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Ecora Resources PLC
29 March 2023

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Ecora Resources PLC
("Ecora" or the "Group")

Full Year Results

Ecora Resources PLC (LSE/TSX: ECOR) announces full year results for the year ended 31 December 2022. The Company will publish its audited 2022 Annual Report and Accounts later today, which will be available on the Group's website at www.ecora-resources.com and on SEDAR at www.SEDAR.com.

Financial Highlights:

- Record FY22 portfolio contribution of $143.2m, up 67% on FY21 ($85.6m) as the portfolio benefited from stronger commodity prices for the majority of the year
- Adjusted earnings of $87.9m, also representing a 67% increase on FY 21 ($52.3m) preserving profit margins despite inflationary backdrop
- Adjusted earnings per share up 49% at 37.55c (2021: 25.18c)
- Royalty and metal stream related revenue of $141.9m, up 66% on FY21 ($85.3m)
- Profit before tax of $135.4m, up 147% on FY 21 ($54.6m)
- Net debt as at 31 December 2022 of $36m (31 Dec 21: $90m), reflecting rapid deleveraging in 2022 as a result of strong cash generation
- Borrowing facility extended by twelve months to February 2025
- Final dividend proposed of 1.75p per share, bringing the total dividend for the year to 7p per share, as per guidance
- Future facing commodities now represent 85% of the Group's royalty assets on balance sheet at YE 22 (YE 21: 75%)

Portfolio Highlights

- Added medium term growth through the acquisition of a portfolio of royalties over advanced stage copper and nickel projects from South32, including royalties over the West Musgrave and Santo Domingo projects, for a fixed consideration of $185m with further contingent consideration of up to US$15m
- 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
- Brazilian Nickel announced first nickel production from the small scale PNP1000 plant at the Piauí nickel and cobalt project in Brazil with the full-scale construction financing process now underway
- The Queensland Government added new tiers to the statutory royalty regime, significantly increasing royalty revenue from the Group's Kestrel royalty entitlement at prices above A$175/tonne from 1 July 2022, increasing the weighted average royalty rate from 13% in H1 22 to 23% in H2 22

Outlook:

- Copper, steel making coal, uranium and iron ore pellet prices have started the year strongly
- Cobalt and nickel prices have weakened YTD reflecting increased supply and, in the case of cobalt, a reduction in demand for consumer electronics. Class 1 nickel markets remain tight, and the medium-long term outlook for both commodities remains strong
- Kestrel saleable volumes produced within the Group's private royalty area in 2023 are expected to be primarily weighted towards Q1 and Q4, with total saleable volumes from the Group's area approximately half those during 2022
- Voisey's Bay stream expected to generate 13-15 deliveries of cobalt in 2023 (each delivery is 20 tonnes of which 70% to attributable to Ecora), compared to 19 received in 2022, due to the transition from end of life open pit operations to the underground mine life extension which is expected to ramp up from 2024
- Capstone Copper announced commercial production following the Mantos Blancos Phase I expansion, and is now evaluating the potential to increase throughput of the Mantos Blancos sulphide concentrator plant from 7.3 million tonnes per year to 10.0 million tonnes per year. The Mantos Blancos Phase II feasibility study is expected to be released in H2 23
- Cameco has reversed an earlier decision to operate the Cigar Lake mine at 75% of production capacity in 2024 and it is now planned to operate the mine at full licensed capacity of 18Mlbs

- Remain in discussions with the operator of EVBC following recent margin pressure, and it is likely that in the short term a portion of cash royalties, including H2 22, will 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
- Updated Santo Domingo feasibility study expected in H2 23 as Capstone Copper plans to take advantage of the proximity synergies with the existing Mantoverde operation and infrastructure
- Retain a strong balance sheet from which to pursue future growth opportunities as we continue to transition our portfolio towards future facing metals
- Dividend to be rebased to US$ at twelve month average USD:GBP exchange rate of 1.21. 7p per share dividend to be converted and rounded up to 8.5¢ per share, resulting in quarterly payments of 2.125¢ per share, commencing from Q1 23.

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

"2022 was an outstanding year for Ecora, achieving record portfolio contribution for the second year running. We completed the acquisition of a high quality development stage copper nickel royalty portfolio from South32, further aligning our commodity exposure to the energy transition thematic, as well as recasting the Company as a growth story. Our revenue derived from future facing commodity royalties now has the potential to grow over the medium term from $33m in 2022 to above $100m.

"Looking ahead, there are a number of near-term development catalysts across the portfolio, as construction activities progress at West Musgrave and we look forward to an updated feasibility study for Santo Domingo this year. We remain well positioned for growth, with demand pressures on the sector increasing the investment opportunities to acquire accretive royalties."

Analyst and Investor presentation

There will be an analyst and investor presentation webcast at 8:30am (BST) on 29 March 2023. The presentation will be hosted by Marc Bishop Lafleche (CEO) and Kevinm Flynn (CFO).

Please join the event 5-10 minutes prior to the scheduled start time.

Event Title	Ecora Resources - 2022 Results Presentation
Time Zone	Dublin, Edinburgh, Lisbon, London
Start Time/Date	08:30 Wednesday, 29 March 2023
Duration	60 minutes
Webcast Link	https://brrmedia.news/ECOR_FY22

<u>For further information</u>

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<u>Notes to Editors:</u>

The financial information set out in this Results Announcement does not constitute the Company's annual report and accounts for the years ended 31 December 2021 or 2022 but is derived from those accounts. The auditors have reported on those accounts; their reports were unqualified and did not draw attention to any matters by way of emphasis without qualifying their report.

Alternative Performance Measures
Throughout this announcement a number of financial measures are used to assess the Group's performance. The measures are defined below and, with the exception of operating profit/(loss), are non-IFRS measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Portfolio contribution
Portfolio contribution represents funds received or receivable from the Group's underlying royalty and stream related assets, and is taken into account by the Board when determining dividend levels. Portfolio contribution is royalty and stream related revenue net of metal stream costs of sales, plus royalties received or receivable from royalty financial instruments carried at FVTPL and principal repayments received under the Denison financing agreement. Refer to note 36 of the financial statements for portfolio contribution.

Operating profit
Operating profit represents the Group's underlying operating performance from its royalty and stream interests. Operating profit is royalty and stream related revenue, less metal streams cost of sales, amortisation and depletion of royalties and

streams and operating expenses. Operating profit excludes impairments and revaluations, and reconciles to 'operating profit before impairments and revaluations' on the income statement.

Adjusted earnings and adjusted earnings per share
Adjusted earnings represent the Group's underlying operating performance from core activities. Adjusted earnings is the profit/loss attributable to equity holders plus royalties received from financial instruments carried at fair value through profit or loss, less all valuation movements and impairments (which are non-cash adjustments that arise primarily due to changes in commodity prices), amortisation charges, unrealised foreign exchange gains and losses, and any associated deferred tax, together with any profit or loss on non-core asset disposals as such disposals are not expected to be ongoing. Adjusted earnings divided by the weighted average number of shares in issue gives adjusted earnings per share. Refer to note 12 of the financial statements for adjusted earnings and adjusted earnings per share.

Dividend cover
Dividend cover is calculated as the number of times adjusted earnings per share exceeds the dividend per share. Refer to note 13 of the financial statements for dividend cover.

Free cash flow and free cash flow per share
The structure of a number of the Group's royalty financing arrangements, such as the Denison transaction completed in February 2017, result in a significant amount of cash flow being reported as principal repayments, which are not included in the income statement. As the Group considers dividend cover by reference to both adjusted earnings per share and the free cash flow generated by its assets, management have determined that free cash flow per share is a key performance indicator.

Free cash flow per share is calculated by dividing net cash generated from operating activities, plus proceeds from the disposal of non-core assets and any cash considered as the repayment of principal, less finance costs, by the weighted average number of shares in issue. Refer to note 35 to the financial statements for free cash flow per share.

Cautionary statement on forward-looking statements and related information

Certain statements in this announcement, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Group's expectations and views of future events. Forward-looking statements (which include the phrase 'forward-looking information' within the meaning of Canadian securities legislation) are provided for the purposes of assisting readers in understanding the Group's financial position and results of operations as at and for the periods ended on certain dates, and of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such forward-looking statements may not be appropriate other than for purposes outlined in this announcement. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, cash flow, requirement for and terms of additional financing, performance, prospects, opportunities, priorities, targets, goals, objectives, strategies, growth and outlook of the Group including the outlook for the markets and economies in which the Group operates, costs and timing of acquiring new royalties and making new investments, mineral reserve and resources estimates, estimates of future production, production costs and revenue, future demand for and prices of precious and base metals and other commodities, for the current fiscal year and subsequent periods.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects', 'anticipates', 'plans', 'believes', 'estimates', 'seeks', 'intends', 'targets', 'projects', 'forecasts', or negative versions thereof and other similar expressions, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. Forward-looking statements are based upon certain material factors that were applied in drawing a conclusion or making a forecast or projection, including assumptions and analyses made by the Group in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. The material factors and assumptions upon which such forward-looking statements are based include: the stability of the global economy; the stability of local governments and legislative background; the relative stability of interest rates; the equity and debt markets continuing to provide access to capital; the continuing of ongoing operations of the properties underlying the Group's portfolio of royalties, streams and investments by the owners or operators of such properties in a manner consistent with past practice; no material adverse impact on the underlying operations of the Group's portfolio of royalties, streams and investments from a global pandemic; the accuracy of public statements and disclosures (including feasibility studies, estimates of reserve, resource, production, grades, mine life and cash cost) made by the owners or operators of such underlying properties; the accuracy of the information provided to the Group by the owners and operators of such underlying properties; no material adverse change in the price of the commodities produced from the properties underlying the Group's portfolio of royalties, streams and investments; no material adverse change in foreign exchange exposure; no adverse development in respect of any significant property in which the Group holds a royalty or other interest, including but not limited to unusual or unexpected geological formations and natural disasters; successful completion of new development projects; planned expansions or additional projects being within the timelines anticipated and at anticipated production levels; and maintenance of mining title.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. No statement in this communication is intended to be, nor should it be construed as, a profit forecast or a profit estimate.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate; that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Group's control, affect the operations, performance and results of the Group, its businesses and investments, and could cause actual results to differ materially from those suggested by any forward-looking information. Such risks and uncertainties include, but are not limited to current global financial conditions, royalty, stream and investment portfolio and associated risk, adverse development risk, financial viability and operational effectiveness of owners and operators of the relevant properties underlying the Group's portfolio of royalties, streams and investments; royalties, streams and investments subject to other rights, and contractual terms not being honoured, together with those risks identified in the 'Principal Risks and Uncertainties' section of our most recent Annual Report, which is available on our website. If any such risks actually occur, they could materially adversely affect the Group's business, financial condition or results of operations. Readers are cautioned that the list of factors noted in the section herein entitled 'Risk' is not exhaustive of the factors that may affect the Group's forward-looking statements. Readers are also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

The Group's management relies upon this forward-looking information in its estimates, projections, plans and analysis. Although the forward-looking statements contained in this announcement are based upon what the Group believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements made in this announcement relate only to events or information as of the date on which the statements are made and, except as specifically required by applicable laws, listing rules and other regulations, the Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This announcement also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. This announcement contains information and statements relating to the Kestrel mine that are based on certain estimates and forecasts that have been provided to the Group by Kestrel Coal Pty Ltd ("KCPL"), the accuracy of which KCPL does not warrant and on which readers may not rely.

Technical and Third-Party Information

As a royalty and streaming company, the Group often has limited, if any, access to non-public scientific and technical information in respect of the properties underlying its portfolio of royalties, or such information is subject to confidentiality provisions. As such, in preparing this announcement, the Group has largely relied upon the public disclosures of the owners and operators of the properties underlying its portfolio of royalties investments, as available at the date of this announcement. Accordingly, no representation or warranty, express or implied, is made and no reliance should be placed, on the fairness, accuracy, correctness, completeness or reliability of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

Cyprium Metals, the owner of the Nifty project, is listed on the Australian Securities Exchange and reports in accordance with the JORC Code.

Candente Copper Corp., the owner of the Cañariaco project, is listed on the Toronto Stock Exchange and reports in accordance with the Canadian Institute of Mining and Metallurgy (CIM) Definition Standards for Mineral Resources and Mineral Reserves.

Chairman's Statement

When I wrote last year's statement I described 2021 as the most transformative and profitable year in the Group's history. As I look back at 2022, I am pleased to report another record for profitability and with a new Chief Executive Officer, Company name and another major transaction, 2022 was arguably more transformative than 2021.

There were a number of factors that impacted the global economy in 2022. The saddest of these was the Russian invasion of Ukraine which, as well as the hardship it has caused the Ukrainian people, also created significant economic disruption and geopolitical uncertainty. The flow of commodities was severely impacted causing prices to increase rapidly, which contributed to the highest rates of global inflation seen in years.

Whilst many countries started to put the COVID-19 pandemic behind them and started to see more of a return to normal, China remained locked down which in the second half of the year contributed to weakened demand for commodities and eased some of the upwards price pressure. China will continue to play a central role in commodity demand and as it has started to re-open post-COVID-19, there is potential to unlock significant demand which could impact markets, and potentially pricing, in 2023.

The higher inflationary environment has created many challenges for both consumers and mining operators. In times of high inflation, the royalty business model provides protection from increasing capital and operating costs as we are mainly exposed to the top line. This is reflected in the record financial performance of the Group.

Chief Executive Officer transition

As we highlighted in last year's report, the Board was delighted to appoint Marc Bishop Lafleche to the role of Chief Executive Officer when Julian Treger stepped down on 31 March 2022. Marc has made a fine start in his new role and demonstrated his leadership during the acquisition of a portfolio of royalties from South32, and the rebranding of Anglo Pacific Group as Ecora Resources PLC. Marc has developed a very constructive culture internally and has formed strong working relationships with key external stakeholders, including shareholders and our investee counterparties. Equally he has laid out a clear vision on the growth strategy for Ecora and we look forward to Marc and the team continuing to execute on that vision in the coming years.

Portfolio development

It was a significant achievement to acquire a portfolio of royalties from South32. From the Board's perspective, these royalties deepened our exposure to copper, nickel and cobalt, commodities we believe have tremendous amount of running room over the next decade and beyond. Importantly, the operators of the key projects are highly regarded and the mines are low on both the cost and carbon emissions curves. Our portfolio is of the highest quality and would be extremely difficult to replicate.

Rebranding

In October we began trading as Ecora Resources PLC. Having done the hard work to completely reposition the business, we felt it was the appropriate time to change the name of the Company to break from the past associations with coal and to better reflect a company focused on the energy transition with exposure to commodities with exceptional long-term growth characteristics.

Board and governance

A key part of the Board's role is to both challenge and support the management team in the execution of the Group's strategy, together ensuring we operate with integrity and to the highest ethical standards. During 2022 there was a particular focus on the transition to the new CEO, the acquisition of the royalty portfolio from South32 and the appointment of a new Non-Executive Director.

We were delighted to announce the appointment of C. Coignard to the Board as an independent Non-Executive Director with effect from 1 January 2023. Christine has extensive experience in the metals and mining sector from her corporate finance and strategy roles and non-executive directorships with Eramet SA and Polymetal International.

The role of Senior Independent Director will be transferred from J.E. Rutherford to V. Shine at the end of the AGM in May. Varda's wide industry experience will position her well for this role. These changes in the Board's composition will mark significant progress towards meeting the targets set out in the FCA policy statement 'Diversity and inclusion on company boards and executive management', which we will report against in our 2023 Annual Report.

After nine years of service, R.H. Stan will retire from the Board at the end of the AGM in May. Bob was instrumental in assisting the Company through its considerable growth, particularly with his perspectives from his experience in the international mining industry. I would like to express my sincere thanks to Bob for his enormous contribution to the Company and his wise advice over the years. He will be missed, and we all wish him well. Following Bob's retirement, the role of Designated Non-Executive Director will be transferred to Graeme Dacomb.

We believe the Board has an appropriate mix of skills, experience and diversity, and succession planning continues to be an ongoing focus. As such, the composition of the Board is under constant review and changes will be made as tenures come to an end and as the business continues to evolve.

Returns to shareholders

Our core capital allocation principles remain in place, which will see us continue to prioritise the maintenance of a strong balance sheet along with growth of our royalty portfolio by way of acquisitions, whilst committing to a quarterly dividend of 1.75p. The Group changed its functional and presentational currency to US$ last year, to better reflect the underlying performance of the business given the majority of its revenues and financing activities are derived in US$.

The Group's current annual dividend is 7p per share. The average GBP:USD exchange rate over the last 12 months was ~1.21. Applying this rate to the 7p dividend would result in an annual USD dividend of 8.47c per share. The Group is proposing to round this to 8.5c per share, which would imply a quarterly dividend of 2.125c per share. Eligible shareholders will be offered the dividend in both US$ and GBP and the Group will publish the exchange rates being applied each quarter for the GBP equivalent.

This change will become effective prior to payment of the Q1 2023 dividend.

Shareholder engagement

We were pleased to be able to hold our Annual General Meeting in person again in 2022 and welcome shareholders to the event. We strengthened our investor relations function in 2022 and will look to continue increasing engagement with both our institutional and retail shareholders during 2023. During the year we saw the initiation of the first analyst coverage out of Toronto, and commenced trading through the OTCQX International market, qualifying for investment from a much broader range of investment firms in the United States. I would like to thank our shareholders for their continued support over the year.

Thanks

Finally, I would like to thank the team at Ecora for all their dedication and hard work. To have completed another sizeable transaction along with a successful rebranding is testament to their commitment and abilities. I know from my own conversations that the team shares the Board confidence and excitement at the opportunities that lie ahead for Ecora.

Chief Executive's Review

I am delighted to be writing to you for the first time as Chief Executive Officer after a strong year in which we have achieved record results. I am writing under our new name, Ecora Resources, which reflects the Company's transformation and repositioning for the future.

As we continue growing the business, my vision is for Ecora Resources to be the globally recognised leading royalty company focused on commodities fundamental to the energy transition and decarbonisation. We will continue to ensure our royalty portfolio remains weighted towards high quality mining operations and projects with low operating costs and leading sustainability credentials, and backed by well-established operators.

The opportunity to grow our portfolio of future facing commodity royalties remains favourable. The mining sector is highly capital intensive by nature, and substantial investment in new production capacity will be required to meet the supply growth to enable a global energy transition. Capital market conditions remain challenging, and as a vehicle permanently focused on providing financing to the mining sector, Ecora is well positioned to continue to play a role as a funding source.

Delivering on our strategy

The acquisition of a high-quality portfolio of advanced stage royalties from South32 in July 2022 was fully in line with our stated strategy. The acquisition increased our copper and nickel exposure, commodities with strong underlying fundamentals and essential to achieving the energy transition.

The portfolio's two key assets are a royalty over the West Musgrave copper nickel project in Australia, and a royalty over the Santo Domingo copper cobalt development in Chile. Both projects are expected to be low-cost and are located in well-established mining jurisdictions. Furthermore, they have proven operators in Capstone Copper at Santo Domingo, and OZ Minerals at West Musgrave. I am pleased to note that in the short time since we have owned these royalties, there have been a number of positive catalysts, including a final investment decision by OZ Minerals to construct the West Musgrave project, along with a positive Mantoverde-Santo Domingo district integration plan released by Capstone Copper.

We were delighted to welcome South32 as our largest shareholder during the past year, which received a 17% stake in Ecora as part of the consideration package, demonstrating conviction in the outlook for our existing business, the acquired royalty portfolio, and our proven ability to deliver shareholder value.

At the beginning of the year, our producing royalties represented 95% of our portfolio. One of our key objectives was to enhance the Company's growth profile. The royalty portfolio acquired from South32 delivered on this objective, with Ecora now having a line of sight on a total portfolio contribution of over $100m per annum in the medium term, excluding steel making coal.

Future facing commodity royalties now represent approximately 85% of the Company's assets, and almost 100% of our portfolio contribution later this decade. This is an incredible achievement, considering that in 2014 the Group's assets and revenues were almost entirely linked to coal operations. The team remains highly focused on continuing to further diversify our royalty portfolio, enhancing our growth profile and cementing our position as the leading future facing commodity royalty company.

Results

2022 was a record year, with portfolio contribution of $143.2m, up 67% on the previous year. The strong financial performance was driven by a prolonged period of elevated commodity prices, particularly steel making coal, cobalt and copper, offsetting lower than expected saleable production volumes from our royalty area of the Kestrel mine during the fourth quarter. Adjusted earnings per share was up 49% to 37.55c (2021: 25.18c).

The record portfolio contribution allowed us to accelerate the planned repayment of our borrowing facility during the past year, with net debt of $36m as of 31 December 2022 (YE 2021: $90m). Our balance sheet provides us with the flexibility to pursue further growth opportunities and we continue to enjoy strong support from our lending banks.

Outlook

The outlook for Ecora Resources remains positive. Over the next 12 months, construction activities at West Musgrave are expected to continue, with first production targeted in 2025. Capstone Copper is targeting the release of a Santo Domingo feasibility study in H2 2023, taking advantage of the synergies associated with the proximity of Santo Domingo to the existing Mantoverde operation, existing infrastructure (including a desalination plant, roads, power, and pipelines), and integration of other assets. Having now completed the Phase I expansion at Mantos Blancos, Capstone Copper is evaluating the potential to increase throughput of the Mantos Blancos sulphide concentrator plant from 7.3 million tonnes per year to 10.0 million tonnes per year. The Mantos Blancos Phase II feasibility study is expected to be released in H2 2023.

Brazilian Nickel's financing process for the Piauí nickel cobalt project is underway, and targeted to complete later this year or in 2024. The ability to increase our royalty exposure at Piauí is particularly interesting given it will produce battery precursor nickel and cobalt products. Should Ecora proceed with a further $70m investment at the time of Piauí construction, assuming consensus research analyst commodity price forecasts the royalty is expected to generate $17.5-22.5m per annum over the first 15 years of production.

During 2023, operations at Kestrel will begin to transition outside of Ecora's private royalty area. Production within this area in 2023 is expected to be heavily weighted to Q1 and Q4. Year to date, steel making coal prices have been strong, which should partially offset lower levels of production.

Operations at Voisey's Bay are expected to continue to centre on the transition from an open pit to an underground mining operation, resulting in lower planned 2023 cobalt production relative to 2022, with underground production expected to ramp-up in 2024. Cobalt prices have pulled back from the near record levels during 2022 as a result of increased supply and a slowdown in consumer electronics demand. Cobalt prices are now seen to be at or around bottom price levels, with the medium-and longer-term outlook remaining strong.

I was delighted to visit the Voisey's Bay mine, which reinforced my view that our Voisey's Bay stream has substantial upside including the potential to significantly extend the operations beyond current mine-life.

Finally, I would like to thank the team at Ecora for all the achievements and progress we have made on many fronts in 2022. We have an experienced, dedicated and talented team who I have no doubt are capable of continuing to grow and transform our business in becoming the globally recognised leading royalty company focused on commodities fundamental to the energy transition and decarbonisation.

Business Review

The Group has now successfully deployed nearly $400m over the past two years to effectively build a new business, independent of the declining metallurgical coal royalties, that has the potential to deliver a sustainable, long-term income profile of over $100m per annum from later this decade.

Producing Royalties and Streams

Voisey's Bay

We were pleased to be welcomed at site during the year with both our CEO and Head of Technical present. The trip reaffirmed our view that the Voisey's Bay stream has substantial upside, including the potential to significantly extend the operations beyond its current mine-life.

During 2022 mining operations feeding the mill included the open pit and Reid Brook underground mine at Voisey's Bay.

Ecora received 19 deliveries of cobalt during 2022 which totalled 380Kt of cobalt. One scheduled delivery slipped into early January 2023. Total stream revenue from this cobalt was $18.8m and, after cost of sales, generated $14.6m of net portfolio contribution.

An average price of $32/lb was achieved with deliveries weighted towards the first half of the year when the average cobalt price was $37/lb, well ahead of the full year average price of $30/lb.

Mining operations continue to transition from the open pit to the underground mine. Production from the Reid Brook underground mine continues to ramp-up following first ore in 2021. The Eastern Deep mine development project is ongoing with first ore expected in 2023. We expect to receive 13-15 deliveries of cobalt in 2023 (each delivery is 20 tonnes).

As the underground mines continue to ramp-up, production grows, with the Ecora cobalt share of final product growing in parallel. In 2025, as ramp-up is completed by the operator, the underground mines will produce approximately 45,000t of nickel and approximately 2,500t of cobalt in concentrate at the peak annual mill feed rate of 2.6Mtpa. At this point the Ecora share of cobalt final product should equate to approximately 30 deliveries per annum.

Mantos Blancos

Mantos Blancos generated $6.0m of revenue for the Group in 2022, up 5% on 2021 ($5.7m). This performance was driven by a combination of an increase in total payable copper volumes to 48.8Kt (2021: 45.0Kt) and an underlying copper price in the year averaging $8,724/tonne, an increase of 5% on the prior year (2021: $8,318/tonne).

The Mantos Blancos Concentrator Debottlenecking Project to expand sulphide mill production to 7.3Mtpa rate was completed in 2022.

Production guidance by the operator for 2023 is between 55Kt and 63Kt of copper metal from Mantos Blancos.

Capstone Copper is undertaking its Mantos Blancos Phase II Feasibility Study, to potentially increase the throughput of the sulphide concentrator plant from 7.3Mtpa to 10Mtpa. It is also evaluating the potential to extend the life of copper cathode production with more oxide material through to 2032. The Feasibility Study is expected to be completed in the second half of 2023.

Kestrel

Elevated steelmaking coal prices during the first half of the year, when the price averaged $448 per tonne, drove a record portfolio contribution from Kestrel of $107m. Prices weakened in the second half, albeit to an average price of $328 per tonne, still considerably above the historical long-term price. The impact of the softening of prices in H2 was partially offset by the decision of the Queensland Government to increase royalty rates applicable under higher coal prices effective from 1 July 2022. Given that Ecora owns the land rights within our private royalty area, the Group benefits from the increased royalty rates. However, in Q4, saleable production volumes were impacted by operational constraints that limited mined tonnes and throughput volumes at the handling and reparation plant.

Saleable production volumes within Ecora's private royalty area will start to decline in 2023 (approximately 40% of saleable tonnes) and are expected to be approximately half of those realised in 2022 (approximately 75% of saleable tonnes). Mining activity within the Ecora private royalty area is expected to be weighted towards Q1 and Q4. Saleable production volumes in the Group's royalty area are expected to continue to decline in 2024 and 2025. It is anticipated that volumes in the private royalty area by the end of 2026 will equate to 10% or less of Kestrel's annual saleable production.

Maracás Menchen

Royalties from the Maracás Menchen mine totalled $3.6m during the year (2021: $3.3m).

Largo Resources reduced production guidance during the year by approximately 4% to between 11Kt and 12Kt of V2O5, and delivered a full year production output of 10.4Kt, (2021: 10.3Kt), which was slightly below its guidance. This reduction was driven by a combination of bad weather, scheduled maintenance and change of the mining contractor.

The average vanadium price was higher in 2022 at $9.52/lb (2021: $9.15/lb). Underlying vanadium prices were higher than in the prior year but the figure was also enhanced by record production of higher purity V205 which commands a price premium.

Largo has announced production guidance for 2023 of 11Kt to 12Kt of V_2O_5. Construction of the ilmenite concentration plant is on schedule for commissioning in Q2 2023.

McClean Lake Mill

Having suffered from COVID-19-related shutdowns in the prior year, operations at the Cigar Lake mine returned to normal in 2022 with production volumes totalling 18 Mlbs (2021: 12.5 Mlbs). Toll milling receipts from the McClean Lake mill totalled $5.0m in the year (2021: $3.1m). These toll milling receipts are applied against the Group's interest bearing loan receivable from Denison Mines, initially against any outstanding interest and then principal.

Having caught up on the development work that had been deferred in 2021, production from Cigar Lake in 2023 is expected to be in line with licensed capacity of 18 Mlbs of uranium.

Looking further ahead, Cameco announced in February 2023 that, due to strong demand, it would be reversing plans announced in 2022 to cut production in 2024 by 25%. Production is therefore expected to continue at full capacity of 18Mlbs per annum.

Labrador Iron Ore Royalty Corporation

The operation had a total 2022 full year production of 10.3Mt (2021: 9.7Mt) of iron ore pellets and concentrate. Record performance metrics were achieved in the year, including monthly records for concentrate production and total material moved in the second quarter.

Lower steel production relative to 2021 saw iron ore prices soften in 2022, with the price averaging $112.9/tonne (2021: $156/tonne). However, the market for 65% pellets remains relatively strong with price premiums averaging $72 during the year (2021: $60).

The subdued pricing relative to 2021 resulted in LIORC declaring total dividends of C$3.10 per share, 48% down on the prior year (2021: C$6.00).

Guidance from LIORC is for saleable production tonnage in 2023 of 10.5Mt to 11.5Mt of iron ore pellets and concentrate. Prices for 65% pellets have recovered from lows towards the end of 2022 and are up more than 20% since the start of November as demand starts to increase as China gradually removes COVID-19 restrictions. Therefore the Group see potential for higher dividends in 2023.

Other producing royalties

The EVBC royalty contributed $2.8m in 2022, fractionally down on the 2021 figure of $3.1m. Looking forward, production guidance for 2023 of 46Koz to 51Koz of gold and 4.0Mlbs to 4.4 Mlbs of copper is broadly flat on 2022. Ecora is in discussion with the operator of the EVBC royalty following recent margin pressure and it is likely that in the short term a portion of cash royalties, including H2 2022, will be deferred.

Royalty revenue from Four Mile totalled $1.0m (2021: $0.3m). The Group is in dispute with Quasar over the level of charges being applied against royalty revenues. In April 2022 the Group received a favourable decision from the courts which has resulted in the Group receiving a payment of approximately A$6.0m. This judgement has been appealed by Quasar and legal proceedings around the appeal are expected to conclude in H2 2023.

Royalty revenues from Carlota totalled $0.2m in 2022. With the open-pit mining having ceased in 2014, Ecora anticipates copper cathode production to continue to decline as heap leach becomes exhausted, and copper production ceases in late 2024 or 2025.

Development Royalties

West Musgrave

OZ Minerals took a Final Investment Decision in September 2022 to construct the West Musgrave Project.

Construction activities commenced in November 2022 with first production targeted for H2 2025. In November 2022 OZ Minerals released the West Musgrave Mixed Hydroxide Precipitate (MHP) Study that confirmed the technical and commercial opportunity of producing a high quality and high grade MHP nickel product, with the potential to deliver a significant value uplift to the West Musgrave project economics.

The operator has stated that West Musgrave province is a well-endowed mineral province that has seen relatively little exploration in the last 30 years. A range of surveys have been completed and interpretation of the results is ongoing with a view to developing exploration targets for future drilling. An assessment of the local exploration and production potential beyond the immediate asset is in progress as part of the Life of Province Study, which is on track for completion in H1 2023.

Santo Domingo

Capstone Copper was formed in March 2022 through the merger of Capstone Mining (which operated Santo Domingo) and Mantos Copper (which operated Mantoverde). This consolidation created a company with two projects located 35 km away from each other and enabled Capstone to focus on a 'district' development approach targeting over 200Kt per annum of low-cost copper production.

A Mantoverde-Santo Domingo district integration plan (MV-SD IP) was completed in late 2022. The MV-SD IP indicated the potential for $80-100m per year of cost savings across the district, increasing the cost effectiveness and returns of the Santo Domingo development.

The project is fully permitted and shovel ready. An updated base case feasibility study is scheduled to be published in the second half of 2023 incorporating the findings of the MV-SD IP. Once the Mantoverde expansion project is completed the current plan is for the construction team to move to the Santo Domingo site and commence construction. First production is expected in the second half of the decade.

In the first half of 2024, further upside potential will be explored through a copper oxide and integration with Mantoverde operation feasibility study. A separate Feasibility Study into an integrated Mantoverde-Santo Domingo cobalt production facility will also be completed in the first half of 2024.

Piauí

Brazilian Nickel PLC ('BRN') continue to move the project forward and in June 2022 announced production of first nickel from the small scale PNP1000 plant. BRN is currently working on optimising the production process. Production continues to ramp up and over 100 tonnes have been produced since start-up.

A bankable feasibility study was completed in Q3 2022 which confirmed the attractive project economics. Following completion of the feasibility study, BRN appointed advisers to lead the fund raising for a full scale production facility.

Production at the smaller scale plant continues in 2023 as it ramps up to full production, while funding discussions advance for the full scale project construction, anticipated to be completed before the end of 2023, with construction commencing shortly thereafter.

Piauí is a particularly interesting opportunity as a further $70m investment would increase our royalty interest from 1.25% to 4.25%. At current nickel prices, this would generate $17.5-22.5m per annum when production from the newly constructed plant is fully scaled up.

Nifty

The Nifty Restart Study was released in March 2022 and highlighted a robust Phase I project, with further resource upside potential to the west and east of the mineralisation. In May, Cyprium released its mineral resource update and increased the estimate of contained copper metal by over 40% to 940.2Kt (previously 658.5Kt).

Cyprium is in the process of raising the AUD240-260m required to finance the project. Once financing is secured then Cyprium will be in position to start working towards the restart of the mine, which is targeted for 2024.

Other development royalties

Incoa continue to advance its calcium carbonate project albeit ramp-up to project completion has been slower than anticipated. Funding by Ecora is therefore not expected to take place before calendar year 2024.

The Salamanca uranium project is being developed in a historical mining area located in the Salamanca Province in western Spain, 250km west of Madrid. Authorisation for construction for the uranium concentrate plant as a radioactive facility (NSC II) is the only key approval required to commence full construction of the Salamanca mine.

MITECO rejected the initial NSC II application, a ruling which Berkeley subsequently appealed. However, MITECO rejected Berkeley's appeal in early 2023. Berkeley continues to follow various other avenues of appeal within Spain.

Cañariaco is a large-scale copper project in northern Peru which includes the Cañariaco Norte deposit, the Cañariaco Sur deposit and the Quebrada Verde prospect located 3.5km south of Cañariaco Norte and immediately south-south-west of Cañariaco Sur. The Group has a 0.5% life of mine NSR royalty over the project which is majority owned by TSX-listed Candente Copper Corp. ('Candente').

In January 2022 a Preliminary Economic Assessment (PEA) was completed on Cañariaco Norte which estimated a post-tax NPV of over $1bn (at a copper price of $3.50/lb) and a 2022 mineral resource totalling 9.3Blbs of contained copper in the Measured and Indicated category, plus 1.4Blbs of contained copper in the Inferred category. A resource estimate was also completed for Cañariaco Sur that estimated 2.2Blbs of contained copper in the Inferred category.

Finance Review

Overview

Ecora delivered a second consecutive year of record results, posting $143m of portfolio contribution, a 67% increase on the previous record in FY 21. Kestrel was once again the main contributor with $107m of royalty income in the period, buoyed by a higher commodity price environment and what will now represent peak volumes for the Group as the royalty begins its transition outside of the Group's private royalty land.

To fully appreciate the magnitude of transformation achieved by the Group requires a two-year look back. At the time of writing the 2020 Annual Report the Group had not yet transacted on the Voisey's Bay cobalt stream. Steelmaking coal prices at the time were floundering at around $130/t, impacted heavily by COVID-19-related import restrictions in Asia along with the Chinese ban on Australian imports. At these levels, implied Kestrel income for FY 21 and FY 22 combined was $32m. The actual income generated from Kestrel in this two-year period was $155m, almost five times higher - a combination of much higher commodity pricing along with the recently announced changes in the Queensland royalty structure. This has had a significant impact on the Group's investment strategy and capability over the last 24 months.

The additional revenues from Kestrel, as they started to materialise in H2 21, represented almost 'one-off' short-term income above that expected at the beginning of FY 21. This gave the Group financing flexibility for the first time in well over a decade to deploy cash flows into near-term development assets which would then provide the Group with a much more balanced portfolio. This culminated in the announcement of the acquisition of a portfolio of royalties from South32 in H2 22 for an initial $185m.

The South32 portfolio acquisition was financed in a way to preserve balance sheet strength, minimise dilution and match the timing of Kestrel royalty receipts to the dates at which stage payments are due to South32, as follows:

South32 consideration structure

	US$m
Cash consideration	47.6
Ecora shares consideration	82.4
Total consideration at transaction close	**130.0**
Deferred cash consideration: Six quarterly instalments over 18 months post transaction close	55.0

Total fixed consideration	**185.0**
Contingent consideration: Subject to West Musgrave production and future nickel prices	15.0

The total cash component of $103m in effect is financed by the additional $123m of Kestrel income received in FY 21 and FY 22 and is demonstrative of the Group's strategy to recycle short-term steelmaking coal cash flows into longer-term critical minerals and taking these windfall Kestrel cash flows to effectively self-finance its replacement.

In terms of the Group's balance sheet, based on latest production and price forecasts, it is expected that net debt will likely peak in Q4 23. This reflects the stage payments to South32, along with the tax due on the FY 22 Kestrel income. Even at this level, net debt remains below that forecast at the time of the Voisey's Bay acquisition, with an additional $185m of assets acquired.

Looking ahead to 2023, we expect to see the planned commencement of mining at Kestrel outside of the private royalty boundary which will inevitably result in a step down in reported portfolio contribution in FY 23. Volumes at Kestrel are likely to be around half of those achieved in FY 22, and these will be predominantly earned in Q1 and Q4 with little revenue in the intervening periods. Offsetting this somewhat should be higher average prices in Q1 23, which are already well in advance of those of Q4 22 as the steelmaking coal market remains relatively tight at present, with China relaxing its stance on Australian imports.

Once again, we are grateful for the support of our lenders who backed our investments during the year. We undertook some modifications to our facility during the period as follows:

- removed a scheduled $25m step down in commitments due in H2 22 to preserve the headline facility at $150m;
- extended the term of the facility by 12 months to February 2025; and
- included a $50m accordion option thereby providing a facility up to $200m for acquisitions.

These amendments provide the Group with balance sheet capability to continue on its growth journey and allows for flexibility to move quickly and opportunistically as the needs arise.

The Group's cash balances and borrowing lines are predominantly with large blue chip banks with robust credit ratings and we would not expect the current events in the banking markets to impact negatively on these institutions or on our ability to access our liquidity.

Results

FY 22 was a record year for the Group with $143m of portfolio contribution, a 67% increase on the previous record of $86m achieved in FY 22. This was driven in large part by the steelmaking coal and cobalt price performance in the period, along with strong volumes from Kestrel and Voisey's Bay. Kestrel also benefited from the new royalty rate regime in the second half of the year.

		2022	**2021**	**YoY%**
Kestrel	$m	107.2	48.1	123%
Voisey's Bay		18.8	16.5	14%
Mantos Blancos	$m	6.0	5.7	5%
Maracás Menchen	$m	3.6	3.2	13%
Four Mile	$m	1.0	0.3	233%
Carlota	$m	0.2	n/a	
Narrabri (disposed)	$m	-	3.4	
Royalty and stream income	**$m**	**136.8**	**77.2**	**77%**
Dividends - LIORC & Flowstream	$m	2.9	5.7	(49%)
Interest - McClean Lake	$m	2.1	2.4	(13%)
Royalty and stream related revenue	$m	**141.8**	**85.3**	**66%**
EVBC		2.8	3.1	(10%)
Principal repayment - McClean Lake	$m	2.9	1.3	123%
Less:				
Metal streams cost of sales	$m	(4.3)	(4.0)	5%
Total portfolio contribution	**$m**	**143.2**	**85.6**	**66%**

As shown in the above table, the average price for the Group's key commodities, steelmaking coal and cobalt, increased by 63% and 26% respectively. This accounted for a large proportion of the overall increase in portfolio contribution in the period.

Steelmaking coal continued to benefit from a relatively tight supply market during the period, with some noticeable supply disruptions from Australia in the first half. Steelmaking coal prices also benefited from a strong thermal coal pricing environment following increased demand as a result of the ongoing global energy shock following the Russian invasion of Ukraine. With thermal coal prices being significantly higher than steelmaking coal for large periods of FY 22, some suppliers sought to divert tonnages into the more lucrative energy market leading to an even tighter steelmaking coal market and keeping prices elevated.

Cobalt prices rallied in H1 22 (average $36.72/lb) before falling back in the second half ($24.04/lb). The market continued to benefit from logistical issues in key African supply markets in the first half of the year preventing supply coming to market. The market slowed down in the second half of the year as China continued to enforce strict COVID-19 lock downs on its population which curtailed manufacturing output resulting in lower demand for commodities such as cobalt, copper and iron ore.

Most prices impacting the Group have posted gains thus far in FY 23. Spot steelmaking coal is currently above $350/t, once again benefiting from a tightly supplied market at present and the re-opening of the Chinese economy. Copper has also benefited from the Chinese re-opening, and is currently at around $4.25/lb. Cobalt, however, has remained subdued, with the spot price between $18-20/lb, but with fewer deliveries now expected from Voisey's Bay this year the impact of price is less material on the Group's results overall.

The following table outlines some commentary on the key royalties in the period.

Kestrel

$107m vs $48m	Total saleable volumes flat Ecora volumes down ~20%, mainly in H2 22 70% of Ecora volumes earned in H1 22 at higher prices New royalty rate increased H2 22 income ~$17m FY 23: expect ~50% of the volumes achieved in 2022; these will be mainly received in Q1 and Q4

Voisey's Bay

$18.8m v $16.5m	Underground transition well advanced Pace of transition impacted by COVID-19 Expected 13-15 deliveries in FY23 (FY22: 19) Ramp-up of underground mine expected to commence in FY24

Mantos Blancos

$6.0m vs $5.7m	Total payable copper production up by 8.3% Increase due to higher cathode recoveries and debottlenecking initiative Guidance for FY23 should see some modest upside

Maracás Menchen

$3.6m vs $3.2m	Volumes down ~3.5% on FY22 Impacted by a contractor transition, bad weather and corrective maintenance - both in Q4 22 Operator guiding to a further 3% reduction in FY23 Ilmenite construction plant scheduled to be complete in Q2 23

LIORC

$2.5m vs $4.9m	Dividend per share impacted by fall in iron ore price

EVBC

$2.8m vs $3.1m	Operator facing ongoing liquidity pressures due to grade cut off Prospect for immediate cash flow from the royalty questionable Royalty has paid back over 4x the original C$7.5m investment

Taking this portfolio contribution analysis, and allowing for operating, finance and tax costs, the following table outlines the Group's adjusted earnings for 2022.

	2022		**2021**
	$m	**%**	**$m**
Royalty related revenue	141.8	66%	85.3
Receipts from royalty financial instruments	2.8	(11%)	3.0
Metal streams cost of sales	(4.3)	8%	(4.0)
Operating expenses	(10.8)	-	(10.7)
Finance costs	(6.4)	(14%)	(7.3)
Foreign exchange and other	(0.4)	225%	0.1
Tax	(34.8)	154%	(14.1)
Adjusted earnings	87.9	68%	52.3
Weighted average number of shares ('000)	234,062		207,901
	37.55c	**49%**	**25.18c**

Despite a year of generational levels of inflation, our business model demonstrated one of its key virtues as an inflation hedge. Operating costs were broadly flat year on year, and we would expect, in a business-as-usual case, that overheads will show a reduction in FY 23.

Finance costs showed a reduction in the period, reflecting the fact that there was no refinancing of the Group's borrowing facility in the period. Average borrowings reduced in the period to $60m from $95m the year before, reflecting the receipt of the Kestrel cash flows post the Voisey's Bay acquisition in H1 21, along with the way in which the stage payments for the South32 portfolio have been structured. This has been somewhat offset by the impact of higher interest rates particularly in H2 22.

The increase in the tax charge in the period reflects the higher level of income from Kestrel, which is an asset without a cost base and subject to tax in Australia at 30%. This should reduce in future periods as Kestrel continues its transition outside of the Group's private royalty land.

Taking all the above into consideration results in adjusted earnings of $87.9m, an identical 68% increase to that of the increase in our portfolio contribution showing highlighting the royalty model's ability to preserve margin in times of rapid inflation. This translates to 37.55c per share (FY 21: $52.3m and 25.18c per share respectively). The per share metric reflects the new shares issued to South32 as part of the portfolio acquisition in July 2022, which is dilutive in the current year as there is no material income expected from the main assets until the middle of the decade. However, this near-term dilution is more than made up for by the longer-term cash flows expected to materialise from these assets as they come on-line, along with the NAV accretion expected to materialise as these assets continue to be de-risked and move closer to production.

Balance sheet

Net assets increased to $504m during the year ended 31 December 2022 (31 December 2021: $357m). This was largely due to the underlying performance of the Group's portfolio, generating adjusted earnings of $88m, together with the $82m equity issuance to partially fund the acquisition of the South32 portfolio. At 31 December 2022, the Group's net asset per share was $2.15 compared to $1.72 a year ago.

Cash flow and liquidity

The Group generated significant free cash flow in the period, buoyed by strong income from Kestrel and Voisey's Bay in particular.

Just prior to the announcement of the South32 royalty portfolio in July 2022 the vast majority of the $123.5m drawn on the Group's borrowing facility in 2021 to fund the Voisey's Bay acquisition had been repaid from the windfall revenues received from Kestrel which put the Group in a strong position to finance growth opportunities.

As noted previously, the South32 transaction was financed in a way in which to maintain balance sheet strength. As such, the transaction was structured to allow for six stage payments on a quarterly basis of $9.2m. This structure allowed the opportunity to align Kestrel royalty receipts with the deferred payments to South32.

Given the expected decrease in cash flows from Kestrel in FY 23 (Q2 and Q3 in particular), along with the payment of final tax balances in mid-2023, net debt is expected to gradually increase from current levels to peak in Q4 23.

In order to ensure continued liquidity and flexibility, the Group agreed with lenders to remove a scheduled $25m step down in commitments in Q3 22, thereby preserving the headline facility at $150m. At the same time, the lenders agreed to provide an accordion option for a further $50m, which would bring the total facility to $200m, depending on growth opportunities.

In addition to the expected $100m of headroom on the facility when peak debt is reached, the Group also retains its residual stake in LIORC, which is currently valued at ~$29m and which it could utilise either to delever or to recycle into alternative opportunities.

Even with lower volumes to come from Kestrel and Voisey's Bay in FY 23, the Group should still generate very health portfolio contribution and, along with considerable financial flexibility, remain in a position to finance further royalty additions in the coming year, whilst maintaining its current dividend.

	2022 $'000	2021 $'000
Royalty and metal stream related revenue	141,870	85,295
Metal streams cost of sales	(4,265)	(4,046)
Amortisation and depletion of royalties and streams	(9,351)	(14,845)
Operating expenses	(10,849)	(10,740)
Operating profit before impairments, revaluations and gains on disposals	**117,405**	**55,664**
Impairment of royalty intangible assets	(4,083)	(5,232)
Revaluation of royalty financial instruments	(1,373)	17,501
Revaluation of coal royalties (Kestrel)	27,833	13,037
Finance income	8	1
Finance costs	(6,109)	(7,615)
Net foreign exchange (losses)/gains	(1,593)	616
Other income/(losses)	3,356	(19,333)
Profit before tax	**135,444**	**54,639**

Current income tax charge	(34,470)	(4,965)
Deferred income tax charge	(6,337)	(12,198)
Profit attributable to equity holders	**94,637**	**37,476**
Total and continuing earnings per share		
Basic earnings per share	40.43c	18.03c
Diluted earnings per share	40.30c	18.00c

	2022 $'000	2021 $'000
Profit attributable to equity holders	**94,637**	**37,476**
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments held at fair value through other comprehensive income		
Revaluation of royalty financial instruments - net of income tax	(3,670)	712
Revaluation of mining and exploration interests	642	(4,171)
Deferred taxes relating to items that will not be reclassified to profit or loss	390	1,621
	(2,638)	**(1,838)**
Items that have been or may be subsequently reclassified to profit or loss		
Net exchange loss on translation of foreign operations	(10,355)	(10,058)
	(10,355)	**(10,058)**
Other comprehensive loss for the year, net of tax	**(12,993)**	**(11,896)**
Total comprehensive profit for the year	**81,644**	**25,580**

	Group	
	2022	2021
	$'000	$'000
Non-current assets		
Property, plant and equipment	3,632	797
Coal royalties (Kestrel)	106,669	84,465
Metal streams	164,755	170,567
Royalty financial instruments	43,880	53,791
Royalty and exploration intangible assets	252,549	69,518
Mining and exploration interests	3,483	4,396
Deferred costs	2,491	4,415
Investments in subsidiaries	-	-

Other receivables	37,429	39,127
Deferred tax	36,632	36,478
	651,520	463,554
Current assets		
Trade and other receivables	21,566	34,913
Cash and cash equivalents	5,850	21,992
	27,416	56,905
Total assets	**678,936**	**520,459**
Non-current liabilities		
Borrowings	42,250	112,000
Other payables	22,649	2,910
Deferred tax	40,857	36,711
	105,756	151,621
Current liabilities		
Income tax liabilities	23,245	7,103
Derivative financial instruments	32	-
Trade and other payables	46,299	4,632
	69,576	11,735
Total liabilities	**175,332**	**163,356**
Net assets	**503,604**	**357,103**
Capital and reserves attributable to shareholders		
Share capital	6,761	5,706
Share premium	169,212	87,883
Other reserves	106,742	118,637
Retained earnings	220,889	144,877
Total equity	**503,604**	**357,103**

				Other reserves						
	Notes	**Share capital $'000**	**Share premium $'000**	**Merger reserve $'000**	**Warrant reserve $'000**	**Investment revaluation reserve $'000**	**Share-based payment reserve $'000**	**Foreign currency translation reserve $'000**	**Special reserve $'000**	**Treasury Shares $'000**
Balance at 1 January 2021		4,670	83,214	38,416	189	25,800	6,759	24,365	833	122
Profit for the year		-	-	-	-	-	-	-	-	-
Other comprehensive income: Changes in fair value of equity investments held at fair value through other comprehensive income										
Valuation movement taken to equity	17, 19	-	-	-	-	(3,459)	-	-	-	-
Deferred tax	26	-	-	-	-	1,621	-	-	-	-
Foreign currency translation		-	-	-	-	-	-	(10,058)	-	-
Total comprehensive profit		**-**	**-**	**-**	**-**	**(1,838)**	**-**	**(10,058)**	**-**	**-**
Transferred to retained earnings on disposal	17, 19	-	-	-	-	(14,399)	-	-	-	-
Dividends	13	-	-	-	-	-	-	-	-	-
Expiration of warrants		-	-	-	(189)	-	-	-	-	-
Issue of ordinary shares	29	1,028	4,669	56,431	-	-	-	-	-	-
Utilisation of treasury shares to satisfy employee related share-based payments	29, 30	8	-	-	-	-	(159)	-	-	(8)
Value of employee services	30	-	-	-	-	-	(6,092)	-	-	-
Total transactions with owners of the Company		**1,036**	**4,669**	**56,431**	**(189)**	**(14,399)**	**(6,251)**	**-**	**-**	**(8)**
Balance at 31 December 2021		**5,706**	**87,883**	**94,847**	**-**	**9,563**	**508**	**14,307**	**833**	**114**
Balance at 1 January 2022		5,706	87,883	94,847	-	9,563	508	14,307	833	114
Profit for the year		-	-	-	-	-	-	-	-	-
Other comprehensive income:		-	-	-	-	-	-	-	-	-
Changes in fair value of equity investments held at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-
Valuation movement taken to equity	17, 19	-	-	-	-	(3,028)	-	-	-	-

Deferred tax	26	-	-	-	-	390	-	-	-	-
Foreign currency translation		-	-	-	-	-	-	(10,355)	-	-
Total comprehensive profit		-	-	-	-	**(2,638)**	-	**(10,355)**	-	-
Transferred to retained earnings on disposal	19	-	-	-	-	(604)	-	-	-	-
Unclaimed dividends transferred to retained earnings		-	-	-	-	-	-	-	-	-
Dividends	13	-	-	-	-	-	-	-	-	-
Issue of ordinary shares	29	1,043	81,329	-	-	-	-	-	-	-
Utilisation of treasury shares to satisfy employee related share-based payments	29, 30	12	-	-	-	-	(230)	-	-	(12)
Utilisation of shares held by the employee benefit trust to satisfy employee related share-based payments	30	-	-	-	-	-	(194)	-	-	-
Value of employee services	30	-	-	-	-	-	603	-	-	-
Total transactions with owners of the Company		**1,055**	**81,329**	-	-	**(604)**	**179**	-	-	-
Balance at 31 December 2022		**6,761**	**169,212**	**94,847**	-	**6,321**	**687**	**3,952**	**833**	**102**

	Group	
	2022	**2021**
	$'000	**$'000**
Cash flows from operating activities		
Profit before taxation	135,444	54,639
Adjustments for:		
Finance income	(8)	(1)
Finance costs	6,109	7,615
Net foreign exchange losses/(gains)	1,593	(616)
Other (income)/losses	(3,356)	19,333
Impairment of royalty and exploration intangible assets	4,083	5,232
Revaluation of royalty financial instruments	1,373	(17,501)
Royalties due or received from royalty financial instruments	2,782	3,115
Revaluation of coal royalties (Kestrel)	(27,833)	(13,037)
Depreciation of property, plant and equipment	355	277
Amortisation and depletion of royalties and streams	9,351	14,845
Amortisation of deferred acquisition costs	17	17
Share based payment	709	328
	130,619	74,246
Decrease/(Increase) in trade and other receivables	8,224	(11,637)
Increase/(Decrease) in trade and other payables	5,700	837
Cash generated from operations	144,543	63,446
Income taxes paid	(12,048)	(7,666)
Net cash generated from/(used in) operating activities	**132,495**	**55,780**
Cash flows from investing activities		
Proceeds on disposal of mining and exploration interests	1,310	2,512
Purchase of property, plant and equipment	(537)	(38)
Purchase of royalty and exploration intangibles	(59,360)	-
Proceeds on disposal of royalty intangibles	5,029	4,400
Proceed on disposal of royalty financial instruments	-	62,984
Purchase of metal streams	(3,323)	(207,705)
Repayments under commodity related financing agreements	2,859	1,256
Prepaid acquisition costs	-	(22)
Finance income	8	1
Net cash (used in)/generated from investing activities	**(54,014)**	**(136,612)**
Cash flows from financing activities		
Drawdown of revolving credit facility	49,500	123,500
Repayment of revolving credit facility	(119,250)	(72,494)
Loans from subsidiary undertakings	-	-
Proceeds from issue of share capital	922	62,128
Dividends paid	(19,384)	(25,365)
Lease payments	(312)	(268)
Finance costs	(4,213)	(10,874)
Net cash (used in)/generated from financing activities	**(92,737)**	**76,627**
Net decrease in cash and cash equivalents	**(14,256)**	**(4,205)**
Cash and cash equivalents at beginning of period	**21,992**	**27,513**

Effect of foreign exchange rates	(1,886)	(1,316)
Cash and cash equivalents at end of period	**5,850**	**21,992**

END

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