

1 November 2024

ECR MINERALS PLC

("ECR Minerals", "ECR" or the "Company")

Exclusivity agreement signed for the potential sale of non-core assets in Victoria, including A 75 million of tax losses

ECR Minerals plc (LON: ECR), the exploration and development company focused on gold in Australia, is pleased to announce that it has entered into an exclusivity agreement (the "Exclusivity Agreement") with one of the companies that previously signed a non-disclosure agreement for the potential sale of ECR's subsidiary, Mercator Gold Australia Pty Ltd ("MGA"), a non-core asset within the Company's portfolio in Victoria. The potential sale would include the Company's circa A 75 million of tax losses. This follows the Company's announcement of 2 July 2024 and subsequent announcements in relation to the potential sale of the Company's tax losses.

A deposit has been received as part of the terms and conditions of the Exclusivity Agreement. The value of the potential sale, as well as the structure of the sale, will be determined in forthcoming negotiations but discussions so far indicate that the potential sale, if realised, would be for a material cash consideration.

Notwithstanding this positive progress, discussions remain at an early-stage and, save for exclusivity provisions, other aspects of the Exclusivity Agreement are not binding and there can be no certainty that final binding terms will be agreed, nor as to the timings or final terms or quantum of consideration for the potential disposal of MGA.

Under the terms of the Exclusivity Agreement, the interested party has until the end of 28 November 2024 to negotiate the terms of the potential acquisition of MGA. The potential sale may therefore necessitate a restructuring of MGA such that it comprises only non-core assets.

Depending on the final terms that are agreed for any transaction to realise the tax losses, as well as the structure of the transaction, it is possible, but not guaranteed, that the potential disposal of MGA may be deemed a fundamental change of business pursuant to Rule 15 of the AIM Rules for Companies. If applicable, this would require, amongst other items, the transaction to be conditional on the consent of shareholders being given in a general meeting; a shareholders circular detailing the terms of the transaction and certain other disclosures as set out in the AIM Rules. Further updates on the way forward will be provided as matters are progressed.

Background to the tax losses

As announced on 2 July 2024, ECR's circa A 75 million of tax losses are held within MGA and were incurred in the period since 2006 to date. Activities undertaken by the Company in this period were predominantly exploration for gold in originally Western Australia and thereafter Victoria over a series of projects. Australian rules on transferring tax losses changed in 2015, the main change being that the "similar" business test replaced the "same" business test. As over 80 per cent. of MGA's losses predate 2015, any buyer will need to comply with the tighter historic rules.

Mike Whitlow, ECR's Managing Director said: *"This potential transaction, if concluded, represents a very significant step for ECR having the potential to deliver significant funds to the Company. It aligns with our strategic focus on our core exploration activities and supports our objective of delivering long-term value to our shareholders. We look forward to working closely with them through the remainder of this process."*

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ABOUT ECR MINERALS PLC

ECR Minerals is a mineral exploration and development company. ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd ("MGA") has 100% ownership of the Bailieston and Creswick gold projects in central Victoria, Australia, has six licence applications outstanding which includes one licence application lodged in eastern Victoria (Tambo gold project).

ECR also owns 100% of an Australian subsidiary LUX Exploration Pty Ltd ("LUX") which has three approved exploration permits covering 946 km² over a relatively unexplored area in Lolworth Range, Queensland, Australia. The Company has also submitted a license application at Kondaparinga which is approximately 120km² in area and located within the Hodgkinson Gold Province, 80km NW of Mareeba, North Queensland.

Following the sale of the Avoca, Moornbool and Timor gold projects in Victoria, Australia to Fosterville South Exploration Ltd (TSX-V: FSX) and the subsequent spin-out of the Avoca and Timor projects to Leviathan Gold Ltd (TSX-V: LVX), MGA has the right to receive up to A 2 million in payments subject to future resource estimation or production from projects sold to Fosterville South Exploration Limited. ECR also holds a royalty on the SLM gold project in La Rioja Province, Argentina.

MGA also has approximately A 75 million of unutilised tax losses incurred during previous operations.

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