



This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.

3 February 2025

ECR MINERALS PLC

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

Operations update

ECR Minerals plc (LON: ECR), the exploration and development company focused on gold in Australia, provides the following update on its operations.

Highlights

- Preparations to bring the Blue Mountain Project into production
- Talks ongoing for sale of Mercator Gold Australia Pty Ltd with a target completion of 28 February 2025
- Proposed sale of surplus land expected to be agreed this month
- Sample results from the Lolworth Project are expected this month

Plans for commercial production at the Blue Mountain Project

As announced by the Company on 8 October 2024, Gekko Systems Pty Limited ("Gekko") carried out a Single Stage Gravity Recoverable Gold and Sighter Leach test on samples of ore collected at the Company's Blue Mountain Project in Queensland (the "Blue Mountain Project"). The findings demonstrated a good recovery rate (estimated by Gekko as 91.7% gold into 0.40% of the mass) and suggested that the ore located at the Blue Mountain Project is suitable for gravity concentration using a batch centrifugal concentrator (a "BCC"). It was also announced that if these results are repeatable across the Blue Mountain Project area, then the Company may have a commercial project suitable for a production plant on site.

The ECR team spent two days on site last week to develop plans for a production programme. This included meeting with the landowner and carrying out further surveys of historical workings on the site. The next steps will be to map out the optimum location of trenching, which will most likely be achieved through the use of drones or ground penetrating radar, and ensure that there is sufficient access to water, utilising the creeks on site, alongside implementing plans for water recovery. A larger wash plant is then proposed to be commissioned. This is anticipated to either be made to order or purchased off the shelf and modified to be suitable for the ground at the Blue Mountain Project. Suitable suppliers have already been identified.

A further bulk testing campaign will be conducted to ensure the validity of the Company's financial modelling of the Blue Mountain Project prior to moving to production. By way of illustration, the ECR team believes that the Blue Mountain Project is capable of having an indicative revenue potential of approximately A 470,000 (US 295,000) per month. This potential revenue illustration uses an average grade of 0.6 grammes per bank cubic metre and Gekko's projected recovery rate, with a wash plant with a 25 tonne per hour capacity, to provide prospective output per month of over 3,000 grammes (over 100 ounces) per month, using a gold price of US 2,790 per ounce. This could potentially be increased by operating dual wash plants.

As previously announced, the Blue Mountain Project is based on an alluvial gold system where gold is therefore found at or near the surface. ECR's deepest trench to date was 4 metres but the highest recovery was at a depth of just 1.5 metres. Consequently, bringing the Blue Mountain Project into commercial

was at a depth of just 1.5 metres. Consequently, bringing the Blue Mountain Project into commercial production is anticipated to not have the high capital expenditure that other gold mining projects have where higher grades are located at great depth. Subject to further scoping work, at present, the Company estimates the preliminary costs of the Blue Mountain Project work programme and the wash plant required for production to be comfortably within the Company's budget for 2025 and current cash resources.

Update on Proposed sale of Mercator Gold Australia Pty Ltd

On 23 December 2024, ECR announced that it had signed non-binding heads of terms (the "Heads of Terms") with Octo Holdings Pty Ltd ("Octo") regarding the proposed sale (the "Proposed Disposal") of the entire issued share capital of ECR's wholly-owned subsidiary, Mercator Gold Australia Pty Ltd ("MGA") for a total cash consideration of A 4.5 million. The parties have had a productive meeting in Melbourne last week which, in addition to the Proposed Disposal, also included a wider discussion on future collaboration opportunities on other projects.

During the meeting, and subsequently confirmed in writing to ECR, Octo proposed a target completion date of 28 February 2025 to enable it to conclude other agreements, independent of ECR, that it is engaged in. The parties will now work towards concluding the Proposed Disposal in that timeframe.

As stated in the Company's announcement of 23 December 2024, it is proposed that, on or before completion of the Proposed Disposal, ECR will effect a reorganisation of MGA, such that the only exploration assets remaining within MGA will be the Bailieston project, with ECR's core Creswick and Tambo gold exploration projects, along with the lease of ECR's premises near Bendigo, Victoria, being transferred to another of the Company's wholly owned subsidiaries and so would be excluded from the Proposed Disposal. In preparation for the Proposed Disposal, ECR has been developing plans for a reorganisation of its Australian subsidiaries. MGA, as well as holding the Company's tenements in Victoria, also acts as ECR's main operating subsidiary in Australia. Alongside the Proposed Disposal, it is anticipated that these operations will be transferred to another of the Company's Australian subsidiaries and operational savings have been identified as part of this process.

During the week, a further interested party made contact with ECR in respect of the Proposed Disposal, although matters have not been progressed with them, and the Company continues to evaluate interest in MGA's assets, particularly the prospective antimony, both through direct contact and the sale process being run by Argonaut PCF Ltd.

As stated previously, it is noted that the Heads of Terms are not binding in relation to the terms of the Proposed Disposal, as described above, and that the Proposed Disposal will be subject, among other things, to due diligence by Octo and the execution of a legally binding agreement governing the transaction. There can therefore be no certainty that final binding terms will be agreed, nor as to the timing or final terms, value or conditions of the Proposed Disposal or the final position in respect of the proposed pre-completion restructuring of MGA.

As previously announced, the Proposed Disposal may be considered to be a fundamental change of business pursuant to Rule 15 of the AIM Rules for Companies. If applicable, this would require, amongst other items, the Proposed Disposal to be conditional on the consent of the Company's shareholders being given in a general meeting, the publication of a shareholder circular detailing the terms of the transaction and certain other disclosures as set out in the AIM Rules.

Proposed sale of Brewing Lane

On 21 November 2024, ECR announced that it has accepted a conditional offer of A 225,000 for the proposed sale of its surplus land at Brewing Lane in Victoria, Australia. The Company is now pleased to announce that the contract for the sale has been agreed in principle and the only remaining step is for the buyer's finance provider to arrange a valuation of the property. This valuation was commissioned last week, and the valuer has been in contact with ECR to arrange access for the coming week. ECR understands that the buyer's loan to value ratio is well within the lender's acceptable range and is consequently confident that the valuation will be approved. Completion is therefore expected to take place in February 2025.

Lolworth samples

As previously announced, a number of rock chip and stream samples from the Lolworth project are currently undergoing laboratory analysis, with the results expected shortly. With visible gold present in the samples, the Directors are optimistic about these pending results.

ECR expects to re-start the field campaign in Lolworth in the second quarter of 2025, drawing on the Company's partnership with the Geological Survey of Queensland and James Cook University, whose respective surveys will provide the Company with further data points on the project area.

Nick Tulloch, ECR's Chairman, said:*"I spent last week in Australia on a trip that covered Melbourne, our office in Bendigo and finally the Blue Mountain Project in Queensland. The latter was the stand out highlight. Over an extensive area with multiple gullies that are prospective for gold, ECR has an exciting opportunity to potentially commence production this year.*

"I spent two days on site with the team planning the necessary steps to move into production including preparations for the location of trenches and sizing of the new wash plant that we intend to commission. In an extensive portfolio of assets, we believe that the Blue Mountain Project has the potential to become a defining event in ECR's history.

"Aside from days on site, I had a series of productive meetings in Victoria, including on the potential sale of MGA. We have made progress on a complex transaction, and an associated reorganisation of our group, and we hope to provide further updates in due course. It is a testament to the appeal of these assets that we continue to receive interest from other parties."

Review of Announcement by Qualified Person

This announcement has been reviewed by Adam Jones, Chief Geologist at ECR Minerals Plc. Adam Jones is a professional geologist and is a Member of the Australian Institute of Geoscientists (MAIG). He is a qualified person as that term is defined by the AIM Note for Mining, Oil and Gas Companies.

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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.

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

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