

## Corporate

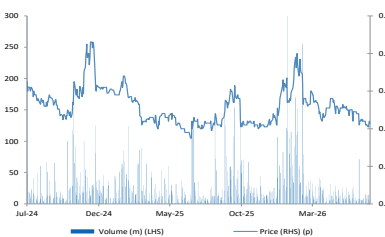
Current price **0.215p**

Sector **Mining**

Code **ECR.L**

AIM **LSE Main Market**

### Share Performance



% Change **1m 3m 12m**

— ECR.L **-12.2 -15.7 +3.6**

Source: Reuters Eikon, Allenby Capital

### Share Data

Market Cap (£m) **7.62**

Shares in issue (bn) **3,543.8**

52 weeks (p) **High Low**

**0.40 0.20**

Financial year end **30 September**

Source: Refinitiv, Company

### Key Shareholders

Nick Tulloch **2.77%**

Hargreaves Lansdown Asset Mgt **1.37%**

Andrew Scott **0.99%**

Davenport (Trevor George Ph.D) **0.99%**

Michael Parker **0.45%**

Source: Refinitiv (Jul 2025), ECR Minerals

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## ECR Minerals plc (ECR.L)

### Gold development potential radically enhanced

ECR Minerals recent A\$10.6m (£5.6m) acquisition of Paleogold Ltd has radically enhanced its near-term gold development and exploration potential in Australia. Interests have been acquired in three projects in Queensland, South Australia and Western Australia. The most advanced in terms of development is Maddens Flat Mines in Queensland. The project includes an underground mine and mill. ECR is looking to commence production at the Maddens Underground Mine by Q4 2026 and at a Salt Bush heap-leach plant in South Australia in Q3 2027. We see minimal development risk at the former, but the Salt Bush timing could prove more challenging. By early-2027 we would expect the Raglan and Blue Mountain alluvial projects in Queensland to be fully on stream. ECR gold production should be meaningful by early 2027. A slower than expected production start-up at Raglan and Blue Mountain have burdened the stock of late. In the coming months we would expect the news flow on this front to turn positive with favourable implications for the stock.

- **Acquisition terms:** The Paleogold acquisition terms contain several interesting features which mitigate risk. The A\$10.6m consideration is a maximum and has both cash and share elements. The former amounts to A\$3.34m of which A\$1.0m relates to investment in Madden Flat Mines to accelerate production, A\$0.2m to secure the Salt Bush licence and to prepare for production and A\$2.14m is payable to vendor shareholders. The balancing A\$7.3m reflects consideration payable in shares, convertible loan notes and warrants. Significantly, the share element of A\$3.0m is payable in three tranches with the last two contingent on revenue thresholds being reached. These are at least A\$5m on the first anniversary of the acquisition and A\$10m cumulatively on the second.

- **Maddens Flat Mines location and scope:** Madden Flat Mines is a group of seven mining leases including the mill covering 50 km<sup>2</sup> located in northern Queensland about 200 km northwest of the coastal city of Cairns and close to the West Normanby River. The site is easily accessible from Cairns mainly on paved highways. Maddens contains six historical mines in close proximity to each other plus a mill, refining facility, sampling table, tailings facility and associated infrastructure. The most advanced of the mine sites is the Maddens Underground Mine which also houses the mill. Ore processing capacity is 15,000 tpy. Following the Paleogold acquisition ECR has a 50% interest in the Maddens Flat Mines licence area. The balance is owned by North Queensland Mining Pty.

- **Maddens Flat Mines historical development:** Alluvial gold was first discovered in the vicinity of the Madden Flat Mines licence area in the 1870s. Subsequently hard-rock quartz reef gold was discovered. Modern development, including the mill, stems from the early 1980s when the focus was initially tin. Development work, however, revealed the presence of high-grade gold at relatively shallow depths of about 130m during construction of the main adit. Small scale mining was undertaken until 2011 along with development at other Maddens Flat mine sites, notably The Brothers. In 2016 North Queensland Mining acquired 50% of Lucky Strike, the operating company for the Maddens Flat Group of Mines. In recent years mining has been marginal. The work programme undertaken by North Queensland Mining has largely been devoted to site evaluation, recapitalisation and refurbishment.

Year End: **30 September**

(£'000)	2023	2024	2025	2026e
EBIT*	(1,483)	(1,071)	(1,249)	(1,131)
Net Cash/(Debt)	82.5	281.3	324.6	(314.0)

Source: Company; Allenby Capital. Allenby Capital acts as Nomad and joint broker to ECR Minerals plc (ECR.L).

\* Excluding exceptional gains/(losses)

Please refer to the last page of this communication for all required disclosures and risk warnings.

## Maddens Flat Mines resource base

### Modest JORC inferred resource

**Modest scale but high-grade gold deposit:** The Maddens Flat Mines resource base is modest in scale based on international standards such as JORC or NI 43-101. The evidence based on mined material, however, points to a high-grade deposit which is close to the surface and easily accessible. In 1999 the consultancy GR Ryan & Associates made a JORC (1996 Edition) inferred resource estimate for three mine sites comprising Maddens Underground Mine, The Brothers Underground Mine and The You-Can-Tell-Us Underground Mine. The estimate came in at 8,070 tonnes @ 24.4 g/tonne for 6,320 oz of contained gold.

**Maddens Underground is the key source:** The bulk of the resource stemmed from Maddens Underground. Significantly, the Brothers Underground grade was 38 g/t or 1.34 oz/t, an exceptionally high level for contemporary gold projects. Allowing for around 1,000 tonnes of production since the estimate was made, contained gold is given by ECR as 5,484 oz. An 85% gold recovery rate has been applied for estimation purposes.

Exhibit 1: Queensland highway map and project locations



Source: [www.ontheworld.com](http://www.ontheworld.com)

### Maddens possibly a small part of a larger mineralised system

**Inferred resource based on observable gold in unstoped blocks:** Importantly, the JORC estimate was based on observable unstoped blocks above and below current development levels rather than drilling. The Maddens Flat Mine property has, in fact, not been subject to a systematic drilling programme historically. ECR’s Non-Executive Director Mike Parker, who is highly experienced technically, believes that based on his

investigations the existing mined area at Maddens is a small part of a broader mineralised system. Particularly significant is the under explored strike potential. Specifically, Mike has referred to the potential for ‘additional Madden-style deposits across the district.’

#### Work programme

**Adit extension at Maddens Underground to access new development level:** As part of the Paleogold acquisition, ECR has exercised an option to invest A\$1m at the Maddens Underground Mine to extend the adit by 120m to open the next development level. ECR believes that this has the potential to generate around 2,500 oz Au. The task is expected by ECR to take between three and six months.

**Near-term development potential at The Brothers Mine:** Based on geological investigations and high reported grades The Brothers Mine has near-term development potential. The intention is to extend an existing adit which accesses the deposit where high-grade ore has been observed. Near-term, however, the task is to dewater the flooded adit. Geological investigations have indicated that a second quartz reef exists to significantly increase the resource base. ECR has indicated that The Brothers Mine has the potential to generate around 1,780 tonnes of mineable ore over a minimum of three years. Ore processing would be undertaken at the nearby Maddens Flat mill. ECR has referred to the possibility of exploration opportunities beyond the current workings of the existing mines. We believe that this could lead to a drilling programme in due course.

An underground survey has recently been completed at the Maddens, Sisters and You-Can-Tell-Us mines together with a drone LiDAR (Light Detection and Ranging) survey across the entire Maddens property. LiDAR is a laser-based sensing technology that enables high fidelity 3-D images of topographical features and geological structures to be produced. ECR believes that the underground survey has accelerated development at Maddens by three to four weeks vis-à-vis the original plan. Interestingly, initial LiDAR interpretation work has identified several mineralised systems in addition to the two main faults previously mined. A prospective zone, known as Cartwright Creek, has been identified within the Exploration Permit. Accordingly, management is preparing a Mining Licence application.

## Salt Bush project

**Polymetallic deposit outcropping at the surface:** Following the Paleogold acquisition, ECR has a 20% interest in the Salt Bush project in South Australia. It is located in a relatively remote and arid area about 320 km northeast of Adelaide in the Baratta Silver-Lead zone. Mining here commenced in the late 19th century following a high-grade galena discovery. The Salt Bush project is based on a polymetallic deposit hosted in interbedded sandstone, shale, siltstone and limestone formations of the Upper Proterozoic (1.0 Ga-540Ma) Adelaide Superbasin. Significantly, mineralisation outcrops at the surface. The mining lease for the project was granted pre-native title legislation.

**High-grade outcropping ore:** According to ECR, Salt Bush has outcropping ore grading over 6g/t Au with individual assays recorded historically as high as 39 g/t. The orebody strike length is estimated at >800m with the mineralisation enriched in the upper 20m zone. Apparently, there are multiple parallel mineralised veins which point to the possibility of expanding the mineable area.

**Auspicious percussion drilling results:** Percussion drilling at Salt Bush has produced auspicious results. Initial drilling 20m to the east of the decline on the site revealed the ore body extending from surface to a 13m depth at a grade of an excellent 7g/t Au. A second inclined drill hole about 10m east of the original showed an intersection at 6.8 g/t from 13m to 18m.

**Planned vat cyanide-leaching project:** Salt Bush presently has no defined prospective resources. ECR, however, believes that based on the information provided by the previous

owners and the presence of visible mineralisation, Salt Bush has the potential to supply about 10,000 oz of gold from a shallow open-cut mine with a depth of around 20m. ECR is proposing a simple gold extraction route based on fine crushing to <5mm followed by vat cyanide leaching. This is expected to result in a gold recovery rate of 65-70% and a breakeven price A\$3,110/oz (US\$2,225/oz) which is around 55% of spot gold in late June 2026 of US\$4,012/oz.

**Low-cost capital investment, Q3 2027 planned start-up:** Reflecting shallow open-cut mining and the simple processing route Salt Bush capital costs should be modest. ECR’s planned near-term spending on Salt Bush development is A\$0.2m. This is expected to cover licensing requirements, camp and facility construction including the leaching plant and power and water supply installation. ECR believes mid-2027 would be a realistic date for gold production to commence.

Exhibit 2: South Australia highway map and Salt Bush location



Source: www.ontheworld.com

### Tuckanarra Gold Project

**Located about 700 km NE of Perth close to a major highway-----:** ECR has an 80% interest in the Tuckanarra Gold Project in west-central Western Australia. The project comprises exploration licences E20/1065 and E20/1109 and covers a substantial 4,030 ha (40.3 km<sup>2</sup>). It lies about 700 km northeast of Perth and 40 km southwest of the historic mining centre and supply base of Meekatharra. The licences straddle the major Great Northern Highway from Perth to Port Hedland and therefore can be largely accessed on paved roads. Climatic conditions in the vicinity are characterised by high temperatures and aridity with annual average rainfall of <230mm or 10 inches.

**-----and in the historic Murchison gold mining province:** The Tuckanarra Project is located in the historic gold mining province of the Murchison Goldfields. Since gold was discovered in the late 1890s, ~35m oz Au have been produced. Currently, Murchison still

hosts some relatively small-scale production as well as exploration activity. Historically, the area was renowned for its high-grade ore.

**Tuckanarra adjoins Odyssey Gold’s advanced development project of the same name:** Interestingly, ECR’s Tuckanarra Project adjoins another of the same name operated by the Australian junior, Odyssey Gold (ODY: ASX). Significantly, Odyssey’s 80% owned project has a JORC defined inferred and indicated resource of 5.14m tonnes @2.5 g/t for contained gold of 407,000 oz. As Odyssey has pointed out, gold deposits in Western Australia or for that matter in other mature gold provinces with grades of >2 g/t are increasingly rare. Odyssey’s resource base has been secured by an intensive drilling programme over 82,000 m. According to the company, Tuckanarra gold is hosted in quartz veins associated with mafic and ultramafic banded formations and shales.

**Odyssey project nearing production start-up:** Intimations from Odyssey suggest that its Tuckanarra Project is nearing production using a shallow open pit mine. As noted by the company, there is plenty of processing capacity within easy trucking distance of Tuckanarra. This includes Monumental Mining’s (MMY: TSX-V) Burnakura plant, which is currently under care and maintenance, roughly 30 km to the east.

Exhibit 3: Western Australia highway map and Tuckanarra location



Source: www.ontheworld.com

**So far, no drilling programme or defined resources-----:** Currently, ECR’s Tuckanarra Project has not been subject to a large-scale systematic drilling programme and is without defined resources. Exploration work including aerial magnetics suggests that the formations mentioned above may extend into the northeast of the ECR Tuckanarra licence area. Historical augur drilling is believed by ECR to have possibly intersected a paleochannel (ancient water course that is now dry) towards the eastern margin of the licence area. Here a drill hole was assayed at 4.31 g/t Au over 3m from 45m. The licence

also includes abandoned mine shafts and gold nugget deposits. Further evidence of prospectivity relates to the five shallow mine workings in the vicinity of Tuckanarra developed in the 1990s to extract oxide gold ore. The existence of gold nuggets and the tentative evidence of paleogold suggests that Tuckanarra may have alluvial gold potential.

-----**but work programme established:** Clearly at this stage Tuckanarra is an exploration rather than a mine development project. ECR has pointed to a future work programme including geological mapping, deep ground penetrating radar investigations to appraise the prospectivity of the licence.

#### **Joint venture with Odyssey?**

ECR has not specifically mentioned the subject of a joint venture with Odyssey concerning the Tuckanarra Gold Project. There would, however, appear to be a clear rationale for such a move given the proximity of the two company's properties in the wider Tuckanarra district and analogous geology. Mine development, infrastructure and shared mill arrangements would appear to offer synergies potentially.

## **Raglan and Blue Mountain projects**

**Alluvial gold projects located in SE Queensland in relatively close proximity:** The Raglan and Blue Mountain alluvial gold projects lie relatively close to each other in southeastern Queensland. The former lies about 60 km northwest of the port city and industrial hub of Gladstone while the latter is approximately 160 km southwest of Gladstone by highway and 535 km north of Brisbane. Both projects are largely accessible by paved highway with only short distances on graded tracks. ECR's southeastern Queensland alluvial projects lie broadly 1,000 km south of the Maddens Flat Mines in the north of the state.

**Raglan was acquired as a turnkey project:** Raglan was acquired as a fully permitted turnkey (ready to use) project at end December 2025. It is ECR's most advanced alluvial gold project incorporating fixed (60 tph) and mobile wash plants and ancillary equipment plus earth moving machinery. The mining lease covers 120 ha and 2.9 km of main river and creek systems. The facility has seen little use and was acquired for a modest A\$1.01m or £0.53m which ECR estimates was almost 50% less than replacement cost.

**Test production and learning curve:** Test production has been undertaken at Raglan in recent months to assess gold grades and the functioning of equipment including the all-important wash plant. So far, no gold has been sold. ECR acknowledges that consistent production rates have taken longer to achieve than originally expected. We believe the delay relates to learning curve issues in operating the plant. As ECR has noted the focus is on optimising plant performance in terms of throughput and gold recovery rates.

**Modest resource base but probably comfortably profitable with gold at >US\$4,000/oz** Raglan's resource base currently is modest. Based on the February 2026 Phase 1 mining plan it was given as 938 oz, equivalent to about four years planned production of 231 oz/year. Feedstock for the mill will initially consist of shallow alluvial gravel and possibly deeper bedrock wash. ECR believes that there is scope to increase the resource base and production rate in later mining phases probably by tapping the deeper levels. Based on the mining plan, Raglan's cash cost would be US\$2,100/oz which constitutes an elevated position on the international cost curve but implies plenty of headroom vis-à-vis late-June 2026 gold prices of ~US\$4,000/oz.

**Blue Mountain resource base could be 100,000 oz Au:** Blue Mountain is at an earlier stage of development than Raglan but potentially has substantially higher mine production capacity. Exploration activity has yielded encouraging results in terms of grades and evidence of coarse alluvial gold over a wide area. According to ECR, multiple unmined creek flats have been identified as potential start-up zones. Interestingly, Bluekebble Pty Ltd, one of the previous owners of Blue Mountain, has suggested that shallow mining down to 4m could potentially yield 100,000 oz Au. A non-JORC compliant report for the

South Kariboe and Denny's Gully parts of the project area provided a resource estimate of 27,526 oz Au. Wash plant testing at the Lower Patterson prospect confirms highly recoverable gold grades consistently across the bulk samples used. ECR has referred to Lower Patterson as a commercially attractive start-up mining area with potential for near-term development.

**Blue Mountain within trucking distance of Raglan mill:** Given the relatively close proximity of Raglan and Blue Mountain joint development is likely. We believe feedstock from Blue Mountain could be trucked economically to Raglan for processing. ECR has indicated that it intends redeploying its 10 tonne/hour mobile wash plant from Raglan to Blue Mountain for test production. The capital expenditure required for production start-up at Blue Mountain should be modest at around £150,000. This would mainly relate to a wash plant and a dam for water. A key constraint on near-term production start-up presently is a lack of a mining permit. ECR however has made an application and has an offtake agreement with a refinery.

### Recent Raglan developments

#### **Initiatives aimed at optimising plant performance and identifying exploration potential:**

ECR has recently commented on several initiatives relating to Raglan project development prior to commencing commercial production. The initiatives are broadly aimed at optimising plant performance, enhancing gold recovery, supporting production planning and identifying exploration opportunities. As ECR has noted, 'alluvial gold production is about mining in the right locations, processing the right material and ensuring plant settings are optimized for that material'. Fairly small changes can produce significant results.' In other words, peak performance of an alluvial operations requires the fine tuning of mining and processing operations. The key initiatives implemented in recent months are as follows:

- **Drone Lidar survey:** A drone LiDAR (Light Detection and Ranging) survey was completed across the Raglan property in May 2026. The LiDAR survey is expected to improve understanding of the historical drainage system including palaeo channels and to assist in identifying mining opportunities. Results of the survey are pending.
- **Alluvial gold specialist review of operations:** ECR earlier this year appointed an experienced Australian alluvial gold specialist to review the Raglan mining and processing operations. According to ECR, several improvements to gravity recovery systems, water management, jig performance and overall plant configuration have been recommended. ECR believes that implementation has the potential to increase the recovery rate. On the alluvial mining fronts, the review identified priority targets based on favourable sections of the historical river system. In due course, ECR intends integrating the findings of the LiDAR survey and the consultant's review into the production plan.
- **Consulting geologist role:** ECR has established the role of consulting geologist with responsibility for its four major gold interests in Queensland comprising Raglan, Blue Mountain, Maddens and Lolworth and any future projects. The appointment process is underway. The rôle is expected to have a wide brief including mine planning, production optimisation, exploration and project development. ECR's ability to manage simultaneously multiple operations and projects is expected to be greatly enhanced.

In addition to technical work at Raglan, ECR has been active on the commercial front in recent months. Discussions have taken place with a potential offtake partner that would be responsible for refining and marketing.

### Other Queensland projects

**Lolworth project has interesting exploration potential:** ECR has two pure exploration projects in Queensland. These are Lolworth and Kondaparinga. The former lies about 150 km west of the historic gold mining centre of Charters Towers in the north central region of the state. Lolworth is ECR's largest project by area covering 900 km<sup>2</sup> and has been little explored. Based on initial exploration activity the licence is considered by the company to be prospective for gold, silver, lead and zinc and possibly rare earths. ECR undertook an inaugural shallow 28-hole RC (reverse circulation) drilling programme in September/October 2025. Results were encouraging in that evidence of gold and silver mineralisation was observed at shallow depths on two major prospects. ECR has indicated that further drilling is likely at Lolworth and believes that the prospect has genuine district-scale exploration potential.

The Kondaparinga project lies within the historic Hodgkinson Gold Province, 80 km NW of the town of Mareeba in northern Queensland. ECR has applied for an exploration licence but has suggested that native title requirements are costly. Given this factor and other pressing requirements for cash and technical services, we believe Kondaparinga is not a high priority project currently.

### ECR production outlook

**Production potentially by end 2026/early 2027 from Raglan, Blue Mtn and Maddens:** ECR has emphasised its desire to expeditiously commence commercial gold production. Presently the company has three near term projects all in Queensland which could commence commercial production by end calendar 2026/early 2027. These are Raglan, Maddens Underground and Blue Mountain. Of these Raglan and Maddens are arguably the most plausible start-ups given the existence of integrated processing facilities and mining permits. Blue Mountain production is largely contingent on the granting of a mining permit.

**Even modest production yields significant revenues for a junior at current prices:** While ECR has given an indication of production for Raglan of 231 oz/year the potential of Maddens and Blue Mountain is unclear at this stage. The conclusion is that ECR's production potential by end 2026 is probably modest. An annualised 500 oz might be possible in our view. During 2027, however, production could trend significantly higher particularly if Blue Mountain development gathers pace and Salt Bush comes on-stream as expected. It needs to be remembered that even modest gold production of an annual 500 oz Au yields over >US\$2m in revenues at current prices of >US\$4,000/oz.

## Financial status and outlook

**Cash at end March £1.20m:** ECR recently released its interim statement for the six months ending March 31, 2026. This showed a comfortable financial position with a cash position at the closing date of £1.20m and shareholders' equity of £7.12m or 0.22p/share. The former compares with £0.32m at end September 2025 with the increase reflecting share raises of £2.25m gross in October 2025 and January 2026. Cash needs were, however, heavy at the interim stage driven by the Raglan acquisition, rising outlays on exploration and plant and equipment and higher operational outflow. Taking operational and capital outlays the financing requirement in the six months to March 2026 was £1.50m which compares with a marginal cash inflow in the previous year supported by a sizeable property disposal in the Australian state of Victoria.

We believe cash requirements will remain heavy in the six months to 2026. The key factors are likely to be project development at Maddens, Salt Bush, Raglan and Blue Mountain. General inflationary pressure and a possible upward trend in G&A overhead with the growing scale of the company could also boost cash requirements. For the year to September 2026 we look for a cash requirement of £2.7m split £1.0m operational and £1.7m capital related. The latter reflects:

- Raglan acquisition £0.53m
- Development work at Maddens and Salt Bush amounting to £0.53m and £0.11m respectively.
- Post completion payment of £0.07m related to the Paleogold Ltd acquisition.
- Exploration outlays including the Lidar survey at Raglan £0.35m
- Expenditure on property, plant and equipment £0.07m.

On our scenario there would be a theoretical net debt position at September 2026 year end of £0.31m.

### Exhibit 4: Summary income statement (£000s)

Year-end September	2023	2024	2025	2026e
Administrative expense	-1320	-1072	-870	-1044
Impairments	-113	-155	-79	0
Gain/(loss) on current assets	-149	30	0	0
Gain/(loss) on disposals	-4	8	0	323
Share based payments	-156	0	-379	-360
Other	-6	0	0	-50
EBIT	-1749	-1190	-1328	-1131
Net financial inc/(exp)	11	6	8	10
Other	-35	1	20	0
Loss before tax	-1773	-1183	-1300	-1121
Tax	0	0	0	0
Loss attributable to owners of the parent	-1773	-1183	-1300	-1121
Translation (Loss)/gain	-360	-96	-271	0
Comprehensive loss for year	-2133	-1279	-1571	-1121
EBIT excl. exceptional gains/(losses)	-1483	-1071	-1249	-1131

Source: Company; Allenby Capital

<b>Exhibit 5: Summary balance sheet (£000s)</b>				
<b>Year-end September</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	568	154	23	43
Investments in subsidiaries	0	0	0	1232
Intangible assets	4421	4808	4853	5203
Other	0	0	0	0
<b>Total non-current assets</b>	<b>4988</b>	<b>4963</b>	<b>4876</b>	<b>6478</b>
<b>Current assets</b>				
Trade and other receivables	85	92	105	165
Cash	83	281	325	500
Other	10	0	0	0
<b>Total current assets</b>	<b>178</b>	<b>373</b>	<b>429</b>	<b>665</b>
<b>Total assets</b>	<b>5167</b>	<b>5336</b>	<b>5305</b>	<b>7143</b>
<b>Current payables</b>				
Trade and other payables	154	95	144	194
Other	0	0	0	841
<b>Total current payables</b>	<b>154</b>	<b>95</b>	<b>144</b>	<b>1035</b>
<b>Net assets</b>	<b>5013</b>	<b>5241</b>	<b>5161</b>	<b>6107</b>
<b>Shareholder equity</b>				
Share capital	11292	11299	11303	11313
Reserves	-6280	-6059	-6142	-5206
Shareholder equity	5012	5241	5161	6107
Shareholder equity and liabilities	5167	5336	5305	7143
Ord shares outstanding end year m	1208	1893	2270	3544

Source: Company; Allenby Capital

<b>Exhibit 6: Summary cashflow (£000s)</b>				
<b>Year-end September</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>
Loss before tax	-1773	-1183	-1300	-1121
Depreciation	132	62	12	50
Share based payments	156	360	593	360
Disposals loss/(gain)	220	-8	0	0
Impairment	0	155	79	0
Other	32	-131	-279	-323
<b>Operational cash flow pre wc</b>	<b>-1233</b>	<b>-744</b>	<b>-894</b>	<b>-1034</b>
Receivables (inc)/dec	63	-7	-13	-60
Payables inc/(dec)	-13	-59	49	50
<b>Operational cash flow inflow/(outflow)</b>	<b>-1184</b>	<b>-809</b>	<b>-857</b>	<b>-1044</b>
Property plant and equipment	-168	-1	0	-70
Exploration	-779	-388	-124	-350
Acquisition	0	0	0	-1232
Share issues	858	1147	898	2057
Disposals	509	251	127	0
Other	3	-1	-1	0
<b>Net cash flow</b>	<b>-760</b>	<b>199</b>	<b>43</b>	<b>-639</b>
<b>Opening cash</b>	<b>843</b>	<b>82</b>	<b>281</b>	<b>325</b>
<b>Closing cash</b>	<b>82</b>	<b>281</b>	<b>325</b>	<b>-314</b>

Source: Company; Allenby Capital

## Risks and challenges

**The key issue is the expeditious start-ups of Raglan and Blue Mtn:** We see ECR's major near-term challenge as bringing its Raglan and Blue Mountain projects on-stream expeditiously. Commercial start-ups particularly at the former, have taken longer than expected. Allaying any fears that might exist concerning a Raglan commercial start-up is that initial testing points to the plant functioning without serious malfunctions. Significantly, Raglan also has a mining licence, although Blue Mountain does not. As with all milling and processing facility start-ups, the key issue will be to achieve optimal performance in terms of recovery and production rates.

## Share price performance and valuation

**Disappointing performance in recent months reflecting delays in commencing commercial production:** The ECR share price performance has been disappointing in recent months. From the most recent high in late January 2026 of 0.44p/share the stock, has fallen 53% to 0.205p/share as of June 29, 2026. This is close to being a 12-month low implying a market capitalisation of a modest £7.26m, or around book value. In our view the weak trend has been driven principally by a longer than expected lead times in establishing commercial operations at the Queensland alluvial gold projects. Particularly significant in this regard has probably been the delayed start-up at Raglan, a turnkey operation. Earlier intimations by ECR had been that Raglan production could commence as early as end Q1 2026. The weak share price performance of late may also have been influenced by dilution concerns relating to the Paleogold deal through deferred consideration, the CLNs and warrants.

Near-term ECR remains primarily a play on the expeditious commencement of commercial production at Raglan and Blue Mountain. Particularly important will be achieving a commercial start-up by end 2026. Positive news flow concerning project development at Maddens and Sage Bush will also be influential for the share price. Given near-term production plans, the gold price will also potentially be of significance for the stock.

### Valuation

**Sum-of-the-parts methodology:** We have continued to apply sum-of-the-parts methodology to the valuation of ECR. The parts are a combination of the projects plus the tax loss credit relating to the Australian legal entity ECR Minerals (Australia) Pty Ltd and the royalty entitlement on the earlier disposal of the Avoca and Timor licences in Victoria. This time the projects include those associated with the recent Paleogold acquisition.

**Victoria:** Our project valuations reflect various approaches. In the case of the two most advanced projects in Victoria we have used the Creswick heads of terms joint-venture agreement with Exertis Pty Ltd as a base. This calls for Exertis undertaking A\$3.0m of exploration spending for an 80% interest. The implied valuation of A\$3.75m for 100% leaves ECR's residual interest of 20% valued at A\$0.75m. For the Baillieston project, where ECR has a 100% interest, we have used A\$3.75m as the valuation in line with Creswick on a 100% basis. For the early-stage Tambo project in Victoria, we have assigned a valuation of A\$0.50m. Our valuations for the Victoria projects are in line with those used in our February 2026 update.

**Queensland:** We have left the valuations for the 100% owned Raglan and Blue Mountain unchanged from our February 2026 update. In the case of Blue Mountain, we have assumed a resource base of 100,000 oz Au and applied risking of 50% plus a valuation coefficient of US\$60/oz, which we think is indicative for projects under development without JORC or NI 43-101 defined resources. The valuation coefficient also allows for modest capital expenditure related to a wash plant and water dam. For Raglan we have looked at the valuation in two parts. Firstly, we have assumed the same resource base, risking factor and valuation coefficient as for Blue Mountain which implies a valuation of US\$3.00m. Secondly, we have assigned a valuation of US\$2.5m for the processing facilities

which is in line with that given previously. This reflects a premium to ECR's estimate of the replacement cost of c.US\$1.5m which allows for

**Madden Flat Mines:** For the Maddens group of mines in northern Queensland our valuation methodology is similar to Raglan and Blue Mountain. We have assumed a resource across the seven mining leases of 150,000 oz Au gross with the bulk at this stage relating to the hard rock Underground Mine. This has been adjusted for ECR's 50% ownership interest and risked by 50% to allow for the high level of uncertainty surrounding the size of the Maddens resource base. After applying a US\$60/oz valuation coefficient the absolute net valuation for the resources is US\$2.25m. In the case of the processing facilities and related infrastructure, including the adit and tailings facilities, at the Underground Mine we have heroically assigned a valuation of US\$4.50m. This reflects a premium vis-a-vis Raglan given what we believe is the broader scope of the processing facility at Madden and underground rather than alluvial mining. Our valuation in total for Maddens is US\$6.75m.

**Lolworth:** We are leaving the valuation for the large scale (900 Km<sup>2</sup>) 100% owned Lolworth exploration project unchanged from our February 2026 update at US\$3.00m. In late 2025 an inaugural RC (reverse circulation) 28-hole shallow drilling programme was undertaken over two gold prospects. Results were encouraging both in terms of gold and silver. Follow-up diamond drilling is planned. ECR believes that Lolworth may also be prospective for critical elements particularly in the form of niobium and tantalum. We believe Lolworth which has been subject to little exploration has considerable mid-term potential.

**South Australia:** Currently, ECR's sole interest in South Australia is a 20% of the Salt Bush project. The site contains a high-grade ore outcrop and ECR is preparing for a simple cyanide-leach project which could lead to production by Q3-2027. This is possibly a challenging proposition in terms of timing but there appears to be little doubt about prospectivity. We have assigned a valuation for ECR's 20% interest in Salt Bush of US\$1.00m (US\$5.00m 100%).

**Western Australia:** ECR's 80% owned Tuckanara project in west-central Western Australia has not been subject to systematic drilling programme and is without a defined resource base. However, ECR Tuckanara adjoins Odyssey Gold's advanced development project of the same name. Odyssey's project has a very significant resource base and is arguably advancing to production. Interestingly, ECR Tuckanara shares analogous geology, and we believe could offer synergistic development potential in a joint venture with Odyssey. We have assigned a valuation of US\$1.50m for ECR's 80% owned Tuckanara.

**Tax losses and royalties:** Valuations are unchanged from our February 2026 Update for the tax loss credit in the legal entity ECR Minerals (Australia) Pty Ltd and the royalty entitlement when the Avoca and Timor licences were sold in 2020. The tax loss valuation of A\$4.5m relates to an earlier aborted transaction.

#### **Valuation of £19.25m or 0.55p/share**

Our new ECR corporate valuation is £19.25m or 0.55p/share based on 3,543,751,795 shares outstanding. This compares with £13.76m and 0.42p/share in our February 2026 Update report based on 3,290,888,016 shares outstanding. The variance reflects the impact of the Paleogold acquisition and our view on the valuation basis for the new projects. On a fully diluted basis assuming ~4.29 bn shares the valuation would be ~45p/share. This however still reflects a sizeable premium to the mid-June share price of 23p/share.

Exhibit 7: Summary valuation				
Project/asset	Absolute (m)			Per share
	A\$	US\$	£	p
<b>Victoria</b>				
Creswick 20%	0.75	0.53	0.40	0.01
Bailieston 100%	3.75	2.65	1.98	0.06
Tambo 100%	0.50	0.35	0.26	0.01
<b>Total Victoria</b>	<b>5.00</b>	<b>3.54</b>	<b>2.64</b>	<b>0.08</b>
<b>Queensland</b>				
Blue Mountain 100%	4.24	3.00	2.24	0.06
Raglan 100%	7.78	5.50	4.10	0.12
Maddens 50%	6.72	4.75	3.54	0.10
Lolworth 100%	4.24	3.00	2.24	0.06
<b>Total Queensland</b>	<b>22.98</b>	<b>16.25</b>	<b>12.12</b>	<b>0.34</b>
<b>South Australia</b>				
Salt Bush 20%	1.41	1.00	0.75	0.02
<b>Total</b>	<b>1.41</b>	<b>1.00</b>	<b>0.75</b>	<b>0.02</b>
<b>Western Australia</b>				
Tuckanara Gold 80%	2.12	1.50	1.12	0.03
<b>Total</b>	<b>2.12</b>	<b>1.50</b>	<b>1.12</b>	<b>0.03</b>
<b>Other</b>				
Tax losses	4.50	3.18	2.37	0.07
Royalties	0.50	0.35	0.26	0.01
<b>Total other</b>	<b>5.00</b>	<b>3.54</b>	<b>2.64</b>	<b>0.07</b>
<b>Corporate</b>	<b>32.98</b>	<b>25.82</b>	<b>19.25</b>	<b>0.55</b>

Source: Allenby Capital

Note: Creswick valuation assumes heads of agreement goes ahead

Bailieston valuation based on Creswick

Blue Mountain assumes 100,000 oz Au resource base risked by 50% and US\$60/oz valuation

Raglan valuation assumes a 100,000 oz Au resource at US\$60/oz and US\$2.5m for the facilities

Maddens valuation assumes US\$2.25m for the resource and US\$2.50m for processing facilities. Valuation reflects 50% interest

Valuations for Sage Bush and Tuckanara are assigned reflecting ownership interest

Tax loss valuation reflects earlier aborted transaction of A\$4.5m

Royalty valuation reflects 25% of book value when the Avoca and Timor licences were sold in 2020

Ordinary shares outstanding 3,543,751,795

Exchange rates: A\$1= US\$0.707, £1=US\$1.341, £1=A\$1.898.

## Share price catalysts

We see the key ECR share price catalysts over the coming months as follows:

- Progress in bringing the Blue Mountain and Raglan projects into production. Particularly important will be achieving commercial start-ups by end 2026.
- The granting of a mining permit at Blue Mountain.
- Achieving planned production objectives rapidly at Raglan and Blue Mountain following start-up.
- News concerning the development of the Maddens Underground and Salt Bush projects. Evidence of a likely production start-up at the former by late 2026 would be particularly influential for the share price.
- News concerning a work programme at the Tuckanara project in Western Australia. Developments at the nearby Odyssey Gold mine could also have a positive bearing on the share price.
- The trend in the gold price.

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