LUNR ROYALTIES CORP.
(formerly 17156138 Canada Inc.)

Financial Statements
From the Date of Incorporation on July 14, 2025
to December 31, 2025

(Expressed in U.S. Dollars)

Independent auditor's report

To the Shareholders of LunR Royalties Corp.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LunR Royalties Corp. (the Company) as at December 31, 2025 and its financial performance and its cash flows for the period from July 14, 2025 to December 31, 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of comprehensive loss for the period from July 14, 2025 to December 31, 2025;
- the statement of cash flow for the period from July 14, 2025 to December 31, 2025;
- the statement of changes in equity for the period from July 14, 2025 to December 31, 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the period from July 14, 2025 to December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of royalty interests Refer to note 4e) – Summary of material accounting policies – royalty interests and note 5 – Royalty interests to the financial statements. The Company's royalty interests carrying amount as at December 31, 2025 amounted to $1.7 million. Management assesses whether any indication of impairment exists at the end of each reporting period for each royalty interest. Management makes judgments in assessing whether there are indicators of impairment, which include both internal and external factors such as significant changes in future commodity prices, discount rates, operator reserve and resource estimates or other relevant information received from the operators that indicates production from the royalty interest will not likely occur or may be significantly reduced in the future. If such an indication exists, the recoverable amount of the interest is estimated in order to determine the extent of the impairment (if any).	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of impairment indicators for its royalty interests, which included the following: – Assessed the reasonableness of factors such as significant changes in future commodity prices, discount rates, operator reserve and resource estimates or other relevant information received from the operators that indicates production from the royalty interests will not likely occur or may be significantly reduced in the future, by considering external market and industry data, other publicly disclosed information by operators of the underlying mining operation associated with the royalty interests and consistency with evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to (i) the significance of the royalty interests balance; (ii) the judgment by management in assessing any indicators of impairment; and (iii) auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to management's assessment of impairment indicators of royalty interests.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Ranbir Gill.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 16, 2026

LunR Royalties Corp. (formerly 17156138 Canada Inc.)
Statement of Financial Position
(Expressed in U.S. Dollars)

	Note	**December 31, 2025**
Assets		
Current assets:		
Cash		$1,372,453
Receivables and other assets		53,809
		1,426,262
Royalty interests	*5*	1,677,848
Total assets		**$3,104,110**
Liabilities		
Current liabilities:		
Trade payables and accrued liabilities		$240,469
Total liabilities		240,469
Shareholders' equity		
Share capital	*6*	3,257,318
Contributed surplus		11,198
Deficit		(478,240)
Accumulated other comprehensive income		73,365
Total shareholders' equity		2,863,641
Total liabilities and shareholders' equity		**$3,104,110**

Arrangement (Note 2)
Commitment (Note 10)
Subsequent event (Notes 6 and 11)

On behalf of the Board:

/s/Adam I. Lundin
Director

/s/Martino de Ciccio
Director

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

LunR Royalties Corp. (formerly 17156138 Canada Inc.)
Statement of Comprehensive Loss
(Expressed in U.S. Dollars)

	Note	**July 14, 2025 to December 31, 2025**
Expenses		
General and administration:		
Listing and filing fees		$197,260
Office and general		48,817
Professional fees		62,680
Promotion and public relations		27,489
Salaries and benefits		97,507
Share-based compensation		24,233
Travel		10,568
Operating loss		**468,554**
Other expenses		
Foreign exchange loss		9,686
Net loss		**478,240**
Other comprehensive (income)		
Items that will not be reclassified to net loss:		
Currency translation adjustment		(73,365)
Comprehensive loss		**$404,875**
Basic and diluted loss per common share		**$0.02**
Weighted average common shares outstanding		**28,945,492**

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

LunR Royalties Corp. (formerly 17156138 Canada Inc.)
Statement of Cash Flow
(Expressed in U.S. Dollars)

	Note	**July 14, 2025 to December 31, 2025**
Cash used in operating activities		
Net loss for the period		($478,240)
Adjustments for:		
Share-based compensation		24,233
Non-cash foreign exchange loss		5,307
Changes in non-cash working capital:		
Receivables and other assets		(49,079)
Trade payables and accrued liabilities		237,557
		(260,222)
Cash used in investing activities		
Purchase of royalty interests	*2*	(1,638,400)
		(1,638,400)
Cash from financing activities		
Proceeds from Capital Contribution	*2*	3,097,188
Proceeds from exercises of stock options		147,095
		3,244,283
Effect of foreign exchange rate change on cash		26,792
Increase in cash during period		1,372,453
Cash, July 14, 2025		—
Cash, end of the year		**$1,372,453**
Supplemental disclosures with respect to cash flows		
Non-cash financing activities:		
Transfer of contributed surplus on exercise of options		$13,035

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

LunR Royalties Corp. (formerly 17156138 Canada Inc.)
Statement of Changes in Equity
(Expressed in U.S. Dollars)

	Note	**Number of shares**	**Share capital**	**Contributed surplus**	**Deficit**	**Accumulated other comprehensive income**	**Total shareholders' equity**
Opening balance, July 14, 2025		-	$-	$-	$-	$-	$-
Shares issued relating to the Capital Contribution	*2*	13,370,107	3,097,188	-	-	-	3,097,188
Shares issued relating to the Arrangement	*2*	53,816,239	-	-	-	-	-
Share-based compensation	*6*	-	-	24,233	-	-	24,233
Exercise of options	*6*	3,161,169	160,130	(13,035)	-	-	147,095
Comprehensive (loss) income for the period		-	-	-	(478,240)	73,365	(404,875)
Ending balance, December 31, 2025		**70,347,515**	**$3,257,318**	**$11,198**	**($478,240)**	**$73,365**	**$2,863,641**

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

1. ORGANIZATION AND NATURE OF OPERATIONS

LunR Royalties Corp. ("LunR" or the "Company") was incorporated on July 14, 2025, under the Canada Business Corporations Act (the "CBCA") as a wholly-owned subsidiary of NGEx Minerals Ltd. ("NGEx"), under the name "17156138 Canada Inc.". LunR was incorporated for the purpose of undertaking a share capital reorganization with NGEx by way of a statutory plan of arrangement under the CBCA, which, upon its completion on October 23, 2025, ultimately resulted in 80.1% of the common shares of LunR ("LunR Shares") being distributed to shareholders of NGEx ("NGEx Shareholders") (the "Arrangement"), with NGEx retaining a then 19.9% interest in LunR (Note 7).

Following completion of the Arrangement, LunR is now a standalone royalty and streaming company, which will focus on growing and diversifying a portfolio of royalties and metals purchase agreements ("Streams") in the mining and mineral resource industry through acquisitions and strategic investments, leveraging deep industry knowledge and expertise of its board of directors and management. LunR intends to accumulate and manage a portfolio of diversified royalty and Stream interests that may be acquired directly from mine operators, as well as third-party holders of existing royalties and Streams, across the spectrum of project stages, from grassroots to production. LunR currently holds net smelter returns ("NSR") royalties on the mineral concessions underlying NGEx's Los Helados deposit in Chile and its Lunahuasi deposit in Argentina (Note 7).

LunR's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada and its head office is located at Suite 2800, 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1L2. The Company is listed on the TSX Venture Exchange under the symbol "LUNR".

2. ARRANGEMENT

On July 21, 2025, the Company entered into a royalty purchase agreement with another wholly-owned subsidiary of NGEx, Pampa Exploración S.A. ("Pampa"), whereby Pampa agreed to sell a 1.0% net smelter returns ("NSR") royalty on the Nacimiento I concession, located in San Juan Province, Argentina, on which NGEx's 100% owned Lunahuasi Project is currently defined, to LunR (the "Lunahuasi Royalty") in exchange for cash consideration of $700,000.

In addition, on August 5, 2025, LunR also entered into a royalty purchase agreement with another wholly-owned subsidiary of NGEx, Minera Frontera del Oro SPA ("MFDO"), which holds the Los Helados Project, located in Region III, Chile, on behalf of an unincorporated joint venture between NGEx and Nippon Caserones Resources LLC ("NCR"), a subsidiary of JX Advanced Metals Corporation, whereby MFDO agreed to sell a 1.38% NSR royalty to LunR on the concessions underlying the Los Helados properties in Chile (the "Los Helados Royalty") in exchange for cash consideration of $938,400.

In connection with the foregoing, on July 21, 2025, LunR also entered into an arrangement agreement with NGEx (the "Arrangement Agreement"), pursuant to which NGEx would undertake the Arrangement, which resulted in, among other things, the LunR Shares being distributed to the NGEx Shareholders.

2. ARRANGEMENT (cont'd)

The Arrangement Agreement described the terms of the Arrangement, which, among other things, included:

- Each common share of NGEx (each, a "NGEx Share") outstanding at the close of business on the business day immediately preceding the Effective Time (as defined below) was redesignated and exchanged as part of a reorganization of the share capital of NGEx, and in accordance with section 86 of the *Income Tax Act* (Canada), for (i) one (1) new common share of NGEX (each, a "New NGEx Share"), which such New NGEx Share is identical to the NGEx Shares immediately prior to the Effective Time and (ii) 1/4 of a LunR Share; and

- Each outstanding stock option of NGEx (each, a "NGEx Option") that was outstanding immediately before the Effective Time was exchanged for (i) one (1) replacement stock option of NGEx (each, a "NGEx Replacement Option") to purchase from NGEx one New NGEx Share having an exercise price (rounded up to the nearest whole cent) equal to the product of the exercise price of each NGEx Option so exchanged immediately before the Effective Time multiplied by the fair market value of a New NGEx Share at the Effective Time divided by the total of the fair market value of a New NGEx Share and the fair market value of 1/4 of a LunR Share at the Effective Time, and (ii) one (1) fully-vested stock option of LunR (each, a "LunR Option") to acquire 1/4 of a LunR Share, each whole LunR Option having an exercise price (rounded up to the nearest whole cent) equal to the product of the exercise price of the NGEx Option so exchanged immediately prior to the Effective Time multiplied by the fair market value of 1/4 of a LunR Share at the Effective Time divided by the total of the fair market value of one New NGEx Share and 1/4 of a LunR Share at the Effective Time.

On September 11, 2025, LunR changed its name from "17156138 Canada Inc." to "LunR Royalties Corp.".

On October 15, 2025, prior to the completion of the Arrangement, LunR issued 13,370,107 LunR Shares to NGEx for aggregate gross proceeds of C$4,350,000 (the "Capital Contribution"). Such Capital Contribution was used to fund the acquisition of the Lunahuasi Royalty and Los Helados Royalty and LunR's working capital requirements for at least 12 months following completion of the Arrangement. Following completion of the Capital Contribution, LunR closed the transactions contemplated by the Lunahuasi Royalty Purchase Agreement and the Los Helados Royalty Purchase Agreement.

The Company's acquisition of the Lunahuasi Royalty and Los Helados Royalty were considered related party transactions as the sellers in the respective transactions at the time the transactions were entered into and completed were related to LunR by way of a common controlling shareholder, NGEx. On October 23, 2025, following completion of the Arrangement, NGEx ceased to be a controlling shareholder of the Company.

2. ARRANGEMENT (cont'd)

The Arrangement was approved by the NGEx Shareholders at the special meeting of NGEx Shareholders held on September 12, 2025, and a final order approving the Arrangement was obtained from the Supreme Court of British Columbia on September 18, 2025. Subsequently, the Arrangement was completed and became effective at 12:01 a.m. on October 23, 2025 (the "Effective Time"). Upon completion of the Arrangement, shareholders of NGEx held an aggregate of 53,816,239 LunR Shares, representing a 80.1% ownership interest in LunR, and NGEx held 13,370,107 LunR Shares, being the LunR Shares issued by LunR to NGEx pursuant to the Capital Contribution, representing a 19.9% ownership interest in LunR. In addition, immediately following the completion of the Arrangement, LunR Options exercisable to acquire 3,198,669 LunR Shares at prices between C$0.06 – C$0.08 per share were issued to former holders of NGEx Options.

As at December 31, 2025, an aggregate of 3,161,168 LunR Shares have been issued on the exercise of LunR Options granted pursuant to the Arrangement.

3. BASIS OF PRESENTATION

These financial statements for July 14, 2025 to December 31, 2025 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Financial Statements are prepared on a historical cost basis except for certain financial assets, which are measured at fair value.

The Financial Statements cover a period beginning on the date of incorporation on July 14, 2025 to December 31, 2025. Accordingly, the requirements of IFRS 1, *First-time adoption of International Financial Reporting Standards* ("IFRS 1"), have been applied. As the Company did not have opening balances, an opening statement of financial position has not been included in the Financial Statements.

The Financial Statements have been prepared by management and were authorized for issuance by the Board of Directors of the Company on March 16, 2026.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below were used by the Company in its preparation of the Financial Statements.

The Company did not have any income tax expense or recovery in the period.

a) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environmental in which the entity operates. The presentation currency for an entity is the currency in which the entity elects to present its financial statements.

The functional currency of the Company is the Canadian dollar ("C$"), and its results and financial position have been translated into a U.S. dollar presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated using the exchange rate prevailing at the date of that statement of financial position;

- Income, expenses, and other comprehensive income for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- All resulting exchange differences are recognized as a separate component of equity and in other comprehensive income.

b) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU.

Non-financial assets that have been previously impaired are reviewed for possible reversal of the impairment at each reporting date.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

c) Financial instruments

(i) Recognition

The Company measures and classifies its financial assets and liabilities based on its business model for managing its financial assets and the contractual cash flow characteristics of those financial assets. Financial assets are classified into three measurement categories on initial recognition: those measured at fair value through profit or loss, those measured at fair value through other comprehensive income ("OCI") and those measured at amortized cost.

All financial instruments at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

(ii) Derecognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on derecognition of financial assets and liabilities are generally recognized in the consolidated statement of comprehensive loss.

(iii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

d) Cash

Cash includes cash on hand and deposits held with financial institutions.

e) Royalty interests

Royalty interests consist of acquired royalty interests. These interests initially are recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. The Company assesses the recoverable amount of the interests when indicators of impairment exist. Project evaluation costs that are not related to a specific royalty are expensed in the period incurred.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available information of proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement.

On acquisition of a royalty interest, an allocation of its cost may be attributed to the exploration potential of the interest and is recorded as an exploration asset on the acquisition date. The carrying value of the exploration potential is accounted for in accordance with IFRS 6 Exploration and Evaluation of Mineral Resources and is not depleted until such time as the technical feasibility and commercial viability has been established, at which point the value of the asset is accounted for in accordance with IAS 16, *Property, Plant and Equipment* ("IAS 16"). Upon demonstration of the technical and commercial feasibility of a project and a development decision, the carrying value related to that project is subject to an impairment test and is reclassified in accordance with IAS 16.

There is judgment required to determine whether any indication of impairment exists at the end of each reporting period for each royalty interest, including assessing whether there are observable indications that the asset's value has declined during the period. Management uses judgment when assessing whether there are indicators of impairment, such as significant changes in future commodity prices, discount rates, operator reserves and resources estimates or other relevant information received from the operators that indicates production from royalty interests will not likely occur or may be significantly reduced in the future. If such an indication exists, the recoverable amount of the interest is estimated in order to determine the extent of the impairment (if any). The recoverable amount is the higher of the fair value less costs of disposal and value in use. The calculation of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices and discount rates.

f) Current and deferred income tax

The Company follows the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and other income tax deductions. Deferred income tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable the Company will have taxable income against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover and settle the carrying amounts of its assets and liabilities, respectively. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted.

g) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

h) Share-based compensation

Pursuant to a share-based compensation plan adopted by the Company on August 8, 2025, it is authorized to grant share options to officers, employees, directors, and other eligible persons. The fair value of the options are measured at the date the options are granted, using the Black-Scholes option-pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the common shares and an expected life of the options. The fair value, less estimated forfeitures, is charged over the vesting period of the related options as an expense on its financial statements.

i) Provisions

Provisions for restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

j) Key sources of estimation uncertainty

<u>Share-based compensation</u>

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield and rate of forfeitures and making assumptions about them.

(Expressed in United States dollars, unless otherwise stated)

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

k) New accounting pronouncements

The International Accounting Standards Board ("IASB") and/or the IFRS Interpretations Committee have issued new standards and amendments, or interpretations to existing standards, which were not yet effective and not applied by the Company as at December 31, 2025.

IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments

The IASB has issued classification, measurement and disclosure amendments to IFRS 9 and IFRS 7. The amendments include clarifications on the recognition and derecognition date for financial assets and financial liabilities and introduce a new optional exception for some financial liabilities settled through electronic payment systems. Other changes include clarifications of when a financial asset meets the solely payments of principal and interest criterion and other disclosure changes.

These amendments will apply prospectively for annual reporting periods beginning on or after January 1, 2026 with early application permitted, and are not expected to have a material impact to the Company's financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 provides presentation and disclosure requirements in financial statements and will replace IAS 1. IFRS 18 includes changes to the structure of the income (loss) statement and provides guidance on aggregation and disaggregation in financial statements and on disclosing company specific profit or loss performance measures and related disclosures.

The standard is effective for reporting periods beginning on or after January 1, 2027. Retrospective application is required, and early application is permitted. The Company has not yet begun to assess the potential impacts that the adoption of IFRS 18 may have on its financial statements.

5. ROYALTY INTERESTS

Opening balance, July 14, 2025	$-
Purchase of Lunahuasi Royalty (note 2)	700,000
Purchase of Los Helados Royalty (note 2)	938,400
Currency translation adjustment	39,448
Ending balance, December 31, 2025	**$1,677,848**

(Expressed in United States dollars, unless otherwise stated)

6. SHARE CAPITAL

The Company has authorized an unlimited number of voting common shares without par value.

Stock options

The Company has in place a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. Options are exercisable up to a maximum of ten (10) years. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by at the time of grant and cannot be less than the discounted market price (as defined in the TSX Venture Exchange's "Corporate Finance Manual") of the Company's common shares at the time of grant.

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price ($C)
Balance, July 14, 2025	-	-
Granted	8,168,669	0.07
Exercised[1]	(3,161,169)	0.06
Balance, December 31, 2025	**5,007,500**	**$0.08**

(1) During the period ended December 31, 2025, 2,876,668 stock options were exercised before the Company's common shares were publicly traded, and therefore, no market price was available. The weighted average market price of the 284,501 stock options exercised from the date the Company's common shares were publicly traded to December 31, 2025 was C$12.99.

The Company recorded share-based compensation expense of $24,234 during the period ended December 31, 2025.

As at December 31, 2025, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Avg. Remaining Life in Years	Weighted Avg. Exercise Price (C$)
01/21/2026[2]	37,500	37,500	0.06	0.06
10/31/2030[3]	4,970,000	-	4.83	0.08
	5,007,500	**37,500**	**4.76**	**$0.08**

(2) Subsequent to December 31, 2025, the Company issued 37,500 common shares pursuant to the exercise of stock options.

(3) Subsequent to December 31, 2025, 900,000 stock options were forfeited.

(Expressed in United States dollars, unless otherwise stated)

6. SHARE CAPITAL (cont'd)

The weighted average fair value of stock options granted during the period ended December 31, 2025 of $0.02 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Stock price	C$0.06
Exercise price	C$0.07
Risk-free interest rate	2.55%
Expected life	3.1 years
Expected volatility	62.08%
Expected dividends	Nil

Expected volatility is based on NGEx Share volatilities.

7. TRANSACTIONS WITH RELATED PARTIES

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of non-executive members of the Company's Board of Directors and certain executives and corporate officers. The remuneration of key management personnel included in the statements of loss and comprehensive loss is as follows:

	July 14, 2025 to December 31, 2025
Salaries and benefits	$31,004
Share-based compensation	11,033
	$42,037

For the period from July 14, 2025, to December 31, 2025, the Company received funds from NGEx, its sole shareholder prior to the completion of the Arrangement, in support of ongoing operations and entering into the royalty purchase agreements with respect to the acquisition of the Lunahuasi Royalty and the Los Helados Royalty. The Company's acquisition of the Lunahuasi Royalty and Los Helados Royalty were considered related party transactions as the sellers in the respective transactions at the time the transactions were entered into and completed were related to LunR by way of a common controlling shareholder, NGEx. During the period, NGEx transferred to the Company C$10,500 as an advance, and as the amount was not yet repaid as at December 31, 2025, LunR recognized an amount of $7,661 due to NGEx on its statement of financial position as at December 31, 2025.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's main objective when managing capital is to safeguard its ability to continue as a going concern to pursue its business objectives of growing and diversifying a portfolio of royalties and Streams in the mining and mineral resource industry. In its definition and management of capital, the Company considers its capital to consist of shareholder's equity.

The Company manages its capital structure and makes adjustments, as necessary, in light of changes in economic conditions and its business, such as with the completion of the Arrangement on October 23, 2025, as described in Note 2. Accordingly, going forward, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners in order to maintain or adjust the capital structure.

To facilitate the management of its capital requirements, the Company may prepare expenditure plans and budgets that are updated as necessary depending on various factors, including, but not limited to, successful capital deployment and general industry conditions.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has classified its financial instruments as follows:

Fair Value

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 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash, receivables and other assets, and trade payable and accrued liabilities, approximate carrying value, which is the amount recorded on the statements of financial position.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in major financial institutions.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'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 risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As described in note 2, the Company received a Capital Contribution from NGEx which has provided it with sufficient capital to fund its working capital requirements for at least twelve months from December 31, 2025.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2025 the Company is not exposed to significant interest rate risk.

10. COMMITMENT

As of December 31, 2025, the Company has a management services agreement (the "Agreement") with a management services company for the use of certain shared office facilities and ancillary corporate support services. As part of the terms of the Agreement, the Company is required to pay a basic fee of C$18,600 per month, plus applicable taxes. The Agreement expires on February 28, 2039. The Company is required to make a one-time termination payment as determined by the Agreement and the management services company, if the Company were to terminate the agreement prior to its expiry.

11. SUBSEQUENT EVENT

On February 22, 2026, the Company entered into a binding term sheet with Lundin Gold Inc. ("Lundin Gold") to acquire a life-of-mine silver stream (the "Silver Stream" or the "Transaction") on the Fruta Del Norte gold mine ("FDN") in Ecuador, owned and operated by Lundin Gold.

The Silver Stream will initially encompass 100% of FDN's payable silver production with staged reductions, once certain delivery thresholds have been met. As consideration, the Company will issue approximately 50.5 million shares (the "Consideration Shares") to Lundin Gold, having a value of approximately $670 million based on the 20-day volume weighted average price ("VWAP") of the Company's shares on the TSX Venture Exchange (the "TSXV") of C$18.18 as of February 20, 2026. Upon closing of the Transaction, and subject to compliance with all applicable laws, Lundin Gold will distribute the Consideration Shares to its shareholders as a dividend in kind and will not hold any common shares of the Company following completion of such distribution.

11. SUBSEQUENT EVENT (cont'd)

As the Transaction had not been entered into at December 31, 2025 and had not yet closed as of the reporting date, no assets, liabilities or equity instruments related to the Transaction have been recognized in these financial statements. Management expects that upon closing, the Company will recognize:

- A stream asset representing the acquired right to silver production from FDN, recognized as a non-current tangible asset measured initially at the fair value of the consideration; and

- The issuance of the Consideration Shares to Lundin Gold, which will be recorded in equity at their fair value as of the closing date.

As Lundin Gold and LunR are "related parties" within the meaning of MI 61-101, the Transaction, including the issuance of the Consideration Shares to Lundin Gold, constitutes a "related party transaction" and requires the approval of a simple majority of votes cast by LunR shareholders, excluding votes from certain shareholders (the "MI 61-101 Approval") at a special meeting expected to be held to consider the Transaction (the "Special Meeting"). The Company and Lundin Gold are also considered non-arm's length parties in accordance with the policies of the TSXV.

In addition, the Transaction is subject to the approval of the TSXV, which such approval also requires the Company to obtain the approval of a simple majority of votes cast by disinterested shareholders of the Company at the Special Meeting in accordance with the policies of the TSXV.