

Providing capital to the
mining sector required
to supply the commodities
central to a sustainable future



Ecora Resources PLC

Phalaborwa Royalty Acquisition

July 2024

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Tier-1 rare earth project⁽¹⁾



Advanced project, with DFS underway

Strong EBITDA margins of 75% offer through cycle price protection

Capital intensity expected to be amongst the lowest for projects globally

Strong commodity outlook



Attractive countercyclical entry point

Deposit contains all 4 high value elements used in permanent magnets

Multi-decade demand growth forecast for permanent magnets

Delivering on strategy

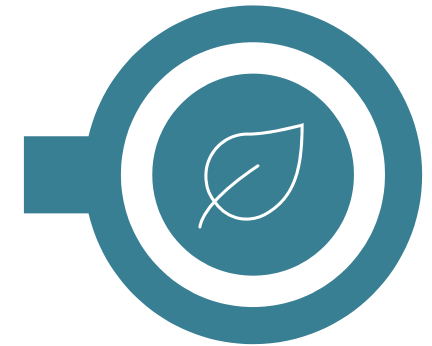


Exposure to targeted future-facing commodity

Entry into new geography with strong mining heritage

Bolt-on enhances diversification, whilst maintaining base metal portfolio core

Robust sustainability credentials



Clean-up of existing environmental liability

End markets include wind turbines and electric vehicle motors

Non-Chinese source of supply highly sought after by Western governments

¹. See endnote i.

Rainbow Rare Earths (Rainbow)

- Listed on the London Stock Exchange (LSE: RBW) with a market capitalization of ~US\$80m⁽¹⁾
- Majority owner (85%) of Phalaborwa rare earths project

Transaction overview

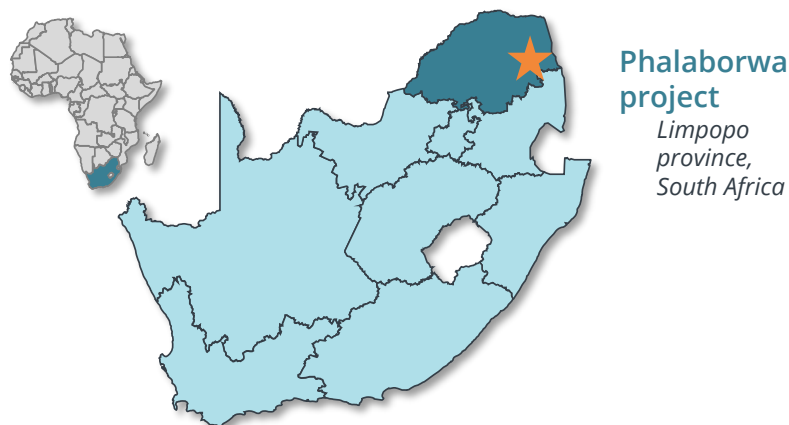
- US\$8.5m royalty acquisition
- US\$1.5m equity subscription priced at 20-day trailing VWAP

Funding

- Cash-on-hand and/or drawdown on RCF

Royalty completion mechanics

- Exchange control authorisation from the South African Reserve Bank (expected within 6 to 8 weeks of submission)
- Execution and delivery of certain security documents



Equity subscription	US\$1.5 million GBP11.3652 per share, priced at 20-day VWAP
Key royalty terms	
Project	Phalaborwa rare earths project
Royalty type	Gross revenue royalty ("GRR")
Royalty consideration	US\$8.5 million payable at close
Royalty entitlement	
GRR entitlement at close	0.85%
Step up 1	If commercial production does not occur prior to 1 October 2027: Incremental 0.10% GRR Revised GRR: 0.95%
Step up 2	If commercial production does not occur prior to 1 July 2028: Incremental 0.15% GRR Revised GRR: 1.10%

¹. See endnote ii.

What are rare earth elements (REEs)?⁽¹⁾

- Group of 17 elements split into two categories “light” and “heavy”
- Most are naturally occurring, but are rarely found in concentrated forms that are commercial to extract
- Due to similar chemical properties, can be challenging to split into individual elements with producers often using harsh solvents to aid separation
- China produced over 90% of refined output in 2023, with 66% of rare earth feedstock sourced from domestic production

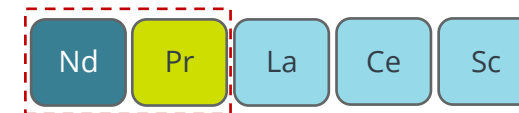
Consumption of REEs and their use in permanent magnets

- Rare earth magnets, or permanent magnets, is the largest area of demand accounting for 90% of total market value in 2023
- Elements Nd and Pr are core components in NdFeB magnets due to their ability to create powerful magnetic fields
- Small additions of Tb and Dy can further enhance performance by improving temperature resistance

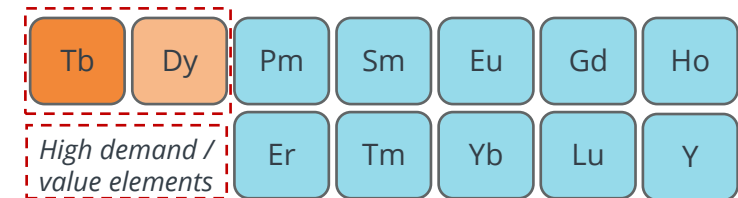
Permanent magnet uses and their importance

- Permanent magnets are used in wind turbines, electric vehicle motors and many consumer electronics
- Electric vehicles are a key growth area, where vehicle performance can be significantly improved with minimal additional cost
- The added efficiency of using permanent magnets allows EV manufacturers to reduce the size and cost of battery packs whilst maintaining performance

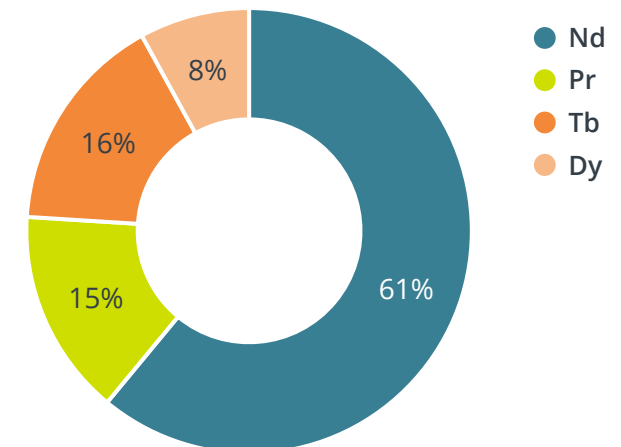
Light rare earth elements (LREE)



Heavy rare earth elements (HREE)



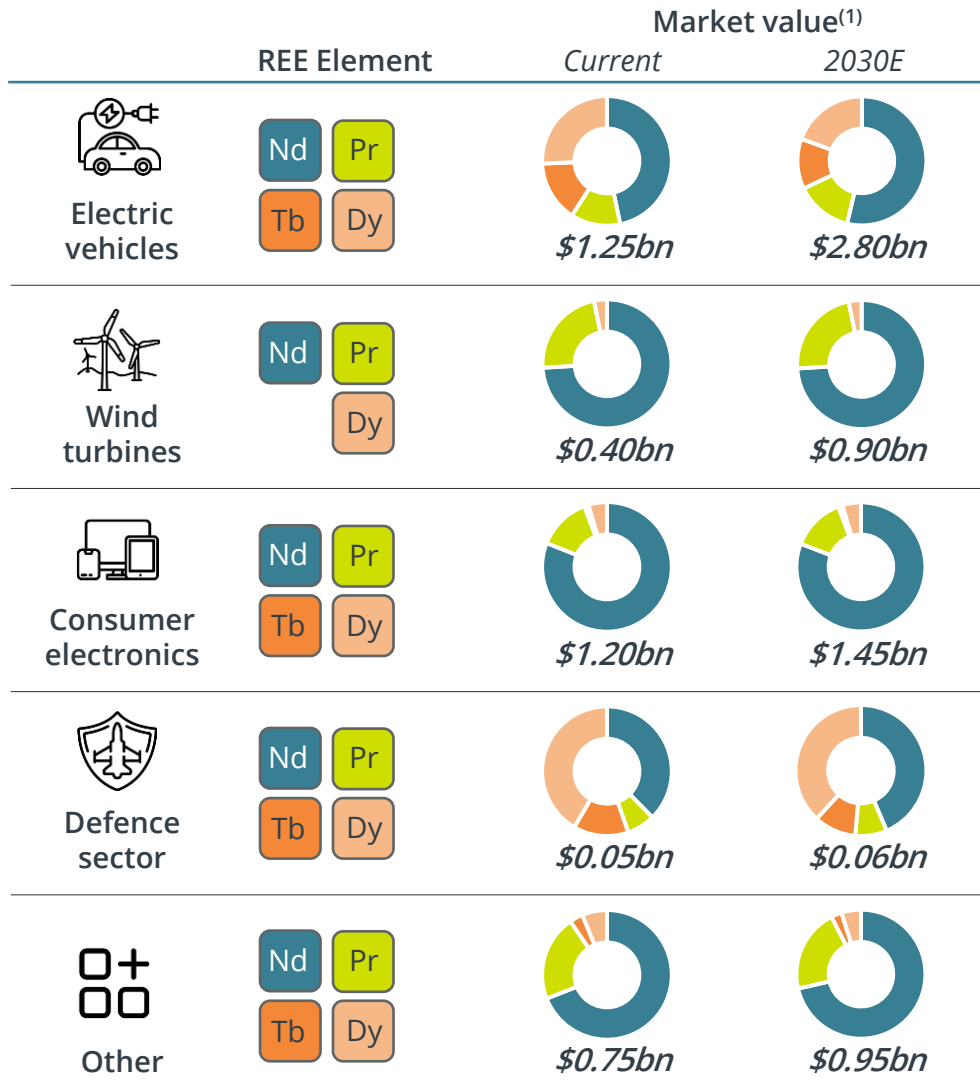
Phalaborwa’s magnet rare earth basket⁽²⁾



1. See endnote iii.

2. See endnote i.

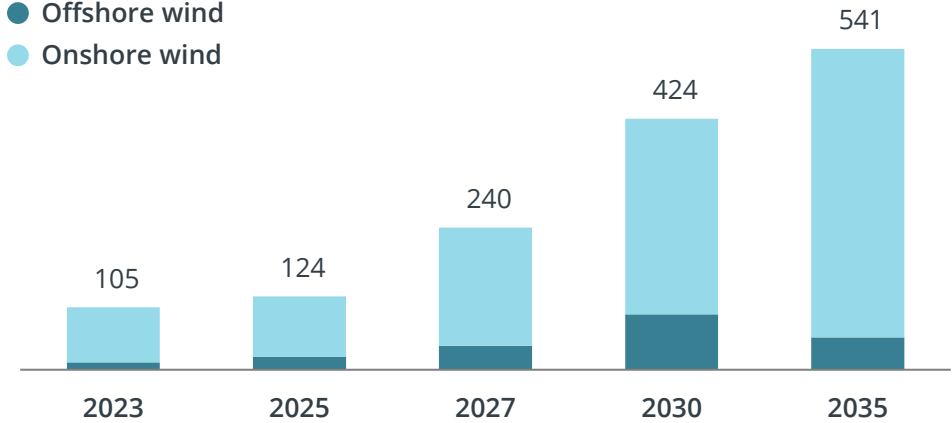
Demand growth is tied to the energy transition



New wind energy capacity installations⁽²⁾

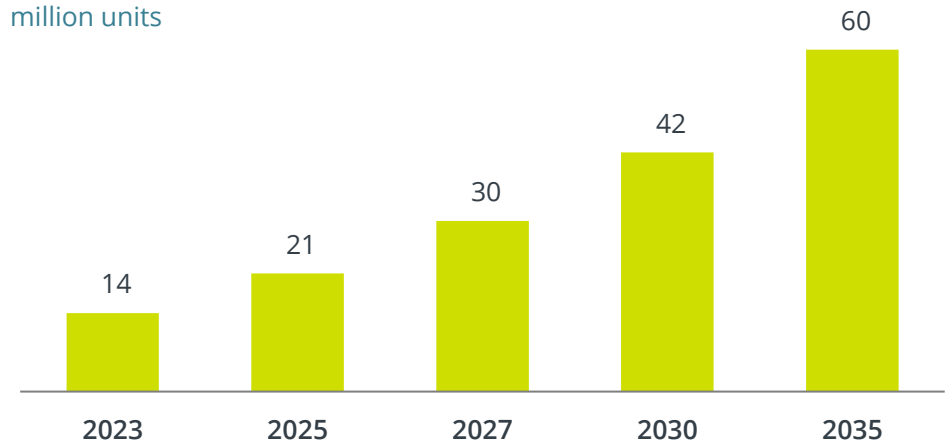
GW

- Offshore wind
- Onshore wind



Electric vehicle sales globally⁽²⁾

million units



1. See endnote iii & iv.

2. See endnote v.



Estimated mine life⁽¹⁾

16+ years



Targeted first production date

2027



Average annual production target⁽²⁾

NdPr oxide

~1,750 t

Dy oxide

~60 t

Tb oxide

~20 t



DFS target publication date⁽³⁾

H1 2025



EBITDA operating margin⁽²⁾

75%



Estimated Capex⁽²⁾

US\$296m



TechMet / US DFC construction funding right⁽⁴⁾

US\$50m

Phalaborwa project, Limpopo Province South Africa



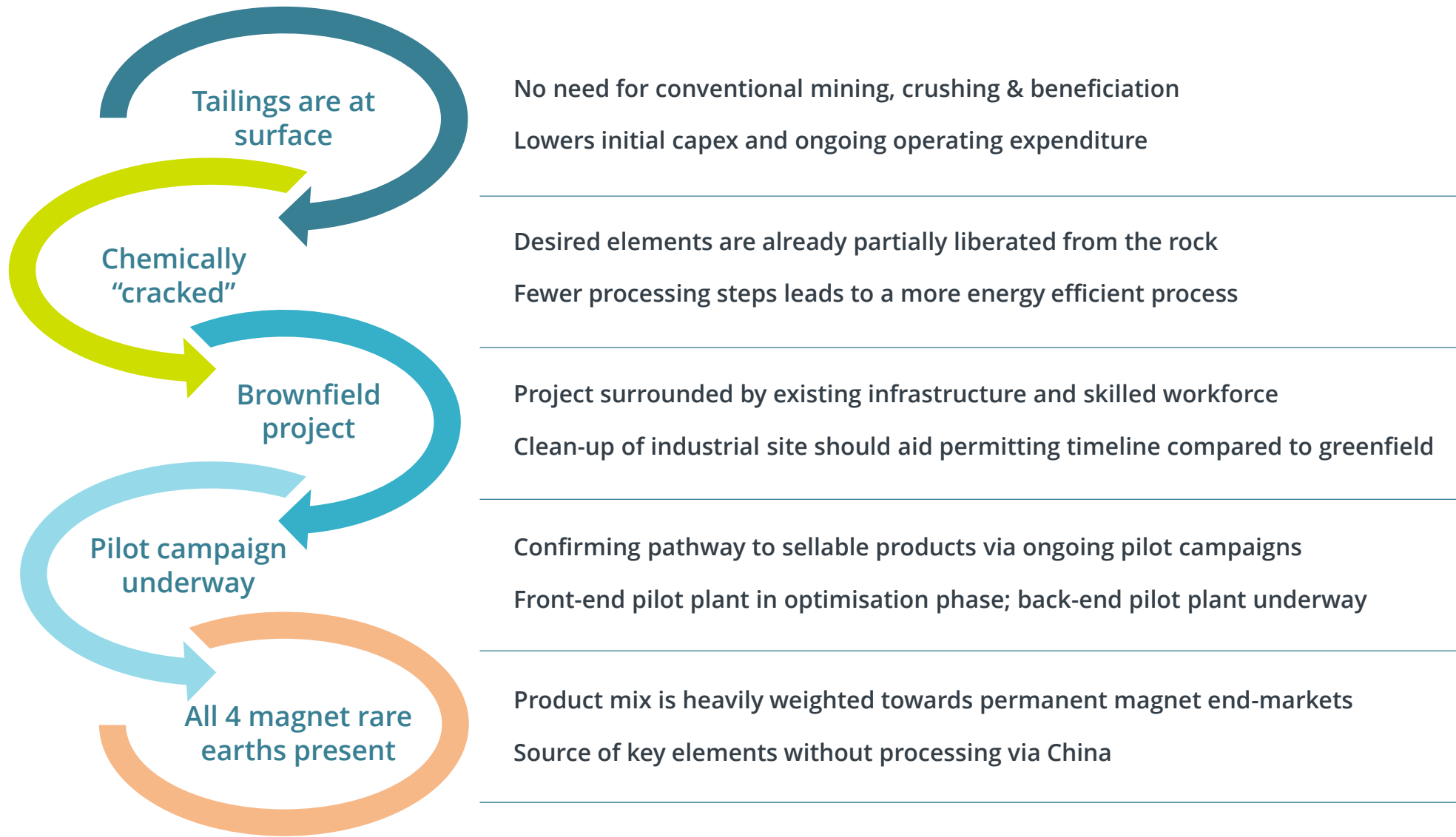
1. See endnote vi.

2. See endnote i.

3. See endnote vii.

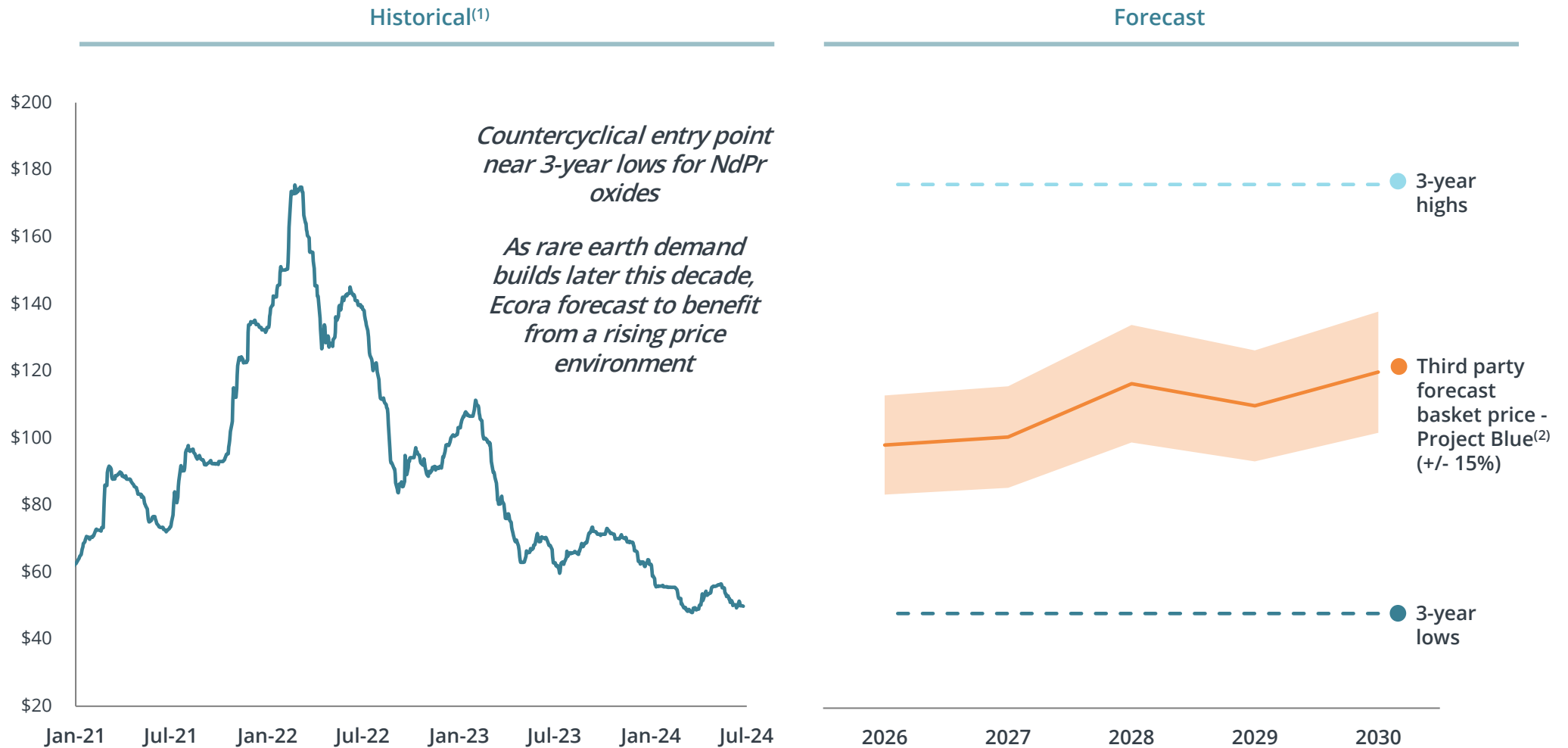
4. See endnote viii.

Phalaborwa's unique characteristics aid economics & benefit the environment



Countercyclical entry point with attractive outlook

Historical price of NdPr Oxide and forecast Phalaborwa basket price
US\$/kg



1. See endnote ii.

2. See endnote ix.

Third party information

As a royalty and streaming company, the Group often has limited, if any, access to non-public scientific and technical information in respect of the properties underlying its portfolio of royalties, or such information is subject to confidentiality provisions. As such, in preparing this presentation, the Group has largely relied upon the public disclosures of the owners and operators of the properties underlying its portfolio of royalties investments, as available at the date of this presentation. Accordingly, no representation or warranty, express or implied, is made and no reliance should be placed, on the fairness, accuracy, correctness, completeness or reliability of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

Endnotes:

- i. Phalaborwa Rare Earths Project Preliminary Economic Assessment (PEA). Report date 30 September 2022. Published by Rainbow Rare Earths Ltd, and as per Rainbow Rare Earths Ltd news release and accompanying presentation dated 03 October 2022.
- ii. All market information as at 28 June 2024.
- iii. Project Blue. Rare Earths Element market analysis dated May 2024.
- iv. Project Blue. Rare Earths Q1 2024 long term demand outlook. Current and 2030 market value assessed at constant spot prices as at June 2024 of Nd \$51/kg, Pr \$54/kg, Tb \$760/kg, Dy \$256/kg.
- v. BloombergNEF Research. Installed onshore and offshore wind capacity per annum assuming net zero scenario, last updated 21 May 2024. Electric Vehicle Outlook last updated 20 June 2024.
- vi. Rainbow Rare Earths press release titled "Resource Update: Updated Bulk Density Calculations increase Phalaborwa Resource tonnage by ca. 16%" released 26 February 2024.
- vii. Rainbow Rare Earths press release titled "Pilot Plant Update" released 19 June 2024.
- viii. Rainbow Rare Earths press release titled "Proposed US\$50 million TechMet investment in Phalaborwa to be funded by the U.S. International Development Finance Corporation" released 05 December 2023.
- ix. Project Blue. Rare Earths Q1 2024 long term pricing outlook aligned to Phalaborwa's basket of rare earth products as disclosed in the September 2022 PEA.