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Research Note

Ecora Royalties – Critical Minerals Inflection; Solid Cash Generation

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Rating	Target Price
BUY	**C$4.00**
Unchanged	*Unchanged*

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Disseminated on behalf of Ecora Royalties

All figures in USD unless otherwise stated

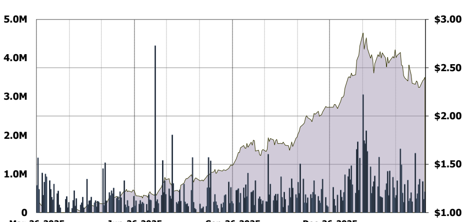
Ecora Royalties PLC	**ECOR:TSX, LSE**
Rating	BUY
Target Price	C$4.00
Total Return	70%

Market Data	
Share Price	C$2.35
Average Daily Volume (K)	630.1
FD ITM Shares (M)	248.9
Market Cap ($M)	$422.3
Net Debt	$85.5
Enterprise Value ($M)	$507.8

FYE Dec 31	**2025A**	**2026E**	**2027E**
Portfolio Contribution ($M)	$55.9	$68.2	$65.1
Gross Margin (%)	92%	86%	84%
Adj. EBITDA ($M)	$39.0	$45.6	$42.0
Adj. EBITDA Margin (%)	70%	67%	64%
Net Income ($M)	$22.2	$21.6	$18.7
EPS	$0.09	$0.09	$0.08

Valuation	
NAVPS (7%)	$2.46
P/NAV	0.7x
2026E EV/EBITDA	11.1x
2027E EV/EBITDA	12.1x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Ecora is a leading critical minerals focused royalty company. Its vision is to be globally recognized as the royalty company of choice synonymous with commodities that support trends of electrification by continuing to grow and diversify its royalty portfolio in line with our strategy. Ecora will achieve this through building a diversified portfolio of scale over high quality assets that drives low volatility earnings growth and shareholder returns.

What you need to know:

- 2025 was a pivotal year for ECOR, marking an inflection towards a majority of critical minerals exposure, which is centred around copper.
- The portfolio generated strong cash flows with OCF and FCF up 19% and 21% YoY, respectively.
- ECOR has deleveraged its balance sheet, providing flexibility for further acquisitions, in tandem with its strong organic growth pipeline.
- We recently initiated coverage on ECOR, highlighting its strong growth profile and shift from coal to base metals (read the full report here).

This morning, Ecora Royalties PLC (ECOR:TSX, LSE, ECRAF:OTCQX) reported its full-year 2025 results. The Company had already reported its Q4 and 2025 portfolio contribution in its January 28th Trading Update, outlining total contributions of $14.3M and $57.0M in the quarter and year, respectively. This included a 150% YoY increase in 2025 base metal contributions, marking an inflection as ECOR delivered its first year with the majority of contributions coming from critical minerals as it shifts from coal, which we flag as a key catalyst in our recent initiation report. This morning's release outlined strong cash generation with 2025 FCF increasing 21% to $27.4M, facilitating a deleveraged balance sheet to end the year. As we enter 2026, key asset ramp-ups are ongoing, Ecora's robust development pipeline continues to take steps forward, and the Company has financial flexibility to act on accretive acquisition opportunities. This sets the stage for significant growth that will be centred around copper. **We are maintaining our BUY rating and target price of C$4.00/share on Ecora Royalties.**

2025 Financial Highlights

- Total portfolio contributions of $57.0M (-10% YoY) vs. $63.2M in 2024 (pre-reported).
- Royalty & stream related revenue of $55.9M (-6% YoY) vs. $59.6M in 2024 and aligned with our $55.1M.
- Pre-tax profit of $12.6M (+113% YoY) vs. $5.9M in 2024, beat our forecast of $8.5M. This included $23.6M in H2 following a $10.9M loss in H1.
- Adjusted earnings were $22.1M ($0.09/share) vs. $28.9M ($0.11/share) in 2024.
- OCF came in at $35.1M vs. $29.6M in 2024 (+19% YoY) and our $25.2M, while FCF came in at $27.4M vs. $22.1M in 2024 (+21% YoY).
- Net income for H2/25 of $31.2M beat our estimate of $16.1M, resulting in 2025 net income of $22.2M ($0.09/share) compared to our $7.1M ($0.03/share) expectation.
- ECOR ended the year with net debt of $85.5M (pre-reported).

Base Metals

The base metals portfolio (50% of 2025 contributions) displayed solid YoY growth with contributions of $28.5M driven by the ramp-up at Voisey's Bay, maiden contributions at Mimbula, and record production at Mantos Blancos. Base metals are anticipated to be the core of ECOR's portfolio going forward.

Specialty Metals & Uranium

The specialty metals and uranium portfolio contributed $7.6M in 2025, which represents 13% of total contributions. This is modestly down YoY from $8.1M in 2024, with toll milling at McClean Lake Mill stepping down.

Bulks & Other

The bulks and other portfolio generated $20.9M (37% of contributions) in 2025, declining YoY from $43.7M, with lower realized prices YoY at Kestrel of $143/t vs. $223/t in 2024. Mining within the royalty area at Kestrel is anticipated to continue to wind down, which will be offset by growth in the base metals portfolio.

	2025 (Actual)	2025 (Atrium)	% Difference	2024	YoY
Total Contributions ($M)	57.0	57.0	0%	63.2	-10%
Royalty & Stream Revenue ($M)	55.9	55.1	1%	59.6	-6%
Operating Profit Before Revaluations ($M)	25.3	28.0	-10%	39.5	-36%
Pre-Tax Income ($M)	12.6	8.5	49%	5.9	113%
Net Income ($M)	22.2	7.1	214%	-9.8	326%
OCF ($M)	35.1	25.2	39%	29.6	19%

Figure 1: 2025 Financials Summary

Outlook

In terms of ramp-ups at producing assets, Voisey's Bay remains a key driver of growth within the base metal portfolio with the latest mine plan outlining an extended mine life through 2044, and accelerated volumes in the near-term. This growth within the base metal portfolio will be further supported by an ongoing brownfield expansion to increase capacity at Mimbula and the potential for a brownfield expansion at Mantos Blancos. Strong growth is anticipated to offset declining coal contributions, which are expected to conclude in 2030, with ~90% of contributions forecast to come from base metals by 2030. Our forecast through 2030 is outlined below.

Key 2026 guidance expectations from operating partners:

	Commodity	2025A	2026 Operator Partner Guidance	Steady State Annual Production
Mantos Blancos	Copper	61.9Kt	48 - 56Kt	54Kt
Mimbula	Copper	20Kt exit rate	30 - 35Kt	56Kt
Voisey's Bay (Attributable)	Cobalt	0.4Kt	500 - 560t	560t
McClean Lake Mill	Uranium	19.1Mlbs	17.5 - 18Mlbs	18Mlbs
Maracas Menchen	Vanadium	9.2Kt	10.5 - 12.0Kt	15Kt
Four Mile	Uranium	3.4Mlbs	4.0 - 5.0Mlbs	5.0Mlbs
Kestrel (Ecora Royalty Area)	Steel-making coal	2.2Mt	1.0 - 1.2Mt	N/A

Figure 2: 2026E Operator Partner Guidance (Source: Company Documents)

In-depth detail on our outlook for each asset can be found in our February 12th initiation report [here](), which we anticipate will drive annual revenue to ~$100M in 2030, in combination with key development projects coming online. Potential acquisitions provide further upside to our estimates.

Our Take

Ecora displayed strong cash flow generation in 2025 in tandem with realizing its inflection point to critical minerals, which beat our estimates with a strong H2. Net income included an impairment reversal and deferred tax credit due to the updated mine plan at Voisey's Bay driving most of the difference vs. our forecast. Operations generated $35.1M in cash, with the majority coming in H2 as key projects ramp up production. This facilitated a strong FCF of $27.4M in 2025, including $25.4M in H2, allowing ECOR to meaningfully deleverage the balance sheet following its $50M acquisition of Mimbula in Q1. The Company ended the year with net debt of $85.5M after reaching a peak of ~$125M after the transaction, roughly in line with year-end 2024, which was driven by this cash flow generation and the sale of non-core Dugbe. This speaks to the strength of the portfolio after making a significant acquisition, and we expect deleveraging to continue into 2026. In addition, the Company continues to pay dividends in line with its policy (25-35% of FCF). Given Ecora's strong balance sheet, the Company remains positioned to further diversify the portfolio through acquisitions to add further growth, which will be in addition to its strong development project base outlined below.

We remain encouraged by the Company's strong organic pipeline of development-stage assets with numerous projects making positive steps toward production, a trend we anticipate will continue in 2026. Key catalysts this year include a final investment decision at Santo Domingo, a Phase II study at Mantos Blancos (mid-2026), a DFS at Phalaborwa, and the restart of cathode operations at Nifty, along with a DFS on a mining restart. Overall, the development pipeline remains resilient for future growth, and we will be watching closely for these de-risking milestones in 2026. Ecora is entering 2026 in a strong position to deliver growth through the remainder of the decade, with increased exposure to critical minerals and dwindling coal. We anticipate this will drive a meaningful re-rating as the Company continues to execute.

Conference Call Takeaways

- The growth in critical minerals only represents a small portion of overall potential, with the portfolio underpinned by assets with decades-long production profiles.
- 2026 represents the last year of meaningful contributions at Kestrel and its coal exposure. ECOR also expects lower effective taxes as it pivots away from Kestrel.
- In terms of potential acquisitions, ECOR is focused on assets far along the development curve, if not already in production. The Company will target critical minerals, with copper remaining the core of the portfolio.
- Within the specialty metals & uranium portfolio, the Company expects Four Mile to demonstrate strength in 2026 in the strong uranium price environment.
- 2026 will be a key year in de-risking the development pipeline for the next wave of growth, with many projects hitting critical milestones.

Catalysts

- Voisey's Bay Ramp Up – Ongoing
- Mimbula Brownfield Expansion – Ongoing
- Mantos Blancos Phase II Plan – 2026

Valuation

We derive our target price on ECOR using a P/NAV methodology at a discount rate of 7%, with the majority of NAV coming from the base metal portfolio ($657M). Specialty metals & uranium add $112M, followed by bulks & other at $34M. After attributing value to early-stage assets and incorporating corporate adjustments, we reach a NAV of $546M. We apply a 1.2x NAV multiple (currently trading at ~0.69x our NAV), which is a slight discount to peers based on the continued coal exposure in the near-term, arriving at our equity value of $644M, and C$4.00/share target price.

NAV Valuation	US$M	$/share
Base Metals (7%)	$657.0	$2.64
Specialty Metals & Uranium (7%)	$112.2	$0.45
Bulks & Other (7%)	$34.4	$0.14
Other Royalties	$65.0	$0.26
(-) Corporate Adjustments (7%)	$171.9	$0.69
(-) Net Debt	$85.5	$0.34
NAV	**$546.3**	**$2.46**
Multiple	1.2x	1.2x
Equity Value	$644.6	$2.90

Target Price (Rounded)	**C$4.00**
Upside	*70%*

Figure 3: Valuation Summary

Market Data	
Ticker	ECOR:TSX
Stock Price	C$2.35
Rating	BUY
Target Price	C$4.00
Total Return	70%
NAVPS	$2.46
Market Cap ($M)	$422.3
Net Debt ($M)	$85.5
EV ($M)	$507.8

Capital Structure	
Basic Shares Outstanding (M)	248.9
Warrants (M)	0.0
Options (M)	0.0
FD Shares (M)	248.9
FD ITM Shares (M)	248.9

Long-Term Commodity Price Assumptions			
Gold ($/oz)	4,000	Nickel ($/lb)	8.00
Copper ($/t)	10,000	Uranium ($/lb)	80
Cobalt ($/t)	56,000	Iron Ore ($/t)	100

Financial Estimates	2024A	H1/25A	H2/25A	2025A	H1/26E	H2/26E	2026E	2027E	2028E	2029E	2030E
Revenue ($M)	**59.6**	**15.8**	**40.1**	**55.9**	**27.4**	**40.8**	**68.2**	**65.1**	**69.1**	**66.9**	**93.4**
Gross Profit ($M)	**58.4**	**14.6**	**36.6**	**51.2**	**23.0**	**35.7**	**58.6**	**55.0**	**58.7**	**56.9**	**83.4**
Gross Margin	*98%*	*92%*	*91%*	*92%*	*84%*	*87%*	*86%*	*84%*	*85%*	*85%*	*89%*
Adj. EBITDA ($M)	**47.4**	**8.3**	**30.7**	**39.0**	**16.5**	**29.2**	**45.6**	**42.0**	**45.7**	**43.9**	**70.4**
Adj. EBITDA Margin	*79%*	*52%*	*77%*	*70%*	*60%*	*72%*	*67%*	*64%*	*66%*	*66%*	*75%*
OCF (After WC, $M)	**29.6**	**4.1**	**31.0**	**35.1**	**10.5**	**21.1**	**31.6**	**28.7**	**31.7**	**42.3**	**64.3**
Net Income ($M)	(9.8)	(9.0)	31.2	22.2	5.5	16.1	21.6	18.7	21.7	32.3	54.3
EPS	(0.04)	(0.04)	0.13	0.09	0.02	0.06	0.09	0.08	0.09	0.13	0.22
Gold Price ($/oz)	2,388	3,089	4,000	4,000	4,750	4,500	4,625	4,500	4,250	4,000	4,000
Copper Price ($/t)	9,142	9,430	10,000	10,000	12,750	12,600	12,675	12,000	11,000	10,000	10,000
Cobalt Price ($/t)	26,342	29,432	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Nickel Price ($/lb)	7.6	7.0	8.0	8.0	7.8	7.8	7.8	8.0	8.0	8.0	8.0
Uranium Price ($/lb)	71.4	71.0	80.0	80.0	84.0	83.0	83.5	80.0	80.0	80.0	80.0

Figure 4: Tear Sheet

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SELL: The stock is expected to generate negative returns over the next 24 months.
NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	42
HOLD	0
SELL	0

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