

EAGLE ROYALTIES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
For the period ended March 31, 2025
(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 March 31, 2025.

**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 March 31, 2025.

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 condensed interim financial statements in accordance with International Financial Reporting Standards.

"Timothy J Termuende"

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

"Norm Jordan"

Norm Jordan
Chief Financial Officer

EAGLE ROYALTIES LTD.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at March 31	2025	2024
Assets		
Current		
Cash and cash equivalents	\$ 133,993	\$ 291,765
Term deposits	3,000,000	3,000,000
Accounts receivable	3,289	5,357
Prepaid expenses	23,725	50,406
	<u>3,161,007</u>	<u>3,347,528</u>
Investments (Note 4)	50,000	50,000
Royalty assets (Note 5)	<u>25,001</u>	<u>25,001</u>
	\$3,236,008	\$3,422,529
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 35,364	\$ 68,285
Income tax payable	152,206	152,206
	<u>187,570</u>	<u>220,491</u>
Shareholders' equity		
Share capital (Note 11)	10,283,378	10,283,378
Equity reserve	(7,456,171)	(7,456,171)
Contributed surplus (Note 11)	315,468	307,066
(Deficit) retained earnings	(94,237)	67,765
	<u>3,048,438</u>	<u>3,202,038</u>
	\$3,236,008	\$3,422,529

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 9)
Subsequent event (Note 13)

On behalf of the Board:

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

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

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

EAGLE ROYALTIES LTD.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the three months ended March 31	2025	2024
Operating expenses		
Office and administration costs	9,147	13,017
Professional fees (Note 7)	13,892	40,254
Reporting, filing and corporate governance	3,976	6,822
Wages and consulting fees (Note 7)	70,921	74,304
Trade shows, travel and promotion	55,864	43,990
	<u>(153,800)</u>	<u>(178,387)</u>
Other income (expense)		
Share-based payments	(8,402)	-
Other income	200	-
	<u>(8,202)</u>	<u>-</u>
Comprehensive (loss) for the period	\$(162,002)	\$(178,387)
Loss per share - basic and diluted	\$(0.00)	\$(0.00)
Weighted average number of shares outstanding - basic and diluted	57,060,310	57,060,310

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

EAGLE ROYALTIES LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the three months ended March 31	2025	2024
Cash flows from operating activities		
Loss for the period	\$(162,002)	\$(178,387)
Adjustments for:		
Share-based payments	8,402	-
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	2,067	(3,897)
Decrease in prepaid expenses	36,681	20,744
Increase (decrease) in accounts payable and accrued liabilities	(32,921)	6,584
	(147,772)	(154,956)
Cash flows from financing activities		
Repayments to related company	-	(100,000)
	-	(100,000)
Cash flows from investing activities		
Purchase of term deposits	-	(500,000)
	-	(500,000)
Decrease in cash	(147,772)	(754,956)
Cash, beginning of period	281,765	1,131,188
Cash, end of period	\$ 133,993	\$376,232

The Company made cash payments for income taxes in the period of \$nil (2024 - \$nil).

The Company paid interest costs of \$nil (2024 - \$3,740).

As at March 31, 2025, the Company has a \$3,000,000 term deposit that matures on July 4, 2025 and earns interest at 4.45% per year and is redeemable on demand.

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

EAGLE ROYALTIES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital Shares	Capital Amount	Equity Reserve	Contributed Surplus	(Deficit) Retained earnings	Total
Balance, December 31, 2023	57,060,310	\$10,283,378	(7,456,171)	\$41,615	(\$1,283,310)	\$1,585,512
Loss for the period	-	-	-	-	(178,387)	(178,387)
Balance, March 31, 2024	57,060,310	\$10,283,378	(7,456,171)	\$307,066	\$(1,461,697)	\$1,407,125
Balance, December, 31, 2024	57,060,310	\$10,283,378	\$(7,456,171)	\$307,066	\$67,765	\$3,202,038
Share-based payment	-	-	-	8,402	-	8,402
Loss for the period	-	-	-	-	(162,002)	(162,002)
Balance, March 31, 2025	57,060,310	\$10,283,378	\$(7,456,171)	\$315,468	\$(94,237)	\$3,048,438

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

March 31, 2025

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 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, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

These condensed interim 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. As at March 31, 2025, the Company had working capital of \$2,973,437 and a deficit of \$94,237. 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, tariffs, 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.

2. Basis of Preparation

(a) Statement of Compliance

The condensed interim financial statements for the Company for the periods ending March 31, 2025 and 2024 are prepared in accordance with International Financial Accounting Standard 34 ("IAS 34"), Interim Financial Reporting, using accounting policies which are consistent with IFRS Accounting 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 May 27, 2025.

(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.

March 31, 2025

2. Basis of Preparation - continued

(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 estimates include the inputs used in accounting for share-based payments in profit or loss. The Company uses the Black-Scholes option pricing model which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Significant areas requiring the use of management judgment include impairment of royalty assets and the going concern assessment.

3. Material Accounting Policies

The condensed interim financial statements have been prepared for all periods presented following the same accounting policies and methods of computation as described in Note 3 to the audited financial statements for the year ended December 31, 2024.

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, 2025, 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.

IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18")

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact of the new standard.

March 31, 2025

4. Investments

The Company holds investments that have been designated as FVTPL as follows:

	March 31, 2025		December 31, 2024	
	Market Value	Cost	Market Value	Cost
Current:				
Common shares in public companies	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at March 31, 2025. Cost is calculated using the quoted closing bid price on the date of receipt of the securities. As at March 31, 2025, no value was assigned to the share purchase warrants as the underlying value was immaterial.

5. Royalty Assets

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, diamonds and gypsum.

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. The total purchase price shall be paid by Royal Uranium and shall comprise of (i) a cash payment of \$2,500,000 (received); and (ii) a secured promissory note (the "Note") of \$1,250,000. The Note allows Royal Uranium to pay a portion of the principal amount in cash (i.e., \$500,000) and the remaining portion (i.e., \$750,000) 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. In the event of default, the royalties will revert back to the Company.

The Company recognized a gain on sale of royalties in the amount of \$3,750,000 as the carrying value of the royalties was \$nil. At December 31, 2024, management determined the credit risk on the note receivable increased significantly since initial recognition, thus the Company recorded a provision of \$1,250,000, which equals to the lifetime expected credit loss of the note receivable, in profit or loss.

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.

March 31, 2025

6. Financial Instruments - continued

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of term deposits, accounts receivable 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.

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 133,993	\$ -	\$ -	\$ 133,993
Investments	50,000	-	-	50,000

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 291,765	\$ -	\$ -	\$ 291,765
Investments	50,000			50,000

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 March 31, 2025, 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.

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 statements of financial position.

See Note 5 for a note receivable with a contractual amount of \$1,250,000, which has an expected credit loss allowance of \$1,250,000 as at December 31, 2024

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 March 31, 2025 equal \$15,363. Accounts payable and accrued liabilities of \$15,363 are due within 30 days of March 31, 2025.

March 31, 2025

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>2025</u>	<u>2024</u>
Administrative services provided by EPL	\$ 3,492	\$ 3,153
Costs reimbursed to EPL	6,905	15,001
Repayments to EPL	-	100,000
Interest paid to EPL, included in office and administration costs	-	3,740
	<u>\$ 10,397</u>	<u>\$ 121,894</u>

At March 31, 2025, \$8,840 (2024 - \$4,191) is included in accounts payable and accrued liabilities.

- (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:

	<u>2025</u>	<u>2024</u>
Consulting fees	\$ 24,480	\$ 24,480
Professional fees	10,500	10,500
Wages	31,036	21,000
	<u>\$ 66,016</u>	<u>\$ 55,980</u>

- (c) Included in wages and consulting fees is \$24,480 (2024 - \$24,480) paid or accrued for management services to a company owned by a director and officer of the Company.
- (d) Included in professional fees is \$10,500 (2024 - \$10,500) paid or accrued for accounting services to an officer of the Company.
- (e) Included in wages and consulting fees is \$31,036 (2024 - \$21,000) 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.

8. Segmented information

The Company operates in a single reportable operating segment, being a junior resource company holding royalty interests.

9. 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.

Under the Arrangement Agreement, for every Eagle Plains warrant or option outstanding as of Spin-out Transaction

March 31, 2025

9. Commitments and Contingencies - continued

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 March 31, 2025, the total commitment is for 9,630,000 options exercisable at \$0.20 - \$0.24 with expiry dates of May 29, 2025 to January 6, 2028 and 3,785,529 warrants exercisable at \$0.25 with expiry dates of July 11, 2025.

10. Capital Management

The Company includes cash, term deposits 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. There were no changes in the Company's approach to capital management during the periods ended March 31, 2025 and 2024. The Company is not subject to externally imposed capital requirements.

11. 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 March 31, 2025, there were 57,060,310 (2024 – 57,060,310) shares outstanding.

There were no transactions in the periods ended March 31, 2025 and 2024.

(c) Normal Course Issuer Bid ("NCIB")

On September 16, 2024, the Company filed a notice of NCIB with regulators to purchase shares for cancellation, from time to time, as the Company considers advisable, up to 2,853,016 common shares of the Company, representing approximately 5.96% of the current public float of the common shares. The maximum number of shares available for daily repurchase is 5,909. The NCIB will terminate on September 17, 2025. During the period ended March 31, 2025, there were no common shares purchased for cancellation under the NCIB. As at March 31, 2025, the Company had \$10,000 cash reserved with a broker for the NCIB.

(d) 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.

During the periods ended March 31, 2025 and 2024, the Company had no stock option activities:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2023 and March 31, 2024	nil	n/a	\$ nil
Balance, December 31, 2024 and March 31, 2025	4,400,000	\$ 0.30	\$ 0.30

March 31, 2025

11. Equity Instruments - continued

At March 31, 2025, the following table summarizes information about stock options outstanding:

Options Outstanding March 31, 2025	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
3,700,000	\$0.30	August 8, 2029	3,575,000	4.35 years
700,000	0.30	November 13, 2029	700,000	4.62 years
4,400,000	\$0.30		4,275,000	4.40 years

(e) Warrants outstanding

During the periods ended March 31, 2025 and 2024, the Company had no warrant activities:

	Number of Warrants	Exercise Price per Share Range
Balance, December 31, 2023 and March 31, 2024	5,562,404	\$ 0.50
Balance, December 31, 2024 and March 31, 2025	5,562,404	\$ 0.50

As at March 31, 2025, the following table summarizes information about warrants outstanding:

Warrants Outstanding March 31, 2025	Exercise Price	Expiry Date	Weighted Average Remaining Life
5,562,404	\$0.50	May 18, 2025	0.13 years

12. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended March 31, 2025 of 57,060,310 (2024 – 57,060,310). For the period ended March 31, 2025, options and warrants were excluded as their effect on the calculation is anti-dilutive. The net effect of applying the treasury-stock method to the weighted average number of shares outstanding did not impact EPS for the periods presented.

13. Subsequent Events

None.