# **BLENCOWE**

**RESOURCES** 

**Orom-Cross Graphite Project** 

**Building a Differentiated Mining-to-Battery Strategy** 



## WORLD CLASS OROM-CROSS GRAPHITE PROJECT

## Standout, Tier-One Project



- ✓ Estimated deposit 2-3 billion tonnes graphite, near-to-surface.
- ✓ Initial JORC Resource 24.5Mt @ 6.0% based on just ~2% of licence area currently drilled.



- ✓ 21 year Mining License awarded in 2019 and all environmental and other permits in place.
- ✓ Strong Govt and local community support.
- ✓ Safe jurisdiction to build a long term mining project



✓ US\$5M grant awarded by tier one US financial institution (DFC) to co-fund DFS and provide a project funding solution ahead.



- ✓ Pre-Feasibility Study (2022) indicates long-life, high margin, low capital cost mining operation with a post-tax NPV of US\$482M.
- ✓ Definitive Feasibility Study underway (2024).



- ✓ East African graphite considered as premier grade worldwide.
- ✓ High quality Orom-Cross end products currently in pre-qualifying test stage for sale into battery/anode market.



- ✓ Substantial percentage of higher value large flake product to sell into traditional markets.
- **✓** Exceptional characteristics for purified products.
- ✓ Downstream beneficiation to deliver higher weighted average sale price.

## **Pre-Feasibility Study (2022): Project Economics**

BLENCOWE

US\$482M

Net Present Value8 (post-tax)

49%

IRR8 (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

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

## Where can the DFS deliver incremental upside value?

- ✓ Further drilling to increase JORC resource & reserves
- ✓ Increased life of mine and production volumes
- ✓ Lifting fully ramped up production of concentrate over life of mine
- ✓ Micronisation at site to uplift value-add of end products
- ✓ Lower unit costs further
- ✓ Downstream processing in-country selling 99.95% products in addition to concentrates





## **STRATEGIC PARTNER: Project Funding Solution**



## **DEVELOPMENT FINANCE CORPORATION (DFC)**

- Blencowe has entered a partnership with DFC to provide overall funding solutions for Orom-Cross, including co-funding DFS now and full project funding ahead.
- DFC signed a US\$5M Technical Assistance Grant agreement (Sept 2023) to cover a significant portion of all DFS costs;
  - ✓ Milestones to be delivered during feasibility study to access DFC grant funds
  - ✓ US\$3M grant funds already received
- Orom-Cross is the first pre-production graphite project worldwide to be funded by a US Government grant via the DFC.
- Partnering with DFC preserves all of the Orom-Cross project equity;
  - ✓ Technical Assistance Grant does not require any repayment until project goes into full production.
  - ✓ Orom-Cross valuation will rise significantly over next 12 months once DFS is completed.
- Substantially de-risks the Project through involvement of a tier-one funding partner who will be incentivised to provide a full funding solution for Orom-Cross.

DFC is an agency (proxy) of the US federal government and represents US interests; in this instance seeking long term supply of a critical mineral (graphite) for the United States.

Respected tier-one US financial institution with significant experience funding private sector projects.

#### **DFS Co-Funding US\$5.0M**

**Technical Assistance Grant** 



Orom-Cross Project Funding Partner



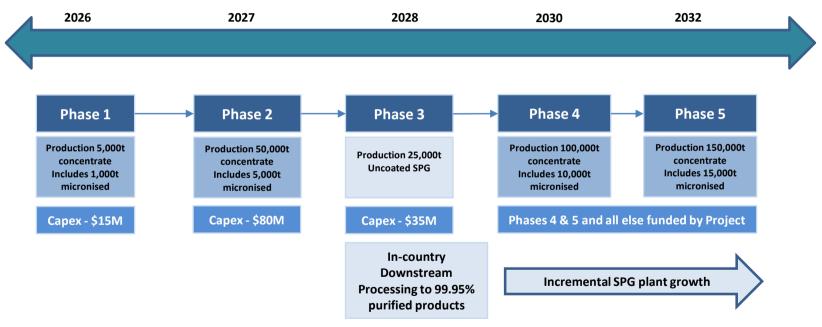
**SPG Plant Funding** 



#### PRODUCTION STRATEGY



### Move to First Production beginning 2026 and Ramp Up thereafter based on Experience and Success



#### Notes:

- Slower start-up strategy allows Orom-Cross to move into production faster, with less capital requirement and less risk.
- 2. Capex numbers shown above for Phases 1-3 are indicative-only and will be finalised once DFS is completed.
- 3. Phase 3 capex for SPG plant likely to have JV partner contributing substantial portion of funding.

### **OROM-CROSS: UGANDA PRODUCTION STRATEGY ACROSS 2 SITES**

Orom-Cross plant producing 96% graphite concentrate

# Phase 1 80ktpa plant delivers 5,000tpa concentrate & 1,000tpa micronised



# Phase 2 Build 800,000tpa plant delivering 50,000tpa concentrate & 5,000tpa micronised



#### Phase 3

25,000tpa Uncoated SPG plant (99.95% spheronised, purified graphite)

# Location of Downstream Processing Plant critical for:

- Close proximity to source material (small flake concentrate from Orom-Cross mine)
- Lower hydropower energy tariffs
- · Abundant water for processing
- Close to road and rail options for transport to Mombasa port.

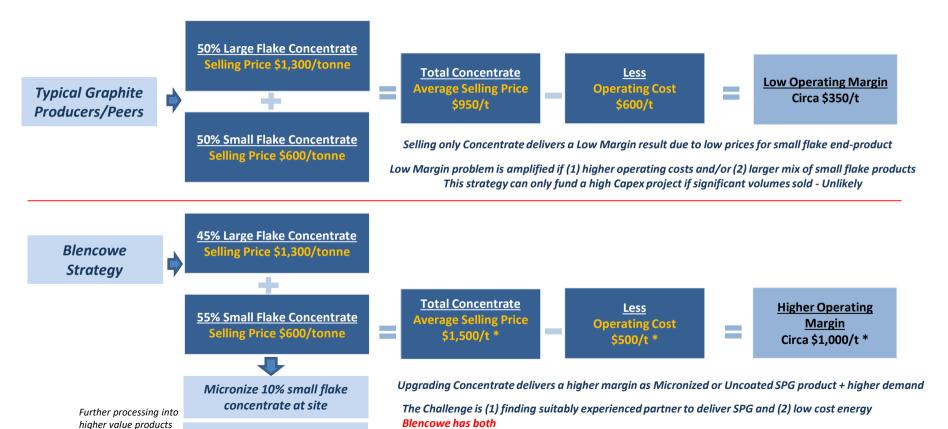
Phase 4 & beyond



## What does SPG Production In-Country offer

**Beneficiate 90% to 99.95%** 

SPG at Plant nearby



**Orom-Cross Difference** 

#### PROJECT DIFFERENTIATON

## Orom-Cross Unique amongst its Peers in the "Must-Have's"

#### PFS Operating cost \$499/t = lowest Most graphite projects selling concentrate only percentile graphite market & will lower will have LOM average sales price \$750/t-\$1,000/t. costs further within DFS. **Low Operating cost** Unless FOB Operating cost <\$500/t there is no Weighted average selling price higher profit to be made = no commercial model. due to flake mix % = healthy margins. Sourcing capital is challenging for graphite mines and Start-up Capital cost \$70-80M = lowest any substantial upfront capital cost to build the mine 10% in graphite market. **Low Capital cost** Due to significant key infrastructure for will pose considerable difficulties and put pressure on net cash to distribute after interest and repayments. the project start-up already in place. Poor quality graphite as concentrate and/or purified Metallurgical testing (including bulk **Product Quality** product disqualifies mines from tier one offtake samples) has proven highest quality both contracts, and reduces sales price accordingly. as 96% concentrate & 99.995% purified. Downstream processing can deliver significantly more Feasibility studies underway for **Downstream** profit than mining and only selling concentrate. downstream processing in-country to **Processing** Lifts weighted average sale price and reduces logistics. produce (up to) 99.995% purified products. Unique funding relationship with DFC (1) Funding (2) Offtake/Marketing Strong relationships with OEMs, **✓** Key Relationships (3) EPC (4) Downstream Processing Offtakers & experienced downstream processing partners - all underway.

#### **SUSTAINABILITY**

#### Orom-Cross set to become an ESG leader

#### **ENVIROMENTAL**

- \* All energy requirements from hydro-power off Ugandan national grid
- \* Solar options
- \* Electric drying
- \* ISO 14001 certification
- \* Ongoing commitment to reduce carbon footprint

#### SOCIAL

- \* Community Agreement signed, returning value locally
- \* No displacement
- \* Education fund in place
- \* Long term job opportunities
- \* Ongoing consultation

#### **GOVERNANCE**

- \* UK listed PLC with LSE rules
- \* DFC partnership requires highest level scrutiny, standards and constant audit
- \* Commitment to international standards



Isimba is a 183 MW Hydroelectric Power Station commissioned in 2019, providing green energy to the national grid

Delivering Green Graphite

Delivering Social Solutions



Community ceremony to award 2023 Orom-Cross education scholarships to locals

#### **CORPORATE OVERVIEW**

£0.055p

Share price

**67M** 

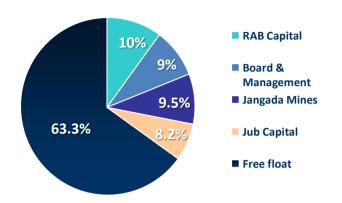
Warrants & Options VWAP = 7.7p

£12.0M

Market cap

218M

**Issued Share Capital** 



**MANAGEMENT** 

#### **BOARD & MANAGEMENT WITH RESOURCE DEVELOPMENT EXPERIENCE**

# Cameron Pearce

Corporate executive with 20 years' experience developing junior resource companies.

## Alex Passmore NON-EXEC DIRECTOR

**BOARD** 

Senior executive and geologist with core skills identifying and delivering resource assets.

# Sam Quinn NON-EXEC DIRECTOR

UK lawyer with 15 years' LSE capital markets experience.

# Mike Ralston

20 years' corporate experience managing junior resource companies and projects through the pre-production development cycle.

# lain Wearing

Mining Engineer with substantial experience bringing resource projects through feasibility studies and into production, including several Africanbased mines.

#### Nabil Alam UGANDA COUNTRY MANAGER

Civil Engineer with key EPC and major project implementation experience.

# Chris Whiteley SALES & MARKETING NORTH AMERICA Joel Chong SALES & MARKETING ASIA PACIFIC

Vast experience in sales and marketing of all graphite products worldwide.



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#### THE RELEVANCE OF GRAPHITE

### The Unreplaceable Input into All Batteries





**Graphite Markets** 

Key Applications

- ✓ Traditional markets mainly heat resistance & electrical conductivity products.
- ✓ Traditional battery markets lead acid batteries and alkaline batteries.
- ✓ Emerging markets lithium-ion batteries for renewable energy storage and EVs.

Emergence of new Clean
Energy Economy led by
Solar PV and Electric
Vehicles



- ✓ 15 million EVs sold 2023, forecast 20 million 2024 strong growth market ahead.
- √ 50% of US cars sold by 2030 are forecast electric China already surging.
- ✓ Global renewable capacity to ~500GW₁ in 2024 with forecast growth to 1,000GW before 2030 storage of renewable energy via batteries critical to global transition.

Lithium-ion batteries remain the premier means for clean energy storage



- ✓ Graphite makes up circa 50% of the lithium-ion battery by weight.
- ✓ Non-replaceable input due to unique chemical characteristics.
- ✓ Demand for graphite forecast to triple over next 5 years (from 1mtpa to 3mtpa), with increment likely to be met 50/50 by synthetic/natural flake graphite.
- ✓ Very few new mines will come into production to meet that demand

1. International Energy Agency (IEA): Oct 2023 Market Update Report

## **REVISED JORC STANDARD MINERAL RESOURCE**



Updated: April 2022 – with ~2% of Orom-Cross Project drilled to date

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

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%
Composite (Mix of all)	97.3%	90.1%

94% LOI entry level for battery grade graphite: Orom = 97%.

DFS drill program targeting doubling of Resource.



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