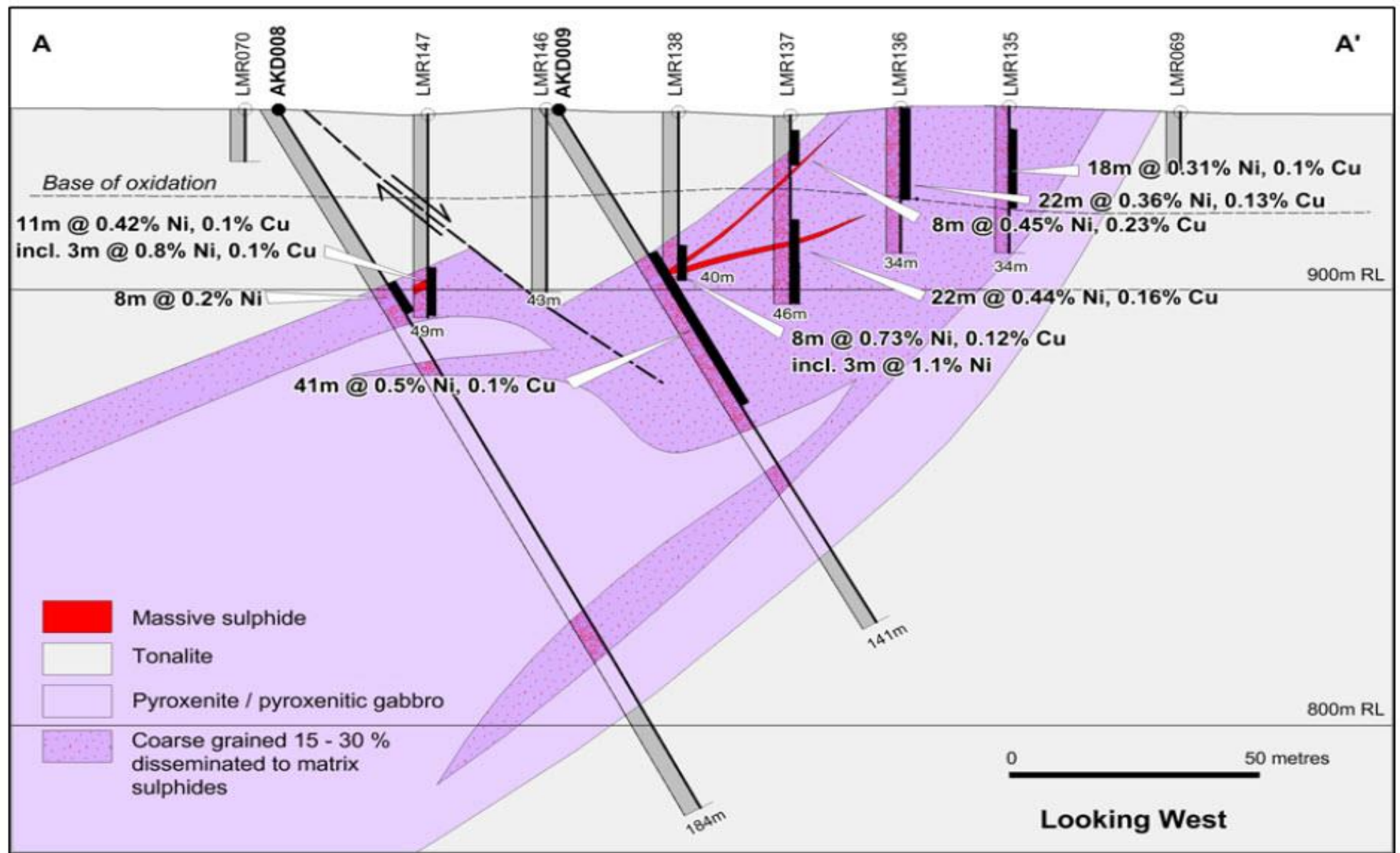
# VALUE PROPOSITION

## Akelikongo Nickel Project Overview

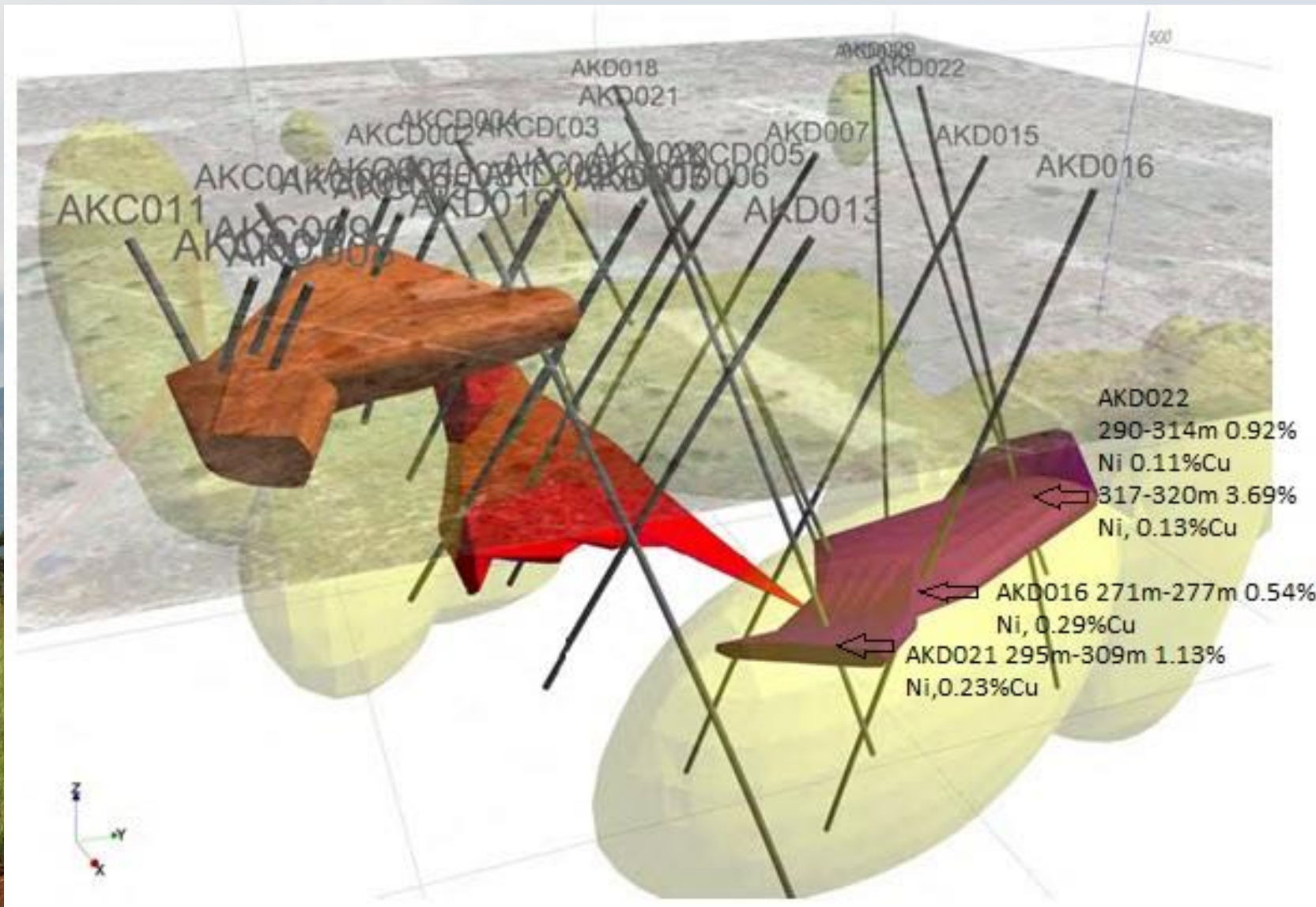
- US\$15M spent to date by Sipa & Rio Tinto JV on regional nickel exploration, identifying several strong structures, geochemistry and anomalies
- Plus 19,000m of drilling to date (regional)
- Standout – basal ultramafic unit containing disseminated and massive nickel sulphide (Akelikongo)
- Continuous nickel sulphide mineralisation over 800m strike length
- 3 separate lenses – shallow (0-60m), medium (250m) and deeper (300m). All are prospective for further Ni-Cu
- Average grade 0.37% Ni and 0.12% Cu – high grade holes within all 3 lenses.
- New Akelikongo exploration strategy already underway
- Further airborne and downhole EM work planned to test extensions to this mineralised zone and find new drill targets
- Access to substantial historic data
- Blencowe seeking to add several nearby prospective nickel tenements into Akelokongo exploration portfolio
- Located near to Kitgum and near to Orom-Cross
- Both projects can be managed synergistically and in parallel
- First phase nickel exploration (US\$250k) to be funded from existing £2M cash raised in December 2021



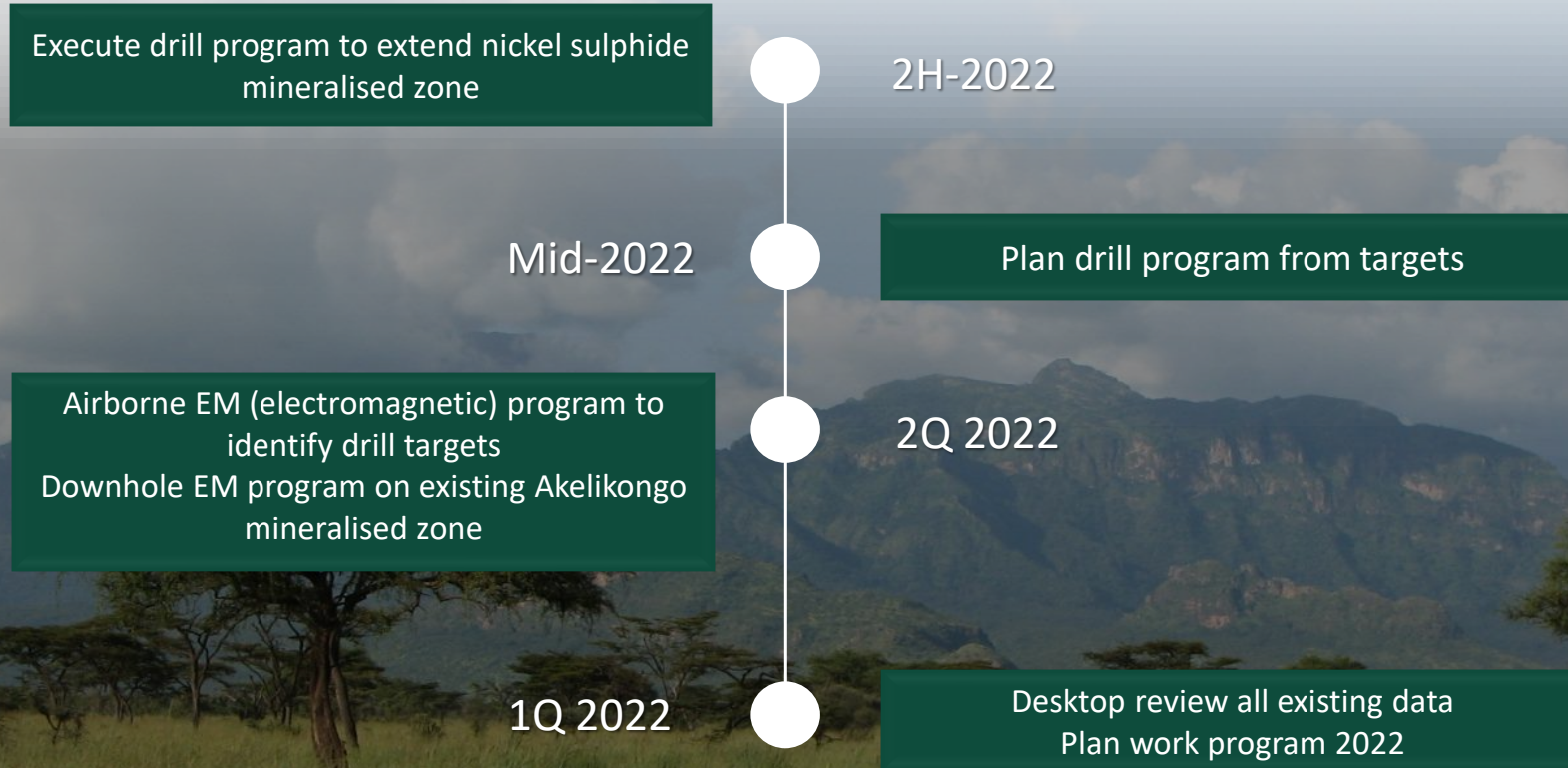
# CROSS SECTION OF SHALLOW (0-60m) MINERALISED ZONE



# DEEPER (300m) MINERALISED ZONE



# FORWARD STRATEGY AND ANTICIPATED TIMELINES – NICKEL



## **Deal Structure:**

- Four separate phases – successful milestones to be achieved at each point in order to continue / pay vendors
- First phase low cost – US\$250k spend over next 6 months
- Overall full payment to vendors if all four phases are completed = US\$1.5M payable in shares, plus NSR
- Blencowe to ultimately acquire 100% of Akelikongo project if all milestones achieved

# BLENCOWE RESOURCES INVESTMENT CASE

Sustainability  
Diversification  
Leverage



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 (EVs) driving phenomenal demand growth ahead (graphite and nickel are key)



PEA completed  
Pre-Feasibility underway



Highly complimentary nickel project added with considerable upside exploration potential

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..... RESOURCES



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