



## HNRC Outlines Key Highlights Presentation for 2024

January 10, 2024

HOUSTON, Jan. 10, 2024 /PRNewswire/ -- Houston Natural Resources Corp (OTC: HNRC) ("HNRC or the Company") with a pending name, symbol and CUSIP change, to Cunningham Natural Resources Corp, outlined an investor presentation for 2024. See link for the presentation here (<https://bit.ly/3S9s4SX>)

**Cunningham Natural Resources Corp ("CNRC")** is focused on traditional oil and gas opportunities and energy transition materials including mining opportunities in copper, lithium, gold, as well as other precious and rare earth metals. This investment focus will be global with sustainability at the core of the strategy.

### Traditional Energy

- CNRC owns 100% of Cunningham Energy LLC. Cunningham Energy was founded in 2008 for the purpose of acquiring, exploring, and producing oil and gas in the Appalachian, Illinois, and Williston Basins. Cunningham Energy and its affiliates own interests in approximately 600 wells, 170 of which are re-works with a 98% successful completion rate. The company acquired 30,000 net acres in numerous transactions throughout the Appalachian Basin Acreage acquisition was completed over a 10-year time frame. They acquired and negotiated control of 965,000 net acres in Canada and negotiated a 75% Net Revenue Interest basis with estimated reserves of more than 500M barrels of oil. An independent engineering firm completed an updated evaluation of the oil & gas assets and leases of Cunningham Energy as of December 31st, 2022, is \$352 million dollars, assuming a sixty-eight (68) well drilling program is completed ([www.cunninghamenergy.com](http://www.cunninghamenergy.com)).
- CNRC has invested in HNR Acquisition Corp ("HNRA"). On February 11, 2022, HNRA closed its IPO on the NYSE for \$86,250,000. HNRA completed a business combination on November 15, 2023 by purchasing all the equity interests in Pogo Resources, LLC and its subsidiary, LH Operating, LLC (collectively "LHO"). HNRA is now an independent oil and natural gas company focused on the acquisition, development, exploration and production of oil and gas properties in the Permian Basin. The Company's assets include its interest in the Grayburg-Jackson oil field in the prolific Permian Basin in New Mexico. LHO had \$20.3 million in revenues generating positive cash flow and \$3.9 million of net income for the nine months ended September 30, 2023. As of September 30, 2023, total assets of LHO were \$70.4 million ([www.hnra-nyse.com](http://www.hnra-nyse.com)).
- CNRC has acquired a 40% interest in Rhino Energy Pty Ltd ("Rhino"). Rhino has a management team with global operational expertise having operated & non operated assets in 27 countries. The team has managed production of +1.7 million boepd. Rhino has assembled a truly world class team that has been involved in some of the most historic oil & gas projects globally over the last 30 years. Rhino is focused on building a material production base through acquisitions in countries and basins that we have a strong track record. Rhino has an initial investment in a Canadian junior energy company currently focused on the development of its interests in the Cold Lake and Wabasca areas of Alberta in Canada. ([www.rhinoenergy.com.au](http://www.rhinoenergy.com.au))

### Energy Transition

- CNRC has a 9% interest in Cunningham Mining Ltd ("CML"). CML has completed the acquisition of the Placer Claims known as the 'Nugget Trap Placer Mine' in the British Columbia Mineral Title registry covering 573.7 acres and the accompanying permits and authorizations ("Property") that is situated within the Skeena Mining Division of British Columbia, Canada in the area known as BC's Golden Triangle. A recent independent assay, which includes data from a 25-pit test program, indicated an average of over Au 25.54 grams gold per cubic meter of pay dirt as well as meaningful amounts of silver. CML is in the process of permitting for a 15,000 cubic yard per annum pay dirt mining program with the British Columbia Ministry of Mines. CML is developing a unique gold backed token that would provide capital for mining the property ([www.cunninghammining.com](http://www.cunninghammining.com)).
- CNRC is acquiring a 10% interest in Kharrouba Copper Company, Inc ("KCC" or "Company") with the potential to increase its position over time. Based on the investment being made by HNRC, KCC would have an enterprise value of about US\$60 million dollars. KCC is a Canadian Company, with growing copper mining and processing operations in the Kingdom of Morocco. KCC commenced operations in 2017 and is currently in the expansion of its operations. Over the next 12-15 months, it plans a further expansion and an extensive drilling campaign to expand its reserve and resource base. KCC has also encountered cobalt in a number of its mines and plans to add cobalt exploration as part of its overall exploration program. KCC has a significant land position totaling some 78,826 acres all offering excellent potential for increasing KCC's reserve base substantially. KCC's operations are low cost and expect to generate healthy positive cash

flows. Upon completion of the drilling program and updated resource estimate, US\$21M+ of projected annual free cash flow. Copper prices are set to soar more than 75% over the next two years amid mining supply disruptions and higher demand for the metal, fueled by the push for renewable energy. Rising demand driven by the green energy transition and a likely decline in the U.S. dollar in the second half of 2024 will push copper prices higher, according to a report by BMI, a Fitch Solutions research unit.

#### Proforma

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2025</u>
Total Revenue	21,117,266	35,294,712	37,873,553
Total Expenses	9,416,259	18,561,583	19,650,431
Income from Operations	11,701,007	16,733,129	18,223,122
Total General & Administrative	209,709	2,465,995	2,094,912
<b>EBITDA</b>	<b>11,491,298</b>	<b>14,267,134</b>	<b>16,128,210</b>

#### Assumptions

Average \$/BB \$60.00

Average \$/mcf \$1.50

Average \$/Cu pound \$3.80

Initial Mining Program \$6.6m

Initial Drilling program \$10m

#### About Houston Natural Resources Corp

Houston Natural Resources Corp. (OTC: HNRC) (<https://hnrholdings.gcs-web.com>) stands as a versatile energy enterprise with stakes in both oil and gas. Notably, the company has successfully obtained full ownership, a 100% interest, in Cunningham Energy LLC, boasting appraised reserves totaling \$352 million. Additionally, Houston Natural Resources Corp. holds minority investments in Rhino Energy Ltd, CE Energy Sponsors, LLC, and HNR Acquisition Corp. Demonstrating a commitment to growth, the company remains proactive in its pursuit of new opportunities within the energy and energy transitions sectors, all with the overarching goal of delivering enhanced value to its shareholders.

#### About Cunningham Natural Resources Corp

Cunningham Natural Resources Corp ([www.cunninghamnaturalresources.com](http://www.cunninghamnaturalresources.com)) is dedicated to pursuing both conventional oil and gas prospects and opportunities in energy transition materials. This encompasses mining ventures in copper, lithium, gold, as well as other valuable and rare earth metals. With a global perspective, the investment strategy is underpinned by a commitment to sustainability, making it an integral element of the company's core approach.

#### FORWARD-LOOKING STATEMENTS:

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties.

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