

# Orom-Cross Graphite Project Investor Update

Commencement of Definitive-Feasibility Study:  
October 2022

**BLENCOWE**

■ ● ● ● RESOURCES



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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: 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<sub>8</sub>: US\$482M / IRR<sub>8</sub>: 49%
- Definitive Feasibility Study underway
- Building strategic partnerships:
  - Offtake contracts/sale of end-products
  - Project funding
- 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: Oct 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

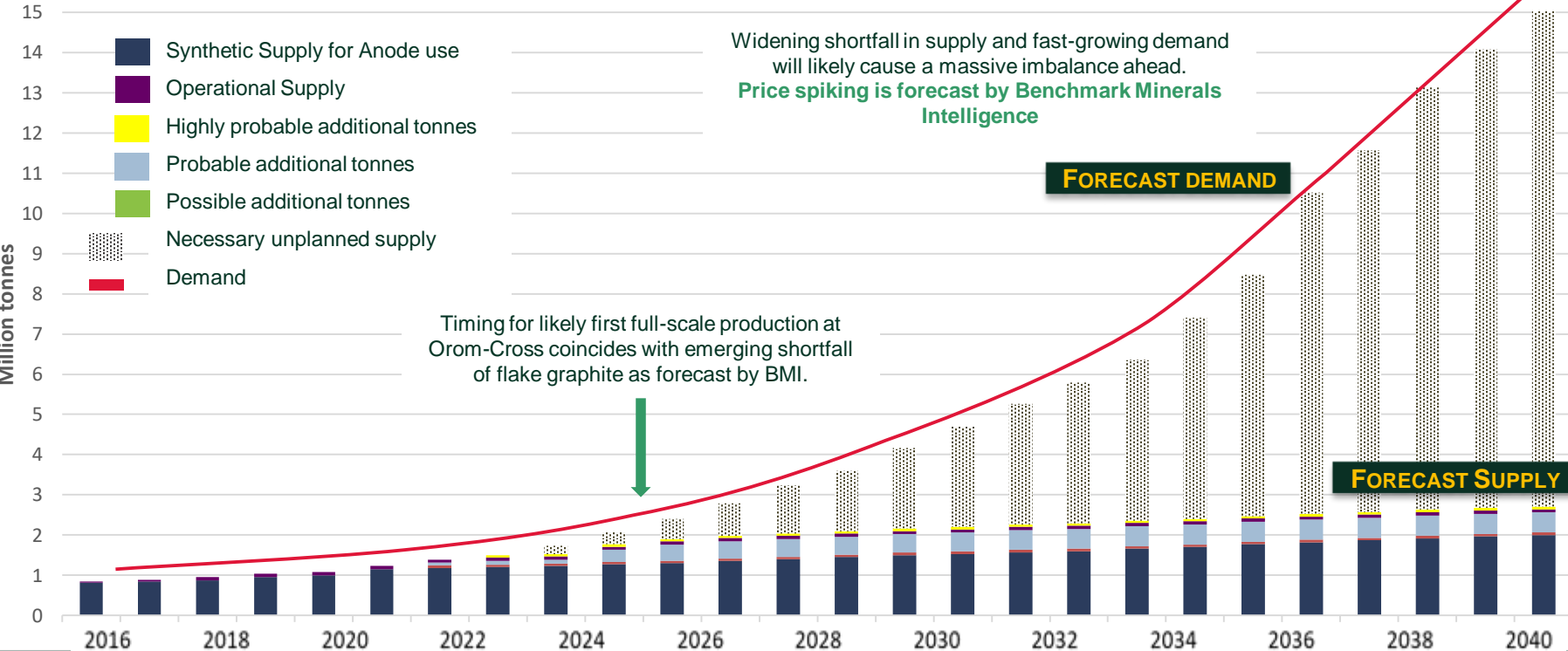
<b>Iain Wearing</b>	COO
<b>Nabil Alam</b>	Country Manager (Uganda)
<b>Chris Whiteley</b>	Sales & Marketing Advisor

## 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 8-10 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

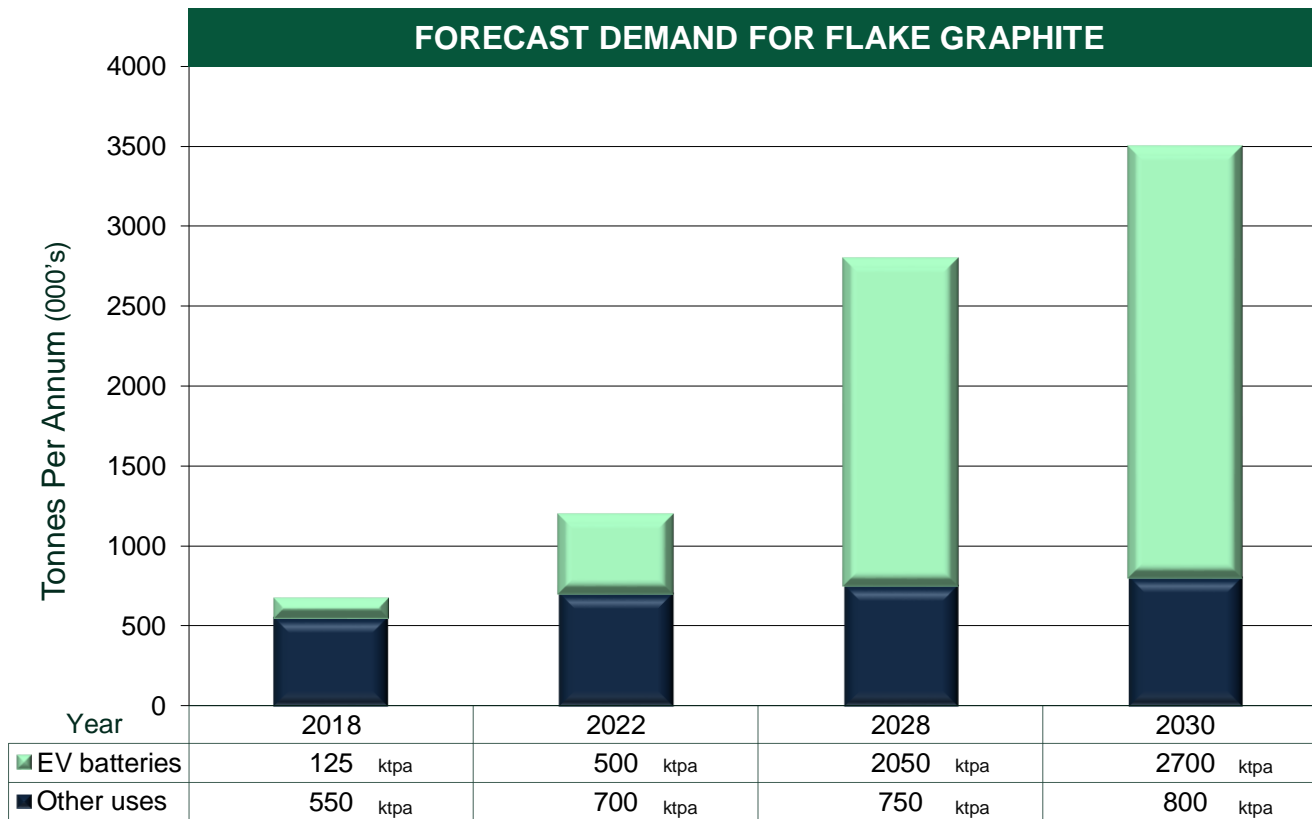
(mesh sizes +80 to +150)

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

## Small Flake

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

Lithium-ion batteries, Lubricants, Friction Materials



■ Other uses

■ EV batteries

# Orom-Cross: Next Large Scale Graphite Producer

## OROM-CROSS GRAPHITE PROJECT:

- Substantial graphite deposit (estimated 2-3 billion tonnes)
- Advanced – 21 year Mining License already awarded
- All environmental, social and other approvals in place
- Updated JORC Resource – 24.5Mt at 6.0% TCG
- Four phases of metallurgical testing completed
- Pre-Feasibility Study completed mid-2022
- Application for Free Trade Zone License (FTZL) underway
- Targeting Definitive Feasibility Study completion end-2023, inclusive of all offtake agreements and project funding
- Mainstream production targeted from 2025

*Highly leveraged into the Battery Metals market to deliver a critical, non-replaceable input material used within the Li-ion battery*



# Snapshot: Orom-Cross Graphite Project Economics

*Pre-Feasibility Study Highlights Exceptional Returns*

**US\$482M**

Net Present Value<sub>8</sub>  
(post-tax)

**49%**

IRR<sub>8</sub> (post-tax)

**14 Years**

Initial Stage Life of Mine  
(from ~2% of deposit drilled to date)

**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\$1.1 Bn**

Free Cash returned over Initial 14 years  
Life of Mine

# Orom-Cross: Three-Staged Production Profile

*First Production targeted 2025 - Ramping up to 147,000tpa over Life of Mine*

## Stage 1 – Build 2024 / Commission 2025

Plant capacity - 800,000tpa

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

**Capex = US\$62M**

Debt (60%) – US\$37M  
Equity (40%) – US\$25M  
(Project level equity)

## Stage 2 – Build 2027 / Commission 2028

Plant capacity lifted to 1.6Mtpa

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

**Capex = US\$48M**

Debt ~US\$20M  
Project funds ~ US\$28M  
(Using free cash from project)

## Stage 3 – Build 2030 / Commission 2031

Plant capacity lifted to 2.4Mtpa

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

**Capex = US\$50M**

100% Project  
Funded

*If offtakers contracted during DFS (2023) to acquire up to 100,000tpa end-products + project funding available then Blencowe may consider amalgamating both Stages 1 & 2 above into initial mine construction – further Capex savings*



# Forecast Market Prices

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

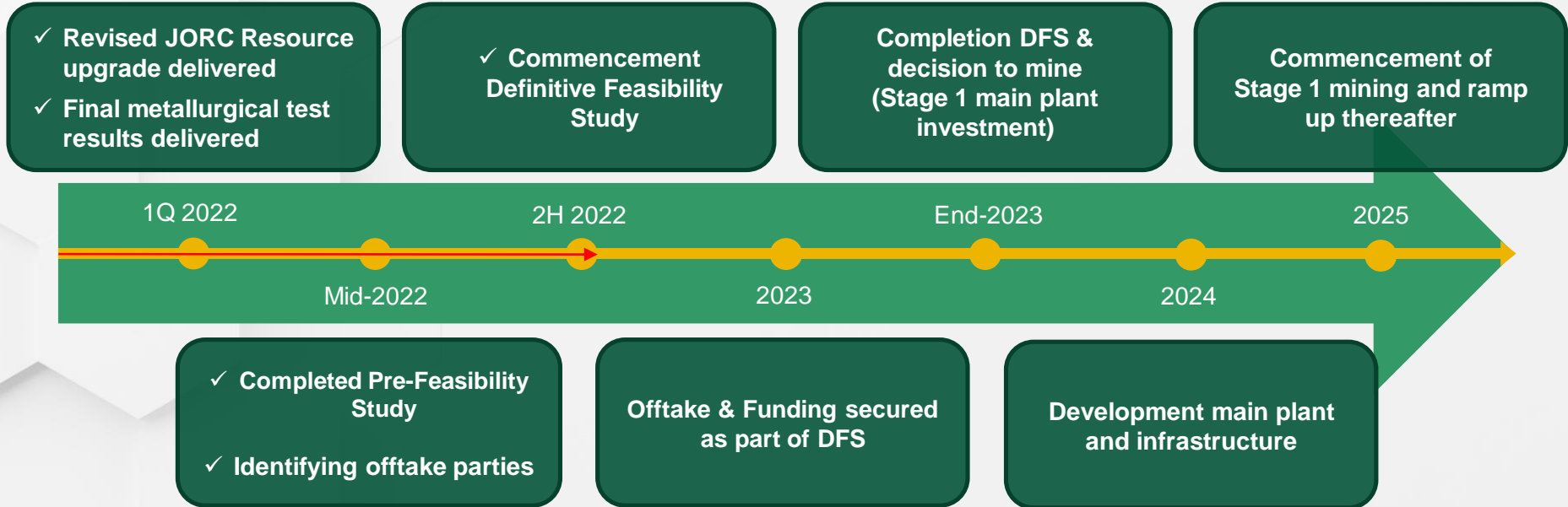
## Pre-Feasibility Study (2022)

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/t
Large +80	97.7%	22.5%	1,340	1,474/t
Medium +100	97.2%	24.7%	940	1,030/t
Small +200 / -100 / -200	96.5%	39.1%	730	824/t
<b>Weighted Average / tonne</b>		<b>100.0%</b>	<b>1,190</b>	<b>\$1,307/t</b>
Operating Cost / tonne (FOB port)				\$499/t

Source: Lone Star Technologies Graphite Pricing Report, June 2022

# Advancing Orom-Cross to Production

## Forward Strategy and Anticipated Timelines



# Definitive Feasibility Study

## OROM-CROSS GRAPHITE PROJECT:

- Detailed analysis of all strategy, operational and capital costs associated with project
- Decision on building pilot plant to be delayed until mid-2023 - engagement with offtake partners will ultimately determine requirement
- Third party sign-off from experienced engineering firm to ensure all data within DFS is accurate and thorough
- Bulk samples to be provided for final met test work in China
- Final met test work to lift 96% LOI conc to 99.95% (min)
- Focus on signing offtake partners into MOUs for sale of product, and ultimately binding contracts
- EPC contractor
- Plant design
- Peer reviews
- Funding alternatives (debt & equity)
- Target completion end-2023, for decision to mine 2024



# Qualification of End Products – 2023 (DFS)

## *Metallurgical Testing to complete Product Qualification through to OEMs*

### Bulk Sample Testing / China

100 tonnes raw material from site shipped to China for bulk testing in pilot facility  
 ~6 tonnes 96% concentrate delivered for further test work

### SPG / Expandables testing

1.5 tonnes concentrate into SPG (spherical purified graphite) testing  
 400kgs 99.95% product delivered for OEM testing

### OEM Testing

5-10x 30kgs each to various OEMs for testing  
 End product qualified as battery grade – full offtake contracts

*All remaining test work throughout 2023*  
*Successful end product provides ability to contract full 50,000tpa Stage 1 plant output*

### 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 options
  - 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
- Revised Community Agreement signed in Sept 2022



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

Locking in both Offtake and Funding Partners within DFS (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



# 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**





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