

Jangada Mines plc / EPIC: JAN.L / Market: AIM / Sector: Mining

Jangada Mines plc ('Jangada')

Investee Company Update: Blencowe Resources PLC

Jangada Mines plc is pleased to note the announcement released by Blencowe Resources PLC (LON:BRES) in which it holds a c. 9.5% interest. The announcement is set out below without material changes.

Start of Blencowe Resources PLC announcement

Date: 27 April 2023

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

Strategic Funding Partner for Orom-Cross Graphite Project

Development Finance Corporation ("DFC") engaged to fund 50% of Project Definitive Feasibility Study ("DFS") costs by way of a Technical Assistance Grant

Highlights

- Blencowe passes key hurdle for engagement with US project development financial institution, the DFC.
- US International Development Finance Corporation is America's leading development finance institution that partners with the private sector to provide finance solutions for project development in markets deemed as critical.
- DFC geared to provide funding assistance for Orom-Cross as part of the US Government's strategic drive for further access to critical minerals and metals, within its wider renewables strategy.
- Orom-Cross has successfully passed through the key Project Screening test within DFC, with both Parties now moving to a binding Grant Agreement.
- Blencowe is seeking up to US\$4.5 million as a Technical Assistance Grant ("TAG") for Definitive Feasibility Study costs for the Orom-Cross Graphite Project.
- As part of the Grant Agreement DFC will require a right of first refusal ("ROFR") on debt finance for the full project implementation, which would give Blencowe a potential funding solution ahead with a major financial institution.

Blencowe Resources Plc is pleased to announce it has passed the key Screening hurdle within the DFC in order to move forward to secure a substantial Technical Assistance Grant.

The process now moves to a Grant Agreement and other final requirements to complete this funding solution. The TAG under consideration for Orom-Cross is up to US\$4.5M for costs associated with the Definitive Feasibility Study and the terms are considered advantageous to Blencowe as any repayment would only occur if and when the project goes into production at a future date. The TAG provides for DFC to pay 50% of agreed costs within the Orom-Cross DFS, with Blencowe to provide the remainder.

Once consummated this relationship could also provide Orom-Cross with a potential project funding solution as the TAG will require a ROFR for debt on commercial terms for full project implementation. Debt funding to build a mining operation remains one of the principal challenges for all graphite projects hence this ROFR

build a mining operation remains one of the principal challenges for all graphite projects hence this work would further de-risk Orom-Cross by adding an internationally respected tier one financial institution as a key project supporter for this funding ahead.

About International Development Finance Corporation

The DFC is the primary US Government finance institution set up to provide financially sound funding solutions for private-sector initiatives pertaining to critical challenges facing the world, in this case the drive towards increased sustainability across the planet. It is an agency of the United States federal government and represents US interests.

DFC's lending capacity is used to provide loans, guarantees, equity investments and political-risk insurance for private-sector led development projects, feasibility studies and technical assistance. DFC invests across several sectors with stated goals of empowerment, innovation, investment into Africa and climate change.

Orom-Cross is directly linked with several of these goals. It may ultimately become one of the largest graphite producing operations in the world, over a very long mine life, delivering a concentrate as end-product which is a non-replaceable input component to batteries. These batteries provide the means to store energy across many different renewable energy applications as well as to replace vehicles powered by fossil fuels with electric vehicles ("EVs"). Electric vehicles are powered by lithium-ion batteries which have more graphite within them than any other metal (up to 70kgs graphite per battery) and EV demand is accelerating at a rate where it is doubling every few years, and expected to continue exponentially into the future. Graphite is therefore high on the US Government critical metals and minerals list and securing long term supply of graphite is a key strategy.

Orom-Cross will also deliver a greener graphite product than many other producers through a variety of production initiatives, including the use of hydro-power for all mining and processing energy requirements. Orom-Cross aims to become one of the leading sustainable mining projects worldwide and this is considered very important in a rapidly changing landscape where every participant along the EV supply chain will be audited on their sustainability credentials by OEMs.

Cameron Pearce, Blencowe's Executive Chairman commented;

"This milestone represents a significant step forward in the development of Orom-Cross. We have now further de-risked the Project by introducing a high quality funding partner that will ultimately cover a substantial portion of the costs to complete the DFS.

This same partner is a highly respected international financial institution that may also deliver a debt funding solution for the construction of the plant and associated infrastructure once we move into the implementation stage, which adds another dimension altogether. We are therefore covering several important bases here to provide an all-encompassing funding solution to ensure that we can successfully bring Orom-Cross into production over the medium term once we have completed our final feasibility studies. By doing this as a Technical Assistance Grant Blencowe is importantly retaining 100% ownership in the Orom-Cross Project as we believe the completion of the DFS will add significant additional value ahead, which we want to retain in full for our shareholders.

DFC is a tremendous partner for Blencowe given its considerable experience assisting private-sector companies through project development stage and into production. DFC has experience of both the continent and the country we are operating within, as well as expertise dealing with Governments and other stakeholders. All parties understand the tremendous value that Orom-Cross presents going forward within a rapidly accelerating renewable energy market, and more specifically a rampant lithium-ion battery EV market."

End of Blencowe Resources PLC announcement

****ENDS****

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