



13 February 2025

ECR MINERALS plc

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

Update on Potential Sale of Tax Losses and Confidentiality Agreements

ECR Minerals plc (AIM: ECR), the exploration and development company focused on gold in Australia, provides an update on ongoing discussions regarding the potential sale of its wholly-owned subsidiary, Mercator Gold Australia Pty Ltd ("MGA"), which holds its Australian tax losses.

ECR remains engaged in advanced discussions with Octo Holdings Pty Ltd ("Octo") regarding the proposed sale of the entire issued share capital of MGA for a total cash consideration of A 4.5 million as most recently announced on 3 February 2025. In addition to these ongoing discussions, ECR has experienced a notable increase in interest in MGA from additional parties. As announced on 23 December 2024, under the contemplated proposed disposal structure, it is anticipated that the Bailieston gold and antimony exploration project will remain in MGA and therefore would be included in a proposed disposal of MGA. The Directors believe that this heightened interest in MGA comes amid rising antimony prices in certain markets and growing global interest in the strategic importance of the metal.

Several new parties have recently joined the data room, and the Company continues to receive unsolicited enquiries, both directly and indirectly through its advisers. Following the Company's announcement on 3 February 2025, ECR confirms that additional confidentiality agreements have been signed with two interested parties this week, bringing the total number of such agreements to six.

Notwithstanding this increased interest in MGA from other parties, the Company confirms that ECR and Octo are actively working towards finalising the proposed disposal, on the basis announced on 3 February 2025, of MGA ahead of Octo's proposed target completion date of 28 February 2025.

The heads of terms between ECR and Octo are not exclusive and are not binding in relation to the terms of the proposed disposal of MGA, and that this would be subject, among other things, to due diligence by Octo and the execution of a legally binding agreement governing the transaction.

Whilst there can be no guarantee as to the conclusion of any agreement for the disposal of MGA, nor as to the timing or final terms or value of any such transaction, the board of directors of ECR remains encouraged by the significant interest shown in this potentially valuable asset.

As previously announced, any disposal of MGA 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 of MGA 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. The Company will provide further updates as appropriate.

Background to Tax Losses

The Company's tax losses are held within MGA and have been accumulated since 2006. Any transaction involving these tax losses would be coupled with a restructuring of MGA, as indicated in the Company's announcement of 23 December 2024.

ECR Chairman, Nick Tulloch, commented: "While our discussions with Octo remain advanced and our priority,

the increasing number of parties seeking to engage with us highlights the significant potential of these assets. We believe that the pricing of antimony and heightened global demand is driving fresh attention to the Bailieston gold and antimony exploration project in Victoria. We remain committed to securing the best possible outcome for our shareholders."

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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, Moormbool 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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