

**EAGLE ROYALTIES LTD.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
For the period ended June 30, 2024  
(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 interim financial statements for the period ended June 30, 2024.

**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 June 30, 2024.

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"*

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Timothy J. Termuende, P. Geo  
President and Chief Executive Officer

*"Norm Jordan"*

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Norm Jordan  
Chief Financial Officer

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

	<b>June 30</b>	December 31
	<b>2024</b>	2023
	(unaudited)	(audited)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 4,286,843	\$ 2,131,188
Accounts receivable	7,554	4,527
Prepays	11,170	36,632
	4,305,567	2,172,347
<b>Note receivable</b> (Note 5)	1,250,000	-
<b>Royalty assets</b> (Note 4)	1	1
	<b>\$ 5,555,568</b>	<b>\$ 2,172,348</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 95,098	\$ 58,199
Due to related company (Note 7)	428,637	528,637
	523,735	586,836
<b>Shareholders' equity</b>		
Share capital (Note 10)	10,283,378	10,283,378
Equity reserve	(7,456,171)	(7,456,171)
Contributed surplus	41,615	41,615
Retained earnings (Deficit)	2,163,011	(1,283,310)
	3,781,833	1,585,512
	<b>\$ 4,305,568</b>	<b>\$ 2,172,348</b>

**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 8)

**Subsequent event** (Note 11)

**On behalf of the Board:**

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

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

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

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

	Three Months Ended June 30		Six months Ended June 30	
	2024	2023	2024	2023
<b>Revenue</b>	<b>\$ 3,750,000</b>	<b>\$ -</b>	<b>\$3,750,000</b>	<b>\$ -</b>
<b>Operating expenses</b>				
Office and administration costs (Note 7)	\$ 11,722	\$ 9,475	24,740	9,475
Professional fees (Note 7)	63,097	489,304	103,351	489,304
Public company costs	9,504	30,340	16,326	30,340
Wages and consulting fees (Note 7)	72,382	39,703	146,686	39,703
Tradeshows, travel and promotion	17,291	2,920	61,280	2,920
	<b>(173,996)</b>	<b>(571,742)</b>	<b>(352,383)</b>	<b>(571,742)</b>
<b>Other items</b>				
Interest income	48,704	-	48,704	-
<b>Comprehensive income (loss) for the period</b>	<b>\$ 3,624,708</b>	<b>\$(571,742)</b>	<b>\$ 3,446,321</b>	<b>\$(571,742)</b>
<b>Income (loss) per share – basic and diluted</b>	<b>\$ 6.35</b>	<b>\$ (0.04)</b>	<b>\$ 6.04</b>	<b>\$ (0.04)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>57,060,310</b>	<b>13,551,841</b>	<b>57,060,310</b>	<b>13,551,841</b>

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

**EAGLE ROYALTIES LTD.**  
**(An Exploration Stage Corporation)**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

	Six Months Ended June 30 <b>2024</b>	Six months Ended Jun 30 2023
<b>Cash flows from operating activities</b>		
Income (loss) for the period	<b>\$ 3,446,321</b>	\$ (571,742)
Adjustment for		
Amalgamation of 138 and Eagle Royalties subco	-	(392,208)
Changes in non-cash working capital items		
Increase in accounts receivable	<b>(3,027)</b>	(14,456)
(Increase) decrease in prepaids	<b>25,462</b>	(4,181)
Increase in accounts payable and accrued liabilities	<b>36,899</b>	90,273
Increase in note receivable	<b>(1,250,000)</b>	-
Increase (decrease) in due to related party	<b>(100,000)</b>	432,387
	<b>2,155,655</b>	(459,927)
<b>Cash flows from financing activities</b>		
Advances from related company	-	300,000
Proceeds from financing	-	3,003,598
Proceeds from sale of shares	-	103,529
Share issue costs	-	(276,683)
Proceeds from exercise of EPL warrants	-	3,750
Proceeds from exercise of EPL options	-	3,750
	-	3,137,943
<b>Increase in cash and cash equivalents</b>	<b>2,155,655</b>	2,678,016
Cash and cash equivalents, beginning of period	<b>2,131,188</b>	-
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,286,843</b>	\$ 2,678,016
<b>Cash and cash equivalents comprise:</b>		
Bank deposits	<b>\$ 4,036,843</b>	<b>\$ 678,016</b>
Term deposits	<b>250,000</b>	<b>2,000,000</b>
	<b>\$ 4,286,843</b>	<b>\$ 2,678,016</b>

The Company made no cash payments for income taxes in the period.

The Company paid interest costs of \$7,479 (2023 - \$1,233).

The Company received cash payments of \$48,704 (2023 - \$nil) for interest.

As at June 30, 2024, the Company's term deposit matures on August 20, 2024 and earns interest at 5.63% per year.

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

**EAGLE ROYALTIES LTD.**  
**(An Exploration Stage Corporation)**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian dollars)

	Shares	Share Capital Amount	Equity Reserve	Contributed Surplus	Retained Earnings (Deficit)	Total
Balance, December 31, 2022	100	\$ 10	\$ -	\$ -	\$ (208,741)	\$ (208,731)
Shares issued to Eagle Plains and Eagle Plains shareholders on spin out	41,998,333	7,559,700	(7,456,171)			103,529
Shares and warrants issued to 138 shareholders on amalgamation	15,011,978	2,716,178	-	41,615	-	2,757,793
Shares issued on exercise of options	33,333	3,750	-	-	-	3,750
Shares issued on exercise of warrants	16,666	3,750	-	-	-	3,750
Cancellation of incorporation shares	(100)	(10)	-	-	-	(10)
Net loss for the year	-	-	-	-	(1,074,569)	(1,074,569)
Balance, December 31, 2023	57,060,310	10,283,378	(7,456,171)	41,615	(1,283,310)	1,585,512
Income for the period	-	-	-	-	3,446,321	3,446,321
<b>Balance, June 30, 2024</b>	<b>57,060,310</b>	<b>\$10,283,378</b>	<b>\$(7,456,171)</b>	<b>\$41,615</b>	<b>\$ 2,163,011</b>	<b>\$ 5,031,833</b>

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

**June 30, 2024**

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## **1. Nature and Continuance of Operations**

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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 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 Company is a junior resource company holding royalty interests over mineral exploration projects in Western Canada.

The corporate office and principal place of business is Suite 200, 44-12<sup>th</sup> Avenue South, Cranbrook, British Columbia, Canada.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has financed its operations primarily through the issuance of common shares and advances from Eagle Plains. In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

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 regional conflicts and potential economic global challenges such as the risk of 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. 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.

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## **2. Basis of Preparation**

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

The condensed interim financial statements for the Company for the periods ending June 30, 2024 and 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").

These condensed interim financial statements were authorized for issue by the Board of Directors on August 28, 2024.

### **(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") 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.

**June 30, 2024**

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## **2. Basis of Preparation - continued**

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### (c) Use of Estimates and Judgments

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 judgment include impairment of royalty assets.

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## **3. Material Accounting Policies**

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The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements. The 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) Financial instruments

Cash is recorded at FVTPL. Term deposits, accounts receivable, accounts payable and accrued liabilities and due to related company initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method.

### b) 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 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.

### c) 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 and options 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.



**June 30, 2024**

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**3. Material Accounting Policies - continued**

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d) 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.

e) Royalty assets

Royalty assets consist of net smelter return royalties on exploration stage mineral properties and are capitalized as intangible assets. They are initially recorded at cost and subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Depletion, using the units of production basis over the expected life of the related mineral property, commences when the mineral property enters the production stage. The expected life of the mineral property is determined using available estimates of future metal prices and future production. Proven and probable reserves and future production plans associated with the royalty assets as determined by the operators impact the measurement of the respective assets. These estimates affect the depletion of the royalty assets and the assessment of the recoverability of the carrying value of the royalty assets.

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's royalty assets are impaired. External sources of information that management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its royalty interests. Internal sources of information that management considers include the indications of economic performance of the assets.

In determining the recoverable amounts of the Company's royalty assets, management makes estimates of the discounted net cash flows expected to be derived from the Company's royalty assets, costs of disposal, and the appropriate discount rates and discount multiples that apply to the specific asset. Reductions in metal price forecasts, increases in estimated future costs of production for the mine operators, reductions in the amount of recoverable mineral reserves, mineral resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's royalty assets.

f) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. 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.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

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

**June 30, 2024**

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### **3. Material Accounting Policies - continued**

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g) Common control transaction using predecessor carrying values

Prior to the Spin-out Transaction, Eagle Plains and the Company were controlled by the same shareholders; consequently, the entities were under common control at the time of the transaction. Business combinations involving entities under common control are outside the scope of IFRS 3: Business Combinations. IFRS provides no guidance on the accounting for these types of transactions and an entity is required to develop an accounting policy.

The three most common methods utilized are the purchase method, the predecessor values since inception method, and the predecessor values from date of transaction method. A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party, both before and after the business combination, and control is not transitory.

Management has determined the predecessor values from date of transaction method to be most appropriate. This method requires the financial statements to be prepared using the predecessor carrying values without any step up to fair value. The difference between any consideration and the aggregate carrying value of the assets and liabilities is recorded as an equity contribution to subsidiary.

h) New accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting years beginning after January 1, 2024, or later years. Updates that are not applicable and have no significant impact to the Company have been excluded in the preparation of these condensed interim financial statements.

The following accounting standards and amendments are effective for future periods.

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

The amendments to IAS 1 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 periods beginning on or after January 1, 2024 and are expected to have no significant impact to the future financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

The objective of the Standard is to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. The main change introduced by IFRS 18 is to the way in which reporting entities will structure their statement of profit or loss. Firstly, the Standard introduces two new defined subtotals: Operating Profit and Profit before financing and income taxes. Additionally, the Standard requires an entity to classify all income and expenses into one of the following five categories: operating, investing, financing, income taxes and discontinued operations. The Standard is effective from annual reporting periods beginning on or after January 1, 2027.

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### **4. Royalty Assets**

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The Company holds royalties on a large number of projects in western Canada covering a broad spectrum of metals and industrial mineral projects including gold, silver, base-metals, uranium, diamonds and gypsum.

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### **5. Note Receivable**

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On June 12, 2024, the Company entered into a royalty purchase agreement (the "Agreement") with an arm's-length British Columbia based private company, Royal Uranium Inc. ("Royal Uranium") and its wholly-owned subsidiary, 1485568 B.C. Ltd. ("568"). Under the terms of the Agreement, the Company sold 12 uranium royalties to 568 (the "Transaction") for an aggregate amount of \$3,750,000.00. The total purchase price shall be paid by Royal Uranium and

**June 30, 2024**

**5. Note Receivable - continued**

shall comprise of (i) a cash payment of \$2,500,000.00 payable at closing; and (ii) the remaining \$1,250,000.00 will be satisfied through the issuance of a secured promissory note (the "Note"). The Note allows Royal Uranium to pay a portion of the principal amount in cash (i.e., \$500,000.00) and the remaining portion (i.e., \$750,000.00) either in cash or through the issuance of common shares, at Royal Uranium's sole discretion.

The Note will initially mature on the earlier of: (i) December 14, 2025; (ii) the date on which Royal Uranium successfully completes a going public transaction; or (iii) upon the occurrence of an event of default. The Note includes penalty provisions if Royal Uranium has not completed its planned going-public transaction by the initial maturity date. Royal Uranium and the Issuer may jointly agree to extend the maturity date to June 14, 2026, subject to certain additional penalty provisions against Royal Uranium.

**6. 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 is carried at fair value using a Level 1 fair value measurement. The carrying value of term deposits, accounts receivable, accounts payable and accrued liabilities and due to related company 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.

<b>June 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
<b>Cash</b>	<b>\$ 4,286,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,286,843</b>

  

<b>December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
<b>Cash</b>	<b>\$ 2,131,188</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,131,188</b>

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 June 30, 2024, substantially all of the Company's cash and term deposits 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.

**June 30, 2024**

**6. Financial Instruments - continued**

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 term deposits 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 June 30, 2024 equal \$523,735. Accounts payable and accrued liabilities of \$91,020 are due within 30 days of June 30, 2024.

**7. Related Party Transactions**

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

- (a) The Company is related to EPL through common directors. During the period the Company had the following transactions with the related company:

	<u>2024</u>	<u>2023</u>
Administrative services provided by EPL	\$ 6,411	\$ 4,948
Costs reimbursed to EPL	15,255	3,405
Transaction costs due to EPL	-	432,387
Advances to/(from) EPL	100,000	(300,000)
Shares purchased by EPL	-	(103,528)
Interest paid to EPL, included in office and administration costs	7,479	1,233
Proceeds from exercise of EPL options/warrants	-	(7,500)
	<u>\$ 129,145</u>	<u>\$ 27,945</u>

At June 30, 2024, \$2,785 (2023 - \$3,287) is included in accounts payable and accrued liabilities.

At June 30, 2024, \$428,637 (2023 - \$732,387) is included in due to 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 period was as follows:

**June 30, 2024**

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**7. Related Party Transactions - continued**

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(b) Compensation to key management - continued

	<u>2024</u>	<u>2023</u>
Consulting fees	\$ 48,960	\$ 16,320
Professional fees	21,000	7,000
Wages	42,000	8,000
	<u>\$ 111,960</u>	<u>\$31,320</u>

(c) Included in wages and consulting fees is \$48,960 (2023 - \$16,320) paid or accrued for management services to a company owned by a director and officer of the Company.

(d) Included in professional fees is \$21,000 (2023 - \$7,000) paid or accrued for accounting services to an officer of the Company.

(e) Included in wages and consulting fees is \$42,000 (2023 - \$8,000) paid or accrued for services to officers of the Company who are also directors.

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, included in due to related company, that has an interest rate of 5% per year.

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**8. Commitments and Contingencies**

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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.

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 has to issue 1/3 of a common share and will receive 1/3 proceeds from the warrant or option exercise. As at June 30, 2024, the total commitment is for 10,812,000 options exercisable at \$0.15 - \$0.24 with expiry dates of July 4, 2024 to January 6, 2028 and 5,261,529 warrants exercisable at \$0.25 - \$0.30 with expiry dates of July 11, 2024 to September 25, 2024.

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**9. Capital Management**

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The Company includes cash 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.

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**10. Equity Instruments**

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(a) Authorized

Unlimited number of common shares without nominal or par value.

**June 30, 2024**

**10. Equity Instruments - continued**

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 June 30, 2024, there were 57,060,310 (2023 – 57,060,310) shares outstanding.

The following transactions occurred 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.

(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 periods ended June 30, 2024 and 2023.

(d) Warrants outstanding

During the periods ended June 30, 2024 and 2023, the Company had the following warrant activities:

	Number of Warrants	Exercise Price per Share Range
Balance, December 31, 2022	-	\$ -
Issued	5,562,404	0.50
<b>Balance, December 31, 2023 and June 30, 2024</b>	<b>5,562,404</b>	<b>\$ 0.50</b>

During the year ended December 31, 2023, the Company issued 5,562,404 warrants to 138 shareholders as part of the amalgamation which are exercisable at \$0.50 expiring May 19, 2025.

As at June 30, 2024, the following table summarizes information about warrants outstanding:

Warrants Outstanding June 30, 2024	Exercise Price	Expiry Date	Weighted Average Remaining Life
<b>5,562,404</b>	<b>\$0.50</b>	<b>May 18, 2025</b>	<b>0.88 years</b>

**11. Subsequent Events**

On August 8, 2024, the Company issued incentive stock options to directors, employees and key consultants of the Company for the purchase of a total of 3,700,000 shares at an exercise price of \$.30 per share, expiring August 8, 2029, pursuant to the Company's current option plan..