



ROYALTY STREAMS CORP.

**Consolidated
Financial Statements**

December 31, 2020

(Expressed in US Dollars)

(UNAUDITED)



Royalty Streams Corp.
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

	Notes	December 31, 2020	December 31, 2019	December 31, 2018
Assets				
Cash	2	\$ 14,181	\$ 13,579	\$ -
Physical bullion	3	52,800	-	-
Music Royalties 10 year	4	117,122	55,100	44,750
Music Royalty 30 year	4	6,706	-	-
Green Royalty 5 year	5	5	5	-
Investment in private company	6	376,404	115,367	115,367
Marketable securities	7	1,016,127	-	-
Dividend receivable		-	5,819	-
Royalty receivable		-	51,189	-
Subscription receivable		-	3,669	9,810
Total assets		\$ 1,583,345	\$ 244,728	\$ 169,927
Liabilities and Stockholders' Equity				
Liabilities				
Other payable		\$ -	\$ 4,796	\$ 2,592
Current tax payable		10,014	12,666	
Deferred tax payable	2	110,893		
Total liabilities		120,907	17,462	2,592
Stockholders' equity				
100,000,000 shares authorized				
Common stock, par value \$.0001	9	1,530	1,500	1,310
Additional paid in capital	9	963,470	185,717	168,617
Retained earnings (loss)		40,047	(2,592)	-
Net income (loss)		457,391	42,641	(2,592)
Total stockholders' equity		1,462,438	227,266	167,335
Total liabilities and stockholders' equity		\$ 1,583,345	\$ 244,728	\$ 169,927

See accompanying notes to financial statements.

Royalty Streams Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in US Dollars)

	Notes	2020	2019	2018
Revenues				
Royalty music interests	4	\$ 13,767	\$ 13,579	\$ -
Royalty green interests	5	36,876	51,189	-
Dividend income	6	11,811	5,819	-
Unrealized gain on physical bullion	3	19,740	-	-
Unrealized gain on securities	7	291,126	-	-
Unrealized gain on private investment	6	217,199	-	-
Total revenues		<u>\$ 590,519</u>	<u>\$ 70,587</u>	<u>\$ -</u>
Royalty music amortization		7,273	6,751	-
Gross profit		<u>583,246</u>	<u>63,836</u>	<u>0</u>
General and administrative expenses				
Annual franchise tax		\$ 2,250	\$ 2,250	\$ 1,350
Bank fees		320	-	177
Management fee	10	1	-	-
Registered agent		491	277	-
Organization costs		776	412	1,065
Tax prep		900	328	-
Computer and postage		210	-	-
Web design		-	5,262	-
Total general and administrative expenses		<u>\$ 4,948</u>	<u>\$ 8,529</u>	<u>\$ 2,592</u>
Income before income tax		578,298	55,307	(2,592)
Current tax	2	10,016	12,666	-
Deferred tax	2	110,893	-	-
Net Income		<u>\$ 457,389</u>	<u>\$ 42,641</u>	<u>\$ (2,592)</u>

See accompanying notes to financial statements.

Royalty Streams Corp.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Expressed in US Dollars)

	Common Stock Shares	Common Stock Par Value	Paid-in Capital in excess of Par	Retained Earnings (Deficit)	Total
Balance at December 5, 2018 (Inception)	-	\$ -	\$ -	\$ -	\$ -
Shares issued upon incorporation	100,000	10	8,500		8,510
Shares issued for Royalty Music Corp.	5,000,000	500	-		500
Shares issued for Royalty Gold Corp.	8,000,000	800	-		800
Cash equivalent received from investors			160,117		160,117
Net income or (loss)				(2,592)	(2,592)
Balance at December 31, 2018	13,100,000	\$ 1,310	\$ 168,617	\$ (2,592)	\$ 167,335
Shares issued for Royalty Green Corp.	1,500,000	150	-		150
Shares issued for Royalty Franchise Corp.	400,000	40	-		40
Cash equivalent received from investors			17,100		17,100
Net income or (loss)				42,641	42,641
Balance at December 31, 2019	15,000,000	\$ 1,500	\$ 185,717	\$ 40,049	\$ 227,266
Shares issued for private placements	300,000	30	44,970		45,000
Cash equivalent received from investors			732,783		732,783
Net income or (loss)				457,389	457,389
Balance at December 31, 2020	15,300,000	\$ 1,530	\$ 963,470	\$ 497,438	\$ 1,462,438

See accompanying notes to financial statements.

Royalty Streams Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in US Dollars)

	December 31, 2020	December 31, 2019	December 31, 2018
Operating activities			
Net income (loss)	\$ 457,392	42,641	\$ (2,592)
Add back non-cash items			
Amortization	7,273	6,751	-
Changes in working capital			
Accounts receivable	57,008	(50,867)	(9,810)
Accounts payable	152,111	14,869	2,592
Cash provided by (used in) operating activities	<u>\$ 673,784</u>	<u>\$ 13,394</u>	<u>(9,810)</u>
Investing activities			
Investment in marketable securities	(1,035,897)	-	-
Investment in private company	(261,038)	-	(115,367)
Purchase of green royalty		(5)	
Purchase of music royalties	(76,000)	(17,100)	(44,750)
Purchase of physical silver	(33,060)	-	-
Cash provided by (used in) investing activities	<u>(1,405,995)</u>	<u>(17,105)</u>	<u>(160,117)</u>
Financing activities			
Cash equivalent received from investors - common stock par value	30	190	1,310
Cash equivalent received from investors - additional pic	732,783	17,100	168,617
Cash provided by (used in) financing activities	<u>732,813</u>	<u>17,290</u>	<u>169,927</u>
Net increase (decreases) in cash	602	13,579	-
Cash, beginning of year	13,579	-	-
Cash, end of year	<u>\$ 14,181</u>	<u>\$ 13,579</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

1. NATURE OF BUSINESS AND OPERATIONS

Royalty Streams Corp. (“Royalty Streams” or the “Company”), was incorporated in the state of Delaware on December 5, 2018. The Company seeks investments in diversified royalties and streams, gold and silver stockpiles, marketable securities with a focus on precious metals, and investments in private companies.

The registered agent office of the Company is located at 919 North Market Street, Suite 950, Wilmington, DE 19801.

The principle office of the Company is located at 4 Jacobs Way, Chadds Ford, PA 19317.

In December 2018, the Company issued 100,000 shares upon incorporation, along with issuing 5,000,000 shares for Royalty Music Corp., and 8,000,000 shares for Royalty Gold Corp. In February 2019, the Company issued 1,500,000 shares for Royalty Green Corp., and 400,000 shares for Royalty Franchise Corp.

The Company plans to raise up to US \$3,000,000 financing by way of a non-brokered private placement as well as through crowd funding, of up to 15,000,000 shares of common stock at .20 cents per share during 2021.

The Company also plans to list shares of the Company’s common stock on the Over-The-Counter (“OTC”) and the Canadian Securities Exchange (“CSE”) under proposed ticker symbol RSC, in 2021, whether directly, or by an amalgamation with an already existing public company.

Long term plans include paying dividends and up-listing to the NASDAQ.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Royalty Music Corp., Royalty Gold Corp., Royalty Green Corp., and Royalty Franchise Corp. Collectively, they are referred to herein as “the Company”. Inter-company accounts and transactions have been eliminated.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

Risks and Uncertainties

The Company is subject to US dollar devaluation risk given the unprecedented money printing in 2020 and previous years.

The Company is subject to additional risks and uncertainties due to the COVID-19 pandemic. The Company cannot reasonably estimate with any degree of certainty the future impact COVID-19 may have on the Company's results of operations, financial position and liquidity, other than noticing a temporary decline in music royalties, as they relate to public performances, given there have been significantly less concert performances worldwide.

Cash and Cash Equivalents

The Company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Physical Bullion

Investments in physical bullion are measured at fair value determined by reference to published price quotations, with unrealized and realized gains and losses recorded in income based on the International Accounting Standards 40.

Marketable Securities

Equity investments with readily determinable fair values are measured at fair value. Equity investments without readily determinable fair values are measured using the equity method or measured at costs with adjustments for observable changes in price or impairments (referred to as the measurement alternative).

Foreign Currency Translation

The Company's functional currency and reporting currency is the U.S. dollar. Monetary items denominated in foreign currency are translated to U.S. dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates in effect when the assets were acquired, or obligations incurred. Revenue and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in the consolidated statements of operations.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

Concentration of Credit Risk

The Company maintains cash and cash equivalents at reputable financial institutions and is not currently exposed to significant credit risk.

Income per Share

Basic earnings per share is computed by dividing the net income by the weighted average number of shares outstanding during the period.

Stock Options

The Company does not currently have any outstanding stock options.

Stock-based Compensation

The Company has not paid any stock-based compensation.

Warrants

The Company has not issued any warrants.

Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value on the consolidated balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3 – Inputs reflecting management’s best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

Related Party Transactions

A related party is generally defined as (i) any person who holds 10% or more of the Company's securities and their immediate families, (ii) the Company's management, (iii) an entity or person who directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Income tax

Due to the enactment of the Tax Reform Act of 2018, the corporate tax rate for those tax years beginning with 2018 has been reduced to 21%.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The benefits from net operating losses carried forward may be impaired or limited in certain circumstances. In addition, a valuation allowance can be provided for deferred tax assets when it is more likely than not that all or some portion of the deferred tax asset will not be realized.

The Company files a consolidated U.S. income tax return and a tax return in Delaware, and is current on all its corporate tax filings.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. New pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. PHYSICAL BULLION

The Company purchased 2,000 ounces of physical silver bullion at \$16.53 per ounce, in April 2020, totaling \$33,060. As of December 31, 2020, the spot price of silver was \$26.40 per ounce, totaling \$52,800, creating an unrealized gain of \$19,740.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

4. ROYALTY MUSIC INTERESTS

Songs typically have two copyrights including musical composition and sound recording, which allows rights to specified rightsholders, thereby creating multiple royalty rights issued on a single song.

The musical composition includes sync royalties played in film, mechanical royalties when sold or streamed, and performance royalties when played on the radio, directed toward publishers and songwriters.

Sound recording includes sync royalties licensed for film, tv, etc, reproduction royalties when sold or streamed, and performance royalties when played in public, directed toward performers, record labels and musicians and singers.

The Company utilized an online marketplace for purchasing various 10-year, 30-year and 10-year reassigned music royalties which revert to the original royalty holder upon ending term date. The royalties cover musical composition royalties generated from public performance through internet streaming, AM/FM & satellite radio, TV/film/commercial performances, etc.

#	Royalty Term	Cost	Accumulated Depreciation	NAV
1	10 year	36,200	7,842	28,358
2	10 year	8,550	1,816	6,734
3	10 year	17,100	3,276	13,824
4	30 year	7,250	544	6,706
5	7.9 year	10,450	544	9,906
6	8.8 year	58,300	-	58,300
		<u>\$ 137,850</u>	<u>\$ 14,022</u>	<u>\$ 123,828</u>

1) 10-year Royalty focused on songs in Hip-Hop category

Price paid	\$36,200
Royalty dates:	October 31, 2018 – October 30, 2028
Songs:	52 songs
Royalty payer	ASCAP
Payment Schedule	Quarterly

Notable songs include Faded by Tyga, along with Check, Run it by TI.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

2) 10-year Royalty focused on a song in Dance/Electric category

Price paid	\$8,550
Royalty dates:	November 14, 2018 – November 13, 2028
Songs:	1 song
Royalty payer	BMI
Payment Schedule	Quarterly

Notable song is called Heart wont forget, by Matoma

3) 10-year Royalty focused on songs in Electric/Contemporary category

Price paid	\$17,100
Royalty dates:	February 20, 2019 – February 19, 2029
Songs:	23 songs
Royalty payer	ASCAP
Payment Schedule	Quarterly

Notable songs include IDWK by Blackbear, Better Where We are, by Rene Rodrigezz, Generation Love, by Albert Neve, and Meet Me, by Mickey Valen

4) 30-year Royalty focused on songs in Hip-Hop category

Price paid	\$7,250
Royalty dates:	March 27, 2020 – March 27, 2050
Songs:	18 songs
Royalty payer	ASCAP
Payment Schedule	Quarterly

Notable songs include On My Way, Inconsiderate and Night Crawler, by Reo Cragun, as well as Bible on the dash, by Gunplay.

5) 7.9-year Reassigned from 10-year Royalty focused on songs in Pop category

Price paid	\$10,450
Royalty dates:	August 4, 2020 – July 19, 2028
Songs:	187 songs
Royalty payer	ASCAP
Payment Schedule	Quarterly

Notable songs include Conquer by RIVVRS, Perfect To Me by Marc Broussard, Dance by Stan Alexandra, Diggy by Spencer Ludwig, and One more night by New Kids On The Block

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

6) 8.8-year Reassigned from 10-year Royalty focused on songs in Pop category

Price paid	\$58,300
Royalty dates:	Dec 22, 2020 – Aug 9, 2029
Songs:	30 songs
Royalty payer	ASCAP
Payment Schedule	Quarterly

Notable songs include Cool Kids, Bright, Come Together, Over My head, and Goodbye, by Echosmith.

5. ROYALTY GREEN INTERESTS

5-year Royalties focused on renewable energy

The Green Energy royalties earn 10% gross revenue on 5 early stage window film companies that provide solar and security film installation for climate and glare control, as well as mitigating intrusion, for 5 years from January 2019 through January 2024, including: Northeast Film Crew, LLC, Midwest Film Crew, LLC, Southwest Film Crew, LLC, West Coast Film Crew, LLC and Southeast Film Crew, LLC.

The owner of these Companies is a related party. Accordingly, the Company decided to use a conservative nominal value consideration of \$1 per royalty. The royalty may be extended based upon agreeable terms.

6. INVESTMENT IN PRIVATE COMPANY

The Company has made investments in Music Royalties Inc., (MRI) a private company that provides direct exposure to music revenue from the recent streaming growth by acquiring song royalties, and in some cases, including 70+ year royalties. The Company also receives a monthly dividend of \$.0015 CAD. MRI plans to publicly list in 2021.

Company	Purchase Year	Quantity	Cost	Fair Value	Unrealized g(l)
Music Royalties Inc (C)	2018	1,000,000	\$ 115,367	\$ 312,913	\$ 197,546
Music Royalties Inc (C)	2020	100,000	11,637	31,290	19,653
Music Royalties Inc (C)	2020	100,000	32,201	32,201	-
			\$ 159,205	\$ 376,404	\$ 217,199

(C) Based on most recent private placement by Music Royalties Inc at CAD .40

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

7. MARKETABLE SECURITIES

Company	Ticker	Quantity	Cost	Fair Value	Unrealized g(l)	%
			2020	2020	2020	2020
Patriot Gold	PGOL	1,225,000	95,912	181,790	85,878	90%
Patriot Gold	PGOL	1,775,000	216,550	263,410	46,860	22%
Orefinders Resources	ORFDF	859,500	58,535	107,438	48,903	84%
Orefinders Resources	ORFDF	1,340,500	142,154	167,563	25,409	18%
Elysee Development	ASXSF	200,000	62,021	78,000	15,979	26%
Elysee Development(A)	ASXSF	80,000	22,100	31,200	9,100	41%
Gogold Resources	GLFDF	7,000	2,298	12,909	10,610	462%
Gogold Resources	GLFDF	13,000	2,087	23,975	21,888	1049%
Gogold Resources	GLFDF	10,000	12,200	18,442	6,242	51%
Xtierra(B)	XRESF	500,000	18,985	40,000	21,015	111%
McEwen Mining	MUX	20,000	38,074	19,700	(18,374)	-48%
Argonaut Gold	ARNGF	8,000	14,935	17,200	2,265	15%
QC Copper and Gold	QCCUF	60,000	5,063	15,600	10,537	208%
Anaconda Mining	ANXGF	20,000	8,708	9,608	900	10%
Sailfish Royalty	SROYF	10,000	7,041	9,320	2,279	32%
Resolute Mining	RMGGF	10,000	5,770	6,000	230	4%
BAB	BABB	10,000	6,288	5,850	(438)	-7%
Sandstorm Gold	SAND	500	3,815	3,585	(230)	-6%
Silver Tiger Metals	SLVTF	10,000	2,464	4,538	2,074	84%
			725,000	1,016,127	291,126	40%

(A) The Company participated in a Private Placement at .35 CAD or .27625 US on September 27, 2018. The shares were subject to a four-month hold period and expired on January 29, 2019.

(B) The Company participated in a Private Placement at .05 CAD or .03797 US on July 6, 2020. The shares were subject to a four-month hold period and expired on November 11, 2020. The Company also received 250,000 incentive stock options exercisable at .06 CAD for a period of five years from June 4, 2020.

8. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we may be exposed to claims and threatened litigation, and would use various methods to resolve these matters in a manner that we believe serves the best interest of our shareholders and other constituents. There is currently no claims or litigation toward the Company.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

9. SHARE CAPITAL

Authorized share capital

The Company may issue up to 100,000,000 voting shares with \$.0001 par value common stock. There is no authorized preferred stock.

Issued share capital

During the year ended December 31, 2018, the Company completed the following transactions;

- Issued 100,000 shares upon incorporation
- Issued 5,000,000 shares for Royalty Music Corp.
- Issued 8,000,000 shares for Royalty Gold Corp.

During the year ended December 31, 2019, the Company completed the following transactions;

- Issued 1,500,000 shares for Royalty Green Corp.
- Issued 400,000 shares of Royalty Franchise Corp.

During the year ended December 31, 2020, the Company completed the following private placements;

- Issuance of 150,000 shares at \$0.15 per share, totaling \$22,500
- Issuance of 50,000 shares at \$0.15 per share, totaling \$7,500
- Issuance of 100,000 shares at \$0.15 per share, totaling \$15,000

As of December 31, 2020, the Company had 15,300,000 issued and outstanding voting shares.

Normal Course Issuer Bid (NCIB)

The Company believes in having a tight share structure, and will obtain approval to utilize a NCIB when appropriate.

Royalty Streams Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

10. RELATED PARTY TRANSACTIONS

Management fee

A management fee of \$1 was paid to the CEO and Founder, through December 31, 2021. The CEO desires to be fully vested with the Company's shareholders and earn a return the same way through share price appreciation as well as from future dividends.

11. SUBSEQUENT EVENTS

No events occurred subsequent to December 31, 2020