

A royalty is an agreement which provides, in exchange for an upfront payment made to the mining company, the right to receive a proportion of the revenue from a mining operation once in production without the capex or opex risk

Description

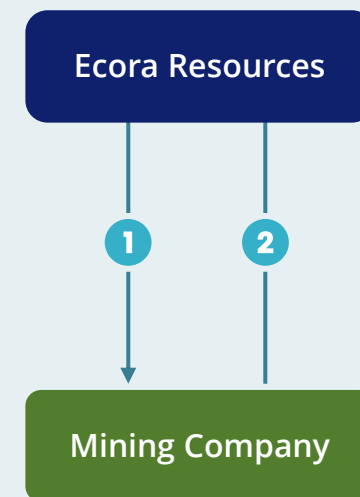
1 Upfront payment

- Ecora Resources makes upfront payment
- Major factors impacting size of upfront payment:
 - Expected size of revenue subject to royalty
 - Percent of revenue
 - Years of operation

2 Periodic Royalty payments

- Period payment calculated as:
 - Revenue generated, less any deductions, multiplied by royalty percentage

Illustrative transaction structure



e.g. Mantos Blancos,
West Musgrave, Santo Domingo