

A royalty is an agreement which provides, in exchange for an upfront payment made to the mining company, the right to receive a proportion of the revenue from a mining operation once in production without the capex or opex risk

## Description

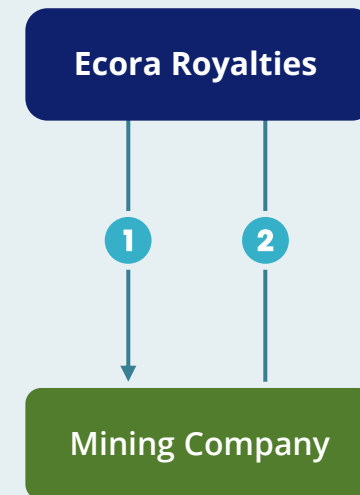
### 1 Upfront payment

- Ecora Resources makes upfront payment
- Major factors impacting size of upfront payment:
  - Expected size of revenue subject to royalty
  - Percent of revenue
  - Years of operation

### 2 Periodic Royalty payments

- Period payment calculated as:
  - Revenue generated, less any deductions, multiplied by royalty percentage

## Illustrative transaction structure



e.g. Mantos Blancos,  
West Musgrave, Santo Domingo