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Blencowe Resources Plc

("Blencowe" or the "Company")

Government Approval to Export Bulk Samples from Orom-Cross Graphite Project Kick Starts Final Stage Metallurgical Testing

Highlights

- Ugandan Government approves landmark one-off permit for Blencowe to export bulk sample graphite from Orom-Cross for key final testing
- Underlines huge support for Orom-Cross advancement to production at all levels within the country
- Blencowe has successfully completed two rounds of smaller sample metallurgical testing on Orom-Cross graphite during 2022, using technical firms in Canada and Australia.
- Mandate signed with experienced Chinese graphite processing specialist Jilin Huiyang New Material Technology Company Ltd to use its existing bulk pilot facility for final metallurgical testing.
- 100 tonnes of bulk sample to be mined immediately and sea-freighted to China.
- Additional 150kgs sample to be mined and fast-track delivered to China by air freight for initial off-site testing in same facility.

Blencowe Resources Plc ("**Blencowe Resources**" or the "**Company**") (LSE: BRES) is pleased to announce it has received an approval from the Ugandan Ministry of Energy and Mineral Development to export materials from its Orom-Cross Graphite Project to Chinese testing facilities to enable final bulk metallurgical test work to be undertaken in 2023. Blencowe has mandated Jilin Huiyang New Material Technology Company Ltd ("Jilin") to complete this test work in their existing pilot plant facility, which negates the requirement for the Company to build its own bulk testing facility on-site in the near term.

Jilin has over 30 years direct experience in graphite processing and has completed similar bulk sample testing for other leading international graphite companies in the past. This is a key step in the process to pre-qualify Orom-Cross end-products as concentrates through to OEMs in order to ultimately achieve binding offtake contracts for production from the Project.

As Ugandan Mining Law does not allow for the export of unprocessed raw materials this approval is a landmark decision by the Government, who fully understand the need and requirement for this testing to occur as a key action for the advancement of Orom-Cross towards first production. Blencowe acknowledges and appreciates the support of the Government of Uganda and the Ministry of Energy and Mineral Development in this matter.

The export permits for 100t of bulk raw ore materials and 400 litres of local groundwater will enable the Company to export a representative bulk sample from the initial 5 years of production, which will be used to assess the metallurgical processes on a commercial scale including differing plant components to maximise the grade, recovery and flake sizing from the Project. The addition of the groundwater sample will enable the test facilities to assess the water characteristics in terms of the reagents required under proposed site operating conditions.

Works to excavate and transport the bulk samples will begin immediately and will be freighted by sea to China to have the testing completed as quickly as practically possible. In addition, 150kgs of the same samples will be air-freighted to same Jilin facility more quickly to undergo metallurgical testing and build knowledge before the larger samples arrive.

Blencowe has already been able to share significant data with Jilin having previously completed two stages of bench scale metallurgical testing with SGS in Canada (30kgs) and more recently a further round of testing via a small pilot plant (130kgs) in Perth, Australia. This next-level proposed test in China, using their existing infrastructure and experience, will be done on a considerably larger scale, which will give all parties more knowledge of the end concentrates that can be produced on a production scale from Orom-Cross. It is hoped that this program will initially lead to non-binding MOUs for offtake, and ultimately to binding sale agreements for a substantial portion of the initial 50,000tpa product to be produced from stage one within Orom-Cross. There may also be potential for EPC and funding contracts emanating from this relationship, potentially providing one solution to the CAPEX requirement for initial stage production.

Cameron Pearce, Executive Chairman commented;

"China is currently the most mature graphite market worldwide and entering into an offtake relationship there would be very valuable to us given the highly attractive economics at Orom-Cross, which already has an NPV of US\$482M based on an initial 14-year mine life, from just ~2% drilled from our broader graphite resource."

"This bulk sample trial is significant as a precursor that ultimately leads us to a full offtake agreement, which in turn would enable us to kick start production with a critical mass of product sold to drive profitability and cash flow. If successful it can also lead to building an EPC relationship and potential funding solutions."

"The graphite market is evolving very quickly and we will see a lot of change ahead as the world expands from current 15-20 million electric vehicles (EVs) towards the targeted 100 million by 2030. This in turn will drive up the demand for flake graphite as a non-replaceable input required to produce lithium-ion batteries to power these EVs and leading analysts forecast a 300% rise in world demand for graphite by 2030. We are already seeing prices rise in anticipation of this looming shortage. The Chinese graphite market remains the largest and will likely remain so for some time ahead, thus establishing a strong and commercial relationship with both Chinese and other Asian partners is decisive for Orom-Cross and a natural progression for the Company."

For further information please contact:

Investor Relations
Sasha Sethi

Tel: +44 (0) 7891 677 441
sasha@flowcomms.com

Tavira Securities
Jonathan Evans

Tel: +44 (0)20 3192 1733
jonathan.evans@tavirasecurities.com

First Equity Limited
Jason Robertson

Tel: +44(0)20 7330 1833
jasonrobertson@firstequitylimited.com

Twitter <https://twitter.com/BlencoweRes>

LinkedIn <https://www.linkedin.com/company/72382491/admin/>

Background

Orom-Cross Graphite Project

Orom-Cross is a potential world class graphite project both by size and end-product quality, with a high component of more valuable larger coarse flakes within the deposit.

A 21-year Mining Licence for the Project was issued by the Ugandan Government in 2019 following extensive historical work on the deposit and Blencowe completed a successful Pre-Feasibility Study in 2022. The Company has now moved into the Definitive Feasibility Study phase as it drives towards first production.

Orom-Cross presents as a large, shallow open-pit able deposit, with a maiden JORC Indicated & Inferred Mineral Resource deposit of 24.5Mt @ 6.0% Total Graphite Content, with only a small percentage of the overall deposit drilled to date. Development of the resource is expected to benefit from a low strip ratio and free dig operations, thereby ensuring lower operating and capital costs.

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