

**December 31, 2023**

**Management Discussion and Analysis**  
**Year-end and Fourth Quarter, 2023**

This Management's Discussion and Analysis ("MD&A") of Eagle Royalties Ltd. ("Eagle Royalties", "ER", or the "Company") is dated April 11, 2024 and provides a discussion of the Company's financial and operating results for the quarter ended December 31, 2023 and the year ended December 31, 2023. The MD&A should be read in conjunction with the most recently published annual audited financial statements and notes.

**Business Overview**

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 2513756 Alberta Ltd., formerly 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".

Eagle Royalties is a growth-focused company seeking to build a royalty company by developing its existing portfolio of royalty assets, acquiring royalties from companies that have advanced stage development projects and identifying further investment opportunities.

**Spin-out and Amalgamation Transaction**

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

- an arrangement agreement (the "Arrangement Agreement") between 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 the 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").

Under the Arrangement Agreement, for every Eagle Plains warrant or option outstanding as of Spin-out Transaction completion date that is exercised subsequently, the Company is required to issue 1/3 of a common share and will receive 1/3 proceeds from the warrant or option exercise.

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 41,998,333 common shares to Eagle Plains (the "Spinco Shares") as consideration for royalty interests with a nominal carrying value and \$103,528 cash from EPL. Of the total Spinco Shares so issued, 5,176,425 Spinco Shares were retained by Eagle Plains and the remaining Spinco Shares (i.e., 36,821,908) were distributed to shareholders of the Eagle Plains by way of a return on capital on a 1:3 basis. In accordance with the Arrangement Agreement, Spinco Shares are subject to escrow considerations whereby 20% of the total distributed shares would be released at the closing of the Transaction and 20% every 90 days thereafter over one year.

Concurrent with the Transaction, 138 completed a private placement financing (the "Concurrent Financing") raising gross proceeds of \$3,003,598 through the issuance of 10,011,978 units at a price of \$0.30 per unit. In connection with the Concurrent Financing, 138 paid commissions in cash and issued broker's warrants.

Pursuant to the Combination Transaction, the Company and 138 amalgamated, whereby each entity's shares and warrants were exchanged for shares and warrants of the Resulting Issuer on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer made an application for the listing of its common shares on the Canadian Securities Exchange and commenced trading May 25, 2023 under the symbol "ER".

As a result of the Combination Transaction, former holders of ER shares hold 41,998,333 common shares of the Resulting Issuer representing 74% and former holders of 138 shares hold 15,011,978 common shares of the Resulting Issuer representing 26%. The shareholders of ER, therefore, control the Resulting Issuer and is identified as the acquirer. The Combination Transaction does not constitute a business combination as 138 does not meet the definition of a business under IFRS 3: Business Combinations. As a result, the Combination Transaction has been accounted for as an asset acquisition by ER of 138's net assets in accordance with the guidance under IFRS 2: Share-based Payments, whereby all of the assets acquired and liabilities assumed from 138 are assigned a carrying amount based on their relative fair values, and the corresponding increase in equity was measured, directly, at the fair value of the net assets acquired. The fair value of the purchase price was then allocated between common shares and warrants issued on a pro-rata basis.

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**Spin-out and Amalgamation Transaction - continued**

<u>Net Assets Acquired</u>	
Cash	\$ 3,014,160
Accounts receivable	26,616
Accounts payable and accrued liabilities	(282,983)
	<u>\$ 2,757,793</u>
<u>Purchase price</u>	
Issuance of 15,011,978 common shares	\$ 2,716,178
Issuance of 5,562,404 warrants	41,615
	<u>\$ 2,757,793</u>

**Selected Annual Information**

Selected annual information from the audited financial statements for the year ended December 31, 2023 and the period from January 21, 2022 to December 31, 2022 is presented in the table below. The financial data has been prepared in accordance with IFRS Accounting Standards ("IFRS") and is reported in Canadian dollars.

December 31	2023	2022
Operating revenues	-	-
Operating loss for the year	668,448	208,741
Loss for the year	1,074,569	208,741
Net income (loss) per share - Basic	(0.03)	(2078.41)
Diluted income (loss) per share	(0.03)	(2078.41)
Total assets	2,172,348	108,714
Total long-term liabilities	-	-

**Results of Operations - Annual**

For the year ended December 31, 2023, the Company recorded a net loss of \$1,074,569 (2022 - \$208,741). The increased net loss is due to 2023 being a full year (2022 was 8 months) and also includes the transaction costs for Eagle Royalties.

**Expenditures**

Office and administration costs of \$57,989 (2022 - \$12,953) consist of office operating costs of \$41,653 (2022 - \$12,953), interest costs of \$8,836 (2022 - \$nil) and director fees of \$7,500 (2022 - \$nil).

Professional fees of \$226,658 (2022 - \$38,537) consists of legal fees of \$137,769 (2022 - \$1,537) and accounting and audit costs of \$88,889 (2022 - \$37,000).

Reporting, filing and corporate governance costs of \$40,933 (2022 - \$nil) consists of special meeting costs related to the spin-out of \$25,659 (2022 - \$nil) and reporting and issuing costs of \$15,274 (2022 - \$nil).

Wages and consulting fees of \$298,047 (2022 - \$156,768) consist of salaries and CEO consulting fees.

Tradeshows, travel and promotion costs of \$44,821 (2022 - \$483) consist of marketing consultant costs of \$30,130 (2022 - \$nil), attendance to tradeshow costs of \$5,348 (2022 - \$nil) and other advertising and promotional costs of \$9,343 (2022 - \$nil).

**Other income**

Other income consists of interest of \$26,184 (2022 - \$nil) and miscellaneous income of \$195 (2022 - \$nil).

**Liquidity and Financial Resources**

At December 31, 2023, the Company had working capital of \$1,585,511. This results from the amalgamation of ER and 138, which includes proceeds of \$3,003,598 from the concurrent financing. At December 31, 2023, the Company held cash of \$1,131,188 and a term deposit of \$1,000,000.

The Company held receivables of \$4,527 representing a GST receivable.

The Company's continuing operations can be financed by cash on hand. Expanded operations would require financing, primarily through the public equity markets. Circumstances that could affect liquidity are significant exploration successes or lack thereof on royalty properties, new acquisitions, changes in metal prices and the general state of the equity markets for junior exploration companies.

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**Royalty Portfolio**

Eagle Royalties assets include mineral royalties overlying gold, critical-metal, uranium, lithium, rare earth element and industrial mineral exploration projects. These royalties provide shareholder exposure to mineral exploration that other companies conduct on properties that had been vended to them by Eagle Plains Resources. Eagle Royalties holds royalties on over 50 such projects owned by senior to junior mining and exploration companies. For the most part these royalties are 2% Net Smelter Return (NSRs) and where 1% may be purchased from Eagle Royalties for \$1m prior to production. Eagle Royalties flagship is the AurMac/McQuesten royalty, a 0.5% - 2% NSR at Banyan Gold's AurMac property located in the central Yukon where a 6.18m oz gold resource was announced in May 2023 (no buydown option exists for this royalty).

Eagle Plains historically held potentially valuable royalty interests on a large number of projects in western Canada targeting a broad spectrum of metals and industrial mineral projects including gold, silver, base-metals, uranium, diamonds and gypsum. It is these royalties which were transferred to Eagle Royalties. One royalty of particular interest is on claims formerly known as "McQuesten", underlying the "AurMac" property, currently operated by Banyan Gold Corp. ("Banyan"). Beginning in 1997, Eagle Plains and predecessor company Miner River Resources Ltd. jointly acquired an interest in claims which are now the target of aggressive drilling and development activity by Banyan. Through a series of subsequent transactions Eagle Plains became the holder of royalty interests ranging from 0.5% to 2% (with no buy-down provisions) on certain claims which comprise part of the AurMac property. On June 29, 2022 Banyan published a N.I. 43-101 compliant report which outlined an inferred mineral resource of 3.99 million ounces of gold, a portion of which appear to be situated on claims subject to EPL NSR's. On May 24, 2023, a significant increase in the inferred resource was announced by Banyan Gold Corp. (see ER news release June 1, 2023) The updated Mineral Resource Estimate comprises a total Inferred Mineral Resource (as defined in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources & Mineral Reserves incorporated by reference into NI 43 101) of 6.2 million ounces of gold on the near-surface, road accessible AurMac Property. A formal NI 43-101 compliant report was released by Banyan on July 7, 2023 which indicates a modest increase in inferred resource estimate pit extent over claims subject to the various Eagle Royalties' NSR's.

In January 2024, the Company learned of encouraging drill hole intercepts, including visible gold, at the AurMac Project in central Yukon in a public announcement made by Banyan Gold Corp. on January 15, 2024.

**Transactions with Related Parties**

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

- (a) The Company is related to Eagle Plains through common directors starting May 19, 2023. During the year ended December 31, 2023 the Company had the following transactions with the related company:

	<b>2023</b>
Administrative services provided by EPL	<b>\$ 16,068</b>
Costs reimbursed to EPL	<b>47,230</b>
Transaction costs due to EPL	<b>432,387</b>
Interest paid to EPL	<b>8,836</b>
Proceeds from exercise of EPL options/warrants	<b>(7,500)</b>
	<b>\$ 497,021</b>

At December 31, 2023, \$15,925 is included in accounts payable and accrued liabilities.

At December 31, 2023, \$528,637 is included in due from related company.

- (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 periods was as follows:

	<b>2023</b>	<b>2022</b>
Consulting fees	<b>\$ 110,420</b>	\$ 79,383
Professional fees	<b>50,000</b>	37,000
Wages	<b>68,000</b>	-
Director fees	<b>7,500</b>	-
	<b>\$ 235,920</b>	\$116,383

- (c) Included in wages and consulting fees is \$110,420 (2022 - \$79,383) paid or accrued for management services to a company owned by a director and officer of the Company.
- (d) Included in professional fees is \$50,000 (2022 - \$37,000) paid or accrued for accounting services to an officer of the Company.
- (e) Included in wages and consulting fees is \$68,000 (2022 - \$nil) paid or accrued for services to officers of the Company who are also directors.

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**Transactions with Related Parties - continued**

(f) Included in office and administration costs are director fees of \$7,500 (2022 - \$nil) paid or accrued 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 unless otherwise specified.

**Disclosure of Management Compensation**

The Company has standard compensation agreements with certain Officers to pay for services as an officer of the Company. Payments totaling \$228,420 (2022 - \$ 116,383) were paid out in the year ended December 31, 2023.

**Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the 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 estimates and judgments include the accounting for the spin-out transaction and amalgamation, which mainly involve:

- Measurement of the assets received from Eagle Plains (at fair value or carrying value)
- Determination of acquirer
- Measurement of the shares issued by the Company to amalgamate with 138

Other areas of significant judgment include the assessment of going concern assumption.

**Financial Instruments**

The Company holds cash and term deposits and it is management's opinion that the Company is not exposed to significant risks arising from these financial instruments. Substantially all of the Company's cash and term deposits are held at one recognized Canadian national financial institution. As a result, the Company is exposed to all of the risks associated with this institution.

**Disclosure of Outstanding Share Data**

The Company has an unlimited number of common shares without nominal or par value authorized for issuance.

At April 11, 2024, the Company has 57,060,310 (December 31, 2023 – 57,060,310) common shares issued and outstanding. There are no other classes of shares outstanding.

During the year ended December 31, 2023:

- 41,998,333 shares were issued to Eagle Plains shareholders and Eagle Plains as part of the spin-out transaction (these shares are subject to escrow provisions for a period of one year).
- 15,011,978 shares were issued to 138 shareholders as part of the amalgamation (10,011,978 shares are subject to escrow provisions for a period of one year).
- 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.

At April 11, 2024, the Company has 5,562,404 (December 31, 2023 – 5,562,404) warrants outstanding with an expiry date of May 18, 2025.

During the year ended December 31, 2023:

- 5,562,404 warrants were issued, exercisable at \$0.50 for 2 years to 138 shareholders as part of the amalgamation.

**Accounting Policies**

The financial statements for the Company for the year ending December 31, 2023 are prepared in accordance with accounting policies which are consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") Refer to Note 4 to the financial statements for information pertaining to accounting standards and amendments effective for future years.

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**Summary of Quarterly Results**

Year Quarter	2023 Dec31	2023 Sep 30	2023 Jun 30	2023 Mar 31	2022 Dec31	2022 Sep 30	2022 Jun 30	2022 Mar 31
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Profit (Loss)	(168,465)	(121,061)	(691,758)	(93,285)	(97,698)	(51,371)	(59,672)	-
Earnings (Loss) per Share - Basic	(0.00)	(0.00)	(0.04)	(932.85)	(976.98)	(513.71)	(596.72)	-
Diluted earnings (loss) per share	(0.00)	(0.00)	(0.04)	(932.85)	(976.98)	(513.71)	(596.72)	-
Assets	2,172,348	2,300,147	2,696,654	75,650	108,714	92,550	50,217	-

For the quarter ended December 31, 2023, the Company recorded net loss of \$168,465 (2022 - \$97,698).

**Expenditures**

Office and administration costs of \$28,561 (2022- \$12,671) consist of office operating costs of \$17,280, interest costs of \$3,781 and director fees of \$7,500.

Professional fees of \$39,085 (2022 - \$5,975) consist of accounting, legal and audit costs and recovery of spin-out costs.

Public company costs of \$10,889 (2022 - \$nil) consist of reporting and issuing costs.

Wages and consulting fees of \$107,840 (2022- \$79,052) consist of salaries and CEO consulting fees.

Tradeshows, travel and promotion costs of \$8,452 (2022 - \$303) consist of marketing consultant costs, attendance to tradeshow costs and other advertising and promotional costs.

**Other income**

Other income of \$26,373 (2022 - \$nil) consists of interest of \$26,178 (2022 - \$nil) and miscellaneous income of \$195 (2022 - \$nil).

**Risk Factors**

**Financial Capability and Additional Financing**

The Company has limited financial resources. There can be no assurance that it will be able to obtain sufficient financing in the future to continue operations and to acquire royalties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

**Mining Titles**

There is no guarantee that the Company's title to or interests in the Company's royalty interests will not be challenged or impugned. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's royalties. The Company's royalties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed. There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

**Management**

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

**Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

**History of Losses and No Assurance of Profitable Operations**

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

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**Risk Factors - continued**

**Price Volatility of Publicly Traded Securities**

Following the completion of the amalgamation, the Company listed its common shares on the Canadian Securities Exchange. In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

**Commodity Prices**

The price of the Company's common shares and the Company's financial results may be significantly affected by a decline in the price of commodities. The price of commodities fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control, including but not limited to, interest rates, exchange rates, inflation or deflation, global and regional supply and demand and the political and economic conditions throughout the world.

**Environmental**

All phases of mining and exploration operations are subject to environmental regulation pursuant to a variety of government laws and regulations and First Nations claims. Environmental legislation is becoming stricter and there can be no assurance that possible future changes in environmental regulation will not adversely affect operations at mines, and consequently, the Company's operations.

**Risks and Uncertainties**

Management's estimates of mineral prices, mineral resources and operating costs are subject to certain risks and uncertainties which may affect the Company's operation. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of operating requirements. The Company's success will be dependent upon the extent to which it can acquire additional royalties and the economic viability of developing its royalties. Substantially all of the Company's operating funding must be derived from external financing. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its future planning.

**Other MD & A Requirements**

Additional information relating to the Company is available on the SEDAR+ website: [www.sedarplus.com](http://www.sedarplus.com) under "Company Profiles" and "Eagle Royalties".

**Forward Looking Statements**

"All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements."

**Subsequent Events**

There are no subsequent events.

**Outlook**

2023 has been an exciting and transformative period for Eagle Royalties. With the spin-out transaction from parent company Eagle Plains, amalgamation with a well-funded private company and successful listing on the Canadian Securities Exchange ("CSE") concluded, Eagle Royalties' management is now focused on maximizing value for its' enviable royalty portfolio. Despite increasingly challenging financial markets and relatively stagnant commodity prices, management is confident that the completed transactions will be beneficial to all shareholders and will serve to unlock the significant value of the various diverse royalty assets. We thank our shareholders for their continuing support and look optimistically to the future.

**On behalf of the Board of Directors**

***"Timothy J. Termuende"***

Timothy J. Termuende, P.Geol.  
President and CEO