



Ascent Resources Plc Environmental, Social & Governance (ESG) Metals Strategy

Energy & Natural Resources across the
Caribbean, Hispanic Americas & Europe

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▶ Company Overview

Recently restructured vehicle, listed on AIM of London Stock Exchange (LSE:AST)

~ Investing in “Special Situations” with unique risk / reward balance

- ▶ Experienced team highly skilled in capturing the special situations value delta
- ▶ Core focus on energy and natural resources in the Caribbean, Hispanic America and Europe
- ▶ Counter cyclical investment appetite, focused on diversification and growth in dynamic markets

~ Initiated exclusive negotiations on a large onshore oil portfolio in Cuba

~ Issued Republic of Slovenia with “Notice of Dispute” for historic damages claim and now in direct discussions with the State with a view to reaching amicable settlement

~ Investment Proposition

- ▶ Exposure to near term potential Slovenian settlement
- ▶ Exposure to Cuban O&G and emerging metals story
- ▶ Exposure to ESG Metals first deal

~ Multiple special situation investments under review

- ▶ Focused on high value inflection points
- ▶ Investing in experienced teams with innovative solutions
- ▶ Opportunistic and/or synergistic opportunities

▶ ESG Metals



▶ Strategic introduction of ESG Metals

Third leg to Ascent Portfolio

- ~ **Ascent expanding investment strategy towards ESG Metals, an emerging asset class**
 - ▶ Legacy mining waste historically considered a liability
 - ▶ ESG metals is a method of low cost sustainable metal production from legacy mining waste (simultaneously rehabilitating past environmental damage)

- ~ Provides a more cost-effective approach to mining and metals production with no in situ geological risk
- ~ Benefits from government funding across the globe due to ESG agenda

~ Synergistic with Ascent's current portfolio and capabilities

- ▶ Third leg to Ascent portfolio (complementing drilling upside exposure in Cuba and legal case upside in Slovenia)
- ▶ Leverage Board's operational experience and ESG sector tailwinds
- ▶ Further enhanced by partnering with experienced ESG Metals professionals

~ Significant funnel of opportunities globally available, with Ascent in early stage discussions with:

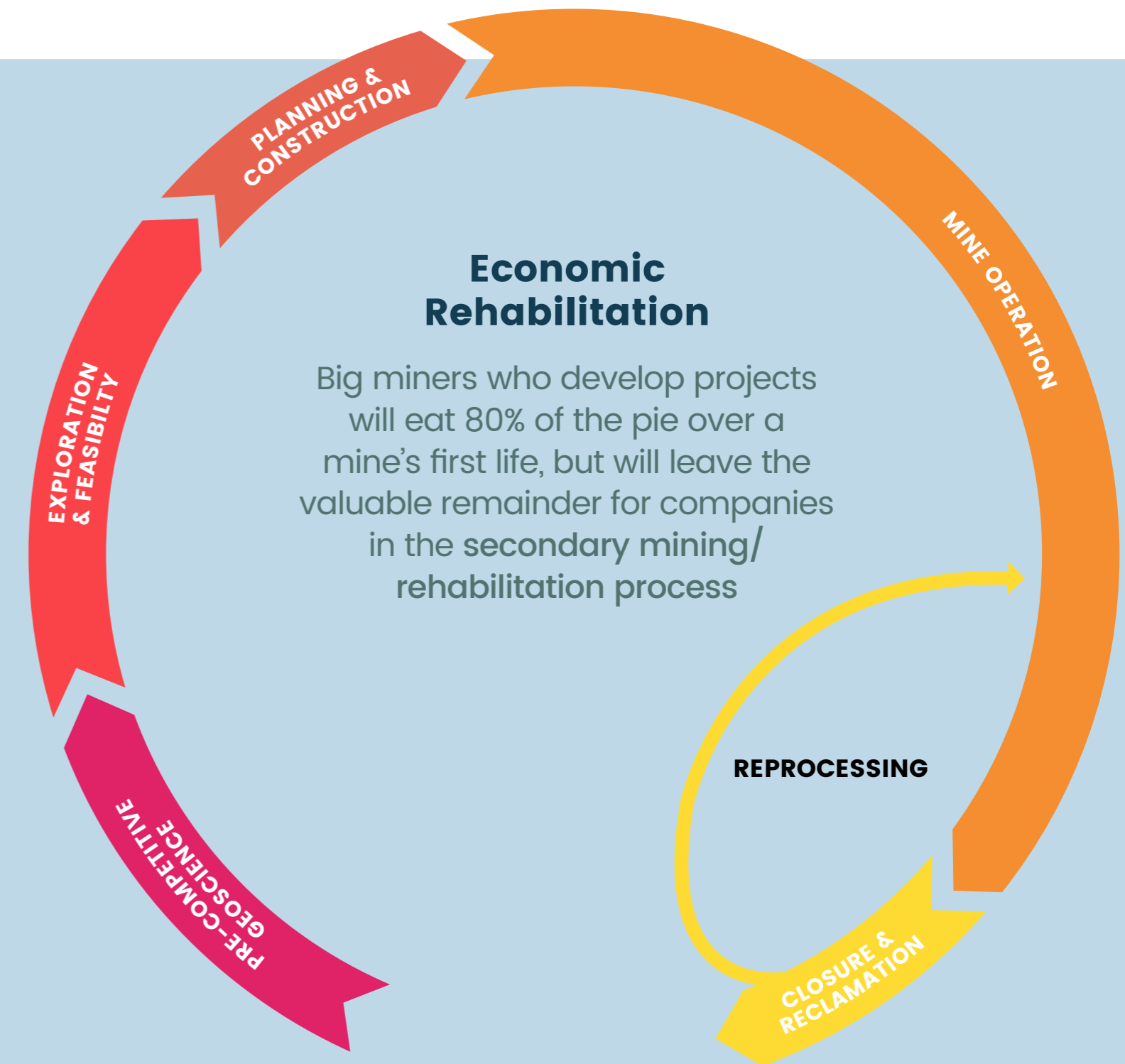
- ▶ Multiple vendors in Hispanic America precious metal projects
- ▶ Vendors with South Africa ferroalloy project

▶ The advent of ESG metals

Massive change is occurring in mining & metals, driven by progressive regulatory controls and investor/ESG expectations

- ▶ These feedback loops are offering lucrative investment opportunities
- ▶ Closure and reclamation is being reframed as secondary mining opportunities to the commercially astute
- ▶ Recycling activity across all metals and mineral commodities is set to exponentially intensify in the coming years

▶ Mineral Development Cycle

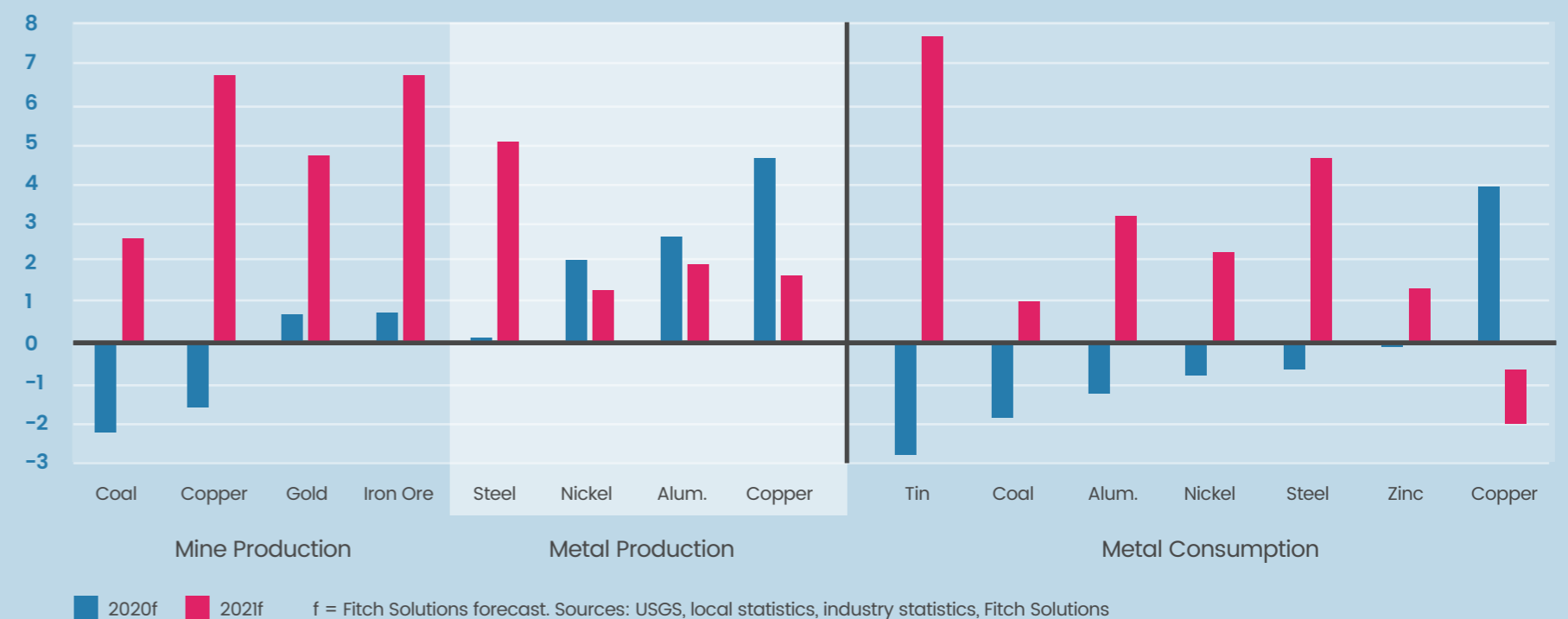


▶ Timing – Mining & Metals recovery well established

Fitch Ratings agency forecasts a sharp recovery in the demand for mineral and metals in 2021

- ▶ Miners and metal producers should see a more favourable pricing environment in 2021 as almost all mineral and metal prices (except iron ore) are expected to average higher in 2021 on a year-on-year basis.
- ▶ In 2021, Fitch says prices will be supported by the broader and deeper global economic recovery as covid-19 vaccines are made available. Access to vaccines will also help reduce the disruptions to operations seen in 2020 in multiple key mining countries such as Peru and South Africa.
- ▶ China's metals consumption will remain strong as infrastructure projects continue to make progress, supported by the covid-19 stimulus policy.

Complete Recovery in Production & Consumption in 2021
Global – Mining & Metal Production & Consumption (% chg y-o-y)



Fitch also notes the ongoing acceleration of decarbonisation strategies and corporate environmental, social and governance (ESG) initiatives mean that the demand for some metals used in renewables infrastructure and electric-vehicle batteries (including copper, nickel and aluminium) could be supported in 2021 and beyond.

▶ Commodity price charts

Copper - Seven Year Highs at + \$8,000 / t



Zinc - Significant Chinese Demand



Gold - Historical Low Bond Yields Driving Price



Silver - Industrial uses in solar panels and electronics



▶ Markets are responding

Private Equity

- ▶ Appian Capital Advisory, a mining focused private equity firm, closes \$775m fund as institutions line up for mining investment
- ▶ On Monday 11 January 2021, Appian announced a significantly larger fund – \$775 million and oversubscribed – which, despite the disruption caused by the pandemic, has already deployed 40% of its capital.
- ▶ Since 2014, Appian has successfully supported six mines into production with two more operations expected to achieve this milestone within 18 months. The firm has expanded to 37 investment professionals across locations in London, Toronto, Lima, Belo Horizonte and Sydney, overseeing 4,650 employees across its portfolio.

▶ Public Equity – AIM sector performance 2020

| Sector | SP Change | Traded Value |
|---|-----------|--------------|
| Alternative Energy | 538% | £5,056m |
| HealthCare Providers/Equipment/Services | 275% | £3,743m |
| Precious Metals and Mining | 224% | £5,696m |
| Pharma, Biotech & Marijuana Producers | 136% | £10,471m |
| Leisure Goods | 105% | £4,548m |
| Finance/Broker/Investment/Credit Services | 83% | £4,728m |
| Electronic and Electrical Equipment | 70% | £1,143m |
| Personal Care, Drugs and Grocery Stores | 51% | £455m |
| Automobiles and Parts | 50% | £18m |
| Beverages | 45% | £3,632m |
| General Industrials | 42% | £152m |
| Industrial Metals and Mining | 42% | £2,082m |
| Industrial Engineering | 39% | £473m |
| Chemicals | 39% | £230m |
| Software and Computer Services | 32% | £6,829m |
| Retailers | 30% | £13,144m |
| Technology Hardware and Equipment | 28% | £589m |
| Telecommunications Equipment | 16% | £328m |
| Industrial Support Services | 13% | £3,846m |
| Investment Instruments | 7% | £299m |
| Travel and Leisure | 3% | £2,699m |
| Food Producers | 2% | £307m |

▶ Ascent's Investment Strategy

Investment thesis

- ▶ Secure low risk, low capex, commodity production from economic rehabilitation sources
- ▶ Acquire through joint venture structures with incumbent mining operations to take on rehabilitation obligations and re-engineer to create economic metal recovery opportunities
- ▶ Diversification by commodity and geography

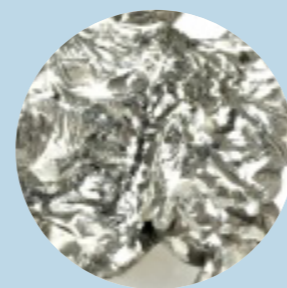
Target commodities



Gold



Copper



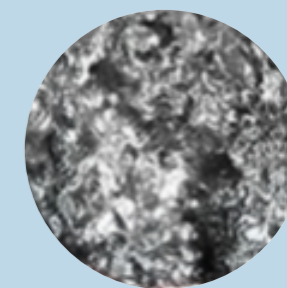
Silver



Zinc



Chromium



PGM



▶ Board and Executive Team



The Team

Spencer Davey



Chief Financial Officer (Non Board)

- ▶ Over 15 year's professional experience in corporate finance, M&A, and strategy consulting
- ▶ Former VP Corporate Development at Fortescue Metals Group working in Australia, China and HK
- ▶ Director of Southsea Consulting, a financial consulting firm with clients that included Rio Tinto and FMG
- ▶ MBA from London Business School and a Bachelors Mechatronics Engineering from University of Western Australia

Malcolm Graham Wood



Non-Executive Director

- ▶ Over 40 years' experience in energy business, well known corporate broker and market commentator
- ▶ Founding partner of Hydrocarbon Capital with provides independent advisory services to the O&G sector
- ▶ Director of the Maven Income and Growth VCT 4 PLC, a venture capital trust listed on the premium sector of the LSE where he chairs the risk committee

Andrew Dennan



Chief Executive Officer

- ▶ Over 15 years corporate finance, merger, asset funding and corporate transaction experience on AIM
- ▶ Formerly investment manager to special situation investment funds (8 years)
- ▶ Non-Executive Director (formerly Chief Financial Officer) of Coro Energy Plc
- ▶ Non-Executive Director of Nu-Oil and Gas Plc.
- ▶ BSc (hons) In Actuarial Science

Stephen Birrell



Non-Executive Director

- ▶ Spanish speaking, geologist with 35 years O&G and Mining experience
- ▶ Currently a Director of Ossian Energy Ltd and former President of ROPEPCA, the upstream oil and gas operator association of Romania.
- ▶ Stephen has a BSc Honours in Applied Geology from Strathclyde University

James Parsons



Executive Chairman

- ▶ Over 20 years' experience in the fields of strategy, management, finance and corporate development in the energy industry.
- ▶ 12 years with Royal Dutch Shell Group working in Brazil, the Dominican Republic, Scandinavia, the Netherlands and London.
- ▶ Currently Executive Chairman of Corcel Plc and Non-Executive Chairman at Echo Energy Plc and Coro Energy Plc.
- ▶ Previously Chief Executive at Sound Energy Plc for 8 years
- ▶ A qualified accountant and has a BA Honours in Business Economics

Ewen Ainsworth



Non-Executive Director

- ▶ 30 Years Senior and Board level roles within natural resource sector, most recently FD for San Leon Energy plc and Gulf Ketstone Petroleum Ltd
- ▶ Currently NED at Corcel plc and CEO of Discovery Energy Limited
- ▶ Qualified Accountant

▶ Cuba



▶ Energy and Natural Resources in CUBA

A “very special” situation

Cuba is one of few remaining world-class, yet largely unexploited, hydrocarbon systems

- ▶ Proven oil in place, significant undiscovered potential resource and well understood subsurface
- ▶ Historically starved of investment and technology
- ▶ Huge domestic energy demand

Excellent fiscal and commercial terms for operators

- ▶ Nil cost to enter
- ▶ Low fiscal take
- ▶ Extensive existing infrastructure

Compatible with volatile Oil Price environment

- ▶ Onshore Operator qualification and PSC negotiation process underway
- ▶ Low cost production

Potential Inflection Points

- ▶ Significant near term re-rate potential, including positive Cuba foreign policy changes that may come from Biden administration
- ▶ Opportunity to consolidate existing “stranded” Cuban players, all starved of capital
- ▶ Team with established relationships in country

Cuba

Market Context

Indigenous heavy oil production for electricity generation

- ▶ Country produces 45k bopd and 100mmscf/d (50% of domestic demand) but hugely under-explored
- ▶ Educated workforce
- ▶ Tourism and oil industry at vanguard

New law (2014) opened up foreign investment

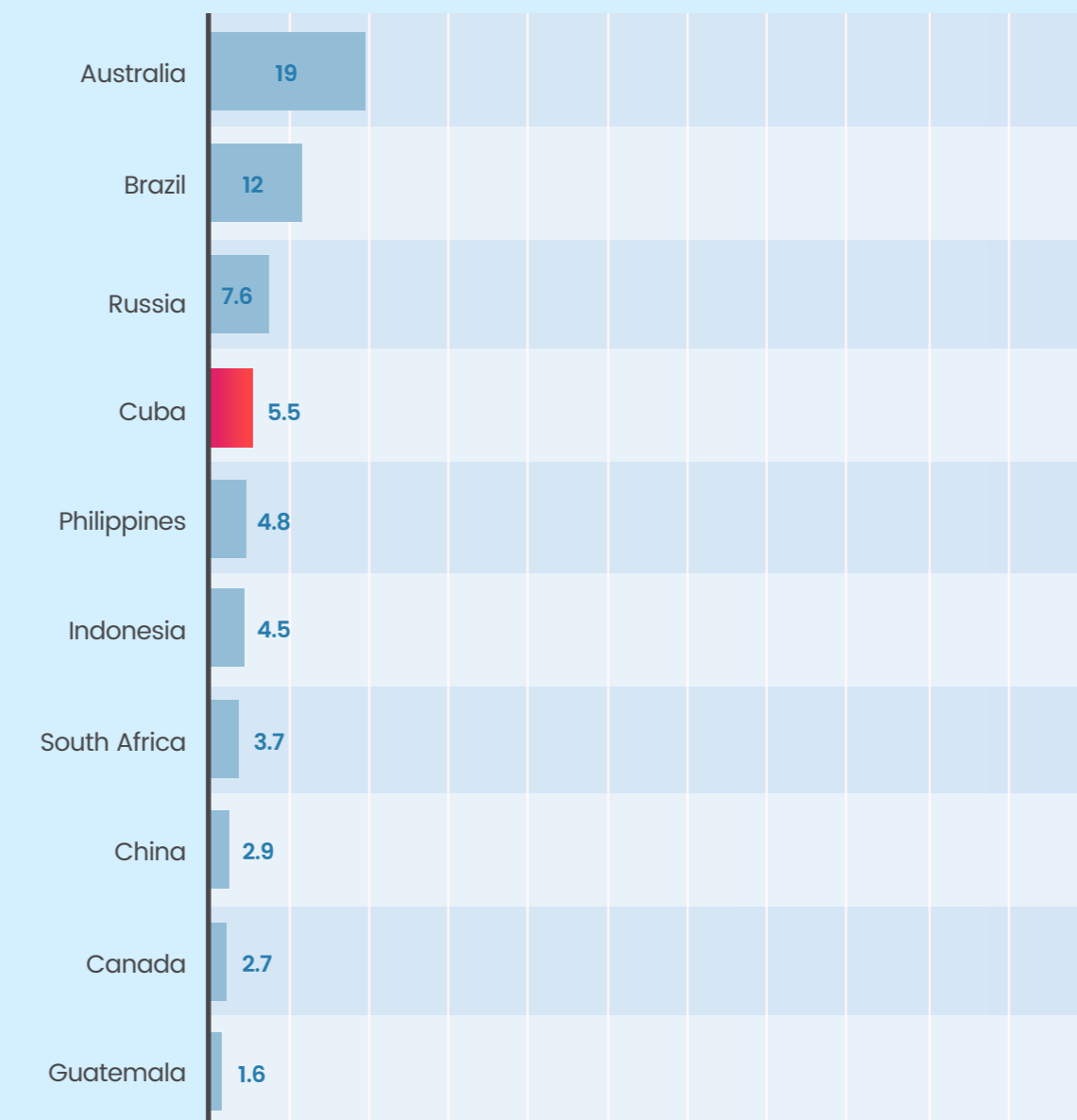
- ▶ Protecting foreign investment
- ▶ Allowing payments in foreign currency and withdrawal of funds from country
- ▶ Excellent fiscal terms for oil (22.5% tax; No royalty or signature bonus; 8 year tax holiday)
- ▶ However sanctions still constrain foreign interest

BIDEN as POTUS catalyst for new Cuba growth

- ▶ Significant changes to foreign policy?
- ▶ Pick up where Obama left off, 2016 first president to visit Cuba since 1928, 22 bilateral agreements signed, US investment started, trade increased

Multiple mining opportunities across the battery metals space as well as precious metals ESG/secondary mining

- ▶ Cuba has 4TH largest Nickel reserves



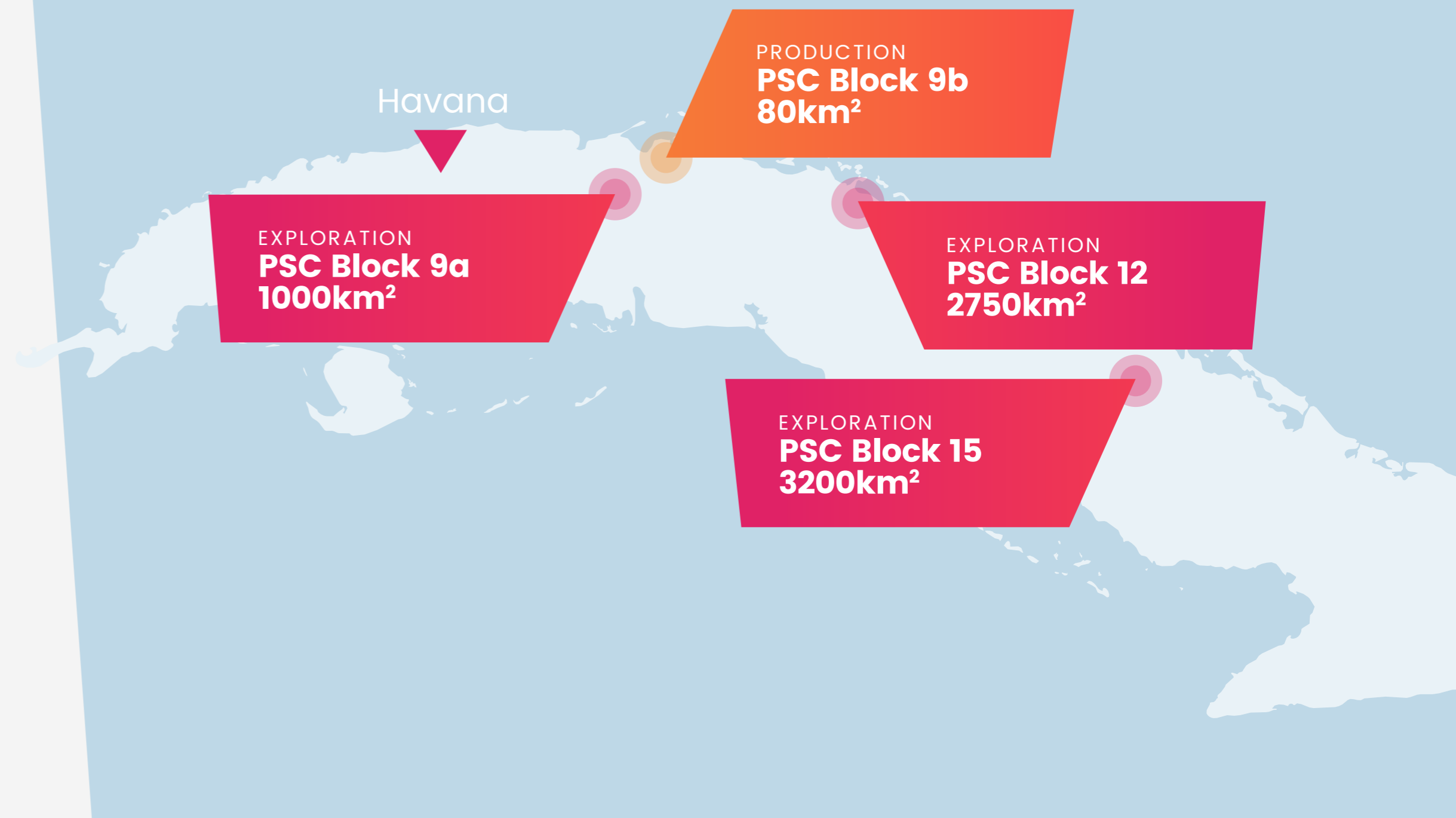
2020 Reserves in million metric tons

Cuba

Target Onshore Portfolio

- ▶ **Company has exclusive rights to a large onshore Cuban portfolio:**
- ▶ **Block 9b :**
Majaguillar and San Anton discoveries with low risk redevelopment potential (80km² area; 120km East of Havana; 190bbl/d from 3 wells; Good seismic coverage)
- ▶ **Block 9a :**
1,000km² onshore
- ▶ **Block 12 :**
2,750km² onshore
- ▶ **Block 15 :**
3,200km² onshore

- ▶ Opportunity includes six separate PSCs - 3 in 9b, 1 each for the Exploration blocks



▶ Slovenia



▶ Slovenia

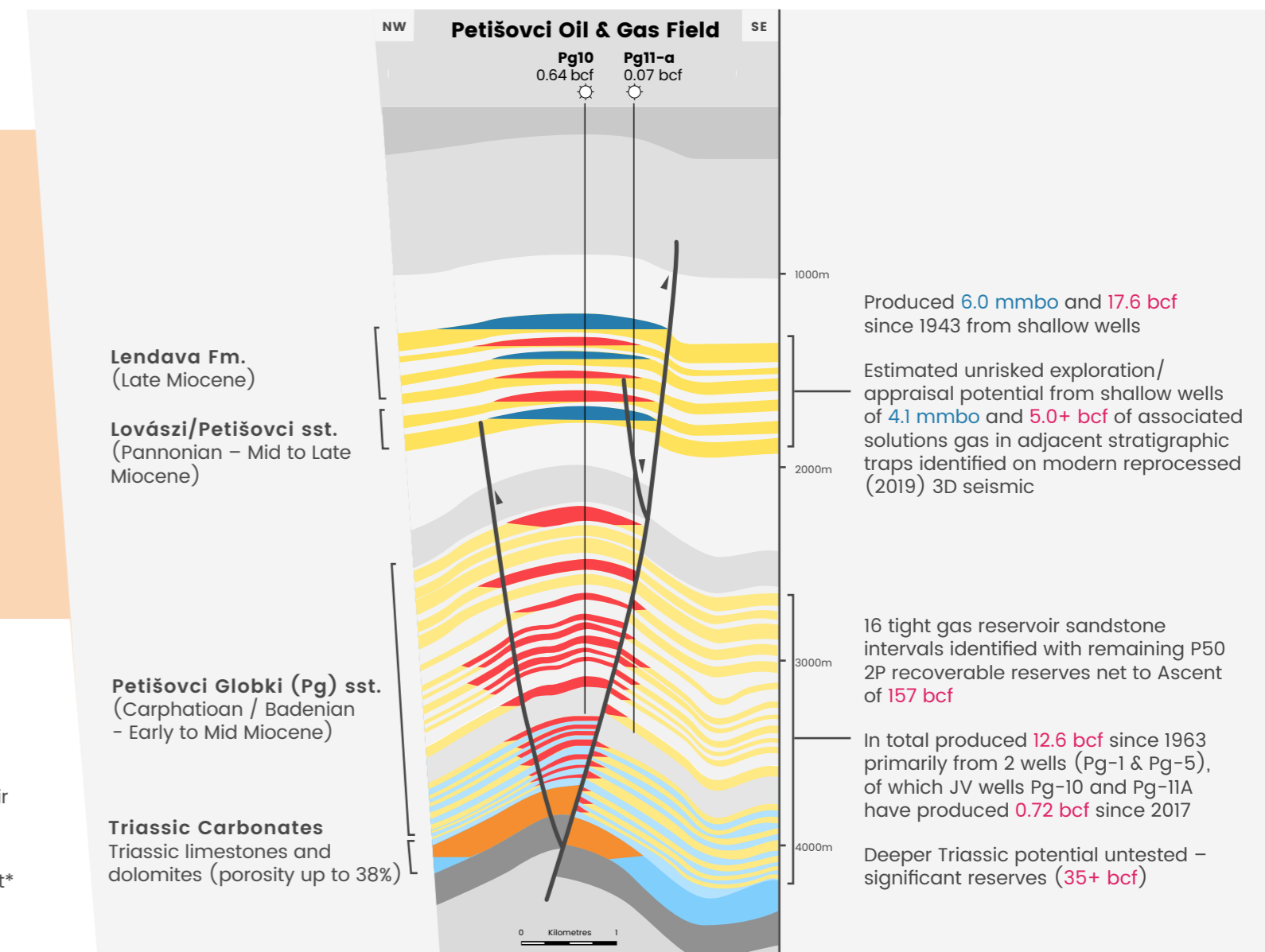
Petišovci Field

- ▶ Petisovci is a 91 km² concession with low permeability Miocene gas in 20 reservoir horizons in turbidite sandstones (2,000 and 3,500 metres depth)
 - ▶ Purchased in 2007
 - ▶ Spent circa €50m
- ▶ 75% operated position in Petišovci gas project
 - ▶ Ascent pays 100% and receives 90% of revenue until historic costs (circa €50m) have been recovered (reverting to 75% thereafter)
 - ▶ Licence position indirectly held through JV partner Geoenergo
- ▶ During 2011 Ascent drilled and stimulated wells PG 10 & 11A with an initial flow rate of 9 mmcf/d & 3.5 mmcf/d
 - ▶ “A” to “F” sands in the Early to Middle Miocene (Carpathian – Badenian)
 - ▶ “K” sands in the Early Miocene (Ottangian – Carpathian)

- ▶ Up to 307 bcf P10 gas reserves (157 bcf P50) net to Ascent remaining
 - ▶ NPV10 in excess of €200 million
 - ▶ €3.75 million JV revenues since Nov 2017

▶ INTERNATIONAL ARBITRATION

- ▶ Notice of Dispute Served to Republic of Slovenia in June 2020
- ▶ October, Ascent confirms entered into dialogue with Republic of Slovenia with a view to reaching amicable settlement solution in the short term
- ▶ Number of third party litigation financiers in process to close funding (in event settlement not reached)



▶ Newsflow & Appendix

Ascent Resources Plc (LSE:AST)

Newsflow 2020

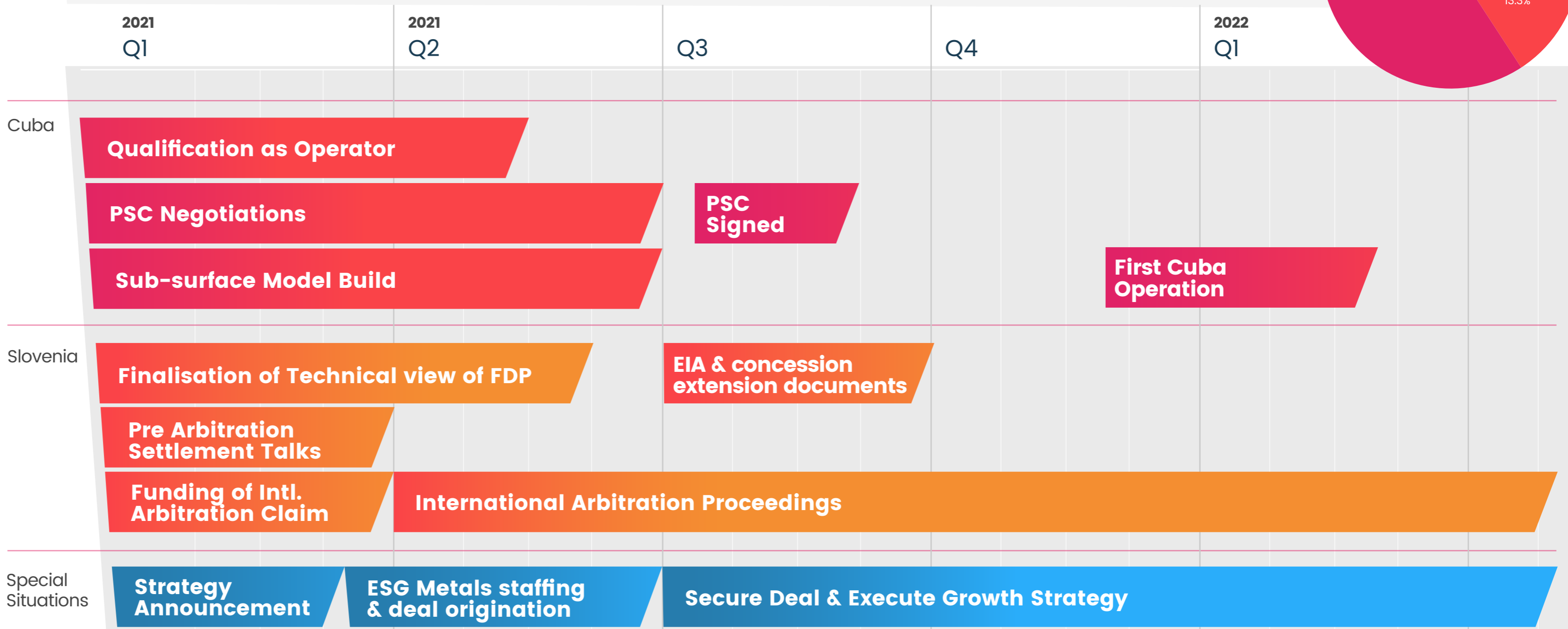
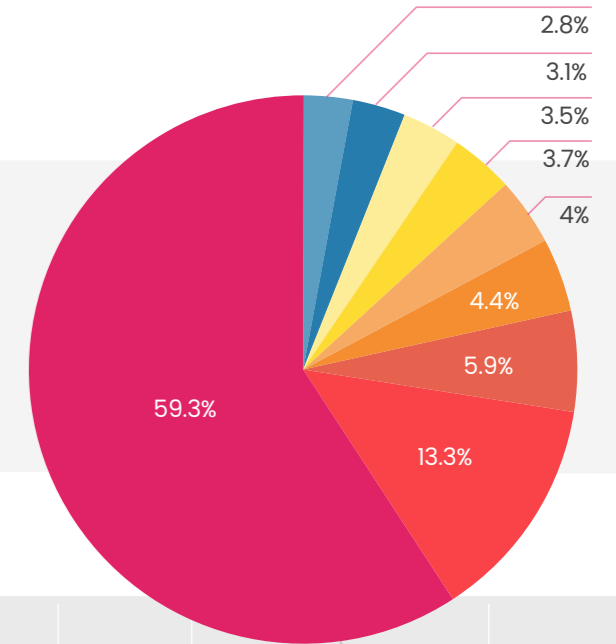
Shares in issue
99,192,272

Market Capitalisation
£13.4m (13.5p)

Debt
£0.39m

Shareholders:

- Retail/ Other
- Align Research
- HSBC
- Jonathon Summers
- Hargreves Lansdown PC
- Spreadex
- Jamieson Principal Pension Fund
- Sebastian Marr
- Directors





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