



**BLENCOWE**

•••• **RESOURCES**

LSE: BRES

#BRES

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

*Highly Leveraged to Deliver 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.

# 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. £9.0m
Enterprise Value	c. £7.2m
Warrants & Options Average Exercise Price = 7.5p	82.9m
Issued Share Capital	177.9m
Updated: April 2022	

## SIGNIFICANT SHAREHOLDERS

RAB Capital	10%
Board & Management	9%
Jub Capital	7%
Spreadex	4%
Brandon Hill Capital	2%

# 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
- Revised JORC Resource – 24.5Mt at 6.0% TCG
- Currently within PFS stage – due mid year
- Targeting first production from mid-2023 (pilot plant)

Both Projects highly leveraged into the Battery Metals market to deliver Non-Replaceable Materials within the Li-ion battery

## AKELIKONGO NICKEL PROJECT:

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



# 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 with 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 – education fund operating
  - 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 2021
- PEA showed Low operating cost (US\$500/t) / Substantial operating margin (>US\$5500/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

- Acquired Akelikongo nickel project

April  
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
- Raised £2M via placement for PFS

February  
2021

- Revised JORC Resource  
First 15 years life of mine now drilled out

# FORWARD STRATEGY AND ANTICIPATED TIMELINES - GRAPHITE



# REVISED JORC MINERAL RESOURCE

Updated: April 2022 - Less than 1% 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
	<b>Sub-total</b>	<b>21.9</b>	<b>5.80</b>
Camp Lode	Inferred	0.6	7.50
	Indicated	1.9	7.40
	<b>Sub-total</b>	<b>2.5</b>	<b>7.42</b>
TOTALS	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 (% 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>

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

# FORECAST MARKET PRICES

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

## Preliminary Economic Assessment (2021)

Mesh Size	Concentrate (% TCG)	% End Product	2021 CIF China USD 94-95% TGC	2021 CIF China USD 96-97% TGC	Estimated 2025 CIF China USD 96-97% 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>

## Current

2022 Prices  
USD 96-97% TGC

2,500

1,350

950

800

1,200

- 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

# ADVANCING OROM-CROSS FROM PEA (2021) TO PFS (2022)

Changing Focus to Lower Risk Start-up with Ability to Expand Fast Thereafter

Key Performance Indicators	Preliminary Economic Assessment	Pre-Feasibility Study
LIFE OF MINE	13 years	15-20 years
ANNUAL PRODUCTION TONNES	75,000tpa (average)	25,000tpa – 100,000tpa
CAPEX REQUIRED	USD 80M	Significantly lower
WEIGHTED AVE SELLING PRICE/TONNE	USD 1,050/tonne	Significantly higher
OPERATING COST/TONNE	USD 500/tonne	Targeting Constant
EBITDA	USD 40M (average)	
NPV IRR	USD 317M 49%	
PAYBACK CAPITAL	4 Years	

# OROM-CROSS END PRODUCTS

## Sales options

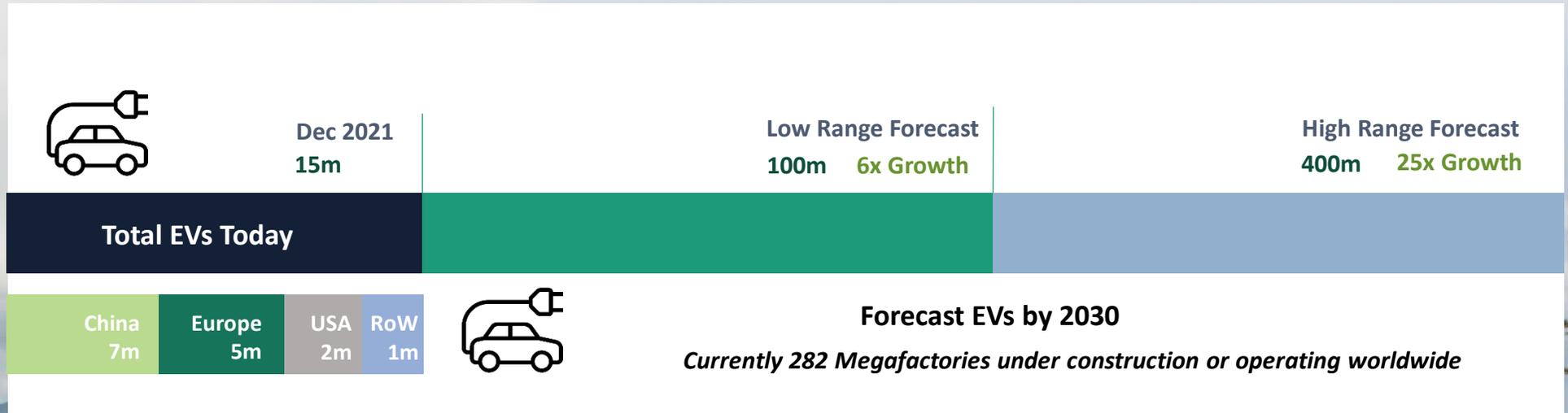
### Typical applications for different graphite flake sizes

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

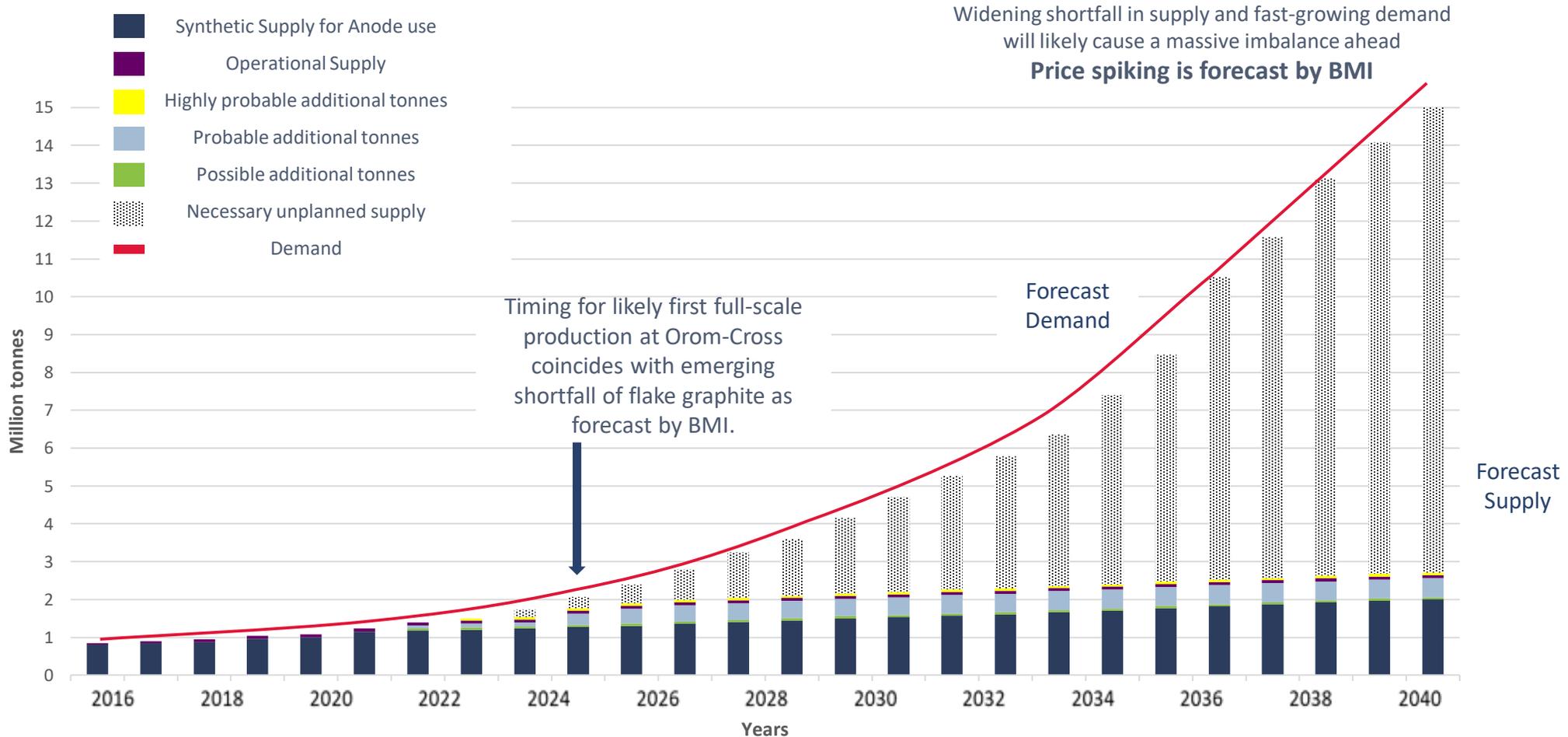
- Reduction in average EV cost
- Technological development;
  - Vehicles
  - Energy Storage / Batteries
- Increase in number of Charging Stations
- First-Mover Advantages;
  - Tesla success
  - China market share
- Auto-manufacturers moving upstream

### 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

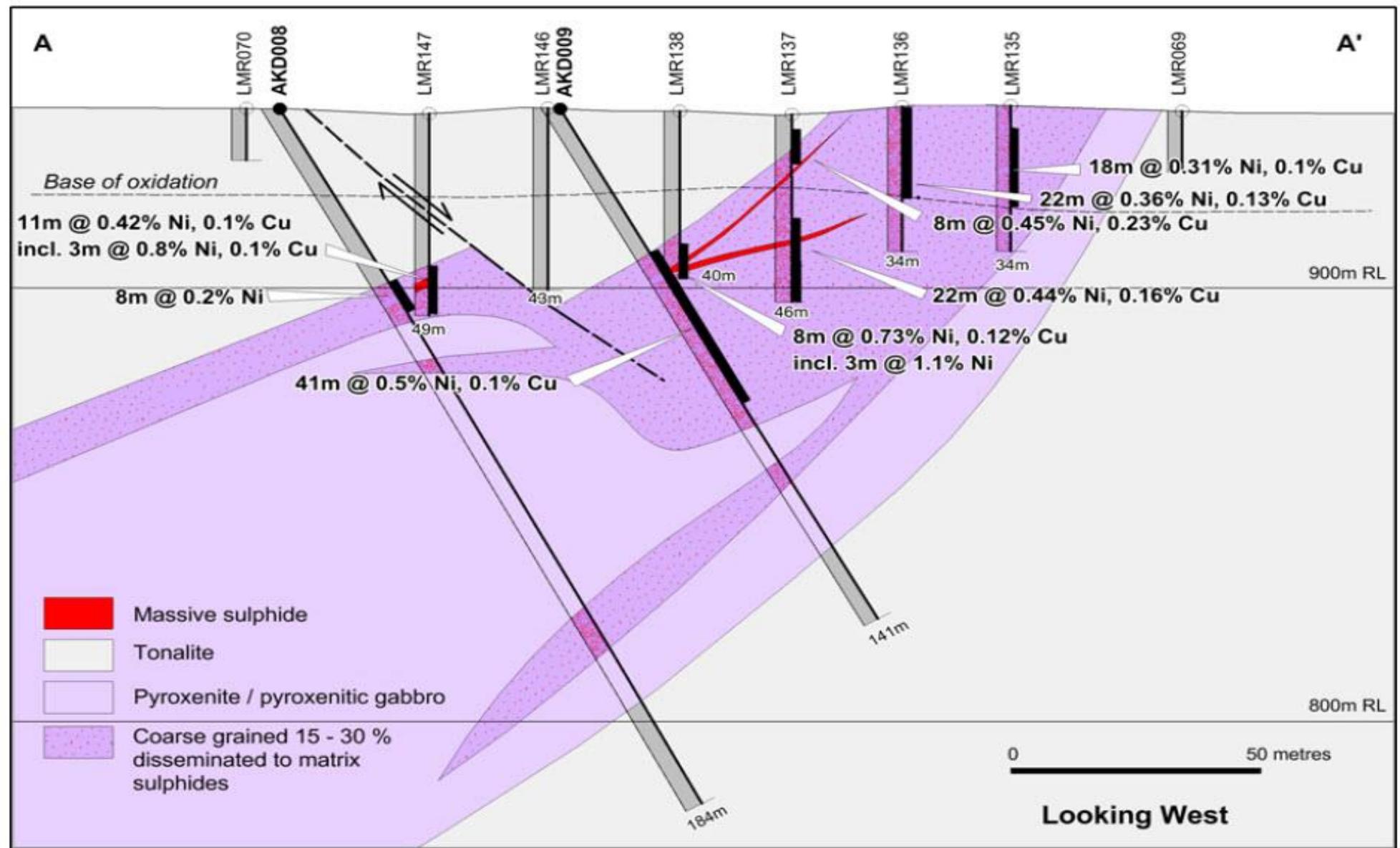
## Akelikongo Nickel Project Overview

- 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.

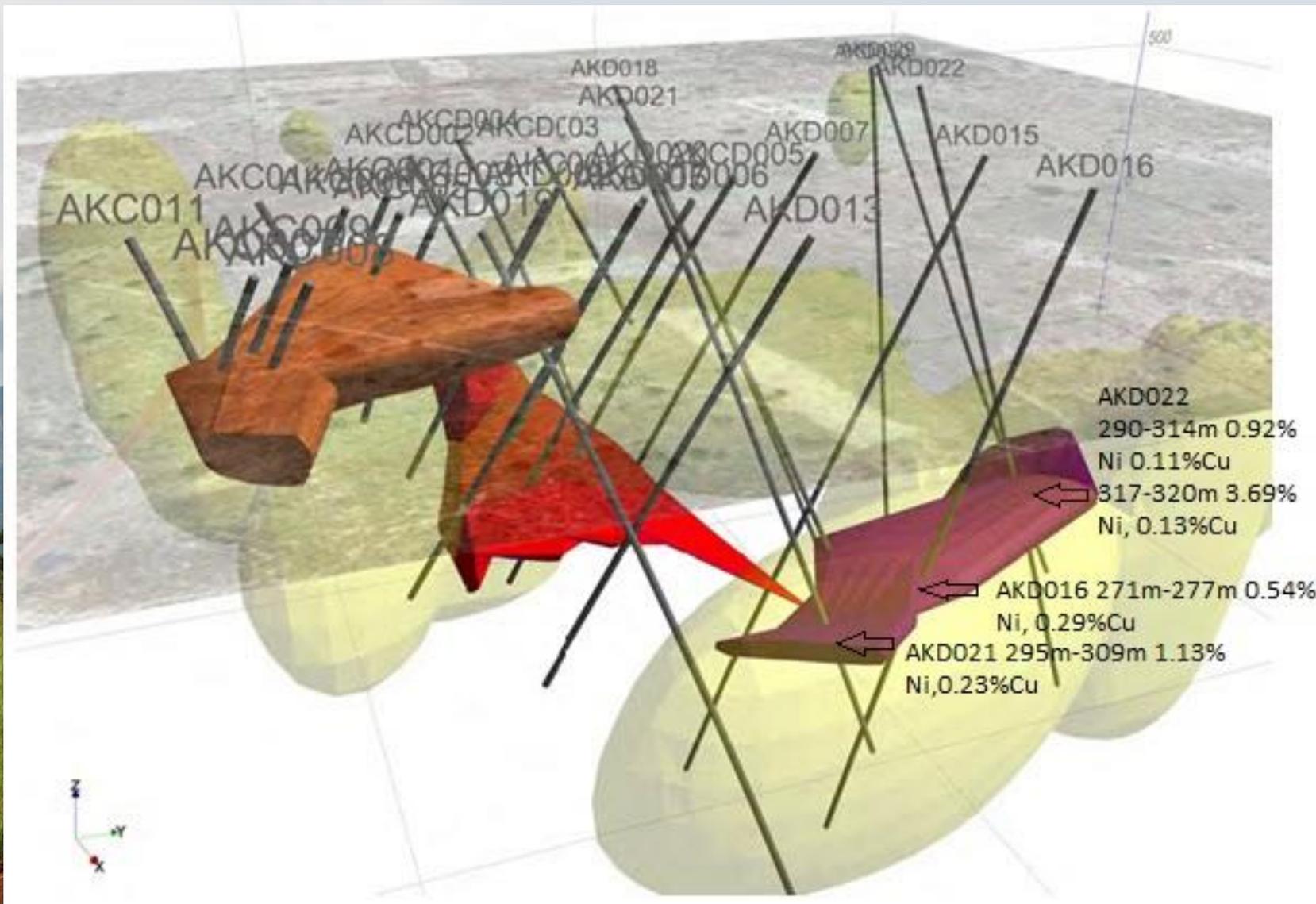


- New Akelikongo exploration strategy already underway
- Further airborne and downhole EM work planned to test extensions to this mineralised zone and find new drill targets
- Access to substantial historic data
- Blencowe seeking to add several nearby prospective nickel tenements into Akelikongo exploration 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

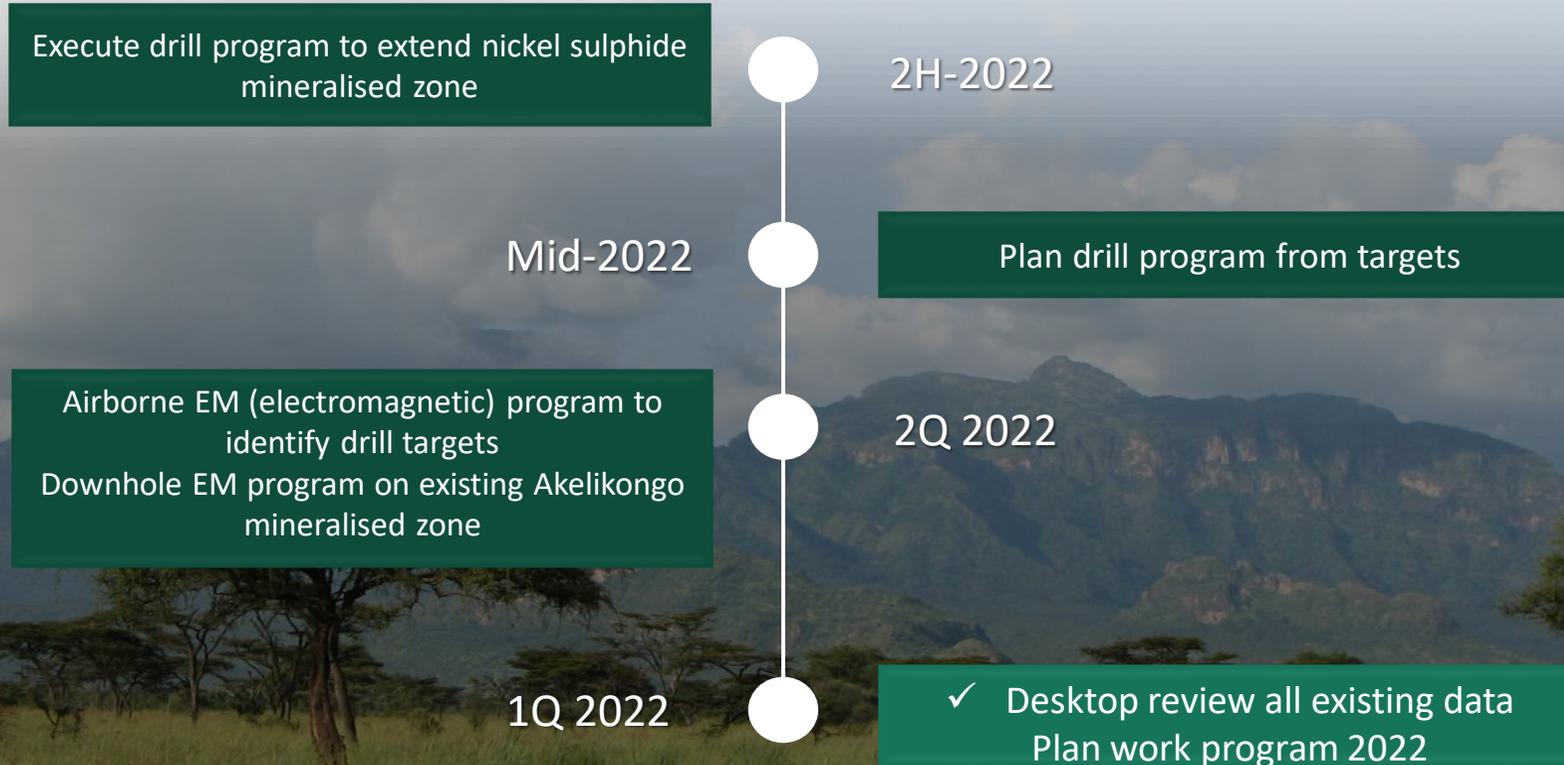
# CROSS SECTION OF SHALLOW (0-60m) MINERALISED ZONE



# 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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