

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

22 September 2023

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. 10% interest. The announcement is set out below without material changes.

Start of Blencowe Resources PLC announcement

Date: 22 September 2023

Blencowe Resources Plc

("Blencowe" or the "Company")

Blencowe Awarded US\$5 Million Grant from Development Finance Corporation for Orom-Cross Graphite Project

Orom-Cross is the first pre-production graphite project to achieve DFC (US Govt) funding support

DFC to co-fund the Definitive Feasibility Study and also to be lead partner for the project financing ahead to take Orom-Cross project into production

Highlights:

- Ground-breaking technical assistance agreement signed with a tier one financial institution to provide Blencowe with significant funding for the Definitive Feasibility Study ("DFS") programme.
- US\$5 million to be input by Development Finance Corporation ("DFC") as a grant, with a 20% upfront contribution (US\$1 million) to be paid immediately.
- Further DFC payments will be made upon as-agreed feasibility study milestones being achieved.
- 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 to US interests.
- DFC is geared to provide funding assistance for Orom-Cross as part of the US Government's strategic drive to secure a reliable supply chain of critical minerals and metals, within its wider US\$1 trillion Biden-renewables strategy.
- As part of the US\$5 million Technical Assistance Grant ("TAG") the DFC has a right of first refusal on commercial terms to arrange project financing for the Orom-Cross project, which may deliver Blencowe with a full funded solution to bring Orom-Cross into production with support from a major financial institution.
- The DFC partnership opens up the opportunity for Blencowe to consider a larger scale project with potentially far greater returns within the DFS. This will have material ramifications on overall Orom-Cross project value ahead.

Blencowe Resources Plc ("Blencowe" or the "Company") (LSE: BRES) is pleased to announce it has signed a US\$5 million agreement with the DFC in order to provide substantial funding for the Orom Cross DFS programme, via a Technical Assistance Grant. The DFC is a proxy for the US Government which funds the organisation and ultimately sets its vision, parameters and funding distribution.

Cameron Pearce, Executive Chairman commented;

"This funding relationship with the DFC is a unique and game-changing event for Blencowe. To the best of our knowledge there has been no other graphite project worldwide that has received a similar type grant to date from the DFC. We appreciate and we value this support and we will do everything we can to build their trust within this relationship, to ensure we deliver a high quality project together.

We believe that having DFC as our strategic project partner substantially de-risks Orom-Cross and provides us with the means to deliver a world class project from here. Blencowe presented an excellent US\$482 million NPV for Orom-Cross within the Pre-Feasibility Study last year but we are now optimistic that we can deliver an even greater value NPV within the Definitive Feasibility Study as we can significantly expand the project horizons.

With the support of the DFC we can address one of the major challenges and risks to any mining operation, being the clear pathway to fund the project into production. We now have the opportunity to build Orom-Cross with the comfort of having a partner with the means to deliver this."

Mr Pearce added "Graphite demand is rising fast and will continue to do so. It is one of the under-rated but key components of

will receive added "Graphite demand is rising just and will continue to do so. It is one of the under-rated but key components of the lithium-ion battery and it is irreplaceable in this regard. As such any future anticipated surge in demand for these batteries, not just for electric vehicles but for energy storage in all other renewable capacities, will continue to accelerate demand for graphite. We now have the means to deliver one of the leading graphite projects in the world and a highly incentivised tier one partner with whom we will work with to do that."

DFC Technical Assistance Grant (TAG)

This is an innovative funding mechanism for the DFC to become involved at an early stage with key projects that they consider to be within their direct scope and strategy. As Orom-Cross contains an estimated 2-3 billion tonnes of graphite and is one of the largest, high quality deposits worldwide it has considerable long term appeal to the DFC. Graphite remains high on the US Government critical metals and minerals list, hence this relationship with Blencowe opens a potential supply chain for high value end-product over a very long life of mine.

DFC has been working closely with Blencowe through this TAG process and both the Company and the Orom-Cross project have been subjected to all necessary due diligence in order to progress DFC interest into this monetised initial funding solution. Both parties see considerable long term value in their association with one another and Blencowe is confident this relationship will assist to provide a larger project funding solution ahead. One of the key terms within the TAG Agreement is for DFC to be mandated to provide financing for the full Orom-Cross project on commercial terms.

Prospective new graphite producers need to think outside the box to find innovative funding solutions in order to deliver their projects and the DFC relationship provides this for Orom-Cross. Not only does the US\$5 million grant cover a significant portion of the DFS costs, which materially reduces the dilutionary impact to Blencowe of funding the full DFS itself, but it also provides a highly motivated full mine implementation funding partner ahead. Furthermore, the credibility associated with partnering one of the leading tier one financial institutions worldwide will open a variety of other relationships ahead as key players in the graphite market (including end user OEMs) can see a new high quality graphite project emerging that now has a more certain pathway to production.

Blencowe will immediately request the upfront payment of the initial 20% of the TAG (US\$1 million), which together with the Company's existing funds provides the means to continue DFS work underway and deliver the next as-agreed milestone payment with DFC. Once this next milestone is achieved further DFC funds are unlocked and so on, until the full grant is utilised and ultimately the DFS is completed.

One substantial advantage that now comes into play with the DFC relationship is that Blencowe is able to consider a larger-scale production strategy than it could do under the base-case scenario that the Company was considering whilst funding solo. The implications of this are enormous and the Company will provide a further update on this once the revised strategy is finalised. The expectation would be for a larger project from day one with a downstream processing facility built in-country to produce an uncoated battery-ready 99.95% SPG product. These factors above will ultimately deliver a considerably higher Net Present Value than the US\$482 million NPV achieved within the 2022 Pre-Feasibility Study.

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, green energy and climate change.

Orom-Cross is directly linked with several of these goals. This project may ultimately become one of the largest graphite producing operations in the world over a very long mine life, delivering an end-product in a sustainable manner which is a non-replaceable input component to lithium-ion batteries. Demand for graphite is accelerating at a rate where it is doubling every few years, and is expected to continue growing exponentially into the future. Graphite is therefore high on the US Government critical metals and minerals list and assisting to open up long term supply chain of graphite is a key strategy.

Orom-Cross will also deliver a 'green' graphite product through a variety of production initiatives, including the use of hydro-electric power for all mining and processing energy requirements. Orom-Cross aims to become one of the leading sustainable mining projects worldwide and this is a very important component of the DFC charter and critical within a rapidly changing landscape where every participant along the EV supply chain will be audited on their sustainability credentials by OEMs.

Orom-Cross's potential ability to aid in the further development of the Ugandan economy, empowering its population and driving investment and future development has also proved attractive to the DFC.

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. Blencowe completed a successful Pre-Feasibility Study on the Project in July 2022 and is now within the Definitive Feasibility Study phase as it drives towards first production.

Orom-Cross presents as a large, shallow open-pitatable deposit, with an initial JORC Indicated & Inferred Mineral Resource of 24.5Mt @ 6.0% TGC (Total Graphite Content). This Resource has been defined from only ~2% of the total tenement area which presents considerable upside potential ahead. Development of the resource is expected to benefit from a low strip ratio and free dig operations together with abundant inexpensive hydro-electric power off the national grid, thereby ensuring low operating costs. With all major infrastructure available at or near to site the capital costs will also be relatively low in comparison to most graphite peers.

End of Blencowe Resources PLC announcement

****ENDS****

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