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Blencowe Resources Plc

Blencowe Signs Significant Offtake Agreement for Additional Graphite Sales

Major Step Forward provides for larger Initial Production Strategy

Blencowe Resources Plc (LSE: BRES), is pleased to announce it has signed an additional Non-Binding Offtake Agreement with Qingdao TaiDa Carbon Co Ltd ("TaiDa") based in China for natural fine flake concentrate offtake from its Orom-Cross Graphite Project in Uganda. TaiDa is one of the largest producers of Uncoated Spheronised Purified Graphite in the world.

Highlights:

- **Non-Binding Offtake Agreement with TaiDa** Supply for an initial 5,000t per year of 96% graphite concentrate for three years, with potential extension and expansion thereafter.
- **Substantial Coverage of Phase 1 Production:** This agreement covers 50% of initial Phase 1 of production of 10,000tpa targeted from 2026
- **Strengthens Sales into High-Value Markets:** TaiDa is a market leader supplying Uncoated Spheronised Purified Graphite ("USPG") to tier one battery manufacturers and industrial users worldwide.
- **Positive Test Work and Pre-Qualification:** Follows successful test work and 18 months of bulk sample processing by TaiDa to validate Orom-Cross graphite quality.
- **Pricing to be Agreed at Binding Stage:** Pricing expected to reflect premium markets and will be confirmed post-DFS and financing at binding stage.

Following a successful US, UK and Asia marketing trip Blencowe continues positive discussions with several other potential offtake customers for the balance of its planned annual production.

This agreement follows extensive engagement between Blencowe senior management with TaiDa and building on 18 months of successful product testing and validation as part of the two bulk sample test programs that Blencowe has completed within the DFS in order to get pre-qualified to proceed to offtake agreements.

TaiDa's position as a global leader in purified graphite adds further commercial credibility to Orom-Cross and paves the way for future sales to its JV partner, Mitsubishi Chemicals, and tier one other international buyers.

The TaiDa offtake agreement underpins Blencowe's decision to expand Orom-Cross Phase 1 production from 5,000tpa to 10,000tpa which is a critical move to ensure profitability from the outset. All offtake to TaiDa will be processed in China prior to being exported to TaiDa's downstream relationships. Notably supply through to non-China markets may attract a price premium for Orom-Cross concentrate sales.

Importantly, this deal lays the groundwork for Blencowe's in-country SPG facility in Uganda, which will enable domestic purification, reduce operating costs, and capture substantial downstream value where the bulk of profit is currently being made in world graphite markets.

Blencowe is also in discussions in the USA and the UK with other OEMs and leading downstream processors regarding both large and smaller flake products. Testing by these and several other companies is underway with the Company focused on securing full sales coverage for its Phase 1 production targeted for 2026.

Offtake Agreements to date:

The following represents existing agreements now in place to sell the initial 10,000tpa P1 production, comprising ~5,500tpa small flake products and ~4,500tpa large flake products.

Large Flake concentrate:

1. Jilin - NBA for up to 15,000tpa large flake concentrate.

Small Flake concentrate:

1. TaiDa - NBA for up to 5,000tpa small flake concentrate
2. Apollo - NBA for 250tpa 99.95% purified graphite

Other potential offtake partnerships are in progress with various parties undergoing testing. As further offtake agreements are signed Blencowe will consider raising production to even higher levels beyond the initial 10,000tpa as considered.

Executive Chairman Cameron Pearce commented:

"Our focus has been clear: secure offtake agreements that enable us to fully cover initial 10,000tpa Phase 1 production at Orom-Cross - and we're delivering."

Offtake discussions to date have gone better than expected. With this TaiDa agreement adding to other NBA's signed to date we now have all of our Phase 1 production covered, and we are driving offtake volumes towards the next stage of growth beyond that. Importantly, this success has allowed us to double our planned initial P1 output, targeting a more profitable start to operations."

"Orom-Cross is not constrained by its ability to produce, but by what it can sell. Our phased approach is working and scaling production as determined by offtake contracts builds key relationships and lays the foundation for successful long-term growth."

"Today's announcement demonstrates the clear commercial demand for Orom-Cross and supports critical path items towards

DFS completion. Importantly, we continue to make strong technical progress and remain in active discussions with strategic partners such as the DFC and the AFC to finalise the broader project financing solution."

About Qingdao TaiDa Carbon Co Ltd.

TaiDa is a graphite industry leader with 60-years of experience in the graphite industry with significant production capabilities in China around SPG and expandable graphites. The company utilises both the traditional acid based production process for SPG as well as the more environmentally friendly thermal process, and TaiDa is widely respected within the industry as one of the leading experts for most purified graphite products. The company is based in Qingdao, Shangdong Province in China, historically the centre of the Chinese graphite industry.

More than 80% of the company's output is currently sold overseas into Asian and European markets and this cemented a Joint Venture between TaiDa and Mitsubishi Chemicals, which was signed in 1998. This JV highlights key relationships between end user battery OEMs and upstream processing specialists.

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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 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 is now completing the Definitive Feasibility Study phase as it drives towards first production.

Orom-Cross presents as a large, shallow open-pit deposit, with a maiden JORC Indicated & Inferred Mineral Resource deposit of 24.5Mt @ 6.0% Total Graphite Content. 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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