EAGLE ROYALTIES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the period May 19, 2023 to September 30, 2023

(Unaudited – prepared by management)

EAGLE ROYALTIES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended September 30, 2023.

NOTICE TO READER OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Management of Eagle Royalties Ltd. is responsible for the preparation of the accompanying condensed interim financial statements as at September 30, 2023.

These condensed interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Crowe MacKay LLP.

The condensed interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

"Timothy J Termuende"	*"Glen J Diduck"*
Timothy J. Termuende, P. Geo	Glen J. Diduck
President and Chief Executive Officer	Chief Financial Officer

EAGLE ROYALTIES LTD.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	September 30 2023 (unaudited)
Assets	
Current	
Cash and cash equivalents	**$ 2,274,676**
Accounts receivable (Note 5)	**7,365**
Prepaids	**18,188**
	2,300,229
Royalty assets	**6,500,000**
	$ 8,800,229
Liabilities and Shareholders' Equity (Deficit)	
Current	
Accounts payable and accrued liabilities (Note 5)	**$ 21,127**
Due to related company (Note 5)	**532,387**
	553,514
Shareholders' equity (deficit)	
Share capital (Note 8)	**8,939,436**
Deficit	**(692,721)**
	8,246,715
	$ 8,800,229

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 6)
Subsequent event (Note 10)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Charles C. Downie" Director
Mr. Charles D. Downie (Signed)

EAGLE ROYALTIES LTD.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Three months ended Sep 30 2023	For the period May 19 to Sep 30 2023
Operating expenses		
Office and administration costs (Note 5)	**$ 14,225**	**$ 23,699**
Professional fees (Note 5)	**30,184**	**519,488**
Public company costs	**2,625**	**32,966**
Wages and consulting fees (Note 5)	**64,300**	**104,003**
Tradeshows, travel and promotion	**9,651**	**12,571**
	120,985	**692,727**
Other income	**6**	**6**
Comprehensive loss for the period	**$ 120,979**	**$ 692,721**
Loss per share – basic and diluted	**$ (0.00)**	**$ (0.01)**
Weighted average number of common shares outstanding – basic and diluted	**57,060,528**	**57,055,096**

The accompanying notes are an integral part of these condensed interim financial statements.

EAGLE ROYALTIES LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

For the period May 19 to September 30, 2023	2023
Cash flows from operating activities	
Loss for the period	$ (692,721)
Adjustment for	
Amalgamation of 138 and Eagle Royalties subco	(392,208)
Changes in non-cash working capital items	
Increase in accounts receivable	(7,365)
Increase in prepaids	(18,188)
Increase in accounts payable and accrued liabilities	21,128
Increase in due to related party	232,387
	(856,968)
Cash flows from financing activities	
Advances from related party	300,000
Proceeds from financing	3,003,598
Proceeds from sale of shares	103,528
Share issue costs	(282,982)
Proceeds from exercise of EPL options and warrants	7,500
	3,131,644
Increase in cash and cash equivalents	2,274,676
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 2,274,676
Cash and cash equivalents comprise:	
Bank deposits	274,676
Term deposits	2,000,000
	$ 2,274,676

The Company made no cash payments for income taxes in the period.
The Company paid interest costs of $5,055 in the period.

The accompanying notes are an integral part of these condensed interim financial statements.

EAGLE ROYALTIES LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Share Capital		Paid Up		
	Shares	Amount	Capital	Deficit	Total
Balance, May18, 2023	-	$ -	$ -	$ -	$ -
Shares issued on incorporation	100	10	-	-	10
Shares issued on spin out	36,821,908	2,363,710	3,744,072	-	6,107,782
Shares issued to Eagle Plains on spin out	5,176,425	103,528	-	-	103,528
Shares issued to 138 shareholders	5,000,000	-	-	-	-
Shares issued to 138 shareholders in concurrent financing	10,011,996	3,003,598	-	-	3,003,598
Share issue costs		(282,982)	-	-	(282,982)
Shares issued on exercise of warrants	16,666	3,750	-	-	3,750
Shares issued on exercise of options	33,333	3,750	-	-	3,750
Net loss for the period	-	-	-	(692,721)	(692,721)
Balance, September 30, 2023	**57,060,428**	**$5,195,364**	**$3,744,072**	**$ (692,721)**	**$8,276,715**

The accompanying notes are an integral part of these condensed interim financial statements.

1. Nature and Continuance of Operations

Eagle Royalties Ltd. ("Eagle Royalties" or the "Company" or "ER") was incorporated on January 21, 2022 under the laws of the province of Alberta as a wholly-owned subsidiary of Eagle Plains Resources Ltd. ("Eagle Plains" or "EPL").

The Company was incorporated to manage the royalty portfolio of Eagle Plains. On February 28, 2023, Eagle Plains entered into an arrangement agreement with ER, and ER entered into an amalgamation agreement with 1386884 BC Ltd. ("138") whereby, among other things EPL transferred a majority of its portfolio of royalty interests (the "Royalties") to its wholly-owned subsidiary, Eagle Royalties, in exchange for certain shares of Eagle Royalties (the "Spin-out Shares") and thereafter, ER and 138 amalgamated, and the resulting issuer, Eagle Royalties Ltd. was listed on the Canadian Securities Exchange under the symbol "ER".

The Corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

This is the first year of operation for Eagle Royalties so there are no comparative figures for the prior year.

These condensed interim financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These circumstances could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. The Company has been able to continue with business with minimal impact, but the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or future results of operations cannot be predicted at this time. These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of Preparation

(a) Statement of Compliance

The condensed interim financial statements for the Company for the period ending September 30, 2023 are prepared in accordance with International Financial Reporting Standard 34 ("IAS 34"), Interim Financial Reporting, using accounting policies which are consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements were authorized for issue by the Board of Directors on November 28, 2023.

(b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") which are stated at their fair value. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the

2. Basis of Preparation - continued

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management judgements include the assessment of impairment of royalty assets.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements. The condensed interim financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Cash and cash equivalents

Cash and cash equivalents consist of bank balances and term deposits that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b) Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 requires financial assets to be classified into one of the following three measurement categories on initial recognition:

- Those measured a fair value through profit and loss ("FVTPL");
- Those measured at fair value through other comprehensive income ("FVOCI"); and
- Those measured at amortized cost.

Cash and cash equivalents are recorded at FVTPL and accounts receivable and accounts payable and accrued liabilities, initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

c) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business

3. Significant Accounting Policies - continued

c) Income taxes - continued

combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

e) Per share amounts

Basic earnings (loss) per common share are computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares.

The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

f) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss in the statement of comprehensive income (loss) over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss in the statement of comprehensive income (loss) over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss in the statement of comprehensive income (loss), unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting

3. Significant Accounting Policies - continued

f) Share-based payments - continued

conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The fair value of the stock options that expire unexercised remains in contributed surplus.

New accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting years beginning after January 1, 2023, or later years. Updates that are not applicable to the Company have been excluded in the preparation of these condensed interim financial statements.

The Company has adopted these accounting standards effective January 1, 2023:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting years beginning on or after January 1, 2023. There will be no significant impact to the condensed interim financial statements as a result of the implementation of these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. There will be no significant impact to the condensed interim financial statements as a result of the implementation of these amendments.

4. Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash and equivalents are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The following table sets forth the Company’s financial assets measured at fair value by level within the fair value hierarchy.

(Expressed in Canadian dollars)

4. Financial Instruments - continued

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	**$ 2,274,676**	**$ -**	**$ -**	**$ 2,274,676**

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations exposes the Company to concentration risk, credit risk, price risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

a) Concentration risk
At September 30, 2023, substantially all of the Company's cash and cash equivalents were held at one recognized Canadian national financial institution. As a result, the Company was exposed to all of the risks associated with that institution.

b) Credit risk
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with cash and cash equivalents is their carrying values on the statement of financial position.

c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

d) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2023 equal $549,899. All the liabilities presented as accounts payable and accrued liabilities are due within 30 days of September 30, 2023.

5. Related Party Transactions

The Company was involved in the following related party transactions during the period:

(a) The Company was related to Eagle Plains through common directors. During the period the Company had the following transactions with the related company:

	2023
Administrative services provided by EPL	**$ 8,102**
Costs reimbursed to EPL	**$ 11,670**
Spin-out costs due to EPL	**$ 432,387**
Advances from EPL	**$ 300,000**
Interest paid to EPL	**$ 5,055**
Shares purchased by EPL	**$ (103,528)**
Proceeds from exercise of EPL options/warrants	**$ (7,500)**
	$ 646,186

(Expressed in Canadian dollars)

5. Related Party Transactions - continued

At September 30, 2023, $4,990 is included in accounts payable and accrued liabilities.
At September 30, 2023, $3,760 is included in accounts receivable.
At September 30, 2023, $532,387 is included in due to related party.

(b) Compensation to key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate amount of expenditures paid or payable to key management personnel in the period was as follows:

		2023
Consulting fees	to a company owned by a director and officer of ER	**$ 40,800**
Professional fees	to an officer of ER	**$ 17,500**
Wages	to a director of ER	**$ 20,000**
		$ 109,620

(c) Included in administration costs is $40,800 paid or accrued for management services to a company owned by a director and officer of the Company.

(d) Included in professional fees is $17,500 paid or accrued for accounting services to an officer of the Company.

(e) Included in wages is $20,000 paid or accrued for services to a director of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment, except for a $300,000 Promissory Note which has an interest rate of 5%.

6. Commitments and Contingencies

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of twenty-four (24) months' salary or a lump sum payment as disclosed in their contract should such an event occur.

7. Capital Management

The Company includes cash and cash equivalents and shareholders' equity, comprising of issued common shares and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and development of royalty interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

8. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of preference shares, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At September 30, 2023, there were 57,060,428 shares outstanding.

During the period the following transactions occurred:

- 36,822,008 shares were issued to Eagle Plains shareholders on a 1:3 spin-out basis as part of the spin-out transaction (these shares are subject to escrow provisions for a period of one year, and up to three years for certain directors)
- 5,176,425 shares were issued to Eagle Plains for proceeds of $103,529 as part of the spin-out transaction.
- 5,000,000 shares were issued to 138 shareholders as part of the spin-out transaction.
- 10,011,996 shares were issued to 138 shareholders in the concurrent financing.
- 16,666 shares were issued on the exercise of Eagle Plains warrants for proceeds of $3,750.
- 33,333 shares were issued on the exercise of Eagle Plains options for proceeds of $3,750.

(c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under Canadian Securities Exchange policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

There were no stock option activities during the period ended September 30, 2023.

9. Spin-out Transaction and Amalgamation

On February 28, 2023, Eagle Royalties entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") with Eagle Plains pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") and cash of $103,528 to the Company (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among Eagle Plains, the Company and 138, pursuant to which 138 and the Company will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction" and was completed May 19, 2023.

Pursuant to the Spin-out Transaction, the Company issued an aggregate of 41,998,433 common shares of the Company (the "Spinco Shares"). Of the total Spinco Shares so issued, 5,176,525 Spinco Shares were distributed to Eagle Plains and the remaining Spinco Shares (i.e., 36,822,008) were distributed to shareholders of Eagle Plains on a 1:3 basis.

Concurrent with the Transaction, 138 completed a private placement financing (the "Concurrent Financing") raising gross proceeds of $3,003,598 through the issuance of 10,011,996 common shares, units or subscription receipts, as the case may be at a price of $0.30 per security. In connection with the Concurrent Financing, 138: (i) paid agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issued broker's warrants, equivalent to 7% of the 138's securities sold through the Concurrent Financing.

Pursuant to the Combination Transaction, the Company and 138 amalgamated, and its respective share capital was completed on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer made application for

9. Spin-out Transaction and Amalgamation - continued

the listing of its common shares on the Canadian Securities Exchange and commenced trading May 24, 2023 under the symbol “ER”.

10. Subsequent Event

There are no subsequent events