

Providing capital to the  
mining sector to supply  
the commodities central  
to a sustainable future



## **Ecora Resources PLC**

### Half Year Results Presentation

September 2023

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- Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as, amongst others, ‘expects’, ‘anticipates’, ‘plans’, ‘believes’, ‘estimates’, ‘seeks’, ‘intends’, ‘targets’, ‘projects’, ‘forecasts’, ‘potential’, ‘positioned’, ‘strategy’, ‘outlook’, ‘predict’ or negative versions thereof and other similar expressions, or future or conditional verbs such as ‘may’, ‘will’, ‘should’, ‘would’ and ‘could’. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.
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- Forward-looking statements 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. It is believed that the expectations reflected in this presentation are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. Readers are cautioned that such forward-looking statements may not be appropriate other than for purposes outlined in this presentation. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, that may be general or specific, which could cause actual results to differ materially from those forecast, 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. The forward-looking statements made in this presentation 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.
- No statement in this communication is intended to be, nor should it be construed as, a profit forecast or a profit estimate and no statement in this presentation should be interpreted to mean that earnings per share for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share. Forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this presentation. Such risks and uncertainties include, but are not limited to: the failure to realise contemplated benefits from acquisitions and other royalty and stream investments; the effect of any mergers, acquisitions and divestitures on the Group’s operating results and businesses generally; 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 the other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.
- This presentation also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. This presentation 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.

## Financial performance in line with expectations

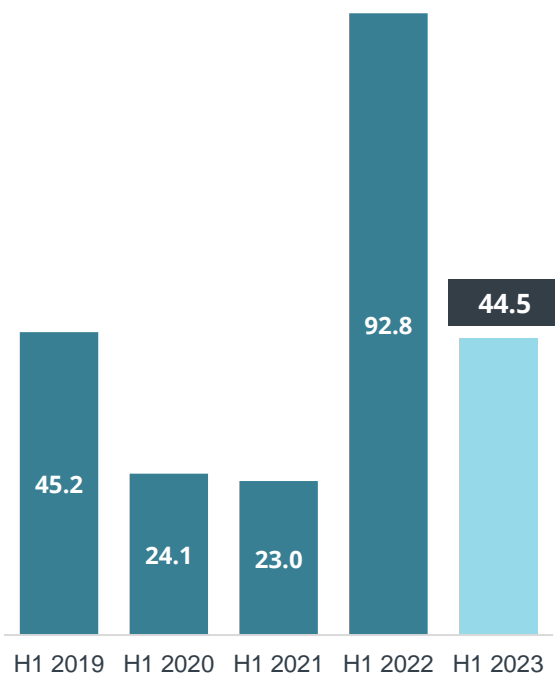
- Portfolio contribution of \$44.5m (H1 2022: \$92.8m)
- AEPS of 9.06c (H1 2022: 28.08c)
- Net debt of \$43m (YE 2022: \$36m)
- Dividend well covered 2.1x (H1 2022: 6.1x)

## Portfolio transitioning towards future facing commodities

- BHP West Musgrave project in construction
- Completed acquisition of a 0.25% NSR over the Vizcachitas copper project
- Kestrel royalty started run-off and will move in and out of private royalty area going forward
- Voisey's Bay continues transition from open pit to underground mining operations

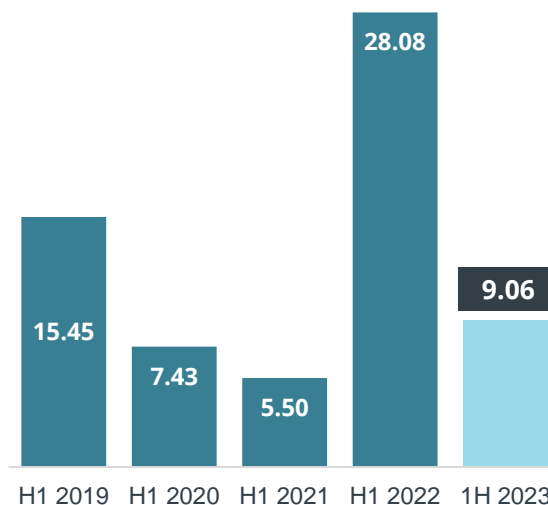
# **Financial Review**

## Portfolio contribution (US\$m)



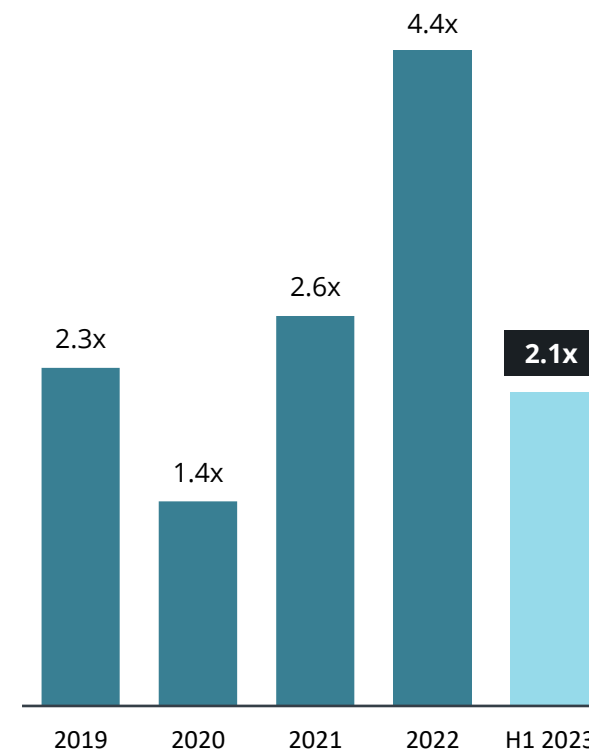
- H1 23 broadly in line with the average from previous 4 years
- H1 22 reflected short-term unsustainable spike in coking coal at same time as mining within Group's royalty land
- H1 23 reflects the commencement of the Kestrel transition

## Adjusted earnings per share<sup>(1)</sup> (USc)



- Adjusted earnings margin remained healthy at 53% despite persistent inflation and increased interest rates
- Operating costs remained in line with 2022

## Dividend cover<sup>(2)</sup>



- Dividend has been rebased into US\$ at 2.125c per quarter
- No change in dividend policy

1. Adjusted earnings/(loss) represents the Group's underlying operating performance from core activities. Adjusted earnings/(loss) is the profit/(loss) attributable to equity holders less all valuation movements, non-cash impairments and amortisation charges (which are non-cash IFRS adjustments that arise primarily due to changes in commodity prices), finance costs, any associated deferred tax and any

profit or loss on non-core asset disposals as these are not expected to be ongoing.

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

# Portfolio contribution

(\$m)	H1 2023	H2 2022	%
<b>Core portfolio</b>			
Voisey's Bay (cobalt) <sup>(1)</sup>	2.4	10.7	(78%)
Mantos Blancos (copper)	3.3	3.1	6%
Maracás Menchen (vanadium)	1.7	2.0	(15%)
LIORC (high purity iron ore pellets)	1.0	1.3	(29%)
McClellan Lake (uranium)	2.2	2.7	(19%)
Four Mile (uranium)	0.6	0.8	(25%)
Other (copper and gold)	1.5	1.3	15%
<b>Total core portfolio</b>	<b>12.7</b>	<b>21.9</b>	<b>(42%)</b>
<b>Short term run-off portfolio</b>			
Kestrel (steel making coal)	31.8	70.9	(55%)
<b>Total short term run-off portfolio</b>	<b>31.8</b>	<b>70.9</b>	
<b>Total portfolio contribution</b>	<b>44.5</b>	<b>92.8</b>	<b>(52%)</b>



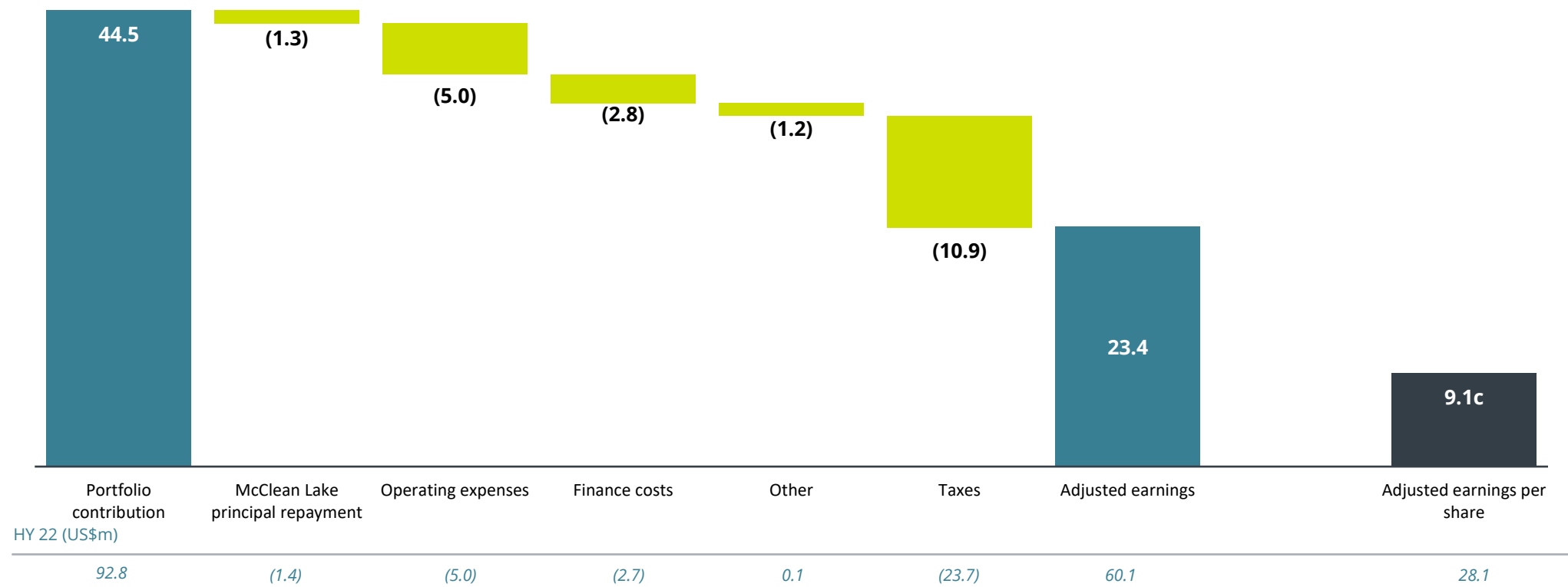
\$12.7m of portfolio contribution from core portfolio



Dividends for H1 2023 total 4.25c

1. Net of metal cost of sales

## Change in Earnings (US\$m)



- Adjusted earnings margin remained healthy at 53% despite inflationary background
- As well as lower portfolio contribution adjusted earnings per share also reflects the financing of the South 32 royalty portfolio in H2 22 which saw shares issued to the vendor
- Operating costs (inclusive of share based payments) remained in line with previous year

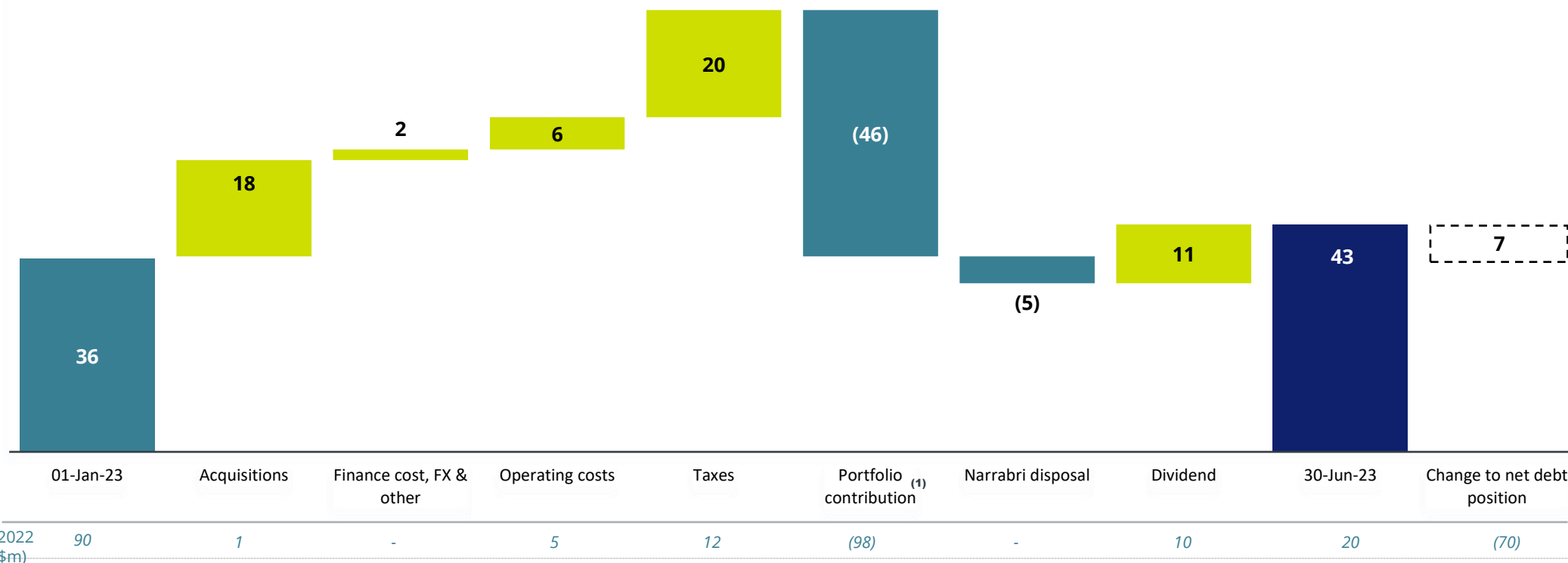
# Summary balance sheet

(\$m)	30 June 2023	31 Dec 2022	30 June 2022
Metal streams (inc deferred tax)	195.7	197.6	203.4
Coal royalties (Kestrel)	60.7	106.7	120.7
Royalty financial instruments	44.0	43.9	50.8
Royalty and exploration intangibles	248.1	252.6	66.6
Other long-term receivables	33.3	37.4	35.2
<b>Total royalty assets</b>	<b>581.8</b>	<b>638.2</b>	<b>476.7</b>
Cash and cash equivalents	6.3	5.9	21.0
Trade and other receivables	17.8	21.6	33.5
Other (including deferred tax)	13.2	13.2	11.9
<b>Total assets</b>	<b>619.1</b>	<b>678.9</b>	<b>543.0</b>
Borrowings	49.7	42.3	41.5
Deferred tax	27.0	40.9	48.0
Trade and other payables	36.3	46.1	6.5
Other	27.0	46.0	19.2
<b>Total liabilities</b>	<b>140.0</b>	<b>175.3</b>	<b>115.2</b>
<b>Net Assets</b>	<b>479.1</b>	<b>503.6</b>	<b>427.8</b>



# Net debt increased by \$7m

## Change in net debt (US\$m)



- The Group retains a \$200m borrowing facility, net debt has increased by \$20m since the period end following the \$20m Vizcachitas acquisition completed in July 2023
- The Group continues to receive its deferred consideration and price linked payments from the disposal of Narrabri – running total now stands at \$15m with a further fixed consideration of \$9m to come
- The LIORC stake remains available for capital redeployment – currently valued at ~\$24m

1. Includes revenue received in advance

# **Portfolio update**

# Vizcachitas: A tier 1 copper project located in Chile



Reserves Based  
Mine Life

**26 years**



LOM Unit Cost

**US\$1.25/lb**



Year 1-8 Average Annual  
Copper Production

**183 Kt**



LOM Average Annual  
Copper Production

**153 Kt**



Copper Equivalent  
Contained Reserves

**10.9 billion lbs**



Copper Equivalent Contained  
Measured & Indicated Resource

**14.8 billion lbs**



1. Data taken from Vizcachitas Project Pre-Feasibility Study, 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.



## Vizcachitas project<sup>(2)</sup>

- Large scale, low-cost copper development project located in Chile
- Robust Pre-Feasibility Study published in April 2023
- Located in central Chilean copper belt which contains four large scale producing copper mines
- 100% owned by TSXV listed Los Andes Copper, market cap ~ C\$530 million<sup>(2)</sup>

## Acquisition funding

- Cash-on-hand and drawdown on revolving credit facility

1. 0.125% NSR royalty over any future underground mining operations, stepping up in the event production is delayed beyond 30 June 2030, subject to Los Andes right to elect to make cash payments in lieu of royalty rate increase.

2. As at 21-July 2023.

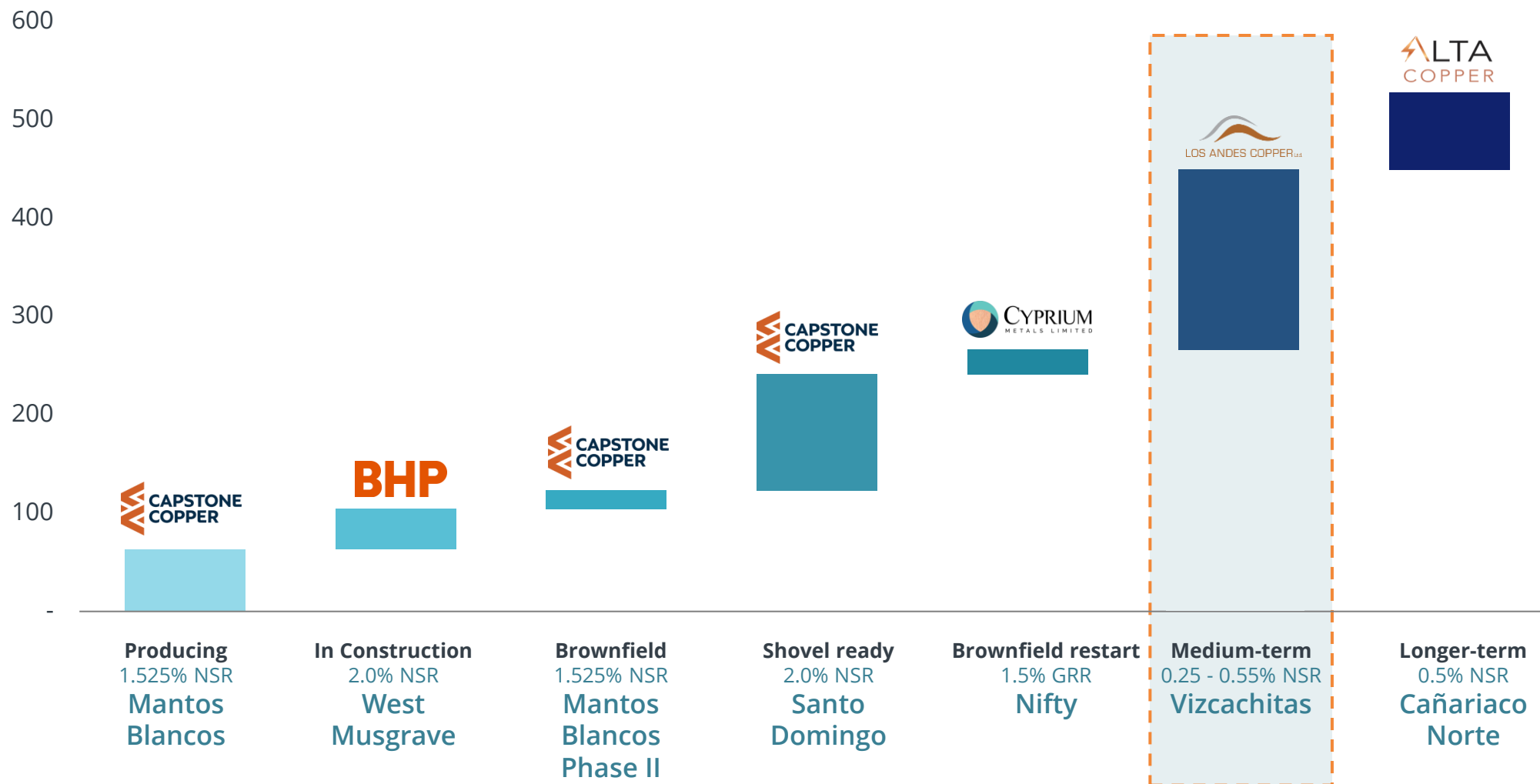
## Royalty terms

<b>Consideration:</b>	US\$20 million payable at close
<b>Royalty Entitlement<sup>(1)</sup></b>	Open pit: 0.25% NSR
<b>Production not achieved by 30 June 2030</b>	Incremental 0.1% NSR entitlement
<b>Production not achieved by 30 June 2031<sup>(1)</sup></b>	Los Andes right to elect: <ol style="list-style-type: none"> <li>1. Incremental 0.1% NSR entitlement, or</li> <li>2. Cash payment to Ecora in Lieu <ul style="list-style-type: none"> <li>• US\$15m base payment</li> <li>• Additional US\$5m if trailing 6 month copper price averages more than US\$5/lb</li> </ul> </li> </ol>
<b>Production not achieved by 30 June 2032<sup>(1)</sup></b>	Los Andes right to elect: <ol style="list-style-type: none"> <li>1. Incremental 0.1% NSR entitlement, or</li> <li>2. Cash payment to Ecora in Lieu <ul style="list-style-type: none"> <li>• US\$15m base payment</li> <li>• Additional US\$5m if trailing 6 month copper price averages more than US\$5/lb</li> </ul> </li> </ol>

# The leading copper growth pipeline in the royalty sector

## Illustrative annual copper production<sup>(1)</sup>

(In tonnes 000s)



1. See endnote iv.

## Kestrel (steel making coal)

- Saleable volumes from Group's private royalty area totalled 1.4 Mt (H1 2022: 2.9 Mt)
- Going forward earnings will be more volatile as production moves in and out of the private royalty area
- Minimal volumes expected in H2 2023 with an increase in volumes in H1 2024

## Voisey's Bay (cobalt)

- Transition from open pit to underground mine underway
- Expect 4-5 deliveries in H2 2023 v 6 in H1
- Ramp up expected in 2024

## Mantos Blancos (copper)

- Production increased YoY following completion of debottlenecking project
- Payable copper sales totalled 24.9kt (H1 2022: 21.9 Kt)

## West Musgrave (nickel copper)

- BHP assumed operatorship of project
- Construction commenced in November 2022
- BHP targeting first production as early as H2 2025

## Cigar Lake (uranium)

- Production guidance for FY lowered to 16.3Mlbs due to lower mining rates

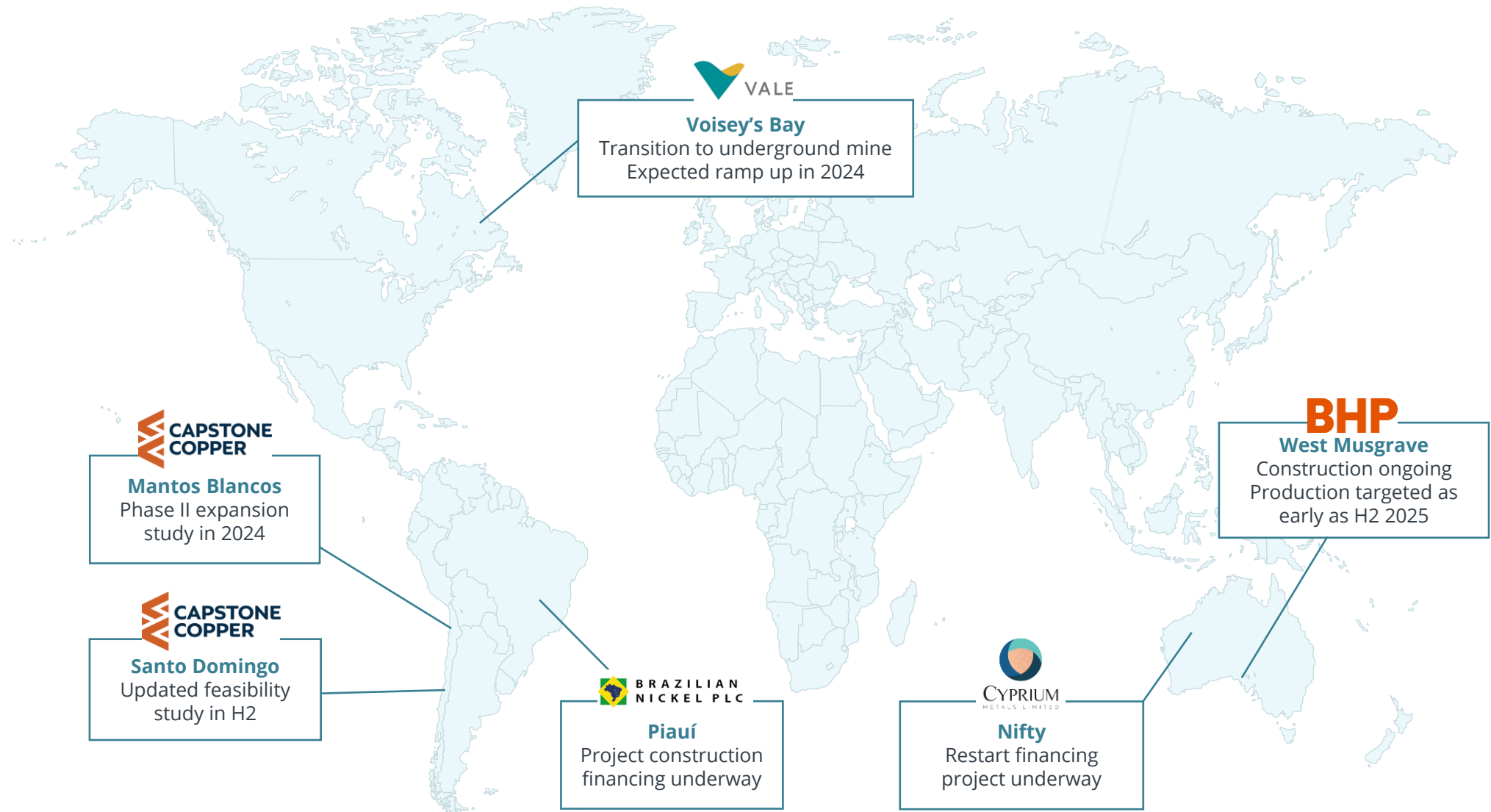
## Maracas Menchen (vanadium)

- Construction of ilmenite concentration plant completed in June, first production due H2 2023



# Upcoming portfolio catalysts

## Pipeline of catalysts across producing and development stage projects



# Appendix



# Diversified portfolio of producing royalties

Market cap of listed producing royalty counterparties ~ \$200bn

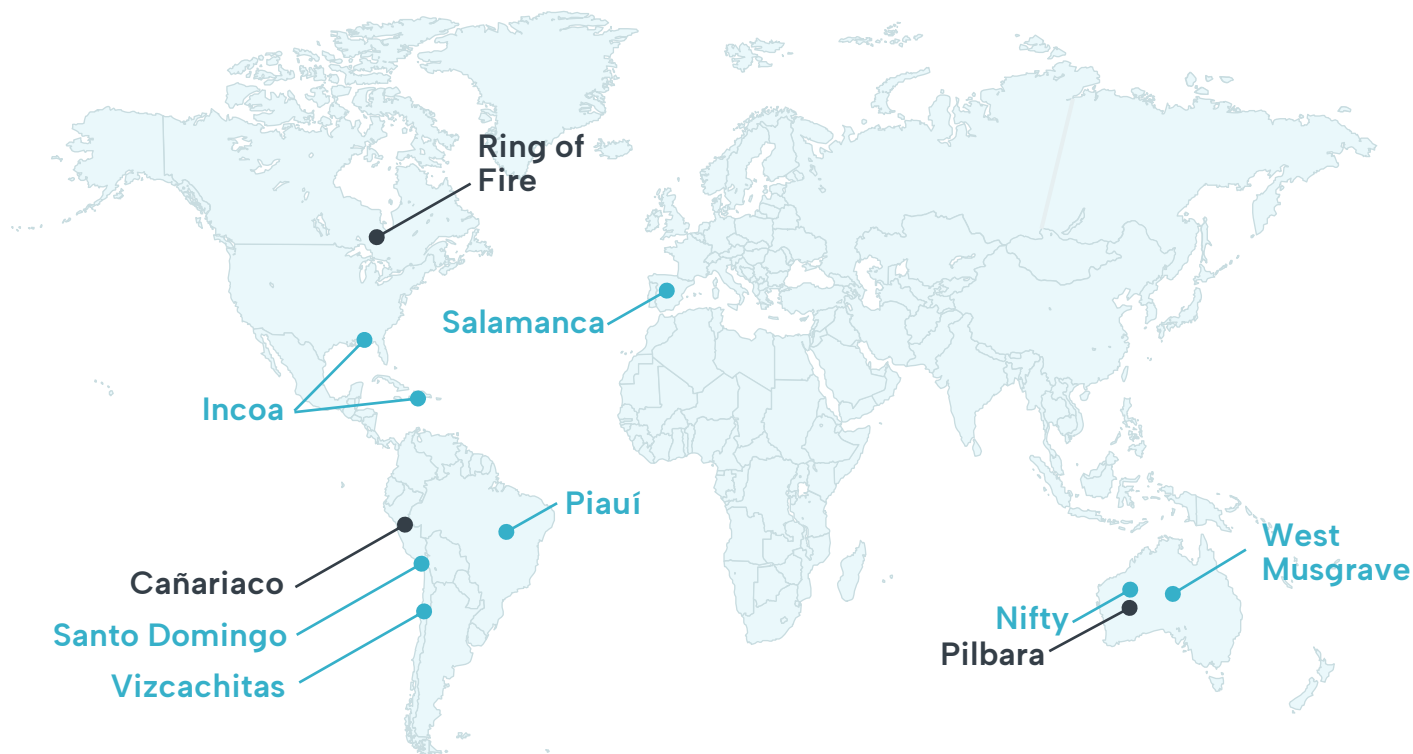


## Producing

Asset / Commodity <sup>(1)</sup>	Voisey's Bay Cobalt	Mantos Blancos Copper	IOC Iron Ore	Maracás Menchen Vanadium	McClean Lake Mill Uranium	Kestrel Coking Coal	EVBC Gold	Four Mile Uranium	Carlota Copper
Operator	VALE	CAPSTONE COPPER	RioTinto	LARGO	Denison Cameco	adaro EMR Capital	ORVANA MINERALS CORP	QUASAR	KGHM
Royalty / stream	22.82% Co stream	1.525% NSR	7% GRR (indirect)	2% NSR	22.5% of Toll Milling	7 – 40% GRR	2.5 – 3% NSR	1% NSR	5% NSR
Mine Life	2035	2038	2045	2041	2037	2026	2026	2029	2024

1. See endnotes.

# Supported by a strong growth pipeline



## Development

## Early Stage

Asset / Commodity <sup>(1)</sup>	West Musgrave Nickel & Copper	Santo Domingo Copper & Cobalt	Piauí Nickel & Cobalt	Incoa Calcium Carbonate	Nifty Copper	Vizcachitas Copper	Salamanca Uranium	Pilbara Iron Ore	Cañariaco Copper & Gold	Ring of Fire Chromite
Operator	<b>BHP</b>	<b>CAPSTONE COPPER</b>	<b>BRAZILIAN NICKEL PLC</b>	<b>INCOA</b>	<b>CYPRUM METALS LIMITED</b>	<b>LOS ANDES COPPER Ltd</b>	<b>BERKELEYenergia</b>	<b>BHP</b>	<b>ALTA COPPER</b>	<b>WYLOO METALS</b>
Royalty / stream <sup>(1)</sup>	2% NSR	2% NSR	1.25% GRR	~1.23% GRR	1.5% GRR	0.25% NSR	1% NSR	1.5% GRR	0.5% NSR	1% NSR

1. See endnotes.

## Top Shareholders (as at 30 June 2023) <sup>(1)</sup>

South32	16.9%
Aberforth Partners	7.9%
Schroder Investment Management	7.4%
Canaccord Genuity Wealth Management	4.5%
Hargreaves Lansdown	4.3%

## Shareholders Information (as at 30 June 2023)

Issued share capital	257,856,157
Market cap	~£300 million
Tickers	LSE: ECOR, TSX: ECOR, OTCQX: ECRAF

## Analyst coverage

Bank of America (London)		Cameron Needham
Berenberg (London)		Richard Hatch
Canaccord Genuity (London)		Alex Bedwany
Peel Hunt (London)		Pete Malin-Jones
RBC (London)		Tyler Broda
Scotia Bank (Toronto)		Orest Wowkadow

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1. As per Company share register analysis.

## *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.

- i. Voisey's Bay stream entitlement of 22.82% of cobalt production until 7.6kt of finished cobalt is delivered, 11.41% thereafter; represents 70% share of the original stream agreement between Vale and Cobalt27. Fixed Cobalt payability of 93.3%. Ongoing payment of 18% of cobalt reference prices until upfront amount of US\$300m based on 100% of the original stream agreement between Vale and Cobalt27 is repaid, 22% thereafter.
- ii. This presentation 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. Kestrel royalty terms (Ecora entitlement): 7.0% of value up to A\$100/t, 12.50% between A\$100/t and A\$150/t, 15% between A\$150/t and A\$175/t, 20% between A\$175/t and \$225/t, 30% between A\$225/t and A\$300/t, 40% thereafter.
- iii. Labrador Iron Ore Corporation ("LIORC") Royalty Corp. (LIORC) is listed on the Toronto stock exchange (TSX:LIF). IOC is operated by Rio Tinto and LIORC receives a 7% gross overriding royalty and a C\$0.10 per tonne commission on all iron ore products produced, sold and shipped by IOC.
- iv. This presentation contains information and statements relating to the Mantos Blancos mine and Santo Domingo project that are based on certain estimates and forecasts that have been provided to the Group by Capstone Copper ("Capstone"), the accuracy of which Capstone does not warrant and on which readers may not rely. Royalty area attributable to Ecora on the Santo Domingo project covers production in first 6-7 years before returning in ~Y14.
- v. Largo Resources Limited ("Largo"), the owner of the Maracás Menchen 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.
- vi. Brazilian Nickel Piauí project – Ecora has the right to acquire an incremental 3% GRR for US\$70m to part fund construction to increase capacity to 24,000t nickel & 1,000t cobalt per annum.
- vii. Cameco Corporation ("Cameco"), the majority owner of the Cigar Lake project ("Cigar Lake"), 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. Ecora loan of C\$40.8m to Denison to be repaid from the revenues which Denison receives through their entitlement to toll revenue generated through their part ownership of the McClean Lake Uranium Mill (operated by AREVA).
- viii. Orvana Minerals Corp, the owner of the El Valle-Boinás / Carlés project ("EVBC"), 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. Royalty terms: 2.5% NSR royalty escalating to 3% for gold prices in excess of US\$1,100 per ounce.
- ix. This presentation contains information and statements relating to the Incoa Calcium Carbonate Project that are based on certain estimates and forecasts that have been provided to the Group by Incoa Performance Minerals LLC ("Incoa"), the accuracy of which Incoa does not warrant and on which readers may not rely. Under the terms of the Incoa financing, Ecora Resources is entitled to approximately 1.23% of gross revenue generated from the sale of ground calcium carbonate products. Ecora Resources' funding commitment is conditional upon the satisfaction of certain conditions precedent.
- x. Cyprium Metals Limited ("Cyprium"), the owner of the Nifty project is listed on the Australian Stock Exchange. Royalty payable to Ecora once 800kt Copper has been delivered. ~715kt delivered to date.
- xi. Alta Copper, the owner of the Cañariaco 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. Entrée Resources Ltd. entitled to 20% of any royalty income prior to 31 December 2029, 15% of income received between 1 January 2030 and 31 December 2035, and 10% of any income received between 1 January 2035 and 31 December 2040.