

24 July 2023

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

Acquisition of royalty over the Vizcachitas copper project

Ecora (LSE/TSX: ECOR) announces that it has entered into an agreement to acquire a 0.25% Net Smelter Return ("NSR") royalty over all metal production from the open pit of the Vizcachitas copper project ("Vizcachitas", "the Project") in Chile, owned by Los Andes Copper Ltd ("Los Andes"), for a total cash consideration of \$20 million.

Highlights

- Rare opportunity to acquire a royalty over one of the world's largest undeveloped copper projects located in a well-established mining jurisdiction
- Complements the Group's portfolio of copper royalties which offers short-term growth from West Musgrave and medium-term growth from Santo Domingo and Mantos Blancos Phase II expansion
- 26-year Reserve based mine life¹, with considerable life of mine extension potential
- First quartile position on the global copper cost curve²
- Owner guiding first production in 2029, with the royalty rate stepping up in the event commercial production does not occur prior to 30 June 2030
- Estimated average annual copper production of 183 kt in the first 8 years and an average of 153 kt over the life of the mine
- Project adopts a "sustainability in design" approach and is expected to produce clean copper concentrate with low levels of deleterious materials
- Long-term copper supply and demand dynamics are strong with the energy transition expected to drive copper demand to elevated levels
- Transaction to be funded through a combination of cash at hand and drawing down on the Group's revolving credit facility

Marc Bishop Lafleche, Chief Executive Officer of Ecora, commented:

"The energy transition is expected to drive copper demand to new levels and we are delighted to add Vizcachitas to our growing portfolio of copper royalties. This transaction further complements our copper royalty exposure which is underpinned by a development pipeline poised to deliver continued growth until the middle of the next decade."

"Vizcachitas fits our core investment criteria as a large scale, low cost, and long-life project in an established mining region. Furthermore, we retain the financial flexibility to add further transactions that can similarly enhance our leading portfolio of future facing commodities royalties."

Santiago Montt, CEO of Los Andes, commented:

"We are very pleased to be entering into a new partnership with Ecora. The investment is testament to the superior quality and potential of the Vizcachitas Project and validates the extensive technical work undertaken by the team over many years."

The Vizcachitas Project¹

Vizcachitas is located approximately 120km north of Santiago, within Chile's prolific copper belt alongside the large scale, producing Los Pelambres (Antofagasta), Los Bronces (Anglo American), Rio Blanco-Andina (Codelco) and El Teniente (Codelco) mines.

A Pre-Feasibility Study, reported in March 2023 is available on the Los Andes [website](#) and contains the following project highlights:

- 1.2 billion tonnes of Mineral Reserves at 0.40% CuEq grade, 1.5 billion tonnes of Measured and Indicated Mineral Resources at 0.44% CuEq grade and 1.8 billion tonnes of Inferred Mineral Resources at 0.38% CuEq grade
- 26-year initial life of mine with average copper production of 183 ktpa in the first 8 years and an average of 153 ktpa over the life of the mine
- NPV (8%) of \$4 billion on a pre-tax basis with an IRR of 28.5% and a payback of 2.3 years
- NPV (8%) of \$2.8 billion on an after-tax basis with an IRR of 24.2% and a payback of 2.5 years
- C1 cash cost of \$0.93/lb Cu in the first 8 years and \$1.25/lb Cu over the life of the mine
- By-products: molybdenum concentrate and silver in the copper concentrate

Transaction structure and financing

Ecora intends to settle the \$20 million consideration through a combination of cash at hand and drawing down on the Group's lending facilities.

The royalty over the open pit operations steps up by 0.1% in the event that production is delayed beyond 30 June 2030. If production is delayed beyond 30 June 2031, Los Andes has the right to elect between awarding Ecora an incremental 0.1% NSR entitlement or making a cash payment of \$15 million to Ecora with an additional \$5 million if the trailing 6-month copper price averages more than \$5/lb. If production is delayed beyond 30 June 2032, then Los Andes has the right to again choose between awarding Ecora a further incremental 0.1% NSR entitlement or making a cash payment of \$15 million to Ecora with an additional \$5 million if the trailing 6-month copper price averages more than \$5/lb.

Ecora is also entitled to a 0.125% NSR royalty on production from any future underground mining operations. In the event that production is delayed beyond 30 June 2030 then the royalty over the underground mining will step up by 0.05%. If production is not achieved by 30 June 2031 or 30 June 2032, then Ecora's royalty entitlement on any future underground mining operations will step-up at increments of 0.05% each year respectively in the event Los Andes does not elect to make the cash payment in lieu of a royalty rate increase described above.

1. *Vizcachitas Project Pre-Feasibility Study, Chile. NI 43-101 Technical Report. Effective Date: February 20, 2023. Report Date: March 30, 2023. Published by Los Andes Copper Ltd, and as per Los Andes Copper Ltd news release dated 11 April 2023.*
2. *S&P Market Intelligence, 2029 primary copper mines shown on a by-product basis.*

For further information

Ecora Resources PLC

Marc Bishop Lafleche - Chief Executive Officer
Kevin Flynn - Chief Financial Officer
Geoff Callow - Head of Investor Relations

+44 (0) 20 3435 7400

Website:

www.ecora-resources.com

Camarco

Gordon Poole / Owen Roberts / Elfie Kent

+44 (0) 20 3757 4997

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).

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.

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