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Blencowe Resources Plc
("Blencowe" or the "Company")

Commencement of Final Metallurgical Testing Programs for Orom-Cross Graphite Project as samples sent to both China and USA.

Highlights

- 20kgs of concentrate sent by air to technical experts Wuhan University of Technology ("WUT") in China to begin final metallurgical test procedure.
- This concentrate is the end product recently produced by IMO in Perth, which demonstrated high grade and low impurity chemical characteristics.
- Preliminary testing on the 20kg sample to commence immediately in China ahead of 100-tonnes bulk sample studies, which will be sent to China in the near term.
- Additional 5kgs of concentrate sent to leading US graphite technical firm American Energy Technologies Co. ("AET Co") for SPG and expandables testing and to confirm Orom-Cross concentrate further upgrades efficiently to a >99.95% battery grade product.

Blencowe Resources Plc ("**Blencowe Resources**" or the "**Company**") (LSE: BRES) is pleased to announce it has air-freighted 20kgs of concentrate from its Orom-Cross Graphite Project ("Orom-Cross") to WUT in China, to commence final stage metallurgical testing. Studies on this 20kgs concentrate, which was recently processed through the IMO test facility in Perth, will further define the characteristics of the Orom-Cross graphite product and is expected to ultimately lead to identifying offtake parties and thereafter signing binding offtake agreements for the sale of graphite concentrate.

WUT specialises in testing final concentrate products and defining their characteristics, in order to fine tune processing options and assess upgradability for use in batteries and other high value end applications. WUT works in close association with Jilin Huiyang New Material Technology Company ("Jilin") who, as announced on 11 January 2023, are to receive 100 tonnes of raw material from Orom-Cross over the next few months to process through their existing processing facilities. Blencowe will also send 150kgs of raw material to Jilin by air-freight as a precursor to the main bulk sample.

By sending this 20kgs prior to the 100 tonnes bulk sample Jilin will be able to better understand the properties and chemical characteristics of the Orom-Cross concentrate and will be able to adjust their pilot processing facility accordingly to take in the larger scale raw product when it arrives later. This testing by WUT/Jilin is expected to reconfirm historic results, which have demonstrated the concentrate from Orom-Cross is of a consistently high quality.

Once the 100 tonnes raw material is processed through Jilin's facility it is anticipated that ~6 tonnes of high quality concentrate will be produced. This will represent a sample scale that is ~600 times larger than the 4Q 2022 IMO testing done in Perth and will confirm a high quality concentrate can be delivered in bulk from the Orom-Cross Project. This is key to pre-qualification and securing future offtake agreements.

Jilin is also expected to use some of the ~6 tonnes concentrate to conduct spheronised purified graphite (SPG) testing, where the Orom-Cross concentrate is lifted from a 96-97% LOI to a >99.95% end product. Once this is achieved and the OEM's complete their own testing then Orom-Cross product may be deemed as pre-qualified and the Company will look to enter into binding offtake agreements for sale of products.

Blencowe is also now sending an additional 5kgs of concentrate to Chicago-based graphite specialist AET Co, which is a recognised industry expert in SPG and expandability testing. AET Co has been directly involved in the upgrading of graphite concentrates for over a decade and is generally accepted as one of the leading technical specialists in graphite worldwide. Blencowe will have a parallel test process occurring to ensure that it ultimately achieves the best possible outcome for upgrading concentrate to the >99.95% SPG product. The AET Co testing is expected to take around 3 months to complete, after which Blencowe will know its end product has been tested all the way through to (lithium-ion) battery grade product. Testing will also be done on the coarse flake products to ensure they are suitable for expandability, which will ultimately lead to offtake contracts for this higher-value product class also.

As lithium-ion batteries are expected to be the single most important demand pull for graphite ahead, completing QAQC to become certified as battery grade will be a significant milestone. Blencowe is confident its concentrate will successfully be highlighted as a low cost and pure SPG product once these tests have been completed, thereby commanding the best pricing.

Cameron Pearce, Executive Chairman commented;

"We are now moving into the final stage of the Orom-Cross metallurgical work within the Definitive Feasibility Study, where our high quality 96-97% LOI concentrate will be upgraded to a more purified >99.95% product. Beyond that there is only testing as required from the OEMs themselves to verify all data and if successful thereafter we can move to offtake agreements. We are confident that our Orom-Cross concentrate will be verified ahead as a high-quality end-product and look forward to sharing the results of all of these tests once they are completed."

He added "Graphite demand is lifting fast and we believe it will continue to do so ahead. The higher the quality of the end product the more likely we can lock in sales agreements and the better the prices we will achieve. We expect graphite demand to continue to rise and shortages to unfold as there are only a limited number of new graphite projects with suitable, qualified end product moving into production over the medium term, and most resource analysts are forecasting a substantial deficit from 2025 which they predict will become even more pronounced by the end of the decade."

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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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