

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

5 September 2024

**Jangada Mines plc ('Jangada')**

**Investee Company Update: Blencowe Resources PLC**

Jangada Mines plc, a natural resources development company with interests in Brazil and elsewhere, is pleased to note the announcement released by Blencowe Resources PLC (LON:BRES) in which it holds a c. 10% interest.

**Jangada Executive Chairman, Brian McMaster, said:** *"Blencowe has delivered more positive news by forming a strategic partnership with two highly experienced Asian graphite specialists. This collaboration not only mitigates operational risks but also secures a strong commercial future for Orom-Cross, positioning the project to supply premium battery-grade graphite to OEMs outside of China, and offering significant political, commercial, and operational advantages."*

**Start of Blencowe Resources PLC announcement**

5 September 2024

**Blencowe Resources Plc**

**("Blencowe" or the "Company")**

**MOU Signed to Pioneer Graphite Beneficiation in Uganda**

*Strategic Initiative to Drive Increased Commercial Returns at Orom-Cross*

Blencowe Resources (LSE: BRES.L) has signed a Memorandum of Understanding ("MOU") with Singaporean graphite sales and marketing specialist Triessence Limited ("Triessence") and a leading Asian SPG and Anode material producer ("SPG Partner"). This partnership aims to establish Joint Venture (JV) for a graphite beneficiation facility in Uganda producing 99.95% purified graphite for lithium-ion batteries. This venture will set Blencowe apart from competitors focused solely on producing graphite concentrate and provides a life-of-mine offtake partner near the Orom-Cross Project, offering significant additional commercial advantages.

With this JV, Blencowe has strategically aligned with two highly experienced Asian graphite specialists to ensure successful delivery.

**Highlights**

- **JV Formation:** Blencowe and Triessence will each hold a 50% stake in the SPG facility, with the SPG Partner providing operational expertise. Blencowe retains 100% ownership of Orom-Cross.
- **Value Addition:** Upgrading 96% graphite concentrate to high-value battery ready 99.95% uncoated SPG significantly enhances commercial returns compared to selling concentrate.
- **Risk Mitigation:** Partnering with graphite industry experts mitigates operational risk.
- **Capital Investment:** Triessence will fund 50% of capital costs for the SPG facility.
- **SPG Offtake Secured:** Triessence will purchase all end product, ensuring consistent revenue and premium pricing for some of the first 99.95% SPG produced ex-China.
- **Non-China Focus:** SPG product ultimately to be sold to OEMs outside China via Triessence, providing strong political, commercial and funding advantages.
- **Next steps:** Definitive Feasibility Study (DFS) for the SPG facility will be integrated with Orom-Cross DFS for a comprehensive development strategy.

**Executive Chairman Cameron Pearce commented:** *"Blencowe has long recognised the substantial advantages downstream upgrading of graphite in-country can offer and securing experienced partners who have the expertise to help us deliver*

*successful SPG production. This announcement has delighted us as it shows that this MOU is another step from a strategic partnership to a*

*successful SPG production was essential. I am delighted to say that this MOU is another significant milestone in enhancing both the value and distinctiveness for our Company.*

*"Our JV team will now focus on the SPG facility feasibility study and integrating it with the Orom-Cross DFS, providing a comprehensive solution that adds considerable value. We anticipate minimal additional costs for this study as we are utilising our partners' existing vast experience for all costings and design work, and no further bulk sample testing or further resource drilling is needed."*

#### **In-Country SPG Strategy**

Selling 99.95% uncoated SPG (spheronised purified graphite) unlocks significantly higher returns than small flake 96% concentrate, leveraging the value from additional processing. Providing high-value SPG products into world markets, and particularly products generated outside of China, addresses a significant market gap, especially if China restricts purified graphite exports.

Blencowe's exclusive sale of Orom-Cross concentrate to the proposed SPG facility ensures a life-of-mine offtake partner, whilst also allowing the Company to benefit by participating in the downstream sale of higher-value 99.95% uncoated SPG products. As one of the only ex-China producers of uncoated SPG this facility will likely command premium prices from OEMs seeking to diversify their SPG supply chains outside of China.

This downstream SPG strategy focuses only on upgrading the lower value small flake concentrate, which is roughly half of Orom-Cross's output, while the more valuable large flake concentrate will continue to be sold into traditional graphite markets as concentrate. Blencowe recently announced its first MOU for sale of 15,000tpa large flake concentrate.

#### **SPG Joint Venture**

A new Ugandan company will be established for the JV to develop the SPG facility.

A feasibility study for the SPG facility, using Orom-Cross concentrate, will be initiated and will leverage the SPG Partner's experience for costing and design work, with Blencowe handling in-country requirements. With the upgrade of substantial Orom-Cross concentrate to uncoated SPG as part of the 600-tonne bulk sample test process, a key part of the technical DFS has already been completed and paid for. This SPG study will later integrate into the broader Orom-Cross DFS, aligning both projects. Triessence will finance 50% of construction and handle international SPG sales. The SPG Partner, a global leader and one of the largest graphite companies in the world currently producing around 100,000tpa of uncoated SPG, will oversee operations under a management contract.

The SPG facility's proximity to the Orom-Cross mine considerably reduces logistics costs for Blencowe and access to low-cost Ugandan hydropower supports a premium grade green 99.95% SPG product.

#### **Commercial Advantages**

By channelling Orom-Cross small flake concentrate into the nearby JV SPG facility Blencowe bypasses pricing pressures that other graphite peers will face selling their concentrate into competitive Asian markets. This will secure both sales volumes and favourable market pricing for Orom-Cross.

With a 50% stake in the SPG facility, Blencowe will further benefit from selling uncoated 99.95% SPG at a higher ~US 2,000 per tonne compared to ~US 500 per tonne for 96% concentrate. Proximity to the SPG facility will materially lower Orom-Cross current logistics and operating costs, enhancing overall project economics.

This downstream processing strategy, backed by experienced partners, may attract additional funding options from entities who recognise this long-term value opportunity. The U.S. International Development Finance Corporation (DFC) remains the preferred funding partner for Orom-Cross and supports this strategy, as does the Ugandan Government. Both offer valuable backing.

*End of Blencowe Resources PLC announcement*

**\*\*ENDS\*\***

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