

Date: 19 November 2024

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

The Orom-Cross Graphite Project - Asset, Development Strategy and Value

Responses to Shareholder Questions Following Recent Funding

Blencowe Resources Plc (LSE: BRES), the London listed graphite company advancing the 100% owned Orom-Cross Graphite Project in Uganda ('Orom-Cross' or the 'Project'), is pleased to provide a Questions and Answers ("Q&A") session. This follows the recent £1.6 million capital raise to fund the completion of the Project's Definitive Feasibility Study ('DFS'), in which senior management invested £500,000.

Why is Orom-Cross considered a standout project?

Orom-Cross with an estimated 2-3 billion tonnes of graphite, of which most is near surface, is one of the largest deposits globally. Importantly, 75% of the in-situ material is jumbo or large flake placing it at the high value end of the market. The JORC Standard Resource/Reserve is currently 24.5Mt at 6.0% Total Carbon ('TC') based on only approximately 2% of the total deposit drilled to date, which means further drilling can be conducted at any future point to continue to increment the resource size.

Blencowe owns 100% of the Project and has a 21-year mining license in hand as well as all the necessary permits, approvals and community agreements to bring Orom-Cross into production. The Project has already attracted a US 5 million grant from the US Government via the Development Finance Corporation ("DFC") to assist with the DFS costs. Uganda is a stable jurisdiction with attractive tax incentives and strong Government support for a long term mining projects.

Graphite demand is forecast to accelerate over the next decade in response to its non-replaceable role within lithium-ion batteries that are used to store renewable energy, and Orom-Cross will play a key role in fulfilling that demand ahead.

What work has Blencowe done over the past five years to highlight the quality of the Orom-Cross Project?

Blencowe has invested substantial funds to date in the development of Orom-Cross and has conducted multiple geological exploration programmes, technical evaluation and economic studies, which all consistently highlight the quality of the Project. Over 6,000 metres of drilling has been completed in two phases with a further programme now underway.

Significant metallurgical test work has confirmed the very high quality of the end products, both as concentrates and as more purified graphite. Over the past 15 months Blencowe has conducted bulk sample testing of all products within commercial scale facilities in China (first using 100 tonnes raw material from Orom-Cross and then 600 tonnes), to become pre-qualified and to provide substantial samples of end products to OEMs. This is a critical step to obtaining offtake agreements and successful bulk scale testing has allowed the Company to now transition to MOUs and Sale Agreements.

A Scoping Study and Pre-Feasibility Study ("PFS") have both been completed with the PFS indicating a low cost, high margin, long life mining operation delivering a US 482 million NPV over an initial 14 years' life of mine. A DFS is now being completed with the financial matrix expected to improve further when finalised in Q2 2025.

How does Orom-Cross differentiate from other graphite peers?

Orom-Cross has some of the lowest projected operating costs in the sector combined with extremely low capital costs for an operational start-up. When combined these key factors are a rarity in the graphite market. The Project already has all major infrastructure in place including roads, rail, (hydro-electric) power off the national grid, water and communications, which together lower the capital cost significantly. If you overlay the high quality of end products produced this adds yet another layer of differentiation.

The world is transitioning from fossil fuels to renewables which requires lithium-ion, sodium and vanadium redox batteries to store energy produced, and graphite is a non-replaceable input to all of these. This means that graphite demand is set to soar with predictions between 2-3 times current levels by 2030.

Very few graphite projects have all the key factors highlighted above and missing any one of low operating costs, low capital costs or high purity of end products can be a showstopper. As a result, most peer projects will be unable to transition into sustainable, cost-efficient and profitable production. Orom-Cross has all these essential requirements and can become one of only a select few graphite producers worldwide with the ability to supply graphite into this accelerated demand.

What is different about Blencowe's strategy that sets it apart from other graphite companies?

Blencowe does not believe that selling *graphite concentrate-only* is sufficient to provide the returns necessary to fund a project into production and/or deliver long term commercial success. There is a need to include value-adding products such as downstream processing where graphite is further purified, and where returns can be maximised.

Blencowe has successfully formed an alliance with a world-leading spheronised, purified graphite ("SPG") producer to build and operate an SPG facility in Uganda within a Joint Venture, to deliver upgraded 99.95% SPG. As one of the first operations of this kind in the world outside of China, this proposed facility already has huge interest from OEMs who want to de-risk their purchase of purified graphite solely coming from China. This SPG facility will become an offtaker for life for approximately half of Orom-Cross's output as concentrate and will be located near to the mine, thus substantially reducing the transport cost of moving lower value concentrate all the way to the end user as previously anticipated.

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On top of requiring an experienced partner to succeed, this SPG facility requires abundant low cost power as it is highly energy intensive, and Uganda provides that; hence another advantage to locate this facility in-country.

Furthermore, Blencowe will benefit from half of the profits within the SPG facility as a Joint Venture partner, providing dramatically improved returns for investors.

This strategy sets Blencowe apart as it will deliver higher value products and greater returns, and it provides differentiation from other graphite peers who would struggle to replicate this elsewhere.

What key relationships does Blencowe have that sets apart Orom-Cross from other market participants?

Blencowe received a US 5 million technical assistance grant from the US Government in September 2023 via its private sector funding arm, the Development Finance Corporation ("DFC"), to assist with the DFS costs. Blencowe is the first pre-production graphite company in the world to receive such support and the credibility DFC provides through its participation is enormous.

Looking ahead DFC has first rights to provide the debt funding for Orom-Cross project implementation and Blencowe is confident that DFC will become its cornerstone funding partner for production. Recently DFC announced they were providing a +US 150 million funding facility for Syrah Resources (graphite peer located in Mozambique) which underlines DFC's ongoing commitment to support the graphite sector.

In September Blencowe was awarded full accreditation by the Minerals Security Partnership, an influential, high level, quasi-Government body that seeks to overcome dependence on China for all critical minerals via tangible MSP support programmes. This is a rare and very prestigious award and it highlights the value of Orom-Cross and its potential role in the global energy transition ahead.

As noted in the previous question, Blencowe has created an alliance with one of the largest and most experienced SPG producers in the world to produce purified graphite within Uganda. Yet another example of a unique relationship that underpins the Project's investment thesis.

What is the funding status of the DFS and how does Blencowe see Orom-Cross being funded into production?

The DFS strategy has been optimised to incorporate two important value-adding components, being downstream processing to further purify graphite beyond concentrate and a drill programme to increase the current 24.5Mt at 6.0% TC JORC Standard Resource, to provide important geotechnical information for mine designs and further infill to add to current Reserves. These value-adding components are included in the DFS to maximise the potential value of the Project.

To date the Company has raised ~£5m (including the most recent £1.6m) for DFS work, on top of the US 5m (£4m) grant received from the US Government via their private sector lending arm, the Development Finance Corporation. At this point US 1.5 million of the DFC grant funds remain undrawn but will be accessed as DFS work completes. The latest capital raise included £500,000 from senior management which is a significant commitment, as was the £1.2 million in fees taken as shares by key project partners including the Orom-Cross drillers. Additionally, the Company is in advanced discussions with selected strategic investors who have expressed interest in providing capital to secure exposure to the Project. The Company is seeking to complete the DFS as soon as possible and move thereafter to decision to mine.

A combination of debt and equity will fund Orom-Cross project implementation, with majority as debt. It is envisaged that once the DFS is completed the DFC will cornerstone a funding solution via debt and one or more other financial institutions will combine to deliver the remaining debt and equity. Discussions are already underway on this with several interested parties to deliver this strategy.

The unique factors within the Orom-Cross project as noted in this Q&A, together with the differentiated strategy and the tier one relationships, will all contribute towards delivering this funding solution.

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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. 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.

In 3Q 2024 Blencowe introduced a Joint Venture concept with experienced downstream graphite processing partners to ultimately produce upgraded 99.95% SPG in Uganda. This strategy has several key advantages plus substantial cost savings which will assist deliver a world class project once DFS is completed.

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