

## Corcel Energy Q&A - Thursday 21 October 2021

Scott Kaintz (Chief Executive Officer)

Good Morning. Thank you for joining our Q&A session, we look forward to answering your questions.

Question from jcuddigan13

Is there still a relationship between Ion Ventures and Corcel or has it broke down since the MOU was signed in 2019?

Scott Kaintz (Chief Executive Officer)

Yes, and the relationship remains strong. Ion have recently announced a deal to develop their own portfolio of energy storage assets, and during the period they were negotiating that, we perhaps had less active contact, but now that this has been completed, they remain valued advisors to Corcel on all matters relating to our energy storage and gas peaking portfolios. <https://www.ion.ventures/news/gliil-infrastructure-invests-150-million-in-flexion-energy-a-joint-venture-with-ion-ventures/> They have been very helpful to date with advice and analysis, financial modeling and key introductions to partners and suppliers, and will no doubt be even more valuable as we continue to drive our project portfolio forward. So no breakdown of any kind.

11:12 AM

Question from HullFC4ever

Hello Scott, has the Q&A started? # Log in problems as I know others had

Scott Kaintz (Chief Executive Officer)

Hi. Apologies for the technical issues as the session started this morning. All is now resolved!

11:13 AM

Question from SteveYelland

Hi Scott- Some are struggling to find this Q & A. It would be worthwhile having a link from the main Corcel website

Scott Kaintz (Chief Executive Officer)

Morning Steve. Apologies for the technical issues as the session started this morning. All is now resolved and looking forward to answering your questions

11:14 AM

Question from rmart

How long is it going to take to sign the lease at Burwell and get financial close on Avonmouth and Tring Road?

Scott Kaintz (Chief Executive Officer)

We cannot comment on expected timings of Burwell, Tring or Avonmouth outside of RNS channels, and we would direct investors to our most recent RNSes, which remain up to date. In particular, we would highlight our most recent RNS covering the Gas Peaker funding efforts currently underway, which if successful, would be quite material to our business. Following the recent closing of the WoWo gap transaction, we are continuing to execute the strategy we have publicly outlined, which we believe will drive significant shareholder value. We are in the right space at the right time, and we will of course update the markets with further details as soon as appropriate.

11:20 AM

Question from jcuddigan13

When do we expect to hear news on Burwell, Tring & Avonmouth?

Scott Kaintz (Chief Executive Officer)

Hi. Please see this previous response Question #117

11:23 AM

Question from Chris2511

Are you able to provide an update on any progress with regards Burwell now the land sale has been completed ?

Scott Kaintz (Chief Executive Officer)

Hi Chris - please see this response which talks about Burwell Question #117

11:24 AM

Question from rmart

How long is it going to take to sign the lease at Burwell and get financial close on Avonmouth and Tring Road?

Scott Kaintz (Chief Executive Officer)

Hi rmart. Please see this response Question #117

11:24 AM

Question from Les

Would you provide us with an update for the Burwell project?

Scott Kaintz (Chief Executive Officer)

Morning Les. Thank you for the question, please see this previous response Question #117

11:25 AM

Question from SteveYelland

Mambare- Is the plan to move to a DSO operation next or drill more on the 97% of the project thats undrilled?

Scott Kaintz (Chief Executive Officer)

The plan at Mambare is to support our application for a Mining Lease until it completes. That Mining Lease will enable the parties to consider either transactions involving the project at higher valuations (will be worth significantly more with a lease), or to fund and then develop the DSO operation. With nickel prices buoyant, the economics are looking particularly attractive to take this forward. I would also comment that Chinese industrial concerns of various kinds have been struggling with raw material supplies and have been more keen than ever to lock up new sources of nickel and cobalt. We feel, and have felt for some time now, that just making the asset larger adds little real value at this point for the expense of the drilling and mobilization efforts.

11:33 AM

Scott Kaintz (Chief Executive Officer)

Thanks for some great questions this morning we are getting through them as fast as possible. Please note as per AIM regulations we are legally not able to provide information that is not in the public domain. Thanks for your understanding.

Question from Les

Hi Scott, we do need a little more non-price sensitive information on Burwell please.

Scott Kaintz (Chief Executive Officer)

Understood, what I can say is that the grid connection remains in place, the planning is very advanced (being held at present as that value goes to the landowner once complete), and we remain in discussions with the new landowners as we have previously announced. Obviously, we aren't legally allowed to say anything further on the status of these commercial negotiations; although we recognize investor interest here. Also, detailed public discourse on the status of these negotiations could be disadvantageous to outcome, which no doubt all investors want to see maximized. What we can say is that for a very minor cost we've advanced the project measurably, after delays associated with the old landowner, we have a new more commercial one in place, and partnership discussions are ongoing. While we can never be sure of an outcome, we believe all parties will work together to increase the value of the site; a signed lease and operating energy storage project vastly increases the value of the land. Any power site under development in the UK may encounter issues of this nature, which is why the Company was able to enter the project so inexpensively in the first place. The low cost of entry reflected the residual risk of the project at that stage. Overcoming these issues remains our goal, unlocking the significant upside

potential, making the effort worthwhile. We will of course update the markets further in due course.

11:55 AM

Question from jcuddigan13

How much time does Scott Kaintz and James Parsons dedicate to developing Corcel as both have positions in other companies?

Scott Kaintz (Chief Executive Officer)

I am dedicating the vast majority of my time to Corcel at present, with my other roles being fairly minor at this point. I'm involved as an NED with a prior entity (1 day a month), and I'm helping Curzon Energy through an RTO process, that is largely being lead by both sets of lawyers and the target entity as the current management team prepares to exit. So practically speaking, this does not occupy a great deal of time, and when work is required it can be flexibly scheduled. James is currently an Executive Director at Ascent Resources Plc and Corcel, and he principally splits his time between them as required.

12:04 PM

Question from jcuddigan13

The company has been receiving £100,000 a month through a new debt facility with Align Research since 1st July. In total Corcel will have received £500,00 by the beginning of November. The first part of my question what amount of the £400,000 received to date has been spent? The second part of the question is what has the money been spent on?

Scott Kaintz (Chief Executive Officer)

The incoming funds have been a very useful facility covering a wide variety of costs during the period. These include things such as the costs of acquisition of WoWo Gap (legals, etc), Mambare operating costs, costs associated with the gas peaker funding efforts and the associated leases, costs associated with Burwell (planning/legals), Flexible Grid Solutions project pipeline development costs, and corporate overheads (Nomad/Broker/IT/Staffing) etc. So while a long list of costs here, this facility has kept us in good standing over the period.

12:11 PM

Question from Les

Hi Scott, nothing for the last 23 minutes as far as I can see. Others have given feedback in saying this is not working very well. We need a face to face presentation/Q and A as some other companies have recently carried out. Can this be arranged?

Administrator (Corcel Plc)

Hi Les thanks for the feedback - typing as fast as I can here and super encouraged that we have had so many questions today. We are definitely looking to plan a face to face meeting with shareholders (it has been way too long) and are thinking London in November. This was already being planned ahead of this Q & A FYI. Apologies for the minor technical issues to start with - so many people logged on we broke the system!

12:15 PM

Question from aforrea1

I should have said, would you agree that the Market is undervaluing Corcel!!

Administrator (Corcel Plc)

It certainly certainly is!

12:16 PM

Question from cfo68

Re Wowo exploration license - I believe the last wardens meeting relating to this was cancelled due to a helicopter incident. Are you aware of any potential date for the readjournment of this meeting please?

Administrator (Corcel Plc)

Thanks for the question. As you know from the latest RNS we very recently became fully fledged owners of the project. We have reached out earlier this week to the relevant partners (for the first time in this new capacity) so we hope to arrange a new date in due course. We now have a direct line into the government as the new owners which we believe should increase the speed of communications.

12:21 PM

Question from Chris2511

The world is seeing increasing demand for nickel to be used in battery manufacturer Wo wo Gap and Mambare are therefore exciting and potentially very valuable mining assets for Corcel to hold. What is Corcell,s plan of action to realise this value, and when might tangible progress be made to start mining/ extracting ore ?

Scott Kaintz (Chief Executive Officer)

Plans at WoWo are as follows: 1. Upgrade the JORC to 2012 standard – this allows us to take a deep dive into the project, understand the geology inside and out, and get updated geological recommendations on the pathway forward considering current nickel prices 2. Apply for a Mining Lease / Environmental Permit – follows the Mambare model, upgrades the value of the asset, and allows the asset to go into production for Direct Shipping Ore (essentially dig it up, dry it out, and ship it off) 3. Renewal of the Exploration License – this is always delayed in PNG and will no doubt follow in due course 4. Explore ways to tie WoWo together with Mambare, and put both projects on a course to be exporting DSO materials to offtakers in Asia, desperate for secure supply 5. Longer term we would look at the economics of putting up a processing plant at the site, obviously much larger CAPEX, as makes sense 6. Transactions of course always possible at any step along this path for CRCL

12:21 PM

Question from Julian

Hi, could you take us through the plans for the Wo Wo gap project, including licence renewal and why we accepted ownership rather than loan repayment, thanks, Julian

Scott Kaintz (Chief Executive Officer)

I just outlined plans for WoWo, so please see that answer, but as far taking ownership over loan repayment, our view was that RMI was probably not easily going to make repayment of these loans, and so the choices were 1. Take the Asset or 2. Put RMI into administration and then take the asset (minus costs and lawyers fees). Given the obvious synergies with our existing asset at Mambare, we thought Option 1 made sense, but ultimately it was up to RMI and its shareholders, who clearly voted that way as well.

12:24 PM

Question from dicko80

FGS - please can you offer some insight to the pipeline of potential deals ?

Administrator (Corcel Plc)

FGS is developing a pipeline of battery projects, gas peaking projects and exploring opportunities in other areas too. Watch this space!

12:28 PM

Question from Humerouno

Have viable alternative grid connections to move the battery project to been identified?

Administrator (Corcel Plc)

Yes there is a potential to use the site next door which we are investigating. It is of course a process to move it and it comes with its own risks.

12:34 PM

Question from Aziz

Please can you share any insight on Burwell project?

Scott Kaintz (Chief Executive Officer)

Hi Aziz, thank you for your question. Please see this earlier response on Burwell Question #149  
12:34 PM

Question from adam

Given the strong Nickel price, the award of the Mambare environmental permit and the Wo Wo Gap acquisition have you had any expressions of interest from mining companies?

Scott Kaintz (Chief Executive Officer)

While I cannot comment on specifics I can say that we are always getting inquiries on the nickel assets, and acquiring the second one appears to have given us more credibility in the space, as one might expect. We further understand that global supply chain disruptions during COVID have caused significant issues with Chinese battery manufacturers, and that many are now looking to new locations (outside of Indonesia primarily) to secure supplies of nickel and cobalt. So while transactions with mining companies may well be viable, we would not rule out looking at trade type partners who may want to avoid repeating the issues they encountered in 2020-21.

12:35 PM

Question from Aziz

Burwell shovel ready deadline is extended to Mid Q1'22, please can you share the reasons for deferment?

Administrator (Corcel Plc)

Thanks for the question. This reflects the ongoing risks as far as completion of the next part of the project readiness rather than a hard deadline. We are all working hard to progress these projects as quickly as possible.

12:39 PM

Scott Kaintz (Chief Executive Officer)

Thank you for all your questions so far today, we have received a record number of questions. We will be closing for new questions in five minutes time

Question from SteveYelland

Im not sure if this is still working but the feedback from other shareholders is that its a very poor experience. Can you look at IMC (Investor Meet Company) as there way of connecting with shareholders is far far better. Thanks

Administrator (Corcel Plc)

Thanks for the feedback - we have had more questions in this sessions than ever and so many people logging in it broke the system. However we want your experience to be good and look forward to meeting many of you in person in November. Hope you will be able to attend.

12:46 PM

Question from SteveYelland

Hi Scott- The new corp pres is very helpful. Perhaps you should guide many of these questions to that rather than Q117- [https://www.corcelplc.com/wp-content/uploads/2021/10/2021Q4\\_CRCL\\_PPT\\_FINAL.pdf](https://www.corcelplc.com/wp-content/uploads/2021/10/2021Q4_CRCL_PPT_FINAL.pdf)

Administrator (Corcel Plc)

Thanks Steve we will make sure we tweet this link again too as some shareholders may have missed it.

12:48 PM

Question from dicko80

FGS - currently the market doesn't value our projects the same as MAST , what is your opinion on the current valuations MAST & CRCL ? What is the plan to close the gap and create significant shareholder value ?

Scott Kaintz (Chief Executive Officer)

Respectfully, there is not a great deal we can say about other entities, but we note that MAST came on as a pure play with a very small free float. While their projects look attractive, broadly

they look smaller and not particularly more advanced than our own. Our intention with Corcel broadly has been ignore the chaff, to define our strategy to the markets and then execute on it, which we feel we are doing. COVID aside, we've doubled the size our nickel projects opening up very interesting opportunities there, advanced FGS on a variety of fronts including gas peaking and energy storage, and built up a very credible pipeline of new transitional energy projects; these will of course be introduced in due course. We've done this with a relatively small amount of capital deployed. We think our positioning is spot on, and execution is what will ultimately drive the share price forward. When you create something of "Real" value (versus say putting out fluff announcements or introducing 35 projects you have no time to focus on as many AIM promoters do) it will be impossible for the markets to ignore.  
12:48 PM

Question from aforrea1

Hi Scott, why do you think it is that the market is undervaluing Corcel compared to similar businesses, and what do you think the inflection points are likely to be that will wake the market up to the value?

Administrator (Corcel Plc)

Thanks for the question. I believe we answered the first part of your question with the answer to the 'MAST' valuation question. With regards to the inflection points the last page of the new pres outlines these well. They include the mining lease outcome at Mambare, the upgrade of the jorc resource at Wo Wo and the application for the environmental permit too and for FGS the financial close of Tring Road and Avonmouth and getting Burwell to shovel ready status.  
12:56 PM

Question from TLM

Good morning Scott, Can you tell me if you are intending to dilute the shares at all going forward? or are you finding financing via other means in order to fund further projects?

Scott Kaintz (Chief Executive Officer)

Obviously running a pre-revenue AIM business requires balancing the need for capital and the deployment of it. Our FGS business has been designed to generate near-term returns either through development fees/project disposals or holding long term stakes in operating projects. So, our intention is take every £100k and turn it into £1M of value for investors, which will no doubt feed into share price performance. While we can't comment on specific financing aspects at present, we would point to instruments such as that we have in place with Align, as being able to help fund the business without significant dilution. Align have also been very supportive shareholders, taking and retaining (TR1ing) a meaningful stake in our business, which is all that one can ask of an investor in this space. So going forward we expect to bring project finance in at the project level wherever possible, this is going on with the gas peakers currently, keeping the CRCL development company asset light with an attractive return profile. A business such as ours puts a great deal of effort into intelligent funding strategies; ideally leading to minimal dilution and ultimately increased value to shareholders.  
12:58 PM

Question from SteveYelland

Hi Scott- The pres shows Burwell as being shovel ready but it also shows some land access issues that might require a new site. Can you add some detail here please?

Scott Kaintz (Chief Executive Officer)

Hi Steve. Please see this earlier regarding Burwell Question #149  
1:02 PM

Question from rmart

I have just seen the latest presentation. So Burwell is now potentially moving site. Why would that be? No deal with the current site owners? Or a better alternative?

Scott Kaintz (Chief Executive Officer)

Hi, please see this earlier response regarding Burwell. Question #149  
1:03 PM

Question from dicko80

FGS - once into production, how does one value the projects on discounted cash flow basis ?

Scott Kaintz (Chief Executive Officer)

Once in production, one runs a 25 year model of the project's economic performance and then discounts that back to today, generally using a 10% discount rate. This produces an NPV that guides us as how to value the project. To value a project before it is operational, one generally uses a £/MW type multiple. Broadly with these financial models, the revenue stack is the key, and we work closely with project aggregators (those who trade power of the project), to determine what that is likely to be. Volatility like we've had here in the UK over the past 6 weeks point to most of these being very lucrative assets going forward. Accelerated decarbonization efforts appear to be only making these projects more attractive, backing our current strategy.

1:05 PM

Question from dicko80

PNG - how often/frequent are Communications with the authorities regarding ML ?

Scott Kaintz (Chief Executive Officer)

Our partner BMI (ex DNI) is taking the lead on this at present and so is in direct communications with the MRA. We can effectively do some chasing up of the various parts of the application, and a bit of lobbying, but beyond that we simply have to let the PNG processes play out. COVID has hit PNG particularly badly, it is mostly not vaccinated (although a young population), which has slowed progress considerably. So comms with the government are fine, but ML progress is not in our direct control.

1:08 PM

Question from cfo68

Good Morning Scott - your Q4 presentation relating to Burwell states "Evaluating transferring grid connection to alternative site". Can you expand on the reasoning for this please? .... is this a plan B in the event of current land target being no longer available?

Scott Kaintz (Chief Executive Officer)

Hi CFO68. Please see this previous response Question #149

1:08 PM

Question from Harry

Hi Scott. Are Base Asia Pacific Limited actively supporting the company in production efforts and synergizing WoWo & Mambare?

Administrator (Corcel Plc)

Of course they are actively supporting the company - having held shares in excess of two years. Wo Wo was only just acquired this week so synergy efforts are only just beginning.

1:10 PM

Question from dicko80

PNG - can you elaborate on the relationship with Our Chinese investor and their intentions moving forward ?

Scott Kaintz (Chief Executive Officer)

Hi, please see refer to this previous response. Question #168

1:12 PM

Question from dicko80

PNG - once ML is issued and finance secured , how quickly can a DSO operation commence ?

Scott Kaintz (Chief Executive Officer)

Once finance is secured, effectively the timeline will be set by site prep timelines and long-lead time items that have to be shipped to PNG and made operational. The advantage of a DSO operation is that we aren't spending 3 years building a \$1bn plant, we're simply clearing some

ground, bringing in trucks and related equipment and shipping it off to the port. It is very much a process that will take some time, but nothing like the timelines of a full scale mine + processing plant operation. We are talking months here, not years.  
1:12 PM

Question from dicko80

PNG - what is the cost per tonne for a DSO operation and what can it realistically produce tonnage per calendar year ?

Scott Kaintz (Chief Executive Officer)

Having just taken the project over this week, we will be spending some time on exactly these questions as part of the Mining Lease application. What we have currently is historic work from RMI, and we wouldn't necessarily use the same assumptions that they did some years ago now. Broadly, with nickel prices where they are the economics are looking only more attractive. So we should have some additional detail on what a DSO operation might look like in the coming months.

1:15 PM

Question from dicko80

Dumpster vanadium- communications have stated 2021 exploration, what is the plan with the 2021 campaign ?

Administrator (Corcel Plc)

This should complete over the winter period - we will update the market in due course.

1:17 PM

Question from dicko80

Nickel - Elon musk has stated on record the need for nickel , with that said , where does the company see the price of nickel and has there been any interest for PNG nickel projects from interested parties ?

Scott Kaintz (Chief Executive Officer)

Please see previous answer Question #125

1:19 PM

Question from rmart

Would you accept that the SP is so low because of the continued delay in securing the Burwell lease and the missed September expectation of financial close on Avonmouth and Tring Road. It does not seem to matter what shareholders ask, it seems the bod hide behind the standard answer of 'we cannot comment' etc. I am not being critical I am just stating the ongoing silence on these matters is extremely frustrating.

Scott Kaintz (Chief Executive Officer)

We can't really comment on why the SP moves where it does on a daily basis, we would only point out that Burwell is just one of a number of projects in FGS, and so probably should be seen as such. No Company should have all of its eggs in one basket, and so we have widened that as much as possible. When active negotiations are ongoing with the new landowner at Burwell, as we have publicly stated, it simply is not in our stakeholders's interests that we jeopardize those by putting too much detail into the public space. Things like the peakier funding timeline estimates, are just those, estimates, and will vary depending on how many investors will look at them during the summer holidays for example. While we do understand this can be frustrating, we assume the logic here is clear, and we provide the best guidelines we can. I see Corcel as offering investors exposure to battery metals in the ground all the way to the end use cases of these batteries here in the UK, as well as the larger transitional energy space. We are aiming to build something of real scale here, where we are not beholden to the results of any one project (a huge mistake in my mind), and therefore can play the long game in any negotiation or strategy to the benefit of our investors. In some cases we could probably do a quick and easy deal (for the sake of closing something), but that rarely leads to the best outcomes.

1:29 PM



Question from Markp

Morning Scott, is general terms is your confidence still high that we are entering into a more news rich period in this last QRT. The latest presentations suggests we have a numbers of news items are due. Also is the focus the energy market is getting in the news atm creating urgency/interest amongst your partners?

Scott Kaintz (Chief Executive Officer)

While I can't comment on exact timings, our PPT outlines the value inflection events we see forthcoming as you note. The press article covering our gas peaking projects has been very positive, great to see it covered in the first place, but it has also helped our efforts in bringing investors in to fund the projects. The UK energy crisis over the past weeks has driven home to nearly everyone the very key roles these gas peakers will continue play in the UK energy transition over the next 25+ years.

1:32 PM

Question from dicko80

Where does the BOD see the company in 2 years. ?

Scott Kaintz (Chief Executive Officer)

Broadly in two years we would expect Mambare to be in production, perhaps tied up more formally with WoWo gap. We'll know more about WoWo timings as we take over the project in the coming weeks, but we'd expect WoWo to follow the Mambare plan with some delay. We'd look to potentially add another battery metal asset to the mix where sensible as well; valuation dependent of course. On the FGS side, we'd hope to have taken multiple projects through to shovel ready and/or financial close. That would mean we bring in a combination of development fees (cash) and/or carried interests in the projects = ongoing cash flow to fund our business. We will have brought multiple energy storage/gas peaker/other transitional energy sites from very early stage development through to shovel ready status. We would have introduced some "special sauce" to bring a real USP to one or both aspects of our business. We would have reasonably priced funding in place and our register will be backed by institutions and proper cornerstones, not there for short term trading, but there to capture long term value maximization. Taken together we would have built a proper bridge between the battery metals in the ground and FGS assets in Europe, offering exposure to what we think is probably the most exciting long term story available. We would have gone from an AIM micro cap to a cash generative business with a very attractive equity return profile.

1:44 PM

Scott Kaintz (Chief Executive Officer)

Thank you very much for your questions today, we hope you have found the session useful. A reminder, that the session is available to view in the previous session tab of this website, and will also be made available as a PDF on our website. Thank you for your patience during the session today, this has been our most active session with the most questions asked, and we really appreciate your patience as we worked through the questions. We look forward to providing an update soon regarding an in person, investor meet up which we foresee to take place in London in November.

Question from cfo68

You have referenced question 160 as an answer to burwell but it appears to be an answer regarding wowo..... can you clarify please.

Corcel