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Ecora Resources PLC
27 March 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

27 March 2024

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

Full Year Results and Updated Capital Allocation Framework

Ecora Resources PLC (LSE/TSX: ECOR) announces full year results for the year ended 31 December 2023. The Company will publish its audited 2023 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.

Ecora is the leading royalty company focused on supporting the supply of commodities essential to creating a sustainable future. The Group has a portfolio which combines near term volume growth in 2024 and 2025 from operations underlying its producing royalty portfolio with a pipeline of development projects that should drive material medium term revenue growth.

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

"Against a backdrop of shifting markets, we're pleased to have achieved a set of results in line with expectations, underlining the robustness of our business at every point of the commodity cycle.

"Looking ahead, we anticipate year-on-year volume growth across the producing portfolio in 2024 and 2025. We also expect our operating partners to provide further updates on the timeline to first production from our near term development royalties, which combined with our currently producing royalties, have the potential to generate a portfolio contribution annual run-rate in excess of $100 million.

"Following rigorous consideration by the Board, we are today announcing an updated capital allocation framework. The framework consists of four pillars: growth, post-acquisition balance sheet deleveraging, cash dividends, and share buybacks. By adopting this framework, we are prioritising accelerated diversification and scale, both crucial prerequisites for a royalty company to achieve a premium equity rating.

"The current market environment has presented us with the opportunity to buyback Ecora shares at a substantial discount to net asset value. Consistent with our updated capital allocation framework to consider share buybacks, we have today announced a $10 million share repurchase which will be accretive to our per share metrics.

"On behalf of the Ecora team and the Ecora Board of Directors, I would also like to take this opportunity to thank Patrick Meier, who will be stepping down as Chair at our upcoming AGM, for his dedication and unwavering commitment towards transforming Ecora into the leading future facing commodity royalty company. I am grateful for his support and guidance, and we wish Patrick all the very best for the future."

Financial Highlights:

- Portfolio contribution of $63.6m (2022: $143.2m) due to lower commodity prices and reduced levels of production from the Group's private royalty area at Kestrel
- Royalty and metal stream-related revenue of $61.9m (2022: $141.9m)
- Profit before tax of $4.6m (2022: $135.4m)
- Adjusted earnings of $30.5m (2022: $87.9m), and adjusted earnings per share of 11.82c (2022: 37.55c)
- Net debt as at 31 December 2023 of $75m (31 Dec 22: $36m), reflecting $27.5m invested in new royalties and $37m of deferred payments to S32 during the year
- Refinanced the Group's $150m debt facility, increasing the size of the incremental accordion to $75m (previously $50m)
- Updated capital allocation framework which seeks to maintain balance sheet strength, provide an attractive dividend yield relative to the royalty sector and retain the flexibility to allocate capital for growth
- Announcement today of a $10m share buyback at substantial discount to NAV, primarily funded by recycling capital from recent LIORC share sales

- Final dividend proposed of 2.125c per share, bringing the total dividend for the year to 8.5c per share ($22m), as per guidance

Portfolio Highlights:

- Kestrel saleable volumes mined within the Group's royalty area of 1.6 Mt (2022: 4.1 Mt)
- Voisey's Bay cobalt stream deliveries totalled 11 shipments in 2023 (2022: 19 deliveries) in line with guidance; underground mine construction at Voisey's Bay now 92% complete
- Mantos Blancos total copper production of 49 Kt (2022: 49Kt)
- Favourable Four Mile judgment. Uranium sales of 5.0 Mlbs (2022: 4.9 Mlbs)
- West Musgrave copper nickel project construction started and now 21% complete
- Acquired 0.25% NSR royalty over Vizcachitas copper project, further enhancing royalty sector leading copper exposure
- Acquired incremental 0.35% GRR royalty over the Piauí nickel-cobalt project, with proceeds primarily funding detailed engineering studies that will further de-risk the project
- NexGen Energy made a highly prospective uranium discovery in Athabasca uranium basin, Canada, which occurred in an area over which Ecora holds a 2.0% NSR royalty

Outlook:

- Well positioned to fund royalty acquisitions, including $75m RCF acquisition accordion
- Broad pipeline of opportunities being evaluated in context of increased demand for capital from the natural resources sector
- Year-on-year production volume growth at operations underlying production royalty portfolio expected in 2024 and 2025
- Kestrel saleable volumes from Ecora royalty area in 2024 expected to be 15-25% ahead of the 2023 volumes. Majority of 2024 Kestrel royalty receipts expected in H1
- Capstone Copper expected to release an updated Santo Domingo Feasibility Study during H1 2024. Capstone Copper targeting a final investment decision in H2 2025
- West Musgrave standalone project economics remain robust, BHP expected to provide updated guidance over the course of 2024
- Brazilian Nickel to further progress detailed engineering studies, operational readiness preparations, and construction financing workstreams in the upcoming year

Updated Capital Allocation Framework:

The Board has reviewed the Company's approach to capital allocation and has approved an updated framework which aims to maintain balance sheet strength, provide an attractive dividend yield relative to the wider royalty sector, and retain the flexibility to allocate capital to enhance the Company's royalty portfolio via accretive acquisitions. The approach will also align dividend payout to free cash flow which is expected to grow as near term development royalties come into production.

Ecora's updated capital allocation framework has four pillars:

- Acquire high-quality royalties to further diversify and grow the portfolio
- Focus on post transaction balance sheet deleveraging
- Distribute semi-annual cash dividends based on a range of 25-35% of free cash flow[1]
- Consider share buybacks in the context of market price and net asset value

Based on research analyst consensus commodity price forecasts and operator production volume guidance from Ecora's operating partners, the mid-point of the new dividend payout ratio would see total FY 2024 dividend of approximately 4.0c per share.

[1] Free cash flow is calculated as net cash generated from operating activities, plus proceeds from the disposal of non-core assets and repayments received under commodity related financing arrangements, less finance costs and lease payments.

Analyst and Investor presentation

There will be an analyst and investor presentation webcast at 9am (GMT) on 27 March 2024. The presentation will be hosted by Marc Bishop Lafleche (CEO) and Kevin Flynn (CFO).

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

Event Title	Ecora Resources - 2023 Results Presentation

Time Zone	Dublin, Edinburgh, Lisbon, London
Start Time/Date	9am (GMT)
Duration	60 minutes
Webcast Link	https://brrmedia.news/ECOR_FY23
Dial-in (UK-Wide)	+44 (0) 33 0551 0200

For further information

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Notes to Editors:

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 2022 or 2023 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 reflects the underlying performance of the Group's assets both in terms of those already in production and the timing of the Group's development royalties coming into production.. 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.

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.

Dividend cover
Dividend cover is calculated as the number of times adjusted earnings per share exceeds the dividend per share.

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.

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.

Los Andes Copper Ltd, the owner of the Vizcachitas project, is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards.

Chairman's Statement

2023 was a year of mixed fortunes for the markets in which we operate. Having enjoyed relatively buoyant conditions in the wake of the pandemic, the economic outlook has been affected by the fight against inflation and the resultant higher interest rates. At the same time China's economy has been less robust than we have seen in recent years which has dampened demand for some key raw materials, and continued geopolitical tensions and conflicts give cause for concern.

Having benefitted from record prices in our commodity mix in 2022, we saw some easing during 2023. This has led to lower prices for some commodities such as cobalt, while steelmaking coal has fallen even though it continues to trade at historically high levels. In turn, this has led to lower earnings at a more sustainable level than in 2022.

We remain committed to the transition we have undertaken in our portfolio towards those commodities which are critical for decarbonisation and are very excited at the quality and future potential that our current portfolio offers. We are seeing a slower rate of the growth in demand for some areas such as electric vehicles but the pace is still extremely strong and the medium- and long-term direction of travel is clearly set as the imperative of tackling climate change intensifies.

We will continue to build the portfolio with strong value-accretive transactions and are hopeful that the current economic and market pressures experienced by the mining sector will offer us even better opportunities to deploy capital.

I am writing to you for the final time as Chairman of Ecora Resources and it is perhaps worth reflecting that back in 2015, the Company was really a play on a single royalty, over the Kestrel steel-making coal mine, that had around ten years of income contribution left. The two major strategic challenges to address were the overdependence on one asset and the need to diversify the commodity base whilst orientating towards future facing commodities.

Under the management of Marc Bishop Lafleche, the team has completed several transactions that are expected to replace the Kestrel income and developed the royalty sector leading copper exposure. The portfolio now offers material income growth over the coming years.

To put this into context, in 2015 our royalty income was $13.6m, 73% of our NAV was in coal, net assets totalled $240m and we had a $30m borrowing facility. Compare this to 2023, with royalty income of $61.9m, 85% of our NAV now in future facing commodities, net assets totaling $482m and a borrowing capacity of $225m. Whilst this transformation has not been reflected in the share price, I have every confidence that this value will be realised in the coming years as the development projects hit production and start to deliver income for the Company.

Beyond the asset portfolio, there has also been considerable change within the Company over the last few years. The Board has completely transitioned, and we have built a team of highly experienced, capable individuals. We have strengthened the wider team in key functions within the business such as legal, finance and investor relations, reflecting the increased maturity of the Company. I am also pleased to say that we have developed a governance framework that is fit for our business, and despite not being a premium listed company, have upheld the corporate governance standards of such a company. Finally, we responded in 2020 to the increased focus on sustainability by establishing a Sustainability Committee that has driven improvements in our processes and disclosures in this area.

Board and Governance

Following a thorough recruitment process, we were delighted to announce the appointment of Andrew Webb as non-executive director and Chair designate in January. Andrew has a wealth of experience as an advisor to the mining sector from his role as a Managing Director of Rothschild & Sons. He is already proving that he will be a valuable addition to the Board. I wish him all the very best in the role and I am sure he will work well with the Board, Marc and the rest of the team to drive the Company forward.

The Board continues to execute its role in both challenging and supporting the management team in pursuit of the company's strategy. An integral part of the Board's focus is to ensure we operate with integrity and to the highest ethical standards; our commitment to sustainability forms an important part of this.

The Board is constantly seeking to improve its effectiveness and during 2023 completed an independent Board effectiveness evaluation. More detail on the process can be found in the Annual Report & Accounts, but to summarise the Board was found to function well, with some areas for improvement highlighted which we will address.

Capital Allocation

The Group moved to paying fixed dividends in US dollars in 2023 with a quarterly dividend of 2.125c per share, resulting in an annual dividend of 8.5c per share.

The Board has reviewed the company's approach to capital allocation and has approved an updated framework which aims to maintain balance sheet strength, provide an attractive dividend yield relative to the wider royalty sector, and retain the flexibility to allocate capital to enhance the Company's royalty portfolio via accretive royalty acquisitions. The approach will also align dividend payout to free cash flow which is expected to grow as near-term development royalties come online.

Ecora's updated capital allocation framework has four pillars:

- Acquire high-quality royalties to further diversify and grow our portfolio
- Focus on post-transaction balance sheet deleveraging
- Distribute semi-annual cash dividends based on a range of 25-35% of free cash flow[1]
- Consider share buybacks in the context of market price and net asset value

[1] Free cash flow is calculated as net cash generated from operating activities, plus proceeds from the disposal of non-core assets and any cash considered as repayment of principal, less finance costs.

Based on research analyst consensus commodity price forecasts and operator production volume guidance from Ecora's operating partners, the mid-point of the new dividend payout ratio would see total FY 2024 dividend of approximately 4.0c per share.

The updated dividend arrangements will take effect for the 2024 financial year, starting with the H1 2024 dividend which will be declared in September 2024 and will be payable in January 2025.

The Board has decided that at the current market valuation a share buyback represents a compelling investment opportunity and has therefore approved a $10m share buyback programme to commence immediately. This majority of this will be funded from the proceeds of the partial sale of our stake in Labrador Iron Ore Royalty Corporation in Q4 2023.

Stakeholder Engagement

During the year we continued to engage with our key stakeholders. In terms of shareholders, we have run proactive engagement programmes with both institutional and retail investors in the UK, Europe, Australia and North America. We have further expanded the sell side research coverage in the UK, and this will continue to be an area of focus in 2024. We have continued to build closer relationships with our operators and communities and were pleased to co-invest with Vale in our first community initiative at Voisey's Bay. On behalf of the Board, I would like to thank all our stakeholders for your continued support.

Thanks

Finally, I would like to sign off by thanking the Ecora team for all their support over the past nine years, and their ongoing hard work and dedication. The Company has changed beyond recognition since I first joined - as a team, we have overcome hurdles and achieved our key strategic objectives. I am confident that the foundations are now in place and the Company has an exciting future ahead.

Patrick Meier
Chairman

Chief Executives Review

Challenging global macroeconomic conditions persisted throughout 2023. Contractionary monetary policies appear to be successfully containing inflationary pressures, however fears of a hard economic landing persist.

As is always the case for the natural resource sector, demand is key. In this respect a slowdown in the Chinese economy coupled with two serious international conflicts created a lot of uncertainty for domestic policies such as those around adoption of electric vehicles and transition timelines and commitments to net zero. This saw a reduction in demand for electric vehicles in certain markets which coincided with increased supply of key battery commodities such as nickel. However, lower commodity prices are likely to make certain battery chemistries more economical with the potential of lowering the cost of adoption - which in its own right could trigger renewed demand in future periods.

These challenges were exacerbated by a noticeable stagnation in the UK's small-cap equity markets. This sector experienced widespread redemptions across small-cap equity funds, coupled with a notable shift of capital away from the UK.

The cumulative impact of these top-down factors have made for a difficult year, particularly for UK listed small cap equities and contributed to a 33% decline in our share price.

We look forward with confidence, and in 2024 we anticipate year-on-year production volume growth from the key assets underlying our royalty portfolio, and in the medium term onwards, our royalty portfolio is aligned to strong multi-decade structural demand growth trends driven by the energy transition. The investment in Ecora shares by the Ecora Executive team, and along with several Board members throughout 2023 and into 2024 demonstrates our belief in Ecora's solid foundation and promising future.

Growth opportunity

The mining sector at large has been facing the same challenging market conditions that have impacted the Ecora share price. The availability of capital from equity markets is primarily limited to the largest producers. Furthermore, equity valuations are compressed. In these conditions, however, royalty funding is a highly attractive source of funding. Should these conditions persist, we anticipate a favourable window to deploy capital and further diversify and grow our royalty portfolio.

In 2023, Ecora made two development stage investments. We were delighted to add a royalty over the Vizcachitas project, one of the largest undeveloped copper projects that is not in the hands of one of the large mining companies. As such, it was a rare opportunity and adding it to our portfolio extends our royalty sector leading copper growth pipeline out into the next decade.

We were also pleased to make a further $7.5m investment into Brazilian Nickel's Piauí project. The proceeds will primarily be used to finance detailed engineering studies and flow sheet optimisation that will further de-risk the project prior to the start of construction. Once built, the operation is expected to be amongst the lowest cost global producers of nickel and generate strong cash flows throughout the commodity price cycle.

During the year, we also reviewed and progressed a number of opportunities across a variety of commodities and jurisdictions, some of which we ultimately decided not to pursue. As important as the investments we make are the ones which we do not. Our due diligence process is rigorous and looking back with hindsight at these opportunities, the decisions taken were the correct ones and have enabled us to preserve capital which can be deployed in 2024. Our disciplined approach to investments has served us well, and we will continue this diligent approach to deliver on our strategy.

Capital allocation

In light of current market conditions driving strong mining sector demand for royalty financing, I believe it is the right time to rebalance our capital allocation policy towards growth while currently maintaining an attractive dividend yield in the context of the wider royalty sector. By adopting this framework, we are prioritising accelerated diversification and scale, both crucial prerequisites for a royalty company to achieve a premium equity rating. In Q4 2023, we sold approximately 60% of our stake in Labrador Iron Ore Royalty Corporation (LIORC) realising C$18.9m, a total pre-tax return on investment of c. 110%. these funds will primarily fund the buyback programme we announced today and the $7.5m we invested into Piauí in December 2023 With Ecora shares trading at approximately at 0.5x estimated net asset value (based on research analyst consensus estimates), increased exposure to our high-quality royalty portfolio is a highly attractive investment which will drive earnings and NAV per share accretion.

The completion of our revolving credit facility refinancing in January 2024 maintains our strong financial position, enabling us to further grow the company through acquisitions of attractive royalties. In particular, we were pleased to upsize the acquisition accordion feature to $75m, in addition to the $150m headline availability.

Results

Portfolio contribution of $63.6m was, as expected, lower than the prior year (2022: $143.2m) primarily as a result of lower production out of the Group's private royalty area at Kestrel. Adjusted earnings per share was $11.82c (2022: 37.55c).

Net debt increased to $75m (2022: $36m) as payments of $37m were made to South32 as deferred consideration for the royalty acquisition made in July 2022 and the Group made $27.5m of royalty acquisitions.

Outlook

Looking ahead, we have a great deal of optimism. Production volumes from Kestrel, Voisey's Bay and Mantos Blancos are all expected to be higher than in 2023 which, at year-to-date commodity price levels, could result in year-on-year portfolio contribution growth in 2024.

The ramp-up of production from the underground mine at Voisey's Bay is expected to commence in the second half of 2024 and should lead to year-on-year growth in the number of cobalt deliveries going forward, as it reaches steady state production.

Whilst there has already been plenty of turbulence in the nickel markets in early 2024, both West Musgrave and Piauí sit at the lower end of the cost curve, were they in production, would be expected to generate robust cashflows even at current nickel price levels. BHP has stated that construction of West Musgrave is 21 per cent complete and that it is reviewing the phasing of capital expenditure around the project. Brazilian Nickel continues to progress construction financing workstreams to fund the full-scale production plant at Piauí and we expect more news on this during the course of 2024.

In our copper portfolio, Capstone Copper plans to release an updated Feasibility Study on Santo Domingo by mid-year. Commentary from Capstone suggests there are material efficiency gains and volume upside from the integrated development plan compared to the initial Feasibility Study completed in 2018.

The core portfolio is well positioned to deliver income growth in the year ahead. Our new capital allocation policy and upsized debt facility position us at the forefront of the favourable market conditions to deploy capital and further diversify and grow the portfolio.

Finally, I would like to extend our deepest gratitude to our outgoing Chairperson, Patrick Meier, for his leadership and commitment to building a world class royalty company throughout their tenure. During the time Patrick has been Chair, Ecora has transformed, and has emerged in stronger and more resilient position than ever before.

Finance Review

As expected, 2023 marked the start of a transitional period for the Group while Voisey's Bay ("VB") ramps up and production at Kestrel begins to move outside of our private royalty lands. This saw deliveries from VB reduce from 19 to 11 in the year and volumes from the Group's private royalty lands at Kestrel reducing from 4.1mt to 1.6mt. Combined with softer prices for steelmaking coal, cobalt and copper throughout the year than those realised in the prior year, the Group's portfolio contribution reduced from $143.2m in 2022 to $63.6m in 2023. This is the level which the portfolio should continue to generate until the growth comes through from our near-term development royalties.

The Group invested $27.5m during the year into two development projects: $20m to acquire a 0.25% NSR royalty over the Vizcachitas copper project; and $7.5m to upsize the Group's existing 1.25% NSR over Brazilian Nickel's Piauí project to 1.60% as part of the funding required to advance the technical studies for the full-scale expansion. Both acquisitions add compelling growth prospects into our medium-longer term pipeline. On 3 January 2024 the final instalment of deferred consideration relating to the $185m royalty portfolio acquired in 2022 was paid to South 32. Absent the Incoa project meeting its phase II conditions, the Group has no further capital commitments.

At the end of 2023 we took the opportunity to re-finance our existing revolving credit facility. Despite challenging credit conditions during the second half of the year, we were delighted to see our existing lenders demonstrate their support of the Group by agreeing to an amendment and extension of the previous facility. As a result, the Group will face no refinancing requirement until 2027 at the earliest. The support of our lenders, who are amongst the largest Canadian institutions, further validates the Group's strategy and endorses the quality of our royalty portfolio. The amendment and extension of the facility provides the Group with the financial flexibility to pursue the growth opportunities we are currently seeing and expect to continue in 2024 and beyond.

Results

The Group's portfolio contribution reduced by 56% to $63.6m in 2023, from a record $143.2m in 2022. This was driven in large part by lower volumes at both Kestrel and Voisey's Bay, along with softer commodity prices across the Group's portfolio.

	2023 $m	**2022 $m**	**YoY%**
Kestrel	35.9	107.2	(67%)
Voisey's Bay	5.6	18.8	(70%)
Mantos Blancos	6.1	6.0	2%
Maracás Menchen	3.1	3.6	(14%)
Four Mile	6.8	1.0	580%
Carlota	0.6	0.2	200%
Royalty and stream income	**58.1**	**136.8**	(58%)
Dividends - LIORC & Flowstream	2.0	2.9	(31%)
Interest - McClean Lake	1.8	2.1	(14%)
Royalty and stream related revenue	**61.9**	**141.8**	(56%)
EVBC	0.7	2.8	(75%)
Principal repayment - McClean Lake	2.3	2.9	(21%)
Less:			
Metal streams cost of sales	(1.3)	(4.3)	(70%)
Total portfolio contribution	**63.6**	**143.2**	(56%)

As expected, production at Kestrel was largely outside of the Group's private royalty lands in 2023 which resulted in a 62% decrease in volumes year-on-year from 4.1Mt in 2022 to 1.6Mt in 2023. While the Group benefited from a full year of the higher royalty rates introduced by the Queensland government in July 2022, which resulted in an average royalty rate of 21.23% for 2023 compared to 16.27% in 2022, steelmaking coal prices came off the record highs seen in 2022 (although still well above long-term average) and when combined with the lower volumes, resulted in the Kestrel royalties decreasing by 67% to $35.9m (2022: $107.2m).

Production at Voisey's Bay was impacted by the ongoing transition from the open pit mine and ramp-up to full production of the underground mine. As a result, cobalt deliveries reduced by 42% to 11 in 2023 (2022: 19). In addition to the reduction in cobalt deliveries, the cobalt price continued to weaken through the first nine months of 2023, with the Group realising an average sales price of $16.36/lbs (2022: $32.14/lbs). The combination of both lower volumes and lower cobalt prices resulted in the contribution from the Group's Voisey's Bay stream decreasing from $14.5m in 2022 to $4.3m in 2023.

Elsewhere, the contributions from Mantos Blancos and Maracás Menchen were in line with our expectations, while the LIORC dividend was lower as a result of lower iron ore prices and a change in sales mix with lower sales of the higher value pellets. In addition, the Group reduced its holding in LIORC by ~60% during Q4 2023 which also contributed to lower overall dividends for the year.

Following the original judgement of the Supreme Court of Western Australia in favour of the Group being upheld on appeal, $5.4m (A$8.1m) of previously underpaid royalties were released to the income statement in Q4 2023, resulting in a full year contribution from the Four Mile royalty of $6.8m.

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

Kestrel	
$35.9m vs $107.2m	Total saleable volumes flat Ecora volumes down ~62% to 1.6Mt (2022: 4.1Mt), as expected with production transitioning outside the Group's private royalty lands Realised average price decreased to $225/t (2022: $325/t) First full year of new higher royalty rates, 21.23% (2022: 16.27%) FY24: expect an increase with volumes weighted to the first half of 2024
Voisey's Bay	
$5.6m v $18.8m	11 deliveries in 2023 (2024: 19) Realised cobalt price decreased to $16.36/lbs (2023: $32.14/lbs) FY24: expected deliveries 12 - 16, ramp up of underground mine expected to commence in in the second half of 2024
Mantos Blancos	
$6.1m vs $6.0M	Total payable copper production flat at 49.3Kt in 2023 (2022: 48.8Kt) Realised copper price decreased to $8,492/t (2022: $8,724/t) FY24: Capstone Copper guidance indicates potential volumes upside with total copper production in the range of 49,000t - 57,000t
Maracás Menchen	
$3.1m vs $3.6m	Volumes flat in 2023 at 9,000t (2022: 9,000t) Realised vanadium price decreased to $9.21/lbs (2022: $10.47/lbs) 2023 production was impacted in the first half of the year by adverse weather and the transition to a new mining contractor, with production normalised in June 2023 FY24: Largo guidance indicates sales in the rage of 8,700t - 10,700t
Four Mile	
$6.8m vs $1.0m	Volumes flat in 2023 at 5.0Mlbs (2022: 4.9Mlbs) Realised uranium price increased to $50.88/lbs (2022: $44.13/lbs) 2023 contribution includes $5.4m in previously underpaid royalties, following the original judgement of Supreme Court of Western Australia in favour of the Group being upheld on appeal FY24: Volumes are expected to remain flat year-on-year, the current uranium price presents potential upside
Dividends	
$2.0m vs $2.9m	LIORC dividend decreased to C$2.55/share (2022: C$3.10/share) Dividend per share impacted by fall in iron ore price and change in product mix with lower sales of the higher value pellets ~60% of the Group's holding in LIORC was disposed of in Q4 2023 Flowstream dividends remained flat at $0.3m (2022: $0.4m)

Taking this portfolio contribution analysis, and allowing for operating, finance costs and tax, the following table outlines the Group's adjusted earnings for 2023.

	2023		**2022**
	$m	**%**	**$m**
Royalty related revenue	61.9	(56%)	141.8
EVBC royalties	0.7	(75%)	2.8
Metal streams cost of sales	(1.3)	(70%)	(4.3)
Operating expenses	(10.9)	1%	(10.8)
Finance costs	(8.3)	30%	(6.4)
Finance income	0.9	-	-
Foreign exchange and other	1.6	(487%)	(0.4)
Tax	(14.1)	(59%)	(34.8)
Adjusted earnings	30.5	(65%)	87.9
Weighted average number of shares ('000)	257,896		234,062
Adjusted earnings per share	**11.82c**	**(69%)**	**37.55c**

The Group's operating costs of $10.9m remained in line with the comparative period despite global rates of inflation, as the business continues to be run in a cost-efficient manner with staff costs the primary source of expenditure.

As expected, the Group's borrowing costs have increased in line with the movement in global interest, with the average cost of debt increasing from -4.8% in 2022 to -8.5% in 2023. The Group's total borrowings have increased year-on-year from $42.3m at 31 December 2022 to $82.4m at 31 December 2023 with the four instalments of deferred consideration relating to the West Musgrave and royalty acquisition and the $20m acquisition of the 0.25% NSR over the Vizcachitas project in the second half of 2023. With the expected year-on-year growth in portfolio contribution for 2024, and the revisions to the Group's approach to capital allocation, we now expect that net debt should peak in Q1 2024 at ~$90m.

The decrease in the current tax charge for the year corresponds with the decrease in royalty-related revenue.

As a result of the above, the Group generated adjusted earnings for the year of $30.5m (2022: $87.9m) and adjusted earnings per share of 11.82c (2022: 37.55c).

Balance sheet

Net assets decreased by $21.6m to $482m during the year ended 31 December 2023 (31December 2022: $503.6m). This was largely due to the $18.3m decrease in the value of the Kestrel royalty (net of tax), $7.5m in amortisation of the Group's producing royalties and the distribution of $22.1m in dividends, partially offset by the Group's adjusted earnings for the year of $30.5m.

As at 31 December 2023, the Group's net asset per share was $1.85 compared to $2.15 a year ago.

Cash Flow and Liquidity

The Group's net cash generated from operating activities, largely represented by royalty-related income less overheads and taxes, decreased to $33.5m (2022: $132.5m). Cashflows from operating activities plus the principal repayments received from Denison Mines of $2.3m ($2.9m) less finance costs of $6.0m ($4.2m) results in free cashflow of $29.7m for the year ended 31 December 2023 (2022: $132.1m).

The Group had a busy year in terms of capital allocation and deployment. During the year, the Group paid four further instalments of deferred consideration to South32 totalling $36.7m in relation to the acquisition of the West Musgrave royalty in July 2022, with the final instalment of $9.2m being paid in January 2024. In addition, the Group acquired a 0.25% NSR royalty over the Vizcachitas project from Los Andes Copper Limited for cash consideration $20.0m and increased its existing NSR royalty over the Piauí project from 1.25% to 1.60% for $7.5m during the second half of 2023, resulting in total royalty acquisitions including transaction costs of $27.9m.

Partially offsetting the deferred consideration and royalty acquisition payments was the $13.7m realised from the partial disposal of the Group's interest in LIORC and the $5.3m received from Whitehaven Coal in relation to the 2021 disposal of the Group's royalty over the Narrabri project, consisting of $4.0m in deferred consideration and a further $1.3m in price-linked contingent consideration.

The reduction in free cash flows along with the Group's investing activities resulted in the Group's net debt position increasing by $38.2m to $74.6m as at 31 December 2023 (2022: $36.4m). Even though borrowings increased, the leverage profile associated with this remained very manageable and at the end of 2023 the key leverage covenant was 1.4x compared to the maximum 3.5x permitted. Based on latest production guidance and pricing estimates, and absent further acquisitions, we would expect net debt to peak on H1 2024 at less than $90m with leverage ratios comfortably under 2.0x throughout.

It was against this backdrop that the Group refinanced its $150m revolving credit facility in January 2024. The key commercial terms of the new facility include:

- Interest payable is SOFR plus a ratchet between 2.25% and 4.00% depending on leverage levels (previously 2.75 - 4.00%)
- Extension of the term of the facility to January 2027, with an option to extend the tenor twice by up to 12 months on each occasion
- Increase in the uncommitted accordion to $75m (previously $50m) which could take the facility up to $225m
- Increased permitted leverage ratio to 4.5x for a period of six months following certain permitted acquisitions
- All key financial covenants remain the same with comfortable covenant compliance anticipated throughout the term of the facility

Following the refinancing and with $87.0m of net debt presently, following the final payment to South32 in January 2024, the Group has access to $58.0m of liquidity with a potential further $75m by way of the accordion for future acquisitions. There remains further financing flexibility by way of the Group's remaining stake in LIORC ($9.5m) and $3.5m of shares held in treasury, providing the Group with total financing flexibility of $146.0m.

Capital Allocation

In the context of a favourable investment backdrop, where access to capital remains challenging for small to mid-cap operators, the Board has updated its capital allocation framework to better position the Group for further meaningful growth. To support the growth strategy, future dividends will be determined by a percentage pay-out ratio of free cash flows, instead of the fixed cent per share approach currently employed. This approach to determining dividends ensures greater alignment between the Group's portfolio contribution and returns to shareholders, particularly in years with earnings volatility. The Board will look to pay out between 25-35% of free cash flow on a semi-annual basis commencing with the H1 24 dividend.

Based on published operator guidance (implying volume growth in FY 24) and current pricing levels, the mid-point of the payout ratio would see total FY 2024 dividends per share of ~4.0c per share, this remains a sector leading yield in the diversified royalty universe. The final dividend for FY 2023, if approved by shareholders at the forthcoming AGM, will remain unchanged at 2.125c.

Consistent with the wider capital allocation priorities and investment criteria of the Group, the Board has identified a value arbitrage opportunity between its investment in LIORC and the current market value of its own instruments. LIORC currently trades at a p-nav multiple of ~0.9x vs the ~0.5x implied by the current Ecora share price. This represents a compelling capital recycling opportunity, as a result the Group has announced a $10m share buyback programme. The buyback will be financed largely through the $6.5m surplus disposal proceeds from the LIORC disposal in Q4 23 and should be immediately accretive to key financial metrics.

The revisions to the Group's capital allocation framework and the additional liquidity they will provide, together with the refinanced borrowing facility, places the Group in a strong financial position and well capitalised to take advantage of the high quality opportunities that we expect to see at a favourable point in the cycle.

Portfolio Review

In 2023 the portfolio entered a period of transition as the income base started to rebalance towards the future facing commodities that will drive medium term earnings growth.

Portfolio contribution of $63.6m was down 56% on the prior year as a result of lower contribution from Kestrel as production started to move in and out of the Group's private royalty area. However, volumes in the Group's private royalty area at Kestrel will broadly plateau across 2023 to 2026, underpinning the Group's received production volumes while Voisey's Bay ramps up and West Musgrave, Santo Domingo and Piauí are constructed.

During 2023, the portfolio marginally underperformed against expectations.

At Voisey's Bay, the progress on the transition to the underground mining operations was slower than anticipated at the start of the year. Vale reports that physical completion of the Voisey's Bay underground mine extension was 92% at the end of the fourth quarter, and that the main surface assets are completed and already operating. The electromechanical assembly on the remaining surface assets are well advanced (above 60% physical progress). In the underground portion, the scope in Reid Brook is completed and the project is fully focused on Eastern Deeps. The mine development has concluded and construction is ongoing.

At Mantos Blancos, production volumes were impacted by stability issues that prevented the concentrator and tailings systems from operating at nameplate capacity. The operator, Capstone Copper, has commenced execution of a work programme costing $35m to address these issues and sustainable nameplate operating rates are expected to be achieved during the first half of 2024.

Across the Group's development royalties, which will drive future growth, and assuming operatorship of the West Musgrave project, BHP continued construction with the project being 21% complete by January 2024. In early 2024 BHP announced that in light of weak nickel prices it is reviewing the phasing of its planned capital expenditure programme on West Musgrave, although it also recognized that the project was economic on nickel prices at that point in time, since which they have increased by c. 6%.

Capstone Copper continues to make progress on the Santo Domingo project. During 2023 it worked with Ausenco to update the existing Feasibility Study that dates back to 2018. Ausenco is optimising the process configuration and updating the mine plan. The technical report is expected to be published in the first half of 2024.

Base Metals: Copper

Mantos Blancos

Mantos Blancos generated $6.1m of revenue for the Group in 2023, up 2% on 2022 ($6.0m). Total payable copper volumes increased to 49.3Kt (2022: 48.8Kt) and the underlying copper price in the year averaged $8,492/tonne (2022: $8,724/tonne).

Production guidance by the operator for 2024 is between 49Kt and 57Kt of copper metal from Mantos Blancos.

H1 2024 is expected to be lower than H2 2024 as the operator intends to install the equipment necessary to remove bottlenecks in the processing circuit. Once this issue is resolved, Capstone expects the mine to operate at nameplate throughput rates of 7.3mtpa of sulphide ore milled.

Capstone Copper is also studying the option to undertake the Mantos Blancos Phase II expansion which would take the concentrators throughput from 7.3mtpa to at least 10mtpa Feasibility Study is expected to be published in 2025.

Santo Domingo

In 2023 Capstone completed a brownfield expansion of the Mantoverde copper mine, located 35 km away from Santo Domingo.

During 2023 Capstone, in tandem with third parties, worked to update the 2018 Feasibility Study. The original Feasibility Study was based on a stand-alone development and the updated study will capture synergies expected to arise from the proximity to Mantoverde. The Feasibility Study is also expected to reflect a revised design that aims to achieve a smaller footprint and higher mill throughput rate, which should have a positive impact on capital and operating costs.

The project is fully permitted and shovel-ready. The updated Feasibility Study is scheduled to be published in the first half of 2024. Capstone has also stated that once the study is published, it plans to consider a sale of a minority stake in Santo Domingo. FID is targeted for H2 2025.

Vizcachitas

During 2023 the Group acquired a 0.25% NSR royalty over any open pit operations of the Vizcachitas copper project in Chile. The operator, Los Andes Copper, is targeting first production in 2029 and the royalty steps up in the event production is delayed beyond 30 June 2030.

The Vizcachitas project is amongst the largest and lowest cost undeveloped copper deposits with a long-life and in a well-established mining jurisdiction.

A robust Pre-Feasibility Study was published in April 2023, indicating 1,220Mt of mineral reserves at 0.40% CuEq grade, 1,514Mt of measured and indicated resources at 0.44% CuEq grade and 1,823

Mt of inferred resources at 0.38% CuEq grade.

In September 2023 Los Andes appointed ERM to conduct an analysis of the licensing process for the project and to define the required baseline studies.

Reserves-based mine life is 26 years with average payable copper production of 183 Ktpa in the first 8 years and 153 Ktpa over the life of the mine, which has considerable life of mine extension potential.

Base Metals: Nickel

West Musgrave

BHP assumed the operatorship of the West Musgrave nickel-copper project in 2023 following completion of its takeover of OZ Minerals. The project is in the construction phase and BHP announced in February 2024 that construction is 21% complete.

The nickel industry has seen rapid supply growth from Indonesian operations. The supply ramp-up has put downward pressure on nickel prices, currently at approximately $17,500 per tonne. This has led to a number of nickel operations in Australia being placed on care and maintenance, and BHP is considering the same course of action for its Nickel West operations, which have recently been integrated with the West Musgrave project to form the Western Australian Nickel unit.

The West Musgrave project's economics remain robust, with BHP stating that the operation could generate reasonable returns despite a weak nickel price environment and assuming lower forward prices for nickel. However, as BHP studies a potential move into care and maintenance for Nickel West, it will consider the merits of phasing the remaining West Musgrave construction capital expenditure.

Piauí

Production of first nickel from the small scale PNP1000 plant commenced in June 2022. The learnings from the PNP1000 plant have fed into the detailed engineering studies and flow sheet optimisation that will further de-risk the project prior to construction.

Ecora invested $7.5m in November 2023, increasing its royalty from 1.25% to 1.60%, with the proceeds primarily being used to finance the aforementioned workstreams.

The operator continues to advance funding discussions for the full scale project which, once concluded, will be shortly followed by FID and commencement of construction. The project is expected to produce 27ktpa of nickel and 1ktpa of cobalt during the initial 10 years of operation.

Specialist & battery metals: Cobalt

Voisey's Bay

The expansion and completion of the underground mines has taken longer than expected and is now expected to be completed in H2 2024. As a result, more nickel than planned came from the Discovery Hill open pit which is of a lower ore grade than the underground mines.

Consequently, eleven deliveries of cobalt were received by Ecora in 2023 (2022: 19 deliveries) totalling 220t of cobalt.

Cobalt prices were also down year on year with an average price achieved of $16/lb (2022: $32/lb).

The combination of lower volumes and prices resulted in total stream revenue of $5.6m (2022: $18.8m) and, after cost of sales, generated $4.2m of net portfolio contribution (2022: $14.6m).

Mining operations continue to transition from the open pit to the underground mine. Production from the Reid Brook and Eastern Deep mines is expected to ramp up throughout 2024 and 2025.

We expect to receive 12-16 deliveries of cobalt in 2024 (each delivery is 20 tonnes).

When ramp-up is completed by the operator, the underground mines will produce approximately 45ktpa of nickel and approximately 2.5ktpa of cobalt in concentrate at the peak annual mill feed rate of 2.6Mtpa. At this point the Ecora should receive approximately 40 deliveries per annum (70% of which are attributable to Ecora).

Specialist & battery metals: Vanadium

Maracás Menchen

Royalties from the Maracás Menchen mine totalled $3.1m during the year (2022: $3.6m) on sales of 9.0Kt of V2O5 in 2023 (2022: 8.9 Kt)

The average vanadium price of $9.21/lb was lower than in 2022 ($10.47/lb).

Largo has announced production guidance for 2024 of 8.7Kt to 10.7Kt of V2O5. Ilmenite sales are expected to ramp up over the year and average 60-67kt.

Uranium

McClean Lake Mill

Production from the Cigar Lake mine totalled 15.1 Mlbs (2022:18Mlbs) with productivity impacted due to mining being initiated from a new zone in the ore body.

Toll milling receipts from the McClean Lake mill totalled $4.1m in the year (2022: $5.0m). 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.

Guidance for production from Cigar Lake 2024 is back up at the licensed capacity of 18Mlbs of uranium. Cameco has also announced that it has started the workstream necessary to extend the estimated mine life to 2036. More detail on this is expected as we move through the year.

Four Mile

Royalty revenue from Four Mile totalled $6.8m (2022: $1.0m). This included $5.4m of accrued income released to the income statement following a favourable judgement by the Supreme Court of Australia, Court of Appeal in relation to the dispute with Quasar Resources Pty Ltd. with regards to the allowable deductions being applied to the Group's royalty.

Lower impact bulks: Iron Ore Pellets

Labrador Iron Ore Royalty Company

The operation had a total 2023 full year production of 9.7Mt (2022: 10.3Mt) of iron ore pellets and concentrate, which was within Rio Tinto's FY guidance for 2023 (9.3Mt to 9.8Mt). Production was 6% lower than 2022 with challenges due to wildfires in Northern Quebec in the second quarter, as well as extended plant downtime and conveyor belt failures in the third quarter.

LIORC declared total dividends of C$2.55 per share, 18% down on the prior year (2022: C$3.10).

During the year, the Group sold approximately 60% of its residual stake in LIORC realising C$18.9m, a total pre-tax return on investment of c. 110% and a gain on disposal of C$4.1m.

Other: Steelmaking coal

Kestrel

2023 saw mining operations move into the area of the mine that is only partially covered by Ecora's royalty area and therefore saleable production volumes due to Ecora were principally received in Q1 and Q4.

Production volume within Ecora's royalty area totalled 1.6Mt (2022: 4.1Mt) at an average realised price of $225/t (2022: $325/t) which generated royalty income of $35.9m (2022: $107.1m).

Saleable production volumes within Ecora's private royalty area are expected to be 15-25% higher in 2024 compared to 2023. Mining activity within the Ecora private royalty area is expected to be weighted towards H1.

Saleable production volumes in the Group's royalty area in 2025 are expected to be higher than 2024 levels and 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.

Ecora Resources PLC

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 $'000	**2022 $'000**
Royalty and metal stream related revenue	61,900	141,870
Metal streams cost of sales	(1,338)	(4,265)
Amortisation and depletion of royalties and streams	(7,467)	(9,351)
Operating expenses	(10,889)	(10,849)
Operating profit before impairments, revaluations and gains on disposals	**42,206**	**117,405**
Impairment of royalty intangible assets	-	(4,083)
Revaluation of royalty financial instruments	(3,088)	(1,373)
Revaluation of coal royalties (Kestrel)	(28,520)	27,833
Finance income	921	8
Finance costs	(8,270)	(6,109)
Net foreign exchange gains/(losses)	70	(1,593)

Other income	1,234	3,356
Profit before tax	**4,553**	**135,444**
Current income tax charge	(16,325)	(34,470)
Deferred income tax credit/(charge)	12,619	(6,337)
Profit attributable to equity holders	**847**	**94,637**
Total and continuing earnings per share		
Basic earnings per share	0.33c	40.43c
Diluted earnings per share	0.33c	40.30c

Ecora Resources PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 $'000	**2022 $'000**
Profit attributable to equity holders	**847**	**94,637**
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	(1,706)	(3,670)
Revaluation of mining and exploration interests	(491)	642
Deferred taxes relating to items that will not be reclassified to profit or loss	624	390
	(1,573)	**(2,638)**
Items that have been or may be subsequently reclassified to profit or loss		
Net exchange gain/(loss) on translation of foreign operations	336	(10,355)
	336	**(10,355)**
Other comprehensive loss for the year, net of tax	**(1,237)**	**(12,993)**
Total comprehensive (loss)/profit for the year	**(390)**	**81,644**

Ecora Resources PLC

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Group 2023 $'000	Group 2022 $'000
Non-current assets		
Property, plant and equipment	3,063	3,632
Coal royalties (Kestrel)	77,354	106,669
Metal streams	161,440	164,755
Royalty financial instruments	32,829	43,880
Royalty and exploration intangible assets	269,801	252,549
Mining and exploration interests	2,791	3,483
Deferred costs	341	2,491
Other receivables	33,708	37,429
Deferred tax	37,451	36,632
	618,778	651,520
Current assets		
Trade and other receivables	9,649	21,566
Cash and cash equivalents	7,850	5,850
	17,499	27,416
Total assets	**636,277**	**678,936**
Non-current liabilities		
Borrowings	82,400	42,250
Other payables	14,461	22,649
Deferred tax	28,126	40,857
	124,987	105,756
Current liabilities		
Income tax liabilities	15,927	23,245
Derivative financial instruments	-	32
Trade and other payables	13,344	46,299
	29,271	69,576
Total liabilities	**154,258**	**175,332**
Net assets	**482,019**	**503,604**
Capital and reserves attributable to shareholders		
Share capital	6,762	6,761
Share premium	169,212	169,212
Other reserves	103,293	106,742
Retained earnings	202,752	220,889
Total equity	**482,019**	**503,604**

Ecora Resources PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital $'000	Share premium $'000	Merger reserve $'000	Investment revaluation reserve $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Special reserve $'000	Treasury shares $'000	Investm in own sh $'00
Balance at 1 January 2022	5,706	87,883	94,847	9,563	508	14,307	833	114	(1
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	-	-	-	(3,028)	-	-	-	-	
Deferred tax	-	-	-	390	-	-	-	-	
Foreign currency translation	-	-	-	-	-	(10,355)	-	-	
Total comprehensive profit	**-**	**-**	**-**	**(2,638)**	**-**	**(10,355)**	**-**	**-**	
Transferred to retained earnings on disposal	-	-	-	(604)	-	-	-	-	
Unclaimed dividends transferred to retained earnings	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	
Issue of ordinary shares	1,043	81,329	-	-	-	-	-	-	
Utilisation of treasury shares to satisfy employee-related share-based payments	12	-	-	-	(230)	-	-	(12)	
Utilisation of shares held by the employee benefit trust to satisfy employee-related share-based payments	-	-	-	-	(194)	-	-	-	1
Value of employee services	-	-	-	-	603	-	-	-	
Total transactions with owners of the Company	**1,055**	**81,329**	**-**	**(604)**	**179**	**-**	**-**	**-**	**1**
Balance at 31 December 2022	**6,761**	**169,212**	**94,847**	**6,321**	**687**	**3,952**	**833**	**102**	
Balance at 1 January 2023	6,761	169,212	94,847	6,321	687	3,952	833	102	
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	-	-	-	(2,197)	-	-	-	-	
Deferred tax	-	-	-	624	-	-	-	-	
Foreign currency translation	-	-	-	-	-	336	-	-	
Total comprehensive loss	**-**	**-**	**-**	**(1,573)**	**-**	**336**	**-**	**-**	
Transferred to retained earnings on disposal	-	-	-	(3,002)	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	
Utilisation of treasury shares to satisfy employee-related share-based payments	1	-	-	-	-	-	-	(1)	
Value of employee services	-	-	-	-	791	-	-	-	
Total transactions with owners of the Company	**1**	**-**	**-**	**(3,002)**	**791**	**-**	**-**	**(1)**	
Balance at 31 December 2023	**6,762**	**169,212**	**94,847**	**1,746**	**1,478**	**4,288**	**833**	**101**	

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	**2022**
	$'000	**$'000**
Cash flows from operating activities		
Profit before taxation	4,553	135,444
Adjustments for:		
Finance income	(921)	(8)
Finance costs	8,270	6,109
Net foreign exchange (gains)/losses	(70)	1,593
Other (income)/losses	(1,234)	(3,356)
Impairment of royalty and exploration intangible assets	-	4,083
Revaluation of royalty financial instruments	3,088	1,373
Royalties due or received from royalty financial instruments	718	2,782
Deferred income recognised as royalty revenue in current year	(4,453)	-
Revaluation of coal royalties (Kestrel)	28,520	(27,833)
Depreciation of property, plant and equipment	681	355
Amortisation and depletion of royalties and streams	7,467	9,351
Amortisation of deferred acquisition costs	17	17
Share-based payment	899	709
	47,535	130,619
Decrease in trade and other receivables	9,731	8,224
(Decrease)/increase in trade and other payables	(346)	5,700
Cash generated from operations	56,920	144,543
Income taxes paid	(23,380)	(12,048)
Net cash generated from operating activities	**33,540**	**132,495**
Cash flows from investing activities		
Proceeds on disposal of mining and exploration interests	79	1,310
Investment in convertible loan	(109)	-
Purchase of property, plant and equipment	(112)	(537)
Purchase of royalty and exploration intangibles [1]	(57,003)	(59,360)
Purchase of royalty financial instruments	(7,564)	-
Proceeds on disposal of royalty intangibles	5,338	5,029
Proceeds on disposal of royalty financial instruments	13,690	-
Purchase of metal streams	-	(3,323)
Repayments under commodity-related financing agreements	2,307	2,859
Prepaid acquisition costs	50	-
Finance income	151	8
Net cash used in investing activities	**(43,173)**	**(54,014)**
Cash flows from financing activities		
Drawdown of revolving credit facility	96,000	49,500
Repayment of revolving credit facility	(55,850)	(119,250)
Proceeds from issue of share capital	-	922

Dividends paid	(22,062)	(19,384)
Lease payments	(357)	(312)
Finance costs	(6,010)	(4,213)
Net cash generated from/(used in) financing activities	**11,721**	**(92,737)**
Net increase/(decrease) in cash and cash equivalents	**2,088**	**(14,256)**
Cash and cash equivalents at beginning of period	**5,850**	**21,992**
Effect of foreign exchange rates	(88)	(1,886)
Cash and cash equivalents at end of period	**7,850**	**5,850**

[1] Includes deferred consideration paid in current year of $36.7m (2022: $9.2m)