



**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2025 AND 2024**

# Ero Copper Corp.

## Table of Contents

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### CONSOLIDATED FINANCIAL STATEMENTS

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Condensed Consolidated Statements of Financial Position .....	<a href="#"><u>1</u></a>
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) .....	<a href="#"><u>2</u></a>
Condensed Consolidated Statements of Cash Flow .....	<a href="#"><u>3</u></a>
Condensed Consolidated Statements of Changes in Shareholders' Equity .....	<a href="#"><u>4</u></a>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### General

Note 1. Nature of Operations .....	<a href="#"><u>5</u></a>
Note 2. Basis of Preparation .....	<a href="#"><u>5</u></a>
Note 3. Segment Disclosure .....	<a href="#"><u>6</u></a>

#### Statements of Financial Position

Note 4. Inventories .....	<a href="#"><u>10</u></a>
Note 5. Other Current Assets .....	<a href="#"><u>10</u></a>
Note 6. Mineral Properties, Plant and Equipment .....	<a href="#"><u>11</u></a>
Note 7. Exploration and Evaluation Assets .....	<a href="#"><u>12</u></a>
Note 8. Deposits and Other Non-current Assets .....	<a href="#"><u>12</u></a>
Note 9. Accounts Payable and Accrued Liabilities .....	<a href="#"><u>13</u></a>
Note 10. Loans and Borrowings .....	<a href="#"><u>13</u></a>
Note 11. Deferred Revenue .....	<a href="#"><u>15</u></a>
Note 12. Other Non-current Liabilities .....	<a href="#"><u>17</u></a>
Note 13. Share Capital .....	<a href="#"><u>17</u></a>

#### Statements of Earnings

Note 14. Revenue .....	<a href="#"><u>21</u></a>
Note 15. Cost of Sales .....	<a href="#"><u>22</u></a>
Note 16. General and Administrative Expenses .....	<a href="#"><u>22</u></a>
Note 17. Finance Expense .....	<a href="#"><u>23</u></a>
Note 18. Foreign Exchange Gain (Loss) .....	<a href="#"><u>23</u></a>

#### Other Items

Note 19. Financial Instruments .....	<a href="#"><u>23</u></a>
Note 20. Supplemental Cash Flow Information .....	<a href="#"><u>27</u></a>

# Condensed Consolidated Statements of Financial Position

(Unaudited, Amounts in thousands of US Dollars)

	Notes	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 68,303	\$ 50,402
Trade receivables		12,732	18,399
Inventories	4	62,352	42,094
Income tax receivable		726	2,284
Other current assets	5	34,411	28,611
		<u>178,524</u>	<u>141,790</u>
<b>Non-Current</b>			
Mineral properties, plant and equipment	6	1,537,397	1,258,494
Exploration and evaluation assets	7	21,480	11,352
Deferred income tax assets		3,244	16,659
Deposits and other non-current assets	8	31,766	29,733
		<u>1,593,887</u>	<u>1,316,238</u>
<b>Total Assets</b>		<u><u>\$ 1,772,411</u></u>	<u><u>\$ 1,458,028</u></u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	\$ 118,221	\$ 101,886
Current portion of loans and borrowings	10	58,076	45,893
Current portion of deferred revenue	11	14,266	31,712
Income taxes payable		3,298	3,330
Current portion of derivatives	19	1,640	17,980
Current portion of lease liabilities		16,509	10,905
		<u>212,010</u>	<u>211,706</u>
<b>Non-Current</b>			
Loans and borrowings	10	569,300	556,296
Deferred revenue	11	95,795	48,231
Provision for rehabilitation and closure costs		25,061	21,891
Deferred income tax liabilities		1,547	—
Lease liabilities		9,364	6,980
Other non-current liabilities	12	30,414	21,850
		<u>731,481</u>	<u>655,248</u>
<b>Total Liabilities</b>		<u><u>943,491</u></u>	<u><u>866,954</u></u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13	287,376	286,548
Equity reserves		(95,909)	(180,472)
Retained earnings		631,830	481,055
<b>Equity attributable to owners of the Company</b>		<u>823,297</u>	<u>587,131</u>
<b>Non-controlling interests</b>		<u>5,623</u>	<u>3,943</u>
		<u>828,920</u>	<u>591,074</u>
<b>Total Liabilities and Equity</b>		<u><u>\$ 1,772,411</u></u>	<u><u>\$ 1,458,028</u></u>

Commitments (Notes 7 and 11); Subsequent Events (Note 6)

APPROVED ON BEHALF OF THE BOARD:

"Makko DeFilippo" , President, CEO and Director

"Jill Angevine" , Director

# Ero Copper Corp.

## Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited, Amounts in thousands of US Dollars, except share and per share amounts)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Revenue	14	\$ 163,510	\$ 117,090	\$ 288,598	\$ 222,883
Cost of sales	15	(96,224)	(73,798)	(165,790)	(148,414)
<b>Gross profit</b>		<b>67,286</b>	<b>43,292</b>	<b>122,808</b>	<b>74,469</b>
<b>Expenses</b>					
General and administrative	16	(11,564)	(11,810)	(22,935)	(23,324)
Share-based compensation	13 (e)	(7,756)	(6,075)	(8,929)	(12,620)
Write-down of exploration and evaluation asset	7	—	(10,745)	—	(10,745)
<b>Operating Income</b>		<b>47,966</b>	<b>14,662</b>	<b>90,944</b>	<b>27,780</b>
Finance income		1,130	1,361	1,968	2,829
Finance expense	17	(5,976)	(4,565)	(10,699)	(9,199)
Foreign exchange gain (loss)	18	38,640	(70,454)	97,040	(89,450)
Other income (expenses)		2,350	(2,670)	225	(2,309)
<b>Income (loss) before income taxes</b>		<b>84,110</b>	<b>(61,666)</b>	<b>179,478</b>	<b>(70,349)</b>
Current income tax expense		(9,305)	(2,876)	(13,023)	(6,206)
Deferred income tax (expense) recovery		(3,777)	11,143	(14,800)	16,326
<b>Income tax (expense) recovery</b>		<b>(13,082)</b>	<b>8,267</b>	<b>(27,823)</b>	<b>10,120</b>
<b>Net income (loss) for the period</b>		<b>\$ 71,028</b>	<b>\$ (53,399)</b>	<b>\$ 151,655</b>	<b>\$ (60,229)</b>
<b>Other comprehensive gain (loss)</b>					
Foreign currency translation gain (loss)		37,847	(74,958)	83,622	(99,638)
<b>Comprehensive income (loss)</b>		<b>\$ 108,875</b>	<b>\$ (128,357)</b>	<b>\$ 235,277</b>	<b>\$ (159,867)</b>
<b>Net income (loss) attributable to:</b>					
Owners of the Company		70,548	(53,247)	150,775	(60,388)
Non-controlling interests		480	(152)	880	159
		<b>\$ 71,028</b>	<b>\$ (53,399)</b>	<b>\$ 151,655</b>	<b>\$ (60,229)</b>
<b>Comprehensive income (loss) attributable to:</b>					
Owners of the Company		108,042	(127,557)	233,597	(159,178)
Non-controlling interests		833	(800)	1,680	(689)
		<b>\$ 108,875</b>	<b>\$ (128,357)</b>	<b>\$ 235,277</b>	<b>\$ (159,867)</b>
<b>Net income (loss) per share attributable to owners of the Company</b>					
Basic	13 (f)	\$ 0.68	\$ (0.52)	\$ 1.46	\$ (0.59)
Diluted	13 (f)	\$ 0.68	\$ (0.52)	\$ 1.45	\$ (0.59)
<b>Weighted average number of common shares outstanding</b>					
Basic	13 (f)	103,582,082	103,082,363	103,573,416	102,918,092
Diluted	13 (f)	103,905,561	103,082,363	103,902,012	102,918,092

# Condensed Consolidated Statements of Cash Flow

(Unaudited, Amounts in thousands of US Dollars)

		Three months ended June 30,		Six months ended June 30,	
	Notes	2025	2024	2025	2024
<b>Cash Flows from Operating Activities</b>					
Net income (loss) for the period		\$ 71,028	\$ (53,399)	\$ 151,655	\$ (60,229)
Adjustments for:					
Amortization and depreciation		25,215	22,294	43,835	45,590
Income tax expense (recovery)		13,082	(8,267)	27,823	(10,120)
Amortization of deferred revenue	14	(3,407)	(5,085)	(5,653)	(11,008)
Share-based compensation	13 (e)	7,756	6,075	8,929	12,620
Finance income		(1,130)	(1,361)	(1,968)	(2,829)
Finance expenses	17	5,976	4,565	10,699	9,199
Foreign exchange (gain) loss		(38,644)	65,327	(96,108)	84,825
Write-down of exploration and evaluation asset		—	10,745	—	10,745
Other		245	2,301	2,437	2,292
Changes in non-cash working capital items	20	10,491	(23,799)	(32,275)	(44,373)
		90,612	19,396	109,374	36,712
Advance from Xavantina Gold Stream	11	—	—	50,000	1,105
Derivative contract settlements		217	(2,836)	(1,999)	(710)
Provision settlements		(458)	(1,070)	(1,200)	(1,758)
Income taxes paid		(115)	(775)	(479)	(3,402)
		90,256	14,715	155,696	31,947
<b>Cash Flows used in Investing Activities</b>					
Additions to mineral properties, plant and equipment		(66,090)	(74,944)	(122,520)	(181,533)
Additions to exploration and evaluation assets		(5,189)	(293)	(8,298)	(1,494)
Proceeds from short-term investments and interest received		765	667	1,282	1,398
		(70,514)	(74,570)	(129,536)	(181,629)
<b>Cash Flows used in Financing Activities</b>					
Lease liability payments		(4,518)	(3,540)	(8,521)	(6,650)
New loans and borrowings, net of transaction	10	—	76,409	55,266	126,544
Loans and borrowings repaid	10	(22,122)	(23,660)	(31,624)	(26,277)
Interest paid on loans and borrowings	10	(4,432)	(1,382)	(21,359)	(14,734)
Other finance expenses paid		(2,780)	(817)	(4,830)	(2,103)
Proceeds from exercise of stock options		277	6,785	484	7,083
		(33,575)	53,795	(10,584)	83,863
Effect of exchange rate changes on cash and cash		1,563	(859)	2,325	(1,146)
Net (decrease) increase in cash and cash		(12,270)	(6,919)	17,901	(66,965)
Cash and cash equivalents - beginning of period		80,573	51,692	50,402	111,738
Cash and cash equivalents - end of period		\$ 68,303	\$ 44,773	\$ 68,303	\$ 44,773
Supplemental cash flow information (note 20)					

## Ero Copper Corp.

### Condensed Consolidated Statements of Changes in Shareholders' Equity

(Unaudited, Amounts in thousands of US Dollars, except share and per share amounts)

Notes	Share Capital		Equity Reserves			Total	Non-controlling interest	Total equity
	Number of shares	Amount	Contributed Surplus	Foreign Exchange	Retained Earnings			
Balance, December 31, 2023	102,747,558	\$ 271,336	\$ 8,497	\$ (25,113)	\$ 549,530	\$ 804,250	\$ 5,081	\$ 809,331
Income (loss) for the period	—	—	—	—	(60,388)	(60,388)	159	(60,229)
Other comprehensive loss for the period	—	—	—	(98,790)	—	(98,790)	(848)	(99,638)
<b>Total comprehensive loss for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(98,790)</b>	<b>(60,388)</b>	<b>(159,178)</b>	<b>(689)</b>	<b>(159,867)</b>
Shares issued for:								
Exercise of options	468,546	9,857	(2,774)	—	—	7,083	—	7,083
Share-based compensation	13 (e)	—	2,699	—	—	2,699	—	2,699
Dividends to non-controlling interest	—	—	—	—	—	—	(98)	(98)
<b>Balance, June 30, 2024</b>	<b>103,216,104</b>	<b>\$ 281,193</b>	<b>\$ 8,422</b>	<b>\$ (123,903)</b>	<b>\$ 489,142</b>	<b>\$ 654,854</b>	<b>\$ 4,294</b>	<b>\$ 659,148</b>
Balance, December 31, 2024	103,555,211	\$ 286,548	\$ 8,181	\$ (188,653)	\$ 481,055	\$ 587,131	\$ 3,943	\$ 591,074
Income for the period	—	—	—	—	150,775	150,775	880	151,655
Other comprehensive income for the period	—	—	—	82,822	—	82,822	800	83,622
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>82,822</b>	<b>150,775</b>	<b>233,597</b>	<b>1,680</b>	<b>235,277</b>
Shares issued for:								
Exercise of options	38,186	732	(248)	—	—	484	—	484
Settlement of restricted share units	4,433	96	(206)	—	—	(110)	—	(110)
Share-based compensation	13 (e)	—	2,195	—	—	2,195	—	2,195
<b>Balance, June 30, 2025</b>	<b>103,597,830</b>	<b>\$ 287,376</b>	<b>\$ 9,922</b>	<b>\$ (105,831)</b>	<b>\$ 631,830</b>	<b>\$ 823,297</b>	<b>\$ 5,623</b>	<b>\$ 828,920</b>

## **Condensed Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited, Amounts in thousands of US Dollars, except share and per share amounts)

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### **1. Nature of Operations**

Ero Copper Corp. ("Ero" or the "Company") was incorporated on May 16, 2016 under the Business Corporations Act (British Columbia) and maintains its head office at Suite 1050, 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's shares are publicly traded on the Toronto Stock Exchange and the New York Stock Exchange under the symbol "ERO".

The Company's primary asset is its 99.6% ownership interest in Mineração Caraíba S.A. ("MCSA"), held indirectly through its wholly-owned subsidiary, Ero Brasil Participações Ltda. The Company also currently owns a 97.6% ownership interest in NX Gold S.A. ("NX Gold") indirectly through its wholly-owned subsidiary, Ero Gold Corp. ("Ero Gold").

MCSA is a Brazilian copper company which holds a 100% interest in the Caraíba Operations, located in the State of Bahia, and the Tucumã Operation, located in the southeastern part of the State of Pará. MCSA's predominant activity is the production and sale of copper concentrates, with gold and silver produced and sold as by-products.

NX Gold is a Brazilian gold mining company which holds a 100% interest in the Xavantina Operations and is focused on the production and sale of gold as its main product and silver as its by-product. The Xavantina Operations are located approximately 18 kilometers west of the town of Nova Xavantina, in southeastern State of Mato Grosso, Brazil.

### **2. Basis of Preparation**

#### **(a) Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2024, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on July 31, 2025.

#### **(b) Use of Estimates and Judgments**

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements for the year ended December 31, 2024.

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### 3. Segment Disclosure

Operating segments are determined by the way information is reported and used by the Company's Chief Operating Decision Maker ("CODM") to review operating performance. The Company monitors the operating results of its operating segments independently for the purpose of making decisions about resource allocation and performance assessment.

For the three and six months ended June 30, 2025, the Company's reporting segments include its three operating mines in Brazil, the Caraíba Operations, the Tucumã Operation, and the Xavantina Operations, and its corporate head office in Canada. Significant information relating to the Company's reportable segments is summarized in the tables below:

Three months ended June 30, 2025	Caraíba (Brazil)	Tucumã (Brazil)	Xavantina (Brazil)	Corporate and Other	Consolidated
Revenue	\$ 88,404	\$ 49,656	\$ 25,450	\$ —	\$ 163,510
Cost of production	(46,890)	(11,678)	(8,761)	—	(67,329)
Depreciation and depletion	(19,343)	(30)	(5,513)	—	(24,886)
Sales expense	(1,751)	(2,027)	(231)	—	(4,009)
Cost of sales	(67,984)	(13,735)	(14,505)	—	(96,224)
<b>Gross profit</b>	<b>20,420</b>	<b>35,921</b>	<b>10,945</b>	<b>—</b>	<b>67,286</b>
<b>Expenses</b>					
General and administrative	(4,799)	(3,111)	(1,430)	(2,224)	(11,564)
Share-based compensation	—	—	—	(7,756)	(7,756)
<b>Operating income (loss)</b>	<b>\$ 15,621</b>	<b>\$ 32,810</b>	<b>\$ 9,515</b>	<b>\$ (9,980)</b>	<b>\$ 47,966</b>
<b>Capital expenditures<sup>(1)</sup></b>	<b>47,990</b>	<b>18,099</b>	<b>5,762</b>	<b>5,233</b>	<b>77,084</b>

(1) Capital expenditures include additions to mineral properties, plant and equipment and additions to exploration and evaluation asset, net of non-cash additions such as change in estimates to mine closure costs, capitalized depreciation expense, capitalized borrowing costs, and additions of right-of-use assets.



# Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

Three months ended June 30, 2024	Caraíba (Brazil)	Tucumã (Brazil)	Xavantina (Brazil)	Corporate and Other	Consolidated
Revenue	\$ 78,942	\$ —	\$ 38,148	\$ —	\$ 117,090
Cost of production	(41,945)	—	(7,580)	—	(49,525)
Depreciation and depletion	(15,836)	—	(6,021)	—	(21,857)
Sales expense	(1,854)	—	(562)	—	(2,416)
Cost of sales	(59,635)	—	(14,163)	—	(73,798)
<b>Gross profit</b>	<b>19,307</b>	<b>—</b>	<b>23,985</b>	<b>—</b>	<b>43,292</b>
<b>Expenses</b>					
General and administrative	(6,936)	—	(1,562)	(3,312)	(11,810)
Share-based compensation	—	—	—	(6,075)	(6,075)
Write-down of exploration and evaluation assets	—	—	—	(10,745)	(10,745)
<b>Operating income (loss)</b>	<b>\$ 12,371</b>	<b>\$ —</b>	<b>\$ 22,423</b>	<b>\$ (20,132)</b>	<b>\$ 14,662</b>
<b>Capital expenditures<sup>(1)</sup></b>	<b>34,830</b>	<b>39,730</b>	<b>6,134</b>	<b>659</b>	<b>81,353</b>

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

Six months ended June 30, 2025	Caraíba (Brazil)	Tucumã (Brazil)	Xavantina (Brazil)	Corporate and Other	Consolidated
Revenue	\$ 151,674	\$ 95,888	\$ 41,036	\$ —	\$ 288,598
Cost of production	(82,609)	(17,200)	(14,986)	—	(114,795)
Depreciation and depletion	(33,989)	(75)	(9,068)	—	(43,132)
Sales expense	(3,127)	(4,230)	(506)	—	(7,863)
Cost of sales	(119,725)	(21,505)	(24,560)	—	(165,790)
<b>Gross profit</b>	<b>31,949</b>	<b>74,383</b>	<b>16,476</b>	<b>—</b>	<b>122,808</b>
<b>Expenses</b>					
General and administrative	(9,421)	(4,534)	(3,117)	(5,863)	(22,935)
Share-based compensation	—	—	—	(8,929)	(8,929)
<b>Operating income (loss)</b>	<b>\$ 22,528</b>	<b>\$ 69,849</b>	<b>\$ 13,359</b>	<b>\$ (14,792)</b>	<b>\$ 90,944</b>
<b>Capital expenditures<sup>(1)</sup></b>	<b>82,394</b>	<b>33,551</b>	<b>10,580</b>	<b>8,160</b>	<b>134,685</b>
<b>Assets</b>					
Current	\$ 78,070	\$ 41,054	\$ 48,648	\$ 10,752	178,524
Non-current	962,043	502,366	105,682	23,796	1,593,887
<b>Total Assets</b>	<b>\$ 1,040,113</b>	<b>\$ 543,420</b>	<b>\$ 154,330</b>	<b>\$ 34,548</b>	<b>\$ 1,772,411</b>
<b>Total Liabilities</b>	<b>\$ 169,578</b>	<b>\$ 29,478</b>	<b>\$ 139,960</b>	<b>\$ 604,475</b>	<b>\$ 943,491</b>

(1) Capital expenditures include additions to mineral properties, plant and equipment and additions to exploration and evaluation asset, net of non-cash additions such as change in estimates to mine closure costs, capitalized depreciation expense, capitalized borrowing costs, and additions of right-of-use assets.

During the six months ended June 30, 2025, the Company had five significant customers (June 30, 2024 - six), including three copper customers (June 30, 2024 - four) and two gold customers (June 30, 2024 - two).

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

Six months ended June 30, 2024	Caraíba (Brazil)	Tucumã (Brazil)	Xavantina (Brazil)	Corporate and Other	Consolidated
Revenue	\$ 152,799	\$ —	\$ 70,084	\$ —	\$ 222,883
Cost of production	(84,172)	—	(14,835)	—	(99,007)
Depreciation and depletion	(33,397)	—	(11,304)	—	(44,701)
Sales expense	(3,672)	—	(1,034)	—	(4,706)
Cost of sales	(121,241)	—	(27,173)	—	(148,414)
<b>Gross profit</b>	<b>31,558</b>	<b>—</b>	<b>42,911</b>	<b>—</b>	<b>74,469</b>
<b>Expenses</b>					
General and administrative	(13,290)	—	(3,163)	(6,871)	(23,324)
Share-based compensation	—	—	—	(12,620)	(12,620)
Write-down of exploration and evaluation asset	—	—	—	(10,745)	(10,745)
<b>Operating income (loss)</b>	<b>\$ 18,268</b>	<b>\$ —</b>	<b>\$ 39,748</b>	<b>\$ (30,236)</b>	<b>\$ 27,780</b>
<b>Capital expenditures<sup>(1)</sup></b>	<b>76,434</b>	<b>89,769</b>	<b>10,540</b>	<b>1,783</b>	<b>178,526</b>
<b>Assets</b>					
Current	\$ 59,700	\$ 9,287	\$ 35,450	\$ 20,117	<b>124,554</b>
Non-current	845,882	368,834	85,061	7,676	<b>1,307,453</b>
<b>Total Assets</b>	<b>\$ 905,582</b>	<b>\$ 378,121</b>	<b>\$ 120,511</b>	<b>\$ 27,793</b>	<b>\$ 1,432,007</b>
<b>Total Liabilities</b>	<b>\$ 180,008</b>	<b>\$ 14,483</b>	<b>\$ 85,479</b>	<b>\$ 492,889</b>	<b>772,859</b>

- (1) Capital expenditures include additions to mineral properties, plant and equipment and additions to exploration and evaluation asset, net of non-cash additions such as change in estimates to mine closure costs, capitalized depreciation expense, capitalized borrowing costs, and additions of right-of-use assets.

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

#### 4. Inventories

	June 30, 2025	December 31, 2024
Supplies and consumables	\$ 40,877	\$ 28,980
Stockpiles	7,159	5,024
Work in progress	4,486	3,049
Finished goods	9,830	5,041
	<u>\$ 62,352</u>	<u>\$ 42,094</u>

#### 5. Other Current Assets

	June 30, 2025	December 31, 2024
Advances to suppliers	\$ 5,679	\$ 3,157
Prepaid expenses and other	7,874	5,879
Derivatives (Note 19)	4,886	—
Note receivable (Note 19)	5,052	4,678
Value added taxes recoverable	10,920	14,897
	<u>\$ 34,411</u>	<u>\$ 28,611</u>

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

#### 6. Mineral Properties, Plant and Equipment

	Buildings	Mining Equipment	Mineral Properties <sup>(1)</sup>	Projects in Progress <sup>(2)</sup>	Equipment & Other Assets	Deposit on Projects	Mine Closure Costs	Right-of-Use Assets	Total
<b>Cost:</b>									
Balance, December 31, 2024	36,593	294,944	643,758	501,057	26,972	12,700	21,336	49,995	1,587,355
Additions	276	12,439	45,977	58,765	1,790	7,348	—	13,956	140,551
Capitalized borrowing costs	—	—	—	22,434	—	—	—	—	22,434
Disposals	—	(33)	—	—	—	—	—	(248)	(281)
Transfers	89	1,076	37	6,356	126	(7,684)	—	—	—
Foreign exchange	4,937	40,359	88,197	58,465	3,499	1,683	2,866	7,263	207,269
<b>Balance, June 30, 2025</b>	<b>\$ 41,895</b>	<b>\$ 348,785</b>	<b>\$ 777,969</b>	<b>\$ 647,077</b>	<b>\$ 32,387</b>	<b>\$ 14,047</b>	<b>\$ 24,202</b>	<b>\$ 70,966</b>	<b>\$ 1,957,328</b>
<b>Accumulated depreciation:</b>									
Balance, December 31, 2024	(7,219)	(73,675)	(199,911)	—	(9,210)	—	(5,574)	(33,272)	(328,861)
Depreciation expense	(1,292)	(13,507)	(19,895)	—	(1,006)	—	(447)	(8,823)	(44,970)
Disposals	—	20	—	—	—	—	—	178	198
Foreign exchange	(1,040)	(10,629)	(27,867)	—	(1,149)	—	(773)	(4,840)	(46,298)
<b>Balance, June 30, 2025</b>	<b>\$ (9,551)</b>	<b>\$ (97,791)</b>	<b>\$ (247,673)</b>	<b>\$ —</b>	<b>\$ (11,365)</b>	<b>\$ —</b>	<b>\$ (6,794)</b>	<b>\$ (46,757)</b>	<b>\$ (419,931)</b>
Net book value, December 31, 2024	\$ 29,374	\$ 221,269	\$ 443,847	\$ 501,057	\$ 17,762	\$ 12,700	\$ 15,762	\$ 16,723	\$ 1,258,494
<b>Net book value, June 30, 2025</b>	<b>\$ 32,344</b>	<b>\$ 250,994</b>	<b>\$ 530,296</b>	<b>\$ 647,077</b>	<b>\$ 21,022</b>	<b>\$ 14,047</b>	<b>\$ 17,408</b>	<b>\$ 24,209</b>	<b>\$ 1,537,397</b>

(1) Mineral properties include \$73.0 million (2024 - \$57.9 million) of costs on expansion of near-mine resource potential which are not currently being depreciated.

On July 1, 2025, the Company announced that Tucumã Operation achieved commercial production which is the point at which the mine is capable of operating in the manner intended by the Company's management.

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### 7. Exploration and Evaluation Assets

As at June 30, 2025, the Company had \$21.5 million (2024 - \$11.4 million) in exploration and evaluation assets, which include several property option agreements.

In July 2024, the Company signed a definitive earn-in agreement (the "Agreement") with Salobo Metais S.A, a subsidiary of Vale Base Metals ("VBM"), for the Furnas copper project ("Furnas Project") located in the Carajás Mineral Province in Pará State, Brazil. The Agreement contemplates the Company earning a 60% interest in the Project upon completion of three phases of work:

- Phase 1: Ero to conduct a minimum of 28,000 meters of exploration drilling and produce a scoping study within 18 months of signing the Agreement (completed)
- Phase 2: Ero to conduct an additional minimum of 17,000 meters of exploration drilling and produce a pre-feasibility study within 18 months of completing Phase 1
- Phase 3: Ero to conduct an additional minimum of 45,000 meters of exploration drilling, unless otherwise mutually agreed, and produce a definitive feasibility study ("DFS") within 24 months of completing Phase 2

Following the completion of a DFS, subject to customary technical review periods, and with Ero positive investment approval, the parties will enter into a joint venture agreement whereby VBM will transfer 60% of the equity interest in the Furnas Project to Ero, and Ero will grant VBM a "free carry" on certain capital expenditures related to development of the Furnas Project.

Prior to a positive Ero investment decision and the formation of a joint venture, VBM will retain 100% ownership of the Furnas Project with Ero solely responsible for funding the phased exploration and engineering work programs as well as ongoing payments to maintain the property in good standing.

As at June 30, 2025, exploration and evaluation assets include \$13.2 million (2024 - \$4.9 million) in expenditures associated with the Furnas Project.

In June 2024, the Company terminated the Fides option agreement, resulting in a write-down of \$10.7 million in exploration and evaluation assets.

### 8. Deposits and Other Non-current Assets

	June 30, 2025	December 31, 2024
Value added taxes recoverable	\$ 19,906	\$ 18,336
Note receivable (Note 19)	7,709	7,331
Deposits and others	4,151	4,066
	<u>\$ 31,766</u>	<u>\$ 29,733</u>

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### 9. Accounts Payable and Accrued Liabilities

	June 30, 2025	December 31, 2024
Trade suppliers	\$ 69,436	\$ 58,067
Payroll and labour related liabilities	20,266	19,086
Value added tax, royalty and other tax payable	7,908	8,505
Cash-settled equity awards (Note 13(b) and (c))	11,681	8,460
Provision for rehabilitation and closure costs	7,978	6,766
Other accrued liabilities	952	1,002
	<b>\$ 118,221</b>	<b>\$ 101,886</b>

### 10. Loans and Borrowings

Description	Currency	Security	Maturity (Months)	Coupon rate	Principal to be repaid	Carrying value, including accrued interest	
						June 30, 2025	December 31, 2024
Senior Notes	USD	Unsecured	55	6.50%	\$ 400,000	\$ 404,614	\$ 404,152
Senior credit facility	USD	Secured	42	SOFR plus 2.00% - 4.25%	155,000	154,392	134,212
Copper Prepayment Facility	USD	Secured	18	8.66%	54,762	57,383	46,530
Equipment finance loans	USD	Secured	6 - 22	5.00% - 8.35%	8,888	8,993	12,933
Equipment finance loans	EUR	Secured	8 - 12	5.25%	391	392	544
Equipment finance loans	BRL	Unsecured	1 - 11	nil% - 16.63%	534	578	2,597
Bank loan	BRL	Unsecured	17	CDI + 0.50%	1,019	1,024	1,221
<b>Total</b>					<b>\$ 620,594</b>	<b>\$ 627,376</b>	<b>\$ 602,189</b>
<b>Current portion</b>						<b>\$ 58,076</b>	<b>\$ 45,893</b>
<b>Non-current portion</b>						<b>\$ 569,300</b>	<b>\$ 556,296</b>

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

The movements in loans and borrowings are comprised of the following:

	Six months ended June 30, 2025					Year ended December 31, 2024
	Senior Notes	Senior Credit Facility	Copper Prepayment Facility	Other	Consolidated	Consolidated
Balance, beginning of period	\$ 404,152	\$ 134,212	\$ 46,530	\$ 17,295	\$ 602,189	\$ 426,233
Proceeds from loans and borrowings		30,000	25,000	266	55,266	214,565
Principal payments	—	(10,000)	(14,683)	(6,941)	(31,624)	(39,950)
Interest payments	(13,000)	(5,892)	(1,916)	(551)	(21,359)	(32,166)
Interest costs, including interest capitalized	13,462	6,072	2,452	448	22,434	36,467
Deferred transaction costs	—	—	—	—	—	(2,143)
Foreign exchange	—	—	—	470	470	(817)
<b>Balance, end of period</b>	<b>\$ 404,614</b>	<b>\$ 154,392</b>	<b>\$ 57,383</b>	<b>\$ 10,987</b>	<b>\$ 627,376</b>	<b>\$ 602,189</b>

### (a) Senior Notes

In February 2022, the Company issued \$400 million aggregate principal amount of senior unsecured notes (the "Senior Notes"). The Company received net proceeds of \$392.0 million after transaction costs of \$8.0 million. The Senior Notes mature on February 15, 2030 and bear annual interest at 6.5%, payable semi-annually in February and August of each year.

MCSA has provided a guarantee of the Senior Notes on a senior unsecured basis. The Senior Notes are direct, senior obligations of the Company and MCSA, and are not secured by any mortgage, pledge or charge.

The Company has the option to redeem, in whole or in part, the Senior Notes at a price ranging from 103.25% to 100% of the principal amount together with accrued and unpaid interest, if any, to the date of redemption, with the rate decreasing based on the length of time the Senior Notes are outstanding.

Upon the occurrence of specific kinds of changes of control triggering events, each holder of the Senior Notes will have the right to cause the Company to repurchase some or all of its Senior Notes at 101% of their principal amount, plus accrued and unpaid interest to, but not including, the repurchase date.

The Senior Notes are recognized as financial liabilities, net of unamortized transaction costs, and measured at amortized cost using an effective interest rate of 6.7%.

### (b) Senior Credit Facility

In January 2025, the Company amended its Senior Revolving Credit Facility ("Amended Senior Credit Facility") to increase its borrowing limit from \$150.0 million to \$200.0 million and to extend the maturity from December 2026 to December 2028. The interest rates on the Amended Senior Credit Facility were reduced to sliding scales of SOFR plus 2.00% to 4.25% depending on the Company's consolidated total leverage ratio. The Commitment fees for any undrawn portion of the Senior Credit Facility were reduced to between 0.45% to 0.96% based on a sliding scale. The Company determined that the amendments were a non-substantial



**Notes to Condensed Consolidated Interim Financial Statements**

*(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)*

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modification. As at June 30, 2025, the Senior Credit Facility bears a weighted average interest rate of 7.67% on its drawn balance and a commitment fee of 0.73% on its undrawn balance.

The Senior Credit Facility is secured by the shares of MCSA, NX Gold and Ero Gold. The Company is required to comply with certain financial covenants, which are required to be tested at each quarter end. These covenants include (a) a total leverage ratio based on total indebtedness to rolling four quarters adjusted earnings before interest, taxes, depreciation and amortization ("Rolling EBITDA"); (b) a total leverage ratio based on senior indebtedness to Rolling EBITDA; and (c) an interest coverage ratio based on Rolling EBITDA. The Senior Credit Facility provides for negative covenants customary for this type of facilities and permits additional equipment debt and finance leases of up to \$50.0 million. As at June 30, 2025, the Company is in compliance with these financial covenants.

**(c) Copper Prepayment Facility**

In May 2024, the Company entered into a non-priced copper prepayment facility with a bank syndicate. Under this facility, the Company received net proceeds of \$49.6 million, representing gross proceeds of \$50.0 million less transaction costs of \$0.4 million. The Company had the option to increase the size of the non-priced copper prepayment facility from \$50.0 million to \$75.0 million until March 31, 2025.

In exchange, the Company is obligated to repay the \$50.0 million facility over 27 equal monthly installments, beginning in October 2024, through the delivery of a minimum of 272 tonnes of copper each month. The copper to be delivered by the Company will be in the form of LME Copper Warrants. Each monthly delivery's value will be determined based on prevailing market copper prices at the time of delivery. Should the value of any delivery exceed the amount of the monthly installment payment of \$2.1 million, the excess value will be repaid to the Company.

In March 2025, the Company exercised its option to increase the size of the non-priced copper prepayment facility by an additional \$25.0 million. The Company is obligated to repay the \$25.0 million additional facility over 21 equal monthly installments, beginning in April 2025, through the delivery of a minimum of 161 tonnes of copper each month. The copper to be delivered by the Company will be in the form of LME Copper Warrants. Each monthly delivery's value will be determined based on prevailing market copper prices at the time of delivery. Should the value of any delivery exceed the amount of the monthly installment payment of \$1.3 million, the excess value will be repaid to the Company.

As the contractual obligation of the facility will be settled in the form of financial assets, the facility is accounted for as a financial liability measured at amortized cost using the effective interest rate method. Transaction costs are included in the initial measurement of the liability and amortized over the term of the facility.

The facility is secured by the shares of MCSA, NX Gold and Ero Gold.

**11. Deferred Revenue**

In 2021, the Company entered into a precious metals purchase agreement (the "Original Xavantina Stream") with RGLD Gold AG ("Royal Gold"), a wholly-owned subsidiary of Royal Gold, Inc., in relation to gold production from the Xavantina Operations. The Company received upfront cash consideration of \$100.0 million for the purchase of 25% of an equivalent amount of gold to be produced from the Xavantina mine until 93,000 ounces of gold have been delivered and thereafter decreasing to 10% of gold produced over the remaining life of the mine. The contract will be settled by the Company delivering gold to Royal Gold. Royal Gold will make ongoing payments equal to 20% of the then prevailing spot gold price for each ounce of gold delivered until 49,000 ounces of gold have been delivered and 40% of the prevailing spot gold price for each ounce of gold delivered thereafter. Additional advances may be made by Royal Gold based on the Company achieving certain milestones as set out in the Original Xavantina Stream.

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

On March 28, 2025, the Company extended the terms of the Original Xavantina Stream with Royal Gold to expand the area of influence from which production is subjected to the arrangement to include additional tenements acquired by the Company since the Original Xavantina Stream was completed, and extend the gold delivery threshold milestones from 93,000 ounces of gold to 160,000 ounces of gold, before decreasing to 10% of gold produced over the remaining life of the mine. In exchange, the Company received additional upfront cash consideration of \$50.0 million. The contract modification was accounted for as if the original contract was terminated and a new contract created. The remaining consideration received under the Original Xavantina Stream and the additional consideration received as a result of the modification will be allocated to future remaining gold deliveries based on stand alone selling prices on the contract modification date.

The movements in Xavantina Gold Stream deferred revenue during the six months ended June 30, 2025 are comprised of the following:

	June 30, 2025	December 31, 2024
Gold ounces delivered in the period <sup>(1)</sup>	3,249	15,917
Balance, beginning of period	\$ 62,989	\$ 75,549
Advances	50,000	3,249
Accretion expense	2,725	2,501
Amortization of deferred revenue	(5,653)	(18,310)
<b>Balance, end of period</b>	<b>\$ 110,061</b>	<b>\$ 62,989</b>
<b>Current portion</b>	<b>\$ 14,266</b>	<b>\$ 14,758</b>
<b>Non-current portion</b>	<b>95,795</b>	<b>48,231</b>

(1) During the six months ended June 30, 2025, the Company delivered 3,249 ounces of gold (December 31, 2024 - 15,917 ounces) to Royal Gold for average consideration of \$619 per ounce (December 31, 2024 - \$473 per ounce). At June 30, 2025, a cumulative 48,426 ounces (December 31, 2024 - 45,177 ounces) of gold have been delivered under the Xavantina Gold Stream.

(2) Amortization of deferred revenue during the six months ended June 30, 2025 was net of \$0.5 million (December 31, 2024 - \$3.0 million) related to change in estimate attributed to advances received and change in life-of-mine production estimates.

As part of the Xavantina Gold Stream, the Company pledged its equity interest in Ero Gold and NX Gold to Royal Gold as collateral and provided unsecured limited recourse guarantees from Ero and NX Gold.

As of December 31, 2024, current portion of deferred revenue included \$17.0 million in customer advances related to copper concentrate sales.

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### 12. Other Non-current Liabilities

	June 30, 2025	December 31, 2024
Cash-settled equity awards (Note 13(b))	\$ 6,293	\$ 2,536
Withholding, value added tax, and other taxes payable	18,604	14,437
Provision	1,521	1,588
Other liabilities	3,996	3,289
	<u>\$ 30,414</u>	<u>\$ 21,850</u>

### 13. Share Capital

#### (a) Options

During the six months ended June 30, 2025, the Company granted 11,017 options (six months ended June 30, 2024 - 9,553 options) to employees of the Company at weighted average exercise price of \$17.94 CAD per share (six months ended June 30, 2024 - \$23.53 CAD per share) with a term to expiry of five years. These stock options vest in three equal installments on each annual anniversary date from the date of grant. The total fair value of these options on the grant date was \$0.1 million (six months ended June 30, 2024 - \$0.1 million), which is recognized over the vesting period.

A continuity of the issued and outstanding options is as follows:

	Six Months Ended June 30,			
	2025		2024	
	Number of Stock Options	Weighted Average Exercise Price (CAD)	Number of Stock Options	Weighted Average Exercise Price (CAD)
Outstanding stock options, beginning of period	1,734,607	\$ 19.07	1,886,325	\$ 19.03
Issued	11,017	17.94	9,553	23.53
Exercised	(38,186)	17.79	(468,546)	20.55
Forfeited	(80,531)	19.89	—	—
Outstanding stock options, end of period	<u>1,626,907</u>	<u>\$ 19.05</u>	<u>1,427,332</u>	<u>\$ 18.56</u>

The weighted average share price on the date of exercise for options exercised during the six months ended June 30, 2025 was CAD\$19.79 (six months ended June 30, 2024 - CAD\$29.44).

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

As at June 30, 2025, the following stock options were outstanding:

Weighted Average Exercise Prices	Number of Stock Options	Vested and Exercisable Number of Stock Options	Weighted Average Remaining Life in Years
\$10.01 to \$20.00 CAD	1,151,329	771,907	2.31
\$20.01 to \$25.35 CAD	475,578	51,398	4.30
\$19.05 CAD (\$13.96 USD)	1,626,907	823,305	2.90

The fair value of options granted was determined using the Black-Scholes option pricing model. The weighted average inputs used in the measurement of fair values at grant date of the options are the following:

	Six Months Ended June 30,	
	2025	2024
Expected term (years)	3.5	3.0
Forfeiture rate	2 %	— %
Volatility	51 %	54 %
Dividend yield	— %	— %
Risk-free interest rate	2.57 %	3.77 %
Weighted-average fair value per option	\$ 4.99	\$ 8.79

### (b) Performance Share Unit Plan

The Company has a performance share unit ("PSU") plan pursuant to which the Compensation Committee may grant PSUs to Eligible Persons of the Company or its subsidiaries. Each PSU entitles the holder thereof to receive one common share, its equivalent cash value, or a combination of both, on the redemption date at the discretion of the Compensation Committee.

The continuity of PSUs issued and outstanding is as follows:

	Six Months Ended June 30,	
	2025	2024
Outstanding balance, beginning of period	1,014,505	967,921
Issued	9,022	7,224
Forfeited	(38,218)	—
Outstanding balance, end of period	985,309	975,145

These PSUs will vest three years from the date of grant by the Compensation Committee and the number of PSUs that will vest may range from 0% to 200% of the number granted, subject to the satisfaction of certain market and non-market performance conditions. Each vested PSU entitles the holder thereof to receive on or about the applicable date of vesting of such share unit (i) one common share; (ii) a cash amount equal to the fair

**Notes to Condensed Consolidated Interim Financial Statements**

*(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)*

market value of one common share as at the applicable date of vesting; or (iii) a combination of (i) and (ii), as determined by the Compensation Committee in its sole discretion. The Company has elected to settle its PSUs using a combination of cash and common shares in the past. As such, based on its history of past settlements, PSUs are classified as liabilities.

For PSUs with non-market performance conditions, the fair value of the share units granted was initially recognized at the fair value using the share price at the date of grant, and subsequently remeasured at fair value on each balance sheet date. For PSUs with market performance conditions, the fair value was determined using a Geometric Brownian Motion model. As at June 30, 2025, the fair value of the PSU liability was \$12.3 million (December 31, 2024 - \$6.6 million) of which \$6.0 million (December 31, 2024 - \$4.1 million) was recognized in accounts payable and accrued liabilities and the remainder in other non-current liabilities.

**(c) Deferred Share Unit Plan**

The Deferred Share Unit ("DSU") plan was established by the Board as a component of compensation for the Company's independent directors. Pursuant to the DSU Plan, DSUs may only be settled by way of cash payment. A participant is not entitled to payment in respect of the DSUs until his or her death, retirement or removal from the Board. The settlement amount of each DSU is based on the fair market value of a common share on the DSU redemption date multiplied by the number of DSUs being redeemed.

The continuity of DSUs issued and outstanding is as follows:

	Six months ended June 30,	
	2025	2024
Outstanding balance, beginning of period	325,111	307,312
Issued	10,222	9,207
Outstanding balance, end of period	335,333	316,519

At June 30, 2025, DSU liabilities had a fair value of \$5.6 million (December 31, 2024 - \$4.4 million) which has been recognized in accounts payable and accrued liabilities.

**(d) Restricted Share Unit Plan**

The Company has a restricted share unit ("RSU") plan pursuant to which the Compensation Committee may grant share units to Eligible Persons of the Company or its subsidiaries. The fair value of these restricted share units is determined on the date of grant using the market price of the Company's shares. Each RSU entitles the holder thereof to receive one common share, its equivalent cash value, or a combination of both, on the redemption date at the discretion of the Compensation Committee. The RSUs are equity classified based on the history of past settlements.

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

The continuity of RSUs issued and outstanding is as follows:

	Six months ended June 30,	
	2025	2024
Outstanding balance, beginning of period	328,180	340,570
Issued	4,510	3,612
Settled	(9,537)	—
Forfeited	(12,259)	—
Outstanding balance, end of period	310,894	344,182

#### (e) Share-based compensation

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Stock options	\$ 594	\$ 675	\$ 1,085	\$ 1,359
Performance share unit plan	5,191	3,931	5,723	7,844
Deferred share unit plan	1,419	799	1,051	2,077
Restricted share unit plan	552	670	1,070	1,340
Share-based compensation <sup>(1)</sup>	\$ 7,756	\$ 6,075	\$ 8,929	\$ 12,620

- (1) For the three and six months ended June 30, 2025, the Company recorded \$1.1 million and \$2.2 million (three and six months ended June 30, 2024 - \$1.3 million and \$2.7 million) of share-based compensation in contributed surplus, and the remaining share-based compensation was recorded in liabilities.

# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### (f) Net Income (Loss) per Share

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Weighted average number of common shares outstanding	103,582,082	103,082,363	103,573,416	102,918,092
Dilutive effects of:				
Stock options	12,585	—	17,702	—
Share units	310,894	—	310,894	—
Weighted average number of diluted common shares outstanding <sup>(1)</sup>	103,905,561	103,082,363	103,902,012	102,918,092
Net income (loss) attributable to owners of the Company	\$ 70,548	\$ (53,247)	\$ 150,775	\$ (60,388)
Basic net income (loss) per share	\$ 0.68	\$ (0.52)	\$ 1.46	\$ (0.59)
Diluted net income (loss) per share	\$ 0.68	\$ (0.52)	\$ 1.45	\$ (0.59)

- (1) Weighted average number of diluted common shares outstanding for the three and six months ended June 30, 2025 excluded 1,343,914 and 966,159 (three and six months ended June 30, 2024 - 1,427,332 and 1,427,332) stock options and nil share units (three and six months ended June 30, 2024 - 344,182 and 344,182) that were anti-dilutive.

### 14. Revenue

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Copper</b>				
Export sales	141,969	79,362	\$ 250,608	\$ 153,014
Adjustments on provisional sales <sup>(1)</sup>	(3,909)	(419)	(3,046)	(215)
	138,060	78,943	247,562	152,799
<b>Gold</b>				
Sales	22,043	33,062	35,383	59,076
Amortization of deferred revenue <sup>(2)</sup>	3,407	5,085	5,653	11,008
	\$ 25,450	\$ 38,147	\$ 41,036	\$ 70,084
	\$ 163,510	\$ 117,090	\$ 288,598	\$ 222,883

- (1) Adjustments on provisional sales include both pricing and quantity adjustments. Provisionally priced sales to the Company's international customers are settled with a final sales price between zero to six months (June 30, 2024 - zero to one month) after shipment takes place and, therefore, are exposed to commodity price changes.

- (2) During the three and six months ended June 30, 2025, the Company delivered 1,882 and 3,249 ounces of gold, respectively (three and six months ended June 30, 2024 - 3,836 and 8,391 ounces of gold), under a precious metals purchase agreement with Royal Gold (note 11) for average cash consideration of \$654 and \$619 per ounce (three and six months ended June 30, 2024 - \$466 and \$440).

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

#### 15. Cost of Sales

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Materials	\$ 13,118	\$ 11,899	\$ 24,808	\$ 22,303
Salaries and benefits	20,026	15,617	38,929	31,465
Contracted services	15,331	9,471	23,547	17,925
Maintenance costs	13,268	8,298	22,791	15,542
Utilities	4,109	3,218	8,255	6,885
Other costs	484	232	888	468
Change in inventory (excluding depreciation and depletion)	993	790	(4,423)	4,419
Cost of production	67,329	49,525	114,795	99,007
Sales expense and others	4,009	2,416	7,863	4,706
Depreciation and depletion	23,685	20,966	44,059	42,234
Change in inventory (depreciation and depletion)	1,201	891	(927)	2,467
	<u>\$ 96,224</u>	<u>\$ 73,798</u>	<u>\$ 165,790</u>	<u>\$ 148,414</u>

#### 16. General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Accounting and legal	\$ 479	\$ 682	\$ 857	\$ 1,062
Amortization and depreciation	329	437	703	889
Office and administration	2,378	2,235	4,650	4,531
Salaries and consulting fees	6,673	7,016	13,210	13,047
Incentive payments	978	977	2,076	2,668
Other	727	463	1,439	1,127
	<u>\$ 11,564</u>	<u>\$ 11,810</u>	<u>\$ 22,935</u>	<u>\$ 23,324</u>



# Ero Copper Corp.

## Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

### 17. Finance Expense

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Accretion of deferred revenue	2,146	640	\$ 2,725	\$ 1,326
Accretion of provision for rehabilitation and closure	866	603	1,707	1,236
Interest on lease liabilities	631	452	1,194	897
Other finance expenses <sup>(1)</sup>	2,333	2,870	5,073	5,740
	<u>\$ 5,976</u>	<u>\$ 4,565</u>	<u>\$ 10,699</u>	<u>\$ 9,199</u>

- (1) Other finance expenses during the three and six months ended June 30, 2025 included \$0.2 million and \$1.4 million, respectively (three and six months ended June 30, 2024 - \$2.6 million and \$4.5 million) of credit loss on certain accounts receivable (see Note 19).
- (2) During the three and six months ended June 30, 2025, the Company capitalized \$11.4 million and \$22.4 million, respectively (three and six months ended June 30, 2024 - \$9.1 million and \$16.5 million) of borrowing costs to projects in progress.

### 18. Foreign Exchange Gain (Loss)

The following foreign exchange gains (losses) arise as a result of balances and transactions in the Company's Brazilian subsidiaries that are denominated in currencies other than the Brazilian Reals (BRL\$), which is their functional currency.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Foreign exchange gain (loss) on USD denominated debt in Brazil	\$ 33,007	\$ (54,895)	\$ 78,110	\$ (67,703)
Realized foreign exchange gain (loss) on derivative contracts (note 19)	217	(998)	(1,999)	1,128
Unrealized foreign exchange gain (loss) on derivative contracts (note 19)	6,633	(16,071)	23,439	(25,412)
Foreign exchange (loss) gain on other financial assets and liabilities	(1,217)	1,510	(2,510)	2,537
	<u>\$ 38,640</u>	<u>\$ (70,454)</u>	<u>\$ 97,040</u>	<u>\$ (89,450)</u>

### 19. Financial Instruments

#### Fair value

Fair values of financial assets and liabilities are determined based on available market information and valuation methodologies appropriate to each situation.

As at June 30, 2025, derivatives were measured at fair value based on Level 2 inputs.

**Notes to Condensed Consolidated Interim Financial Statements**

*(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)*

The carrying values of cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity or the discount rate used approximates to the contractual interest rate. At June 30, 2025, the carrying value of loans and borrowings, including accrued interest, was \$627.4 million while the fair value is approximately \$620.8 million. At June 30, 2025, the carrying value of notes receivable, including accrued interest, was \$12.8 million which approximates its fair value.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of the financial assets below represents the maximum credit risk exposure as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 68,303	\$ 50,402
Accounts receivable	12,732	18,399
Derivatives	4,886	—
Note receivable	12,761	12,009
Deposits and other assets	5,809	4,961
	<u>\$ 104,491</u>	<u>\$ 85,771</u>

The Company invests cash and cash equivalents with financial institutions that are financially sound based on their credit rating.

The Company's exposure to credit risk associated with accounts receivable is influenced mainly by the individual characteristics of each customer.

In 2022, one of the Company's customers in Brazil, Paranapanema S/A ("PMA"), filed for bankruptcy protection. As a preferred supplier to PMA, the Company had a note receivable arrangement with PMA, which was excluded from the judicial recovery process and provides the Company with certain judicial guarantees. According to the note receivable arrangement, repayment was structured over 24 monthly installments beginning in March 2024, with an annual interest rate equivalent to Brazil's CDI rate of approximately 11.65%.

At June 30, 2025, PMA continued to be in default of the agreement and the gross amount of accounts and note receivable from PMA was \$24.0 million (December 31, 2024 - \$20.7 million). Accordingly, the note receivable is considered credit impaired, and the Company recorded a credit loss provision and present value discount of \$15.0 million (December 31, 2024 - \$13.1 million). The carrying value of the PMA note receivable at June 30, 2025 was \$8.9 million (December 31, 2024 - \$7.6 million.), of which \$4.8 million (December 31, 2024 - \$3.9 million) was included in other current assets. \$0.2 million and \$0.2 million provision was required on the credit loss provision in the three and six months ended June 30, 2025 (provision of \$2.6 million and \$4.5 million for the three and six months ended June 30, 2024).

**Notes to Condensed Consolidated Interim Financial Statements**
*(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)*
**Liquidity risk**

Liquidity risk is the risk associated with the difficulties that the Company may have meeting the obligations associated with financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to liquidity management is to ensure as much as possible that sufficient liquidity exists to meet their maturity obligations on the expiration dates, under normal and stressful conditions, without causing unacceptable losses or with risk of undermining the normal operation of the Company.

The table below shows the Company's maturity of non-derivative financial liabilities on June 30, 2025:

Non-derivative financial liabilities	Carrying value	Contractual cash flows	Up to 12 months	1 - 2 years	3 - 5 years	More than 5 years
Loans and borrowings (including interest)	\$ 627,376	\$ 800,316	\$ 87,895	\$ 98,174	\$ 614,247	\$ —
Accounts payable and accrued liabilities	110,243	111,210	111,210	—	—	—
Other non-current liabilities	10,289	21,903	—	20,851	666	386
Leases	25,873	28,480	18,348	9,877	224	30
<b>Total</b>	<b>\$ 773,781</b>	<b>\$ 961,909</b>	<b>\$ 217,453</b>	<b>\$ 128,902</b>	<b>\$ 615,137</b>	<b>\$ 416</b>

The Company also has a derivative financial asset for foreign exchange collar contracts whose notional amounts and maturity information are disclosed below under foreign exchange currency risk.

**Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices. The purpose of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return.

The Company may use derivatives, including options, forwards and swap contracts, to manage market risks.

The Company's outstanding derivative instruments as of June 30, 2025 are as follows:

Contract Description	Notional Amount	Denomination	Weighted average floor	Weighted average cap / forward price	Maturities
Foreign exchange collar (i)	\$240.0 million	USD/BRL	5.53	6.52	July 2025 - June 2026
Copper collar (iii)	9,000 tonnes	\$ / lb	4.00	4.68	July 2025 - September 2025
Gold collar (iii)	15,000 ounces	\$ / oz	\$2,200	\$3,425	July 2025 - December 2025

**Notes to Condensed Consolidated Interim Financial Statements**

*(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)*

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(i) Foreign exchange currency risk

The Company's subsidiaries in Brazil are exposed to exchange risks primarily related to the US dollar. In order to minimize currency mismatches, the Company monitors its cash flow projections considering future sales expectations indexed to US dollar variation in relation to the cash requirement to settle the existing financings.

The Company's exposure to foreign exchange currency risk at June 30, 2025 relates to \$66.8 million (December 31, 2024 – \$60.0 million) in loans and borrowings of MCSA denominated in US dollars and Euros. In addition, the Company is also exposed to foreign exchange currency risk at June 30, 2025 on \$580.2 million of intercompany loan balances (December 31, 2024 - \$513.6 million) which have contractual repayment terms. Strengthening (weakening) in the Brazilian Real against the US dollar at June 30, 2025 by 10% and 20%, would have decreased (increased) pre-tax net loss by \$64.7 million and \$129.3 million, respectively. This analysis is based on the foreign currency exchange variation rate that the Company considered to be reasonably possible at the end of the period and excluding the impact of the derivatives below. The analysis assumes that all other variables, especially interest rates, are held constant.

The Company may use certain foreign exchange derivatives, including collars and forward contracts, to manage its foreign exchange risks. At June 30, 2025, the aggregate fair value of the Company's foreign exchange derivatives was a net asset of \$4.9 million recorded in other current assets (December 31, 2024 - liability of \$17.9 million). The fair values of foreign exchange contracts were determined based on option pricing models, forward foreign exchange rates, and information provided by the counter party.

The change in fair value of foreign exchange derivatives was a gain of \$6.6 million and a gain of \$23.4 million for the three and six months ended June 30, 2025, respectively (a loss of \$16.1 million and \$25.4 million for the three and six months ended June 30, 2024, respectively), and have been recognized in foreign exchange gain (loss).

In addition, during the three and six months ended June 30, 2025, the Company recognized a realized gain of \$0.2 million and a loss of \$2.0 million, respectively (realized loss of \$1.0 million and gain of \$1.1 million for the three and six months ended June 30, 2024 respectively), related to the settlement of foreign currency forward collar contracts.

(ii) Interest rate risk

The Company is principally exposed to the variation in interest rates on loans and borrowings with variable rates of interest. Management reduces interest rate risk exposure by entering into loans and borrowings with fixed rates of interest or by entering into derivative instruments that fix the ultimate interest rate paid.

The Company is principally exposed to interest rate risk through its Senior Credit Facility and Brazilian Real denominated bank loans. Based on the Company's net exposure at June 30, 2025, a 1% change in the variable rates would not materially impact its pre-tax annual net income.

(iii) Price risk

The Company may use derivatives, including forward contracts, collars and swap contracts, to manage commodity price risks.

At June 30, 2025, the Company had copper collar contracts on 3,000 tonnes of copper per month from July 2025 to September 2025. These copper derivative contracts establish an average floor price of \$4.00 per pound of copper and an average cap price of 4.68 per pound. As of June 30, 2025, the fair value of these contracts was a net liability of \$0.7 million (December 31, 2024 - nil). The fair value of copper collar contracts was determined based on option pricing models, forward copper price and information provided by the counter party.

## Ero Copper Corp.

### Notes to Condensed Consolidated Interim Financial Statements

(Unaudited, Tabular amounts in thousands of US Dollars, except share and per share amounts)

At June 30, 2025, the Company also had gold collar contracts on 2,500 ounces of gold per month from July 2025 to December 2025. These gold derivative contracts establish an average floor price of \$2,200 per ounce of gold and an average cap price of \$3,425 per ounce. As of June 30, 2025, the fair value of these contracts was a net liability of \$0.9 million (December 31, 2024 - liability of \$0.1 million). The fair value of gold collar contracts was determined based on option pricing models, forward gold price, and information provided by counter party.

During the three and six months ended June 30, 2025, the Company recognized an unrealized gain of \$0.6 million and an unrealized loss of \$1.5 million (unrealized loss of \$0.4 million and unrealized loss of \$0.4 million for the three and six months ended June 30, 2024), respectively, in relation to its commodity derivatives in other income or loss.

During the three and six months ended June 30, 2025, the Company did not recognize any realized impact, in relation to its commodity derivatives in other income or loss (\$1.8 million and \$1.8 million realized loss for three and six months ended June 30, 2024).

At June 30, 2025, the Company had provisionally priced sales that are exposed to commodity price changes (note 14). Based on the Company's net exposure at June 30, 2025, a 10% change in the price of copper would have changed pre-tax net income (loss) by \$5.0 million.

## 20. Supplemental Cash Flow Information

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Net change in non-cash working capital items:</b>				
Accounts receivable	\$ 50,911	\$ (8,225)	\$ 5,849	\$ (11,243)
Inventories	(6,022)	(2,904)	(14,030)	725
Other assets	(1,864)	(3,755)	(3,538)	(10,387)
Accounts payable and accrued liabilities	(32,534)	(8,915)	(20,556)	(23,468)
	<u>\$ 10,491</u>	<u>\$ (23,799)</u>	<u>\$ (32,275)</u>	<u>\$ (44,373)</u>
<b>Non-cash investing and financing activities:</b>				
Additions to property, plant and equipment by leases	6,781	3,800	\$ 13,956	\$ 7,834
Non-cash increase in accounts payable in relation to capital expenditures	5,805	4,972	3,867	7,042