

24 July 2024

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

Q2 2024 Trading Update

Ecora Resources PLC (LSE/TSX: ECOR) issues the following trading update for the period 1 April to 30 June 2024.

Ecora is the leading royalty company focused on supporting the supply of industrial commodities essential to creating a sustainable future. The Group has a portfolio which combines volume growth in 2024 and 2025 from its currently producing royalty portfolio with an extensive pipeline of high-quality development projects that are expected to drive material medium term revenue growth.

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

"We are pleased to have substantially beaten market expectations in the first half of the year. Kestrel was the primary contributor; in the second half we expect to see an increase in the number of deliveries from Voisey's Bay as the underground operations have started the ramp-up towards steady state production levels which should be achieved in 2026. Although a weak nickel price environment has resulted in BHP pausing the construction of the West Musgrave nickel-copper project, we remain confident in the project's potential as a low-cost operation over a 25 year mine life with the possibility of further extension."

"Further to our recent Phalaborwa rare earths royalty acquisition, we continue to see opportunities to diversify and grow our royalty portfolio in line with our stated investment criteria and will balance growth with the maintenance of a strong balance sheet."

Highlights:

- US\$31.8 million portfolio contribution for Q2 2024, up 63% on Q1 2024 due to higher than expected saleable production volumes in the Group's private royalty area at Kestrel, with the rest of the portfolio performing in line with expectations.
- US\$51.3 million portfolio contribution for H1 2024 (H1 2023: US\$44.5 million) driven mainly by sales volumes at Kestrel of 2.0Mt, at the top end of guidance for FY 2024.
- Q2 2024 saleable production volumes within the Group's private royalty area at Kestrel totalled 1.3Mt, generating royalty income of US\$26.3 million.
- Two cobalt deliveries from Voisey's Bay were received during the period, at an average realised sales price of US\$16/lb, taking the number of deliveries received in H1 to four:
 - o FY guidance remains unchanged at 12-16 deliveries of cobalt (each delivery being a 20t lot of which 70% is attributable to the Group)
 - o Vale has provided guidance that underground production at Voisey's Bay has started to ramp up and is expected to reach steady state production levels in 2026, at which point Ecora expects to receive c. 40 deliveries of cobalt per annum on a life-of-mine average basis
- Final investment decision ('FID') to construct the Piauí project by Brazilian Nickel is not expected before 2025, which would trigger the Group's right, but not obligation, to invest a further US\$62.5 million to part fund the construction of the project. This investment would increase the royalty rate from 1.60% to 4.25%.

- The Group continues to expect year-on-year production volume growth at operations underlying its producing royalty portfolio in 2024 and 2025.
- Realised CA\$11 million from selling down a portion of its Labrador Iron Ore Royalty Corporation investment; Ecora now holds a total of 57,390 shares.
- Completed the US\$10 million share buyback acquiring a total of 9,491,317 ordinary shares at a volume weighted price of approximately 83.77 pence per share.
- Net debt as at 30 June of US\$86 million; expected to reduce meaningfully in the next 18 months (absent acquisitions, assuming current commodity prices and operator volume guidance).

Post-period end events

- On 1 July 2024, the Group announced the acquisition of a 0.85% Gross Revenue Royalty (GRR) over the Phalaborwa rare earths project located in South Africa, operated by Rainbow Rare Earths, for a cash consideration of US\$8.5 million¹. This is one of the highest quality rare earths projects globally and is expected to generate strong cashflows throughout the commodity cycle with production targeted to commence in 2027. Ecora also subscribed for US\$1.5 million of shares in Rainbow Rare Earths.
- On 11 July 2024, BHP announced that it will temporarily suspend the construction of the West Musgrave project in October 2024, with the decision to be reviewed by February 2027.
- Capstone Copper is anticipated to release an updated feasibility study on the Santo Domingo copper project in the coming weeks. This is expected to provide an updated technical study and economics for the project along with a timeline to FID.

Portfolio contribution	Q2 2024 US\$m	QoQ	Q1 2024 US\$m	Q2 2023 US\$m
Core portfolio				
Voisey's Bay (cobalt)	1.0	-	1.0	1.5
Mantos Blancos (copper)	1.5	15%	1.3	1.5
Maracás Menchen (vanadium)	0.4	(43%)	0.7	0.8
Four Mile (uranium)	0.7	-	0.7	0.2
Other (copper)	0.3	200%	0.1	0.1
Royalty and stream income	3.9	2%	3.8	4.1
Dividends - LIORC & Flowstream	0.1	-	0.1	0.6
Interest - McClean Lake	0.4	-	0.4	0.5
Royalty and stream related revenue	4.4	2%	4.3	5.2
EVBC ⁽²⁾	0.3	50%	0.2	0.5
Principal repayment - McClean Lake	1.0	43%	0.7	0.6
Less:				
Metal streams cost of sales	(0.2)	-	(0.2)	(0.4)
Total portfolio contribution from core assets	5.5	10%	5.0	5.9
Near term run-off portfolio				
Kestrel (steel making coal)	26.3	82%	14.5	8.8
Total near term run-off portfolio	26.3	82%	14.5	8.8
Total portfolio contribution	31.8	63%	19.5	14.7

¹ Transaction is conditional upon receipt of exchange control authorisation from the South African Reserve Bank Financial Surveillance Department (customary for transactions of this nature), expected within 6 to 8 weeks of submitting the application.

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

For further information

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About Ecora Resources

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

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

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

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

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

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.

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