

31 January 2024

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

Q4 Trading Update

Ecora Resources PLC (LSE/TSX: ECOR) issues the following trading update for the period 1 October 2023 to 31 December 2023. This update is released ahead of the Group's audited full year results on 27 March 2024.

Fourth Quarter and Full Year 2023 Portfolio Contribution

FY23 portfolio contribution of \$63.6m (2022: \$143.2m), with the YoY decline primarily a result of expected lower production within the Group's private royalty area at Kestrel as well as a normalisation of commodity prices in 2023 from near record levels the previous year. Q4 portfolio contribution was \$14.4m (including \$5.4m of accrued income). Net debt as at 31 December 2023 was \$75m (2022: \$36m).

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

"In-line with our expectations, portfolio contribution rebounded from third quarter levels as operations at Kestrel moved back within the Group's private royalty area and a higher weighting of quarterly cobalt deliveries from Voisey's Bay.

"This momentum has continued into 2024. Kestrel production within the Group's private royalty area is expected to increase 15-25% compared to 2023. The Voisey's Bay underground ramp-up is expected to accelerate in H2, and other volumes across the portfolio expected to be ahead or in-line with last year. Current commodity price levels would imply year-on-year portfolio contribution growth in the year ahead.

"In the fourth quarter, we acquired an incremental royalty interest over the Piauí project for \$7.5m. Brazilian Nickel will primarily use these funds to de-risk the project by undertaking detailed engineering studies prior to project construction. This was financed by recycling a portion of our LIORC holding in the quarter, which realised a c. 110% total pre-tax return on the investment.

"The mining sector continues to see underinvestment and a challenging market backdrop. We anticipate these conditions will persist over next 2-3 years, during which royalty financing should be a highly attractive source of capital. The extension of our revolving credit facility puts us in a strong position to continue to grow and diversify our portfolio, which currently offers the leading copper growth profile in the royalty sector."

Highlights:

- FY23 portfolio contribution of \$63.6m (2022: \$143.2m), with the YoY decline primarily a result of lower production within the Group's private royalty area at Kestrel as well as a normalisation of commodity prices in 2023 from near record levels the previous year.
- Q4 portfolio contribution was \$14.4m (including \$5.4m of accrued income released to the income statement following the favourable Four Mile judgment announced on 4 December 2023). On a recurring basis, Q4 portfolio contribution was \$9.1m, up 57% on Q3 2023 (\$5.8m).
- The Voisey's Bay stream produced four deliveries in Q4 (Q3 2023: one delivery) taking the number of deliveries for 2023 to 11 (2022: 19 deliveries), in line with guidance and reflecting the ramp up profile of the underground transition.

- During Q4 2023, the Group invested \$7.5m into Brazilian Nickel's Piauí nickel-cobalt project, increasing its royalty by 0.35% to 1.60%.
 - 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.
 - The Group has the right to acquire a further 2.65% royalty over the Piauí project for a consideration of \$62.5m. These funds would form part of the construction financing package.
- During Q4, the Group sold ~60% of its residual stake in Labrador Iron Ore Royalty Corporation (LIORC) realising C\$18.9m, a total pre-tax return on investment of c. 110% and a gain on disposal of C\$4.1m. The proceeds were used to pay down debt and remain available to fund growth opportunities, including the recent investment into Piauí.
- Net debt at the end of the period, following these investment activities, was \$75m (2022: \$36m).

Portfolio Outlook

- Production at Kestrel moved back into the Group's private royalty area at the end of 2023. Saleable volumes produced within the Group's private royalty area are forecast to be 15-25% higher in 2024 than those achieved in 2023 (c 1.6 Mt) and are expected to be weighted towards Q1, with approximately 75% of the full year volumes in Q1, and approximately 15% in Q4. Steelmaking coal prices have started the year at elevated levels compared to the previous year.
- Voisey's Bay stream is expected to produce between 12-16 deliveries of cobalt in 2024. Between 5-6 deliveries are scheduled for H1 2024, as deliveries will be heavily weighted towards the second half of the year when production from the underground mining operations is expected to ramp up. More detailed guidance for H2 will be provided in the Q2 2024 trading update.
- Mantos Blancos production volumes are forecast to increase in 2024 due to higher mill throughput with the increase being second half weighted.
- Capstone Copper is expecting to release a Feasibility Study for the Santo Domino project by mid-2024, with a potential project sanctioning decision not anticipated prior to mid-2025.
- BHP continues construction of the West Musgrave nickel-copper project in Australia with first production targeted as early as end-2025.
- Production volumes at the Group's other royalty assets for 2024 are expected to be broadly in line with 2023 levels.

Post Period Events

- In January 2024, the Group made the final \$9.2m deferred consideration payment to South32 in relation to the royalty portfolio acquired in 2022.
- Completion of a refinancing of the Group's corporate debt facilities has increased the borrowing potential to \$225m on broadly similar terms to the previous facility.

Portfolio contribution – Unaudited⁽¹⁾	Q4 2023		Q3 2023	FY 2023		FY 2022
	\$m	QoQ	\$m	\$m	YoY	\$m
Core Portfolio						
Voisey's Bay (cobalt)	2.0	300%	0.5	5.6	(70%)	18.8
Mantos Blancos (copper)	1.4	-	1.4	6.1	1%	6.0
Maracás Menchen (vanadium)	0.7	-	0.7	3.2	(12%)	3.6
Four Mile (uranium) ⁽³⁾	5.9	2,850%	0.2	6.8	584%	1.0
Other (copper)	0.2	-	0.2	0.6	200%	0.2
Royalty and stream income	10.2	240%	3.0	22.3	(25%)	29.6
Dividends - LIORC & Flowstream	0.2	(75%)	0.8	2.0	(31%)	2.9
Interest - McClean Lake	0.4	-	0.4	1.8	(13%)	2.1
Royalty and stream related revenue	10.8	157%	4.2	26.1	(25%)	34.6
EVBC ⁽²⁾	0.1	(50%)	0.2	0.7	(74%)	2.8
Principal repayment - McClean Lake	0.5	-	0.5	2.3	(20%)	2.9
Less:						
Metal streams cost of sales	(0.5)	400%	(0.1)	(1.4)	(67%)	(4.3)
Total portfolio contribution from core assets	10.9	127%	4.8	27.7	(23%)	35.9
Near term run-off portfolio						
Kestrel (steel making coal)	3.5	250%	1.0	35.9	(67%)	107.2
Total near term run-off portfolio	3.5	250%	1.0	35.9	(67%)	107.2
Total portfolio contribution	14.4	148%	5.8	63.6	(56%)	143.2

⁽¹⁾The portfolio contribution above is unaudited and based on narrow midpoint range, therefore, the actual number reported in the forthcoming annual report may be slightly higher or lower.

⁽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.

⁽³⁾ Four Mile Q4 revenue includes A\$8.1m (US\$5.4m) of previously underpaid royalties recognised as a result of the Appeal being upheld in December 2023

For further information

Ecora Resources PLC

Geoff Callow

Head of Investor Relations

+44 (0) 20 3435 7400

Website:

www.ecora-resources.com

Camarco

Gordon Poole / Owen Roberts / Elfie Kent

+44 (0) 20 3757 4997

About Ecora Resources

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

Our vision is to be globally recognised as the royalty company of choice synonymous with commodities that support a sustainable future by continuing to grow and diversify our royalty portfolio in line with our

strategy. We will achieve this through building a diversified portfolio of scale over high quality assets that drives low volatility earnings growth and shareholder returns.

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

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

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

Cautionary statement on forward-looking statements and related information

Certain statements in this announcement, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Group's expectations and views of future events. Forward-looking statements (which include the phrase 'forward-looking information' within the meaning of Canadian securities legislation) are provided for the purposes of assisting readers in understanding the Group's financial position and results of operations as at and for the periods ended on certain dates, and of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such forward-looking statements may not be appropriate other than for purposes outlined in this announcement. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, cash flow, requirement for and terms of additional financing, performance, prospects, opportunities, priorities, targets, goals, objectives, strategies, growth and outlook of the Group including the outlook for the markets and economies in which the Group operates, costs and timing of acquiring new royalties and making new investments, mineral reserve and resources estimates, estimates of future production, production costs and revenue, future demand for and prices of precious and base metals and other commodities, for the current fiscal year and subsequent periods.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects', 'anticipates', 'plans', 'believes', 'estimates', 'seeks', 'intends', 'targets', 'projects', 'forecasts', or negative versions thereof and other similar expressions, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. Forward-looking statements are based upon certain material factors that were applied in drawing a conclusion or making a forecast or projection, including assumptions and analyses made by the Group in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. The material factors and assumptions upon which such forward-looking statements are based include: the stability of the global economy; the stability of local governments and legislative background; the relative stability of interest rates; the equity and debt markets continuing to provide access to capital; the continuing of ongoing operations of the properties underlying the Group's portfolio of royalties, streams and investments by the owners or operators of such properties in a manner consistent with past practice; no material adverse impact on the underlying operations of the Group's portfolio of royalties, streams and investments from a global pandemic; the accuracy of public statements and disclosures (including feasibility studies, estimates of reserve, resource, production, grades, mine life and cash cost) made by the owners or operators of such underlying properties; the accuracy of the information provided to the Group by the owners and operators of such underlying properties; no material adverse change in the price of the commodities produced from the properties underlying the Group's portfolio of royalties, streams and investments; no material adverse change in foreign exchange exposure; no adverse development in respect of any significant property in which the Group holds a royalty or other interest, including but not limited to unusual or unexpected geological formations and natural disasters; successful completion of new development projects; planned expansions or additional projects being within the timelines anticipated and at anticipated production levels; and maintenance of mining title.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. No statement in this communication is intended to be, nor should it be construed as, a profit forecast or a profit estimate.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate; that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Group's control, affect the operations, performance and results of the Group, its businesses and investments, and could cause actual results to differ materially from those suggested by any forward-looking information. Such risks and uncertainties include, but are not limited to current global financial conditions, royalty, stream and investment portfolio and associated risk, adverse development risk, financial viability and operational effectiveness of owners and operators of the relevant properties underlying the Group's portfolio of royalties, streams and investments; royalties, streams and investments subject to other rights, and contractual terms not being honoured, together with those risks identified in the 'Principal Risks and Uncertainties' section of our most recent Annual Report, which is available on our website. If any such risks actually occur, they could materially adversely affect the Group's business, financial condition or results of operations. Readers are cautioned that the list of factors noted in the section herein entitled 'Risk' is not exhaustive of the factors that may affect the Group's forward-looking statements. Readers are also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

The Group's management relies upon this forward-looking information in its estimates, projections, plans and analysis. Although the forward-looking statements contained in this announcement are based upon what the Group believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements made in this announcement relate only to events or information as of the date on which the statements are made and, except as specifically required by applicable laws, listing rules and other regulations, the Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This announcement also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. 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.