

# Orom-Cross Graphite Project Investor Update

Pre-Feasibility Study: July 2022

**BLENCOWE**

■ ■ ■ ■ ■ RESOURCES



# DISCLAIMER

This presentation has been prepared by Blencowe Plc (“Blencowe”). This document contains background information about Blencowe current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sales of shares in any jurisdiction.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient’s investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities involve risks which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Blencowe, its officers, employees, agents and advisors do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise are accepted.

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Blencowe. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law, Blencowe does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

## 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: Company Overview

## Emerging Portfolio of Battery Metals Projects

- Developing the Tier 1 Orom-Cross graphite project in Uganda
- 21 year Mining License awarded in 2019 and Pre-Feasibility Study recently completed
- PFS - NPV: US\$482M / IRR: 49%
- First graphite production from 2H 2023
- Building strategic partnerships
- Exploration work underway at nearby Akelikongo nickel project
- Blencowe highly leveraged into the battery metals market

## CORPORATE HIGHLIGHTS

Ticker <small>Main Board London Stock Exchange/Standard Listing</small>	<b>BRES.L</b>
Market Cap @ 4p	<b>£7.5M</b>
Enterprise Value	<b>£6.5M</b>
Warrants & Options <small>Average Exercise Price = 7.5p</small>	<b>82.9m</b>
Issued Share Capital	<b>177.9m</b>

Updated: July 2022

## BOARD OF DIRECTORS

<b>Cameron Pearce</b>	Chairman
<b>Mike Ralston</b>	CEO
<b>Alex Passmore</b>	Non-Executive Director
<b>Sam Quinn</b>	Non-Executive Director

## KEY MANAGEMENT & ADVISORS

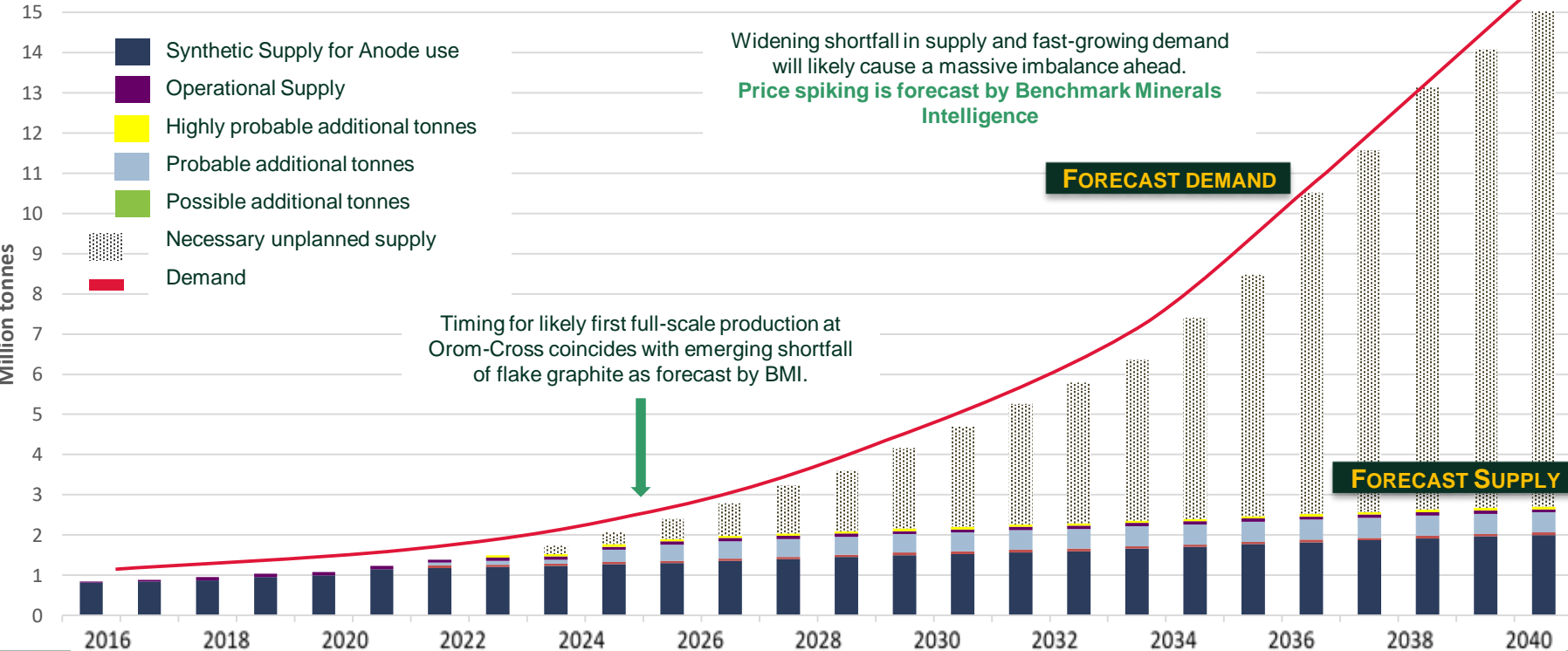
<b>Iain Wearing</b>	COO
<b>Nabil Alam</b>	Country Manager (Uganda)
<b>Chris Whiteley</b>	Sales & Marketing Advisor

## SIGNIFICANT SHAREHOLDERS

RAB Capital	10%
Board & Management	9%
Jub Capital	7%

# Structural Deficit Forecast for Flake Graphite from 2025 onwards

## Demand for Graphite to Substantially Outstrip Supply over the Next Decade



### Demand driven by:

- Forecast growth in electric vehicles from current 15m to >100m by 2030
- Battery growth for increased renewable energy storage
- >300 battery Megafactories due to come online over the next 5 years
- Continued growth in traditional graphite markets

### Supply constrained by:

- Long lead times to new develop graphite mines into production
- Qualification process for all graphite products into end-users
- Funding challenges for new projects

# Use of Graphite

Over 150 Different Applications for Flake Graphite depending on the Mesh Size and Quality

## Coarse Flake

(mesh size +32 to +48)

Used in Thermal Sheets and lining Steel Foundries, Flame Retardants, Gaskets and Seals & Expandables.

## Large/Medium Flake

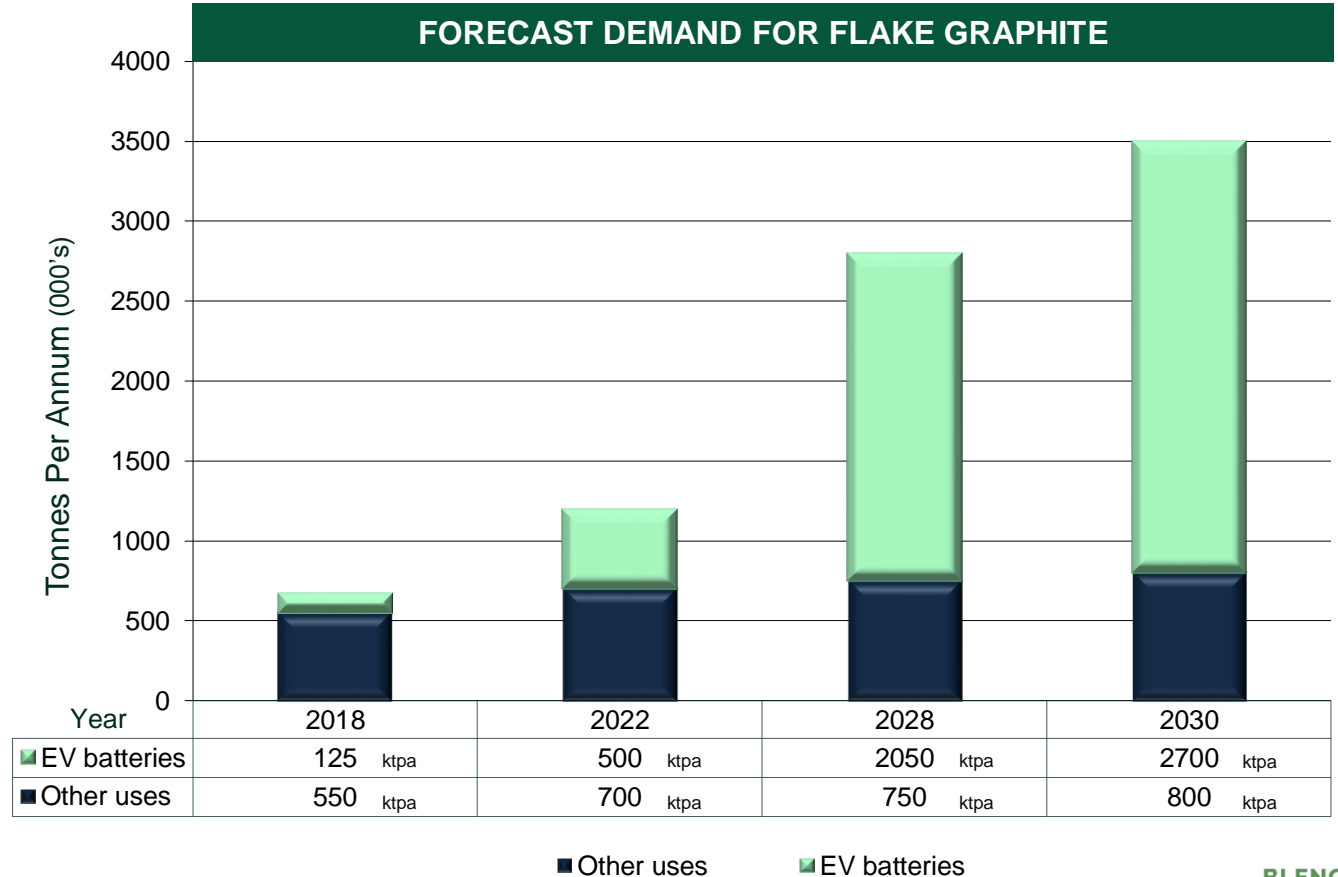
(mesh sizes +80 to +150)

Used in Flame Retardants, Refractories, Lithium-ion Batteries.

## Small Flake

(mesh sizes >+150 and -100 to -200)

Lithium-ion batteries, Lubricants, Friction Materials



# Portfolio of 2 Quality Battery Metals Projects

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

## OROM-CROSS GRAPHITE PROJECT:

- Substantial graphite deposit (2-3 billion tonnes)
- Advanced – 21 year Mining Licence already awarded
- Revised JORC Resource – 24.5Mt at 6.0% TCG
- Pre-Feasibility Study completed mid-2022
- Targeting first production from 2H-2023

*Both Projects highly leveraged into the Battery Metals market to deliver critical, non-replaceable materials used within the Li-ion battery*

## AKELIKONGO NICKEL PROJECT:

- Highly prospective nickel sulphide (exploration) project
- Substantial work already completed by previous owners
- Blencowe exploring for a large scale VMS system
- Considerable upside potential



# Snapshot: Orom-Cross Graphite Project Economics

*Pre-Feasibility Study Highlights Exceptional Returns*

**US\$482M**

Net Present Value (post-tax)

**49%**

IRR (post-tax)

**14 Years**

Initial Stage Life of Mine

**US\$62M**

Initial Capital Required

**101,000tpa**

Average Production of 97%  
Concentrate over Life of Mine

**US\$100M**

Average EBITDA pa LOM  
(US\$1.398Bn total LOM)

**US\$499/t**

Total Operating Cost (FOB port)

**US\$1,307/t**

Weighted Average Selling Price

**US\$1.1Bn**

Free Cash returned over Initial  
14 years Life of Mine

# Orom-Cross: Staged Production Profile

*First Production 2023-Ramping Up to 147,000tpa end product over Life of Mine*

Stage P (pilot) Production of ~1,500tpa end product from 2H 2023 : Pre-Qualification of all products into end-users

Main Plant

## Stage 1 – Build 2024 / Commission 2025

\* Plant capacity - 800,000tpa

\* End product volume – starts 36,000tpa and ramps up to 50,000tpa

Main Plant

## Stage 2 – Build 2027 / Commission 2028

\* Plant capacity lifted to 1.6Mtpa

\* End product volume ramps up from 50,000tpa to 100,000tpa

Main Plant

## Stage 3 – Build 2030 / Commission 2031

\* Plant capacity lifted to 2.4Mtpa

\* End product volume ramps up from 100,000tpa to 147,000tpa



# Forecast Market Prices

*Orom-Cross will sell 4x End-Products as High Grade Concentrates*

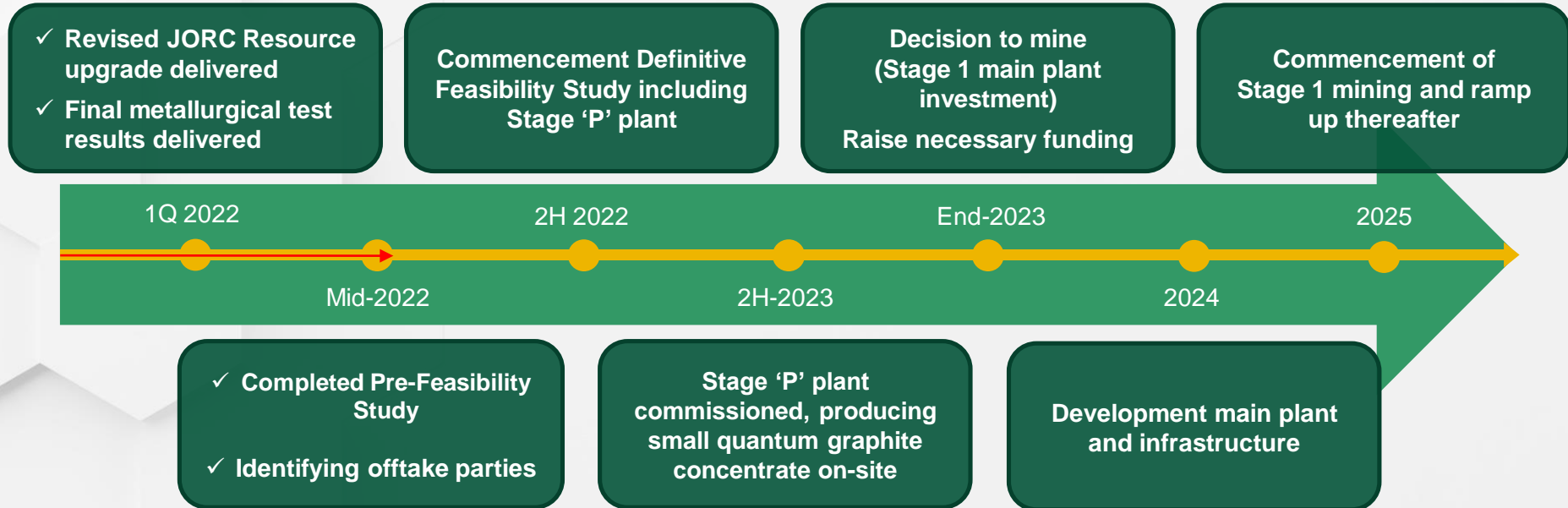
## Pre-Feasibility Study (2022)

Mesh Size	Concentrate (% LOI)	% End Product	Current 2022 Sales Prices USD 96-97% LOI	Forecast 2025 Sales Prices USD 96-97% LOI
Jumbo +32 / +50	98.0%	13.7%	2,600	2,904
Large +80	97.7%	22.5%	1,340	1,474
Medium +100/+150	97.2%	24.7%	940	1,030
Small +200 / -100 / -200	96.5%	39.1%	730	824
Weighted Average		100.0%	1,190	1,307

Source: Lone Star Technologies Graphite Pricing Report, June 2022

# Advancing Orom-Cross to Production

## Forward Strategy and Anticipated Timelines



### 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)
- Operations will be audited and certified to international standards:
  - ISO 14001 (Environmental Management Systems)
  - ISO 9001 (Quality Management Systems)
  - ISO 45001 (Occupational Health & Safety)

### SOCIAL DEVELOPMENT:

- Building an operation in close co-operation with local population & with their involvement
- 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 – education fund operating
  - Assisting development of local community agriculture schemes via purchase of equipment
- Social awareness programs
- Ongoing audit of all activities to ensure relevant and value-adding



Isimba is a 183 megawatts Hydroelectric Power Station commissioned in 2019

# Orom-Cross Value Proposition

## *Exposure to High Quality Graphite Project*

01

2-3 billion tonnes of graphite; only ~1% drilled to date for initial 14 years life of mine

06

Low capital cost to start-up production

02

Ability to ramp-up production fast to meet growing anticipated demand

07

Moving to first production of graphite concentrate from 2023

03

Excellent mix of coarse and smaller mesh size end-products; high weighted average selling price

08

High quality 96-97% LOI concentrate with low impurities

04

Low operating costs delivers high operating margins and EBITDA

09

Safe location for long term project delivery; low royalties and taxes

05

PFS shows long life, profitable mine that delivers significant cash flow & NPV

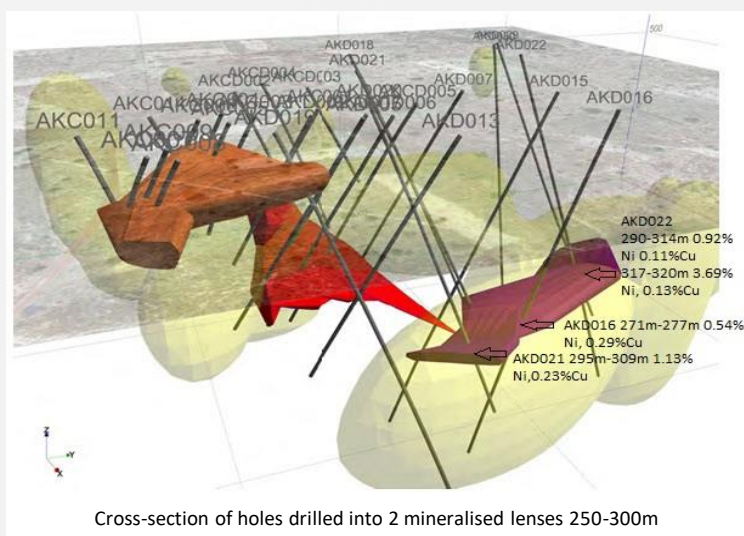
10

Experienced management team to execute

# Additional Battery Metals Project

## Akelikongo Nickel Exploration

- 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
- Airborne electromagnetic (EM) work recently completed to identify new drill targets
- Access to substantial historic data
- Blencowe adding two new nearby prospective nickel tenements into Akelikongo exploration portfolio
- Located near to Kitgum and near to Orom-Cross
- Both projects managed synergistically and in parallel
- First phase nickel exploration fully funded





# Appendix

# Revised JORC Standard Mineral Resource

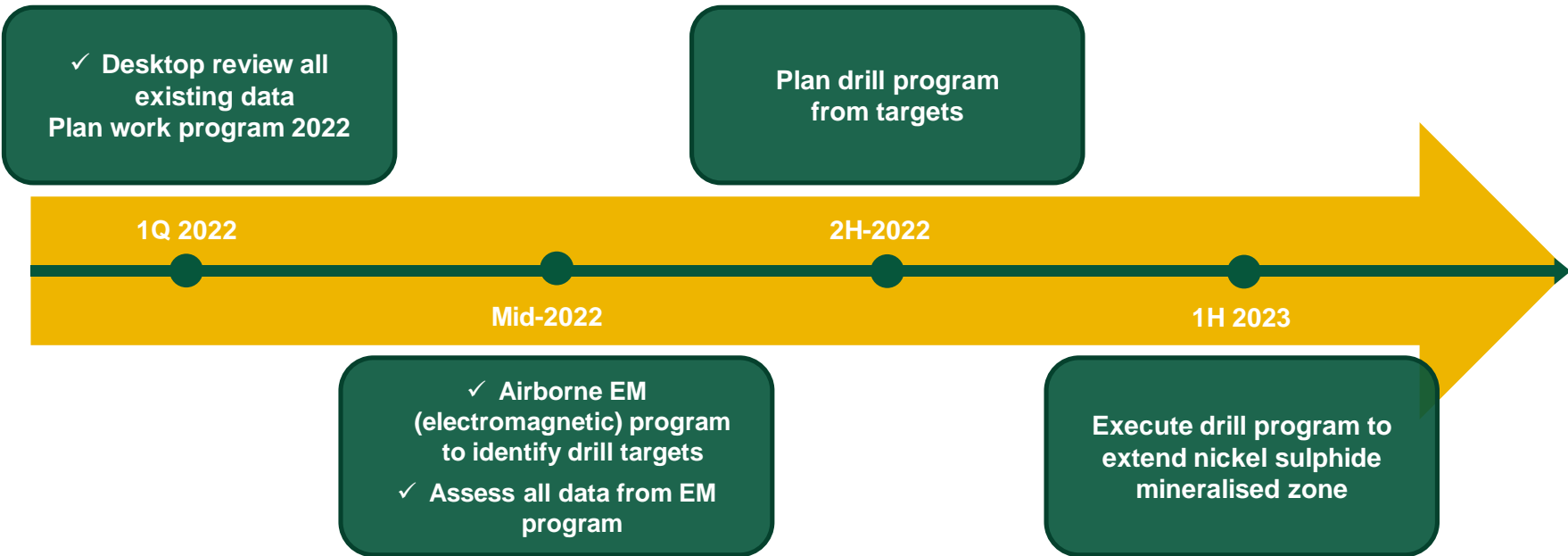
Updated: April 2022 - Less than 1% of Orom-Cross Project drilled to date

Mineral Resources			
Area		Mt	% Total Carbon
<b>Northern Syncline</b>	Inferred	10.6	5.78
	Indicated	10.4	5.85
	Measured	1.0	5.70
	<b>Sub-total</b>	<b>21.9</b>	<b>5.80</b>
<b>Camp Lode</b>	Inferred	0.6	7.50
	Indicated	1.9	7.40
	<b>Sub-total</b>	<b>2.5</b>	<b>7.42</b>
<b>TOTALS</b>	Inferred	11.2	5.87
	Indicated	12.3	6.09
	Measured	1.0	5.70
<b>TOTAL</b>		<b>24.5</b>	<b>6.0</b>

Metallurgy		
Deposit	Upgraded Concentrate (% LOI)	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>

**94% LOI entry level for battery grade graphite**  
**Anything above this attracts a premium**

# Forward Strategy and Anticipated Timelines – Nickel



## AKELIKONGO 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





+44(0)1624 681 250



1 King St  
London EC2V 8AU  
UK



[info@blencoweresourcesplc.com](mailto:info@blencoweresourcesplc.com)



# BLENCOWE

..... RESOURCES