

31 January 2023

Ecora Resources PLC

("Ecora" or the "Group")

Q4 Trading Update

Ecora Resources PLC (LSE/TSX: ECOR) issues the following trading update for the period 1 October 2022 to 31 December 2022. This update is released ahead of the Group's audited full year results on 29 March 2023.

Highlights:

- Record FY22 portfolio contribution of \$143.1 million up 67% on FY21 (\$85.6 million) as the portfolio benefited from stronger commodity prices for the majority of the year.
- Q4 portfolio contribution of \$17.8 million, a 48% reduction compared to Q3 22 (\$34.1 million), driven by lower saleable production from the Kestrel mine due to reduced mining rates and operational constraints that limited throughput volumes at the handling and preparation plant.
- Construction commenced on the West Musgrave copper nickel project with production forecast by OZ Minerals to start in H2 25.
- BHP reached an agreement to acquire 100% of the shares in OZ Minerals (subject to various conditions) in a transaction that will see BHP become operator of the West Musgrave development.
- Capstone Copper published the Mantoverde-Santo Domingo District Integration Plan, detailing the path towards a world class mining district in the Atacama region of Chile.
- Net debt at 31 December was \$35 million with the balance sheet flexibility to pursue further growth.

Portfolio Outlook

- Copper, coking coal, nickel, vanadium and uranium prices have started the year strongly, whilst cobalt prices have softened YTD.
- Kestrel saleable volumes produced within the Group's private royalty area in 2023 are forecast to be approximately half those achieved in 2022, with volumes primarily weighted towards Q1 and Q4.
- Voisey's Bay stream expected to generate 13-15 deliveries of cobalt in 2023 (each delivery is 20 tonnes), compared to 19 received in 2022, due to the transition from the open pit to underground mining operations.
- The Group is currently in discussions with the operator of its EVBC royalty following recent margin pressure, and it is likely in the short term that a portion of cash royalties, including H2 22, may be deferred until a later date.
- Production volumes at the Group's other royalty assets for 2023 are expected to be broadly in line with 2022 levels.

Portfolio contribution - Unaudited⁽¹⁾

Q4 2022 \$m	QoQ	Q3 2022 \$m	2022 \$m	YoY	2021 \$m
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Kestrel	9.8	(65%)	28.0	107.2	123%	48.1
Voisey's Bay	3.3	106%	1.6	18.8	14%	16.5
Mantos Blancos	1.6	23%	1.3	6.0	5%	5.7
Maracás Menchen	0.8	(11%)	0.9	3.6	9%	3.3
Four Mile	0.2	100%	0.1	1.0	233%	0.3
Carlotta	0.2	n/a	n/a	0.2	n/a	n/a
Narrabri (disposed of on 31 Dec 2021)	n/a	n/a	n/a	n/a	n/a	3.4
Royalty and stream income	15.9	(50%)	31.9	136.8	77%	77.3
Dividends - LIORC & Flowstream	0.6	(33%)	0.9	2.9	(48%)	5.6
Interest - McClean Lake	0.5	-	0.5	2.1	(12%)	2.4
Royalty and stream related revenue	17.0	(49%)	33.3	141.8	66%	85.3
EVBC ⁽²⁾ ⁽³⁾	0.6	(25%)	0.8	2.7	(10%)	3.0
Principal repayment - McClean Lake	1.0	150%	0.4	2.9	123%	1.3
Less:						
Metal streams cost of sales	(0.8)	(100%)	(0.4)	(4.3)	(8%)	(4.0)
Total portfolio contribution	17.8	(48%)	34.1	143.1	67%	85.6

(1) The portfolio contribution above is unaudited and based on narrow midpoint range, therefore, the actual number reported in the forthcoming annual report may be slightly higher or lower.

(2) Under IFRS 9, the royalties received from EVBC are reflected in the fair value movement of the underlying royalty rather than recorded as royalty income.

(3) The Q3 and Q4 numbers have been accrued with a portion of this likely to be deferred until a later date.

Marc Bishop Lafleche, Chief Executive Officer of the Company, commented:

"Whilst the Q4 portfolio contribution was impacted by lower saleable production volumes at the Kestrel mine, the portfolio generated a record level of income during 2022, driven by stronger commodity prices, a large portion of which was reinvested in the acquisition of a high-quality portfolio of advanced stage copper royalties from South32. The key royalties acquired in this transaction, West Musgrave and Santo Domingo, have both moved towards production during Q4, with the start of construction activity at West Musgrave representing a key milestone."

"In recent weeks we have witnessed the impact of inflationary pressures on profit margins across the wider mining sector, highlighting the benefits of the royalty model which provides direct exposure to commodity price performance. We have the balance sheet flexibility to execute on any transaction opportunities that meet our investment criteria."

For further information

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About Ecora Resources

Ecora Resources is a leading royalty company focused on supporting the supply of commodities essential to creating a sustainable future.

Our vision is to be globally recognised as the royalty company of choice synonymous with commodities that support a sustainable future by continuing to grow and diversify our royalty portfolio in line with our strategy. We will achieve this through building a diversified portfolio of scale over high quality assets that drives low volatility earnings growth and shareholder returns.

The mining sector has an essential role to play in the energy transition, with commodities such as copper, nickel and cobalt - key materials for manufacturing batteries and electric vehicles. Copper also plays a critical role in our electricity grids. All these commodities are mined and there are not enough mines in operation today to supply the volume required to achieve the energy transition.

Our strategy is to acquire royalties and streams over low-cost operations and projects with strong management teams, in well-established mining jurisdictions. Our portfolio has been reweighted to provide material exposure to this commodity basket and we have successfully transitioned from a coal orientated royalty business in 2014 to one that by 2026 will be materially coal free and comprised of over 90% exposure to commodities that support a sustainable future. The fundamental demand outlook for these commodities over the next decade is very strong, which should significantly increase the value of our royalty portfolio.

Ecora's shares are listed on the London and Toronto Stock Exchanges (ECOR) and trade on the OTCQX Best Market (OTCQX: ECRAF).

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