

Corporate

Current price **0.27p**

Sector **Mining**

Code **ECR.L**

Listing **AIM**

Share Performance



% Change	1m	3m	12m
ECR.L	-30.0	+33.2	+16.2

Source: Thomson Reuters, Allenby Capital

Share Data

Market Cap (£m) **8.6**

Shares in issue (bn) **3,290.9**

52 weeks (p)	High	Low
	0.40	0.18

Financial year end **30 September**

Source: Company Data, Allenby Capital

Key Shareholders

Nicholas Tulloch	2.63%
Andrew Scott	0.91%
Mike Parker	0.37%
Chris Gibbs	0.09%

Source: ECR Minerals, Allenby Capital

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ECR Minerals plc (ECR.L)

Raglan start-up likely following offtake agreement

ECR Minerals has been highly successful in identifying alluvial gold projects in Australia. The most advanced at Raglan in southern Queensland was acquired in December 2026 on favourable terms for a permitted turnkey (ready to use) operation. Raglan is now close to start-up following the likely conclusion of an offtake agreement in the coming weeks. A second project, Blue Mountain, relatively close to Raglan is at an earlier stage but may offer greater output potential. Initial reconnaissance work on the Lolworth project in northern Queensland also points to the potential for alluvial gold. Based on our model using ECR's data for key parameters, Raglan should be comfortably profitable at anything like current gold prices of >US\$5,000/oz. The payback period is little more than a year. At Blue Mountain appraisal work in 2025 revealed excellent results in terms of continuity of mineralisation, grades and observable gold. We believe production start-up here is a very real possibility by mid-2027. Reflecting potentially positive developments on the production front near to medium term and the bullish gold backdrop we have raised our absolute valuation by over 20% from £11.3m to £13.8m.

- What is alluvial gold?** Alluvial gold refers to gold that has been eroded from hard rock sources by fluvial action and deposited in riverbeds, streams and flood plains. The key characteristic of gold in this context is its very high density (19.3x that of water). This enables the metal to accumulate as fine particles or nuggets where the water course slows typically at bends and gravel beds. There are no definitive estimates for alluvial gold production but based on casual empiricism we believe alluvial sources account for perhaps 15% of the world total. Historically, Australia has been an important source of alluvial gold in the states of Victoria and Queensland.
- Alluvial gold mining:** Alluvial gold mining is often undertaken on a small scale by artisanal miners using simple tools and equipment. There are also high-volume commercial operations applying more advanced technology. Typically, high volume alluvial mining commences with extraction of sedimentary deposits using a hydraulic excavator and shovel loader. This is followed by processing using a wash plant which is designed to separate gold from sedimentary waste material by applying a combination of high-pressure water, screening, gravity separation and mechanical action. The final stage in the process is heap leaching and smelting to produce a doré bar. The key advantages of alluvial vis-à-vis hard rock mining are simplicity of operations, free-dig extraction, low manning requirements and low capital costs. Abstracting from the gold price, alluvial gold profitability is driven principally by the gold grade, wash plant utilisation and the gold recovery rate. In terms of the latter, rates of 95% are often achievable.
- Raglan operation:** The acquisition of Raglan Pty Ltd, the legal entity for the Raglan operations, was completed by ECR at the end of December 2025 for A\$1.01m (US\$0.72m). The consideration was arguably compelling for a turnkey project with little used fixed and mobile wash plants. ECR estimates that the replacement cost for the equipment would be around A\$1.9m. The Raglan operations are situated approximately 50 km west of the port city of Gladstone and only 5 km from the nearest highway. They include a mining lease covering 120 ha (300 acres) and 2.9 km of main river creek systems. Equipment includes a 60 t/hour wash plant and supporting facilities plus mobile earth moving machinery. Plant capacity is modest but adequate given likely feedstock availability. Feedstock for the mill will probably initially be shallow alluvial gravel and possibly deeper bedrock wash. Interestingly, ECR has referred to the possibility that Raglan has deeper exploration potential particularly in the upper reaches of the lease area.

Allenby Capital. Allenby Capital acts as Nomad & Joint Broker to ECR Minerals plc (ECR.L).

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Raglan economics

Phase 1 mining plan reflects highly attractive economics and short payback: In early February 2026 ECR announced details for an initial Raglan Phase 1 mining plan. The plan relates to a clearly delineated section of the historic river system passing through the property. Not surprisingly perhaps, ECR points to the potential for ‘attractive near-term economics’, a conclusion with which we concur. Interestingly, ECR has also suggested that it sees significant scope to expand mining activity in future phases.

Exhibit 1: Raglan model

Key technical assumptions

Mineable area m ²	162,000
Gold bearing gravels depth m	1.5
Ore volume mineable m ³	243000
Gold grade g/m ³	0.12
Gold resource potential grams	29160
Gold resource potential oz 1oz=31.1g	938
Ore conversion m ³ :tonnes	1.7
Ore tonnage potential	413100
Wash plant input capacity t/hour	60
Wash plant hours/day	8
Wash plant input capacity t/day	480
Wash plant working days per year	230
Wash plant annual input capacity t/y	110400
Wash plant recovery rate	0.92
Wash plant annual ore processing t/y	101568
Annual gold production Au oz	231

Financial and profit analysis

Operating cost/day A\$/day	3000	
Exchange rate US\$1=A\$	1.41	
Operating cost/day US\$/day	2128	
Operating cost total US\$ (000)	230 working days	489

Gold revenue US\$/oz	5000
Annual gold revenue absolute US\$(000)	1153
Annual operating cost US\$(000)	-489
EBITDA US\$ (000)	663
Margin %	57.5
Cash cost US\$/oz	-2123

Raglan consideration

A\$ (000)	1010
US\$ (000)	716
Payback years	1.08

Source: Company; Allenby Capital

Modest resource base ----Based on ECR Phase 1 planning assumptions, ECR operations look like being modest in terms of production. ECR’s resource estimate for the area planned is 938 oz. We believe this will be adequate for about four years’ production based on ECR’s Phase 1 assumptions. Our model using ECR’s Phase 1 assumptions and a gold price of US\$5,000 oz suggests the following:

- Annualised revenue US\$1.15m
- Annualised EBITDA US\$0.66m
- EBITDA margin 57.5%
- Cash costs US\$2,123/oz
- Payback 1.08 years

-----but conservative assumptions particularly on grade: In reviewing the above it should be noted that several of the assumptions used by ECR are deliberately conservative. This applies particularly to the grade. The grade assumption of 0.12 g/m³ is towards the lower end of the range for alluvial gold projects. Grades >1g/m³ are not unusual. It should also be noted that the Phase 1 area is relatively small and does not allow for side creeks, deeper gravels or the optimisation of mining methods.

Blue Mountain project

Location 150 km south of Raglan by highway: The Blue Mountain project lies about 150 km south of Raglan by highway and approximately 535 km north of Brisbane. It is situated in a far from remote part of southern Queensland and is easily accessible from the A3 highway via cattle tracks. Blue Mountain is at an earlier development stage than Raglan and was acquired for a modest £0.20m in 2023. The vendors were UK-based Panther Metals (PALMP.L) and a local private company Bluekebble Pty Ltd. Historically, small scale mining has been undertaken on the property.



Source: Ontheworldmap.com

Resource potential possibly 100,000 oz Au: Blue Mountain appears to offer greater production potential than Raglan. Bluekebble has indicated the presence of visible gold following systematic testing in volcanic basalts and metasediments. Interestingly, Bluekebble has suggested that shallow mineralisation down to 4m could potentially yield 100,000 oz Au. A historic non-JORC compliant report compiled by Normin Consultants Pty

Ltd for the South Kariboe Creek and Deny' Creek zones pointed to a resource of 27,526 oz Au.

Inaugural drilling programme yielded positive results: ECR undertook an inaugural shallow ~400-hole drilling programme in Q3 2025 across the Lower Patterson, Windmill and Upper Kariboe zones of the Blue Mountain project. Results have been encouraging. Coarse gold was widely identified, including in the Lower Patterson area, which had not been mined previously. In the Kariboe Creek zone high-grade intersections up to 6.52 grams/m³ were encountered while in the Lower Patterson 'wash plant trials averaged 0.35 g/m³ under real world conditions'. 'Multiple unmined creek flats have been identified as potential start-up production zones,' according to ECR.

Mining lease application: The company has previously indicated that it was planning to submit a mining lease application in Q4 2025. This will ultimately enable plant construction and subsequently production to commence. Given the relatively close proximity of Blue Mountain to Raglan, joint development may be possible. Feedstock could possibly be trucked from Blue Mountain to Raglan for processing. The mobile earth moving equipment at Raglan may also be usable at Blue Mountain. The capital expenditure required for production start-up at Blue Mountain should be modest at perhaps ~£150,000. Expenditure would mainly relate to a wash plant and a dam for water.

Balance sheet

Balance sheet in good shape thanks to £2.25m of equity raises: We believe the balance sheet is in good shape currently. This reflects the two raises in October 2025 and January 2026 which generated £2.25m gross or around £2.14m net. The latter raise was transacted at 0.26p/share. The raises comfortably covered the recent work programme plus the Raglan acquisition and G&A post October. Raglan cost £0.53m while we believe G&A is running at an annualised of about £1.1m. As of end February 2026, we estimate a cash position of approximately the same amount. For the financial year ended September 2026 we look for cash of approximately £0.5m. Our capital expenditure forecast for the year to September 2026 is £0.5m with £0.15m related to a prospective Blue Mountain start-up and the balance project related to exploration and development outlays. The forecast for 2026 makes no allowance for gold production.

If Raglan production commences from early in Q2 2026, ECR revenue and EBITA could be about £0.5m and £0.3m respectively in the year September 2026. This reflects the model commented on earlier adjusted for start-up costs and a gold price of US\$5,000/oz.

Exhibit 3: Summary income statement (£000s)

Year-end September	2023	2024	2025e	2026e
Administrative expense	-1320	-1072	-1125	-1182
Impairments	-113	-155	0	0
Gain/(loss) on current assets	-149	30	0	0
Gain/(loss) on disposals	-4	8	0	0
Share based payments	-156	0	0	0
Other	-6	0	100	0
EBIT	-1749	-1190	-1025	-1182
Net financial inc/(exp)	11	6	4	0
Other	-35	1	0	0
Loss before tax	-1773	-1183	-1021	-1182
Tax	0	0	0	0
Loss attributable to owners of the parent	-1773	-1183	-1021	-1182
Translation (Loss)/gain	-360	-96	0	0
Comprehensive loss for year	-2133	-1279	-1021	-1182
EBIT excl. exceptional gains/(losses)	-1483	-1071	-1025	-1182

Source: Company; Allenby Capital

Exhibit 4: Summary balance sheet (£000s)				
Year-end September	2023	2024	2025e	2026e
Assets				
Non-current assets				
Property, plant and equipment	568	154	30	10
Investments in subsidiaries	0	0	0	530
Intangible assets	4421	4808	5308	5808
Other	0	0	0	0
Total non-current assets	4988	4963	5338	6348
Current assets				
Trade and other receivables	85	92	92	92
Cash	83	281	143	500
Other	10	0	0	0
Total current assets	178	373	235	592
Total assets	5167	5336	5573	6940
Current payables				
Trade and other payables	154	95	95	145
Other	0	0	0	0
Total current payables	154	95	95	145
Net assets	5013	5241	5478	6794
Shareholder equity				
Share capital	11292	11299	11676	12697
Reserves	-6280	-6059	-6198	-5903
Shareholder equity	5012	5241	5478	6794
Shareholder equity and liabilities	5167	5336	5573	6940
Ord shares outstanding end year m	1208	1893	2270	3291

Source: Company; Allenby Capital

Exhibit 5: Summary cashflow (£000s)				
Year-end September	2023	2024	2025e	2026e
Loss before tax	-1773	-1183	-1021	-1182
Depreciation	132	62	10	30
Share based payments	156	360	360	360
Disposals loss/(gain)	220	-8	0	0
Impairment	0	155	0	0
Other	32	-36	0	0
Operational cash flow pre wc	-1233	-649	-651	-792
Receivables (inc)/dec	63	-7	0	0
Payables inc/(dec)	-13	-59	0	50
Operational cash flow inflow/(outflow)	-1184	-715	-651	-742
Property plant and equipment	-168	-1	-2	-10
Exploration	-779	-388	-500	-500
Acquisition	0	0	0	-530
Share issues	858	1147	898	2138
Disposals	509	245	116	0
Other	3	-90	1	0
Net cash flow	-760	199	-138	356
Opening cash	843	82	281	143
Closing cash	82	281	143	500

Source: Company; Allenby Capital

Share price performance and valuation

Performance

December and January price surge subsequently partially unwound pending Raglan start-up: ECR has followed a volatile trend of late. The stock surged between early December 2025 and late January 2026 by 78% from 0.225p/share to 0.40p/share a 19-month high. Propelling the stock was growing optimism about Raglan coming onstream imminently and a burgeoning gold price. Since end January, the earlier gains have been unwound to a significant extent the earlier gain. At end February ECR was trading at 0.265p, down 66% on a month earlier but still above the fourth quarter low of 0.20p/share and above book value of 0.21p-0.22p/share. Weakness in the stock over the past month or so appears to reflect disappointment that a firm date has not been set for the Raglan start-up. We believe however planning for the commercial start-up has been very much on schedule.

ECR is principally a play on the Raglan start-up and the gold price: Near term ECR remains principally a play on an early Raglan start-up. The direction of the gold price, however, is also of significance bearing in mind the company's potential exposure to the metal. Once on-stream we would expect the spotlight to switch to Blue Mountain. We think that news during 2026 that ECR is planning to start production here in 2027 could provide a major boost for the stock. This applies particularly if planned output is >1,000/oz or even 500/oz. With gold trading at comfortably over US\$5,000/oz even small gold volumes can be highly lucrative.

Valuation

Sum of the parts valuation based on the projects, tax loss credit and royalty entitlements: In our initiation report of November 2025, we valued ECR at £11.33m or 0.42p share. This reflected a risked sum-of-the-parts calculation where the parts were 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. In terms of Raglan and Blue Mountain, valuations reflected US\$/oz prices applied to risked estimated Au resources. Valuations for the more advanced Victoria projects were based on the Creswick heads of terms joint-venture agreement with Exertis Pty Ltd.

Valuation coefficients boosted from US\$30-US\$60/oz Au to reflect a sizeable increase in gold prices and advances in project development: We have continued to apply the same valuation methodology. In calculating the valuation estimates for Raglan and Blue Mountain we have, however, raised the valuation coefficient from US\$30/oz Au to US\$60/oz Au to reflect a sizeable increase in the gold price from c. US\$4,000/oz to >US\$5,000/oz and advances in project development. All other US dollar valuation estimates except for the Lolworth project remain the same as in the initiation report. In the case of Lolworth, we have raised the valuation significantly from US\$0.6m to US\$3.0m reflecting the positive results relating to the licence's maiden drilling programme.

Absolute valuation increased by over 20% to £13.8m while per share estimate maintained at 0.42p: Our new ECR valuation estimate is £13.76m or 0.42p/share using 3.29bn share outstanding. The former is 21% above the initiation estimate while the per share amount is in-line with that given previously. The per share calculation has been depressed by two key factors. These are a 23% increase in the shares outstanding since the initiation and a downward adjustment in the valuation for the Raglan capital equipment from US\$5m to US\$2.5m. The latter reflects a reappraisal following ECR's comments on the replacement value of the Raglan equipment. Compared with the ECR market capitalisation in late February 2026 of £8.2m, our absolute valuation reflects a premium of 68%.

Potential for a valuation upgrade: In the event of a rapid production start-up at Raglan and visibility on a start-up at Blue Mountain we see scope for a significant valuation

upgrade in the coming months. Further positive exploration results at the highly prospective Lolworth tenement could also provide added valuation impetus.

Exhibit 6: Valuation				
Project/asset	Absolute (m)			per share (p)
	A\$	US\$	£	
Victoria				
Creswick 20%	0.75	0.53	0.39	0.01
Bailieston 100%	3.75	2.66	1.97	0.06
Tambo 100%	0.50	0.35	0.26	0.01
Total Victoria	5.00	3.54	2.62	0.08
Queensland				
Blue Mountain 100%	4.24	3.00	2.22	0.07
Raglan 100%	7.76	5.50	4.07	0.12
Lolworth 100%	4.23	3.00	2.22	0.07
Total Queensland	16.23	11.50	8.52	0.26
Other				
Tax losses	4.50	3.19	2.36	0.07
Royalties	0.50	0.35	0.26	0.01
Total other	5.00	3.54	2.62	0.08
Corporate	26.23	18.58	13.76	0.42

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 coefficient

Raglan valuation assumes a 100,000 oz Au resource risked by 50% valued at US\$60/oz with a further US\$2.5m for the facilities

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

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

Ordinary shares outstanding 3,290,888,016.

Exchange rates: A\$1= US\$0.708, £1=US\$1.35, £1=A\$1.906

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