



**Royalty Streams Corp.**

Focused on cash flowing streams

## **CONSOLIDATED FINANCIAL STATEMENTS**

**For The Period Ended  
June 30, 2023 and December 31, 2022**

(Expressed in US Dollars)

(UNAUDITED- PREPARED BY MANAGEMENT)

**ROYALTY STREAMS CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited - Expressed in U.S. Dollars)**

	Note	June 30, 2023	December 31, 2022
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		\$ 20,014	\$ 341,072
Physical bullion	3	45,000	48,360
Marketable securities	8	600,406	419,286
Royalty receivable	6	11,374	-
Other receivable		90	-
Total current assets		<u>676,884</u>	<u>808,718</u>
Non-current assets:			
Private investment	4	750,000	540,000
Music royalties	5	192,623	87,937
Green royalties	6	20,000	20,000
Prepaid registered agent fees		1,735	-
Total non-current assets		<u>964,358</u>	<u>647,937</u>
Total assets		<u>\$ 1,641,242</u>	<u>\$ 1,456,655</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Loan payable	11	\$ 108,500	\$ -
Management fee payable	9	14,566	14,566
Other payable	9, 11	-	29,450
Current tax payable	12	-	12,534
Total current liabilities		<u>123,066</u>	<u>56,550</u>
Long-term liabilities:			
Deferred tax payable	12	67,200	58,800
Total liabilities		<u>190,266</u>	<u>115,350</u>
Stockholders' equity:			
100,000,000 shares authorized	10		
Common stock, par value \$.0001		1,530	1,530
Equity in Subs		-	-
Additional paid-in capital		963,470	963,470
Retained earnings		376,305	290,731
Net income (loss)		109,671	85,574
Total stockholders' equity		<u>1,450,976</u>	<u>1,341,305</u>
Total liabilities and stockholders' equity		<u>\$ 1,641,242</u>	<u>\$ 1,456,655</u>

APPROVED ON BEHALF OF THE BOARD:

"Frank Boglev", Director

"Tim Gallagher", Director

See accompanying notes to the consolidated financial statements.

**ROYALTY STREAMS CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited - Expressed in US Dollars)**

	Note	Six months ended June 30, 2023	Year ended December 31, 2022
<b>REVENUES:</b>			
Music royalty revenue	5	\$ 13,049	\$ 21,915
Green royalty revenue	6	11,374	43,833
Music investment dividends	4	19,462	26,481
Equity dividends	7	4,340	5,360
Total revenues		<u>48,225</u>	<u>97,589</u>
Green royalty amortization	6	-	20,000
Music royalty amortization	5	6,814	13,628
		<u>41,411</u>	<u>63,961</u>
<b>GROSS PROFIT</b>			
<b>EXPENSES:</b>			
Annual franchise tax (DE)		-	1,350
Annual registered agent		435	495
Bank fees		350	357
Board of directors fees		-	2,000
Computer, web, postage and dues		404	5,506
Interest		100	2,129
Management fee	9	-	14,566
Professional and legal fees		1,605	300
Stock issuance cost		500	500
Tax prep and fees		-	2,150
Tax withholding canadian		3,340	4,638
Travel expense		1,661	-
Total operating expenses		<u>8,395</u>	<u>33,991</u>
<b>INCOME FROM OPERATIONS</b>		<b>33,016</b>	<b>29,970</b>
<b>OTHER INCOME (LOSS):</b>			
Fx loss and interest income		5	(10)
Federal tax accrual reversal		-	6,812
Royalty broker fee reversal	9	25,000	(25,000)
Realized gain on securities	8	8,237	115,772
Unrealized gain (loss) on private investment	4	40,000	(41,500)
Unrealized gain (loss) on physical bullion	3	(3,360)	1,720
Unrealized gain (loss) on securities		15,173	1,630
Total other income (loss)		<u>85,055</u>	<u>59,424</u>
<b>INCOME OR (LOSS) BEFORE TAXES</b>		<b>118,071</b>	<b>89,394</b>
Current income tax expense	12	-	12,534
Deferred income tax expense	12	8,400	(8,714)
<b>NET INCOME OR (LOSS)</b>		<u>\$ 109,671</u>	<u>\$ 85,574</u>

See accompanying notes to the consolidated financial statements.

**ROYALTY STREAMS CORP.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited - Expressed in US Dollars)**

	Number of Shares	Common Stock Par Value	Paid-in Capital in excess of Par	Retained Earnings (Deficit)	Total
<b><u>AT DECEMBER 5, 2018</u></b> <b><u>(INCEPTION)</u></b>	-	\$ -	\$ -	\$ -	\$ -
Shares issued upon incorporation	100,000	10	8,500		8,510
Shares issued for Royalty Music Corp.	5,000,000	500	210,000		210,500
Shares issued for Royalty Gold Corp.	8,000,000	800	700,000		700,800
Net loss				(2,592)	(2,592)
<b><u>AT DECEMBER 31, 2018</u></b>	<u>13,100,000</u>	<u>\$ 1,310</u>	<u>\$ 918,500</u>	<u>\$ (2,592)</u>	<u>\$ 917,218</u>
Shares issued for Royalty Green Corp.	1,500,000	150	-		150
Shares issued for Royalty Franchise Corp.	400,000	40	-		40
Net income				42,641	42,641
<b><u>AT DECEMBER 31, 2019</u></b>	<u>15,000,000</u>	<u>\$ 1,500</u>	<u>\$ 918,500</u>	<u>\$ 40,049</u>	<u>\$ 960,049</u>
Shares issued for private placements	300,000	30	44,970		45,000
Net income				452,776	452,776
<b><u>AT DECEMBER 31, 2020</u></b>	<u>15,300,000</u>	<u>\$ 1,530</u>	<u>\$ 963,470</u>	<u>\$ 492,825</u>	<u>\$ 1,457,825</u>
Net loss				(202,094)	(202,094)
<b><u>AT DECEMBER 31, 2021</u></b>	<u>15,300,000</u>	<u>\$ 1,530</u>	<u>\$ 963,470</u>	<u>\$ 290,731</u>	<u>\$ 1,255,731</u>
Net income				85,574	85,574
<b><u>AT DECEMBER 31, 2022</u></b>	<u>15,300,000</u>	<u>\$ 1,530</u>	<u>\$ 963,470</u>	<u>\$ 376,305</u>	<u>\$ 1,341,305</u>
Net income				109,671	109,671
<b><u>AT June 30, 2023</u></b>	<u>15,300,000</u>	<u>\$ 1,530</u>	<u>\$ 963,470</u>	<u>\$ 485,976</u>	<u>\$ 1,450,976</u>

See accompanying notes to the consolidated financial statements.

**ROYALTY STREAMS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**(Unaudited - Expressed in US Dollars)**

	Note	Six months ended June 30, 2023	Year ended December 31, 2022
<b><u>OPERATING ACTIVITIES:</u></b>			
Net income (loss)		\$ 109,671	\$ 85,574
Adjustments for non-cash items and other adjustments:			
Amortization of royalties	5,6	6,814	33,628
Loss from disposal of music royalty		-	-
Unrealized (gain) loss on investments and bullion	3,4,8	(51,813)	38,150
Changes in non-cash working capital		<u>(73,783)</u>	<u>23,617</u>
Net cash flows provided by (used in) operating activities		<u>(9,111)</u>	<u>180,969</u>
<b><u>INVESTING ACTIVITIES:</u></b>			
Proceeds cost from sale of marketable securities	8	57,227	374,042
Purchase of marketable securities	8	(167,674)	(153,600)
Purchase of royalties inc private placement	8	(55,500)	-
Purchase of green royalties	6	-	(40,000)
Purchase of music royalties	5	(111,500)	-
Purchase of royalty music private investment	4	<u>(170,000)</u>	<u>(68,000)</u>
Net cash flows provided by (used in) investing activities		<u>(447,447)</u>	<u>112,442</u>
<b><u>FINANCING ACTIVITIES:</u></b>			
Proceeds from loans		<u>135,500</u>	<u>-</u>
Net cash flows provided by (used in) financing activities		<u>135,500</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		(321,058)	293,411
Cash and cash equivalents- beginning of the year		<u>341,072</u>	<u>47,661</u>
<b>Cash and cash equivalents- end of the year</b>		<u>\$ 20,014</u>	<u>\$ 341,072</u>

See accompanying notes to the consolidated financial statements.

# **ROYALTY STREAMS CORP.**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2023 and December 31, 2022**

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### **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.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***(A) Basis of presentation***

The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), with Article 8 of Regulation S-X, and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”).

#### ***(B) Principles of Consolidation***

The accompanying 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”. All inter-company transactions and balances have been eliminated.

#### ***(C) Risks and Uncertainties***

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 less concerts.

## **ROYALTY STREAMS CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2023 and December 31, 2022**

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#### ***(D) Management's Estimates and Assumptions***

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles 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. Management believes that all applicable estimates and adjustments are appropriate. Actual results could differ from those estimates.

#### ***(E) Cash and Cash Equivalents***

Cash is held at a national bank as well as with a national brokerage firm. 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. There are no cash equivalents as at June 30, 2023 and December 31, 2022.

#### ***(F) Music Royalties***

##### **Catalogues of songs and other investments**

Catalogues of songs and other investments include music catalogues, artist producer and manager's contracts, and music publishing rights and are recognized as intangible assets measured initially at the fair value of the consideration paid. Catalogues of songs and other investments are subsequently amortized over the estimated useful life of the asset. Catalogues of songs and other investments with an indefinite useful life are not amortized but are subject to an annual impairment test. Useful life is separately considered for each catalogue of songs and other investments are reviewed at the end of each reporting period.

All catalogues of songs are carried at cost less accumulated amortization and any applicable impairment provision. No impairment provision was recognized as at June 30, 2023 and December 31, 2022. The Company amortizes catalogues of songs with a limited useful life using the straight-line method based on the terms of the agreements. Terms negotiated are either life of artist ("LOA") plus 70 years, in which case a 10 or 20-year straight-line amortization method is used, or straight-line over the specified contract term.

## **ROYALTY STREAMS CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2023 and December 31, 2022**

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#### **Asset impairment**

Each time events or changes in the economic environment indicate a risk of impairment of intangible assets, the Company re-examines the value of these assets. This impairment test is performed to compare the recoverable amount to the carrying value of the asset. The recoverable amount is determined as the higher of the value in use; or the fair value (less costs to sell) as described hereafter, for each individual asset. The impairment losses recognized in respect of intangible assets may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized.

#### **Derecognition of assets**

The Company derecognizes an asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. On derecognition of an asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss.

#### ***(G) 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 other income based on the International Accounting Standards 40.

#### ***(H) Marketable Securities and Long-Term Investments***

##### **Publicly-traded investments**

Shares traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1 in the fair value hierarchy.



## **ROYALTY STREAMS CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2023 and December 31, 2022**

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#### **Privately-held investments**

Shares in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on available information and reflects such valuations in the financial statements. These are included in Level 3 in the fair value hierarchy.

#### ***(I) Revenue Recognition***

##### **Music royalty income**

The Company enters into license arrangements in respect of catalogues of songs with third party collection agents. The Company is generally entitled to receive royalty payments paid subsequent to the purchase of the catalogue regardless of when the performance occurred that generated the royalty. Revenue arising from licenses entered into with collection agents is recognized in the period when the royalty payments are received. The contractual basis of the license arrangements is such that the agents are deemed as 'principals' for tax purposes, therefore the Company recognizes its revenue net of administration fees.

##### **Green royalty income**

The Company receives a gross royalty revenue statement covering each respective calendar quarter, and is expected to receive payments within 45 days of receipt.

#### ***(J) 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 may be included in the consolidated statements of operations.

## **ROYALTY STREAMS CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2023 and December 31, 2022**

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#### ***(K) Concentration of Credit Risk***

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

#### ***(L) Income/Loss per Share***

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

#### ***(M) Stock Options***

The Company does not currently have any outstanding stock options.

#### ***(N) Stock-based Compensation***

The Company has not paid any stock-based compensation.

#### ***(O) Warrants***

The Company has not issued any warrants.

#### ***(P) 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**

**June 30, 2023 and December 31, 2022**

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#### ***(Q) 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.

#### ***(R) Capital Management***

The Company manages its cash and common shares as capital, and manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to acquiring diversified royalties and equities, and pursuit of new acquisitions;
- fundraise and issue equity for funding opportunities; and
- to maximize shareholder return through enhancing the share value.

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 and strive for profitability. The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

#### ***(S) Income Taxes***

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%.

Taxes are withheld from Canadian private investment dividends, as well as Canadian equity dividends at a rate of 15%.

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

## ROYALTY STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and December 31, 2022

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tax assets when it is more likely than not that all or some portion of the deferred tax asset will not be realized.

#### ***(T) 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 physical silver bullion through SchiffGold.

Purchase Date	Bullion Type	OZ	Total Cost	FMV @ 6/30/23 (A)	FMV @ 12/31/22 (B)	Unrealized G or (L)	Change In Unrealized G or (L)
April 2020	Silver	1000	16,530	22,500	24,180	5,970	(1,680)
April 2020	Silver	1000	16,530	22,500	24,180	5,970	(1,680)
			<u>\$33,060</u>	<u>\$ 45,000</u>	<u>\$ 48,360</u>	<u>\$ 11,940</u>	<u>\$ (3,360)</u>

(A) Silver spot price June 30, 2023 \$22.50

(B) Silver spot price December 31, 2022 \$24.18

Fair market value December 31, 2021 & 2020 \$46,640 & \$52,800

### **4. PRIVATE INVESTMENT**

The Company made investments in Music Royalties Inc., ("MRI") a Canadian-based private company that acquires passive music royalties from rightsholders and currently holds a portfolio of 25-plus cash-flowing music royalties. MRI is currently paying a monthly dividend and plans to publicly list on a national exchange.

## ROYALTY STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and December 31, 2022

Purchase Year	Quantity	Cost per share CAD	Cost per share US	Total Cost US	FMV @ 6/30/23 (A)	FMV @ 12/31/22 (B)	Unrealized G or (L)	Change in Unrealized G or (L)
2018	1,000,000	0.15	0.115	\$115,367	\$375,000	\$360,000	\$ 259,633	\$ 15,000
2020	100,000	0.15	0.116	11,637	37,500	36,000	25,863	1,500
2020	100,000	0.40	0.322	32,201	37,500	36,000	5,299	1,500
2021	100,000	0.40	0.328	32,792	37,500	36,000	4,708	1,500
2022	200,000	0.50	0.340	68,000	75,000	72,000	7,000	3,000
2023	500,000	0.50	0.340	170,000	187,500	-	17,500	17,500
	2,000,000	0.298	0.215	\$429,997	\$750,000	\$540,000	\$ 320,003	\$ 40,000

(A) Equity price June 30, 2023 .50 CAD X .75 FX US

(B) Equity price December 31, 2022 .50 CAD X .72 FX US

Fair market value December 31, 2021 & 2020 \$513,500 & \$376,404

Fair market value December 31, 2019 & 2018 \$115,367 & \$115,367

Dividend income Six months ended 6/30/23 \$19,462

Dividend income Year ended 2022 & 2021 \$26,481 & 21,357

Dividend income Year ended 2020 & 2019 \$11,811 & 5,819

## 5. MUSIC ROYALTIES

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, 10-year reassigned and LOA 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 STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and December 31, 2022

Royalty Term	Notable Artists	Cost 1/1/23	Additions	Amortization @ 6/30/23	Accumulated Amortization	NAV @ 6/30/23
10 year	Tyga	36,200		1,810	16,891	19,309
10 year	IDWK	17,100		855	7,553	9,547
30 year	Reo Cragun	7,250		363	2,359	4,891
7.9 year	NKOTB	10,450		653	3,809	6,641
8.8 year	Echosmith	56,400		3,133	15,665	40,735
LOA+70 yrs	Amir Obe	-	40,500			40,500
LOA+70 yrs	Ali Gatie	-	23,000			23,000
LOA+70 yrs	Jamie Lawson	-	48,000			48,000
		\$127,400	\$111,500	6,814	46,277	\$192,623

Net asset value	December 31, 2022 & 2021	\$87,937 & \$101,566
Net asset value	December 31, 2020 & 2019	\$121,928 & 55,100
Net asset value	December 31, 2018	\$44,750
Royalty income	Six months ended 6/30/23	\$13,049
Royalty income	Year ended 2022 & 2021	\$21,915 & \$22,657
Royalty income	Year ended 2020 & 2019	\$13,767 & \$13,579

## 6. GREEN ROYALTIES

During 2019, the Company issued 1,500,000 shares for Royalty Green Corp, which included a portfolio of royalties. The terms were for 3 years beginning January 1, 2019 through December 31, 2021. The owner of these Companies is a related party. Since private stock of a relatively new Company was issued, the Company decided to use a conservative nominal value consideration of \$5.

On January 1, 2022, the Company extended the royalties and signed a Royalty Term Agreement with Nationwide Film Corp., a related party, whereby the Company purchased a 10% GRR (gross revenue royalty). The royalties cover window film companies, that provide solar and security film installation for climate and glare control, as well as mitigating intrusion.



**ROYALTY STREAMS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2023 and December 31, 2022**

Significant terms:

- The purchase price for the GRR is \$40,000
- The minimum GRR amount to be paid shall not be less than \$48,000
- The GRR terms are for 2 years ending 11:59 PM on December 31, 2023
- 5% interest will be added if payment is not made within 30 days of agreement

Royalty Term	Royalty Asset	Royalty Details	Cost 1/1/23	Amortization @ 6/30/23	Accumulated Amortization	NAV @ 6/30/23
2 year	Nationwide Film Corp. subsidiaries, including Northeast Film Crew, LLC, Midwest Film Crew, LLC, Southwest Film Crew, LLC, West Coast Film Crew, LLC and Southeast Film Crew, LLC	10% Gross Revenue	40,000	-	20,000	20,000
			\$ 40,000	-	20,000	\$ 20,000

Net asset value December 31, 2022 & 2021 \$20,000 & \$0

Net asset value December 31, 2020 & 2019 \$5 & \$5

Royalty income Six months ended 6/30/23 \$11,374 accrued

Royalty income Year ended 2022 & 2021 \$43,833 & \$24,713

Royalty income Year ended 2020 & 2019 \$36,876 & \$51,189

**7. EQUITY DIVIDENDS**

Dividend income from public equities were derived from the following;

Subsidiary	Company	Dividend Source	Gross Dividends Six Months ended 6/30/23	Gross Dividends year ended 2022
Royalty Gold Corp.	Elysee Development Corp.	CAN	\$ 2,890	\$ 4,409
Royalty Gold Corp.	Sailfish Royalty Corp.	VIB	250	500
Royalty Gold Corp.	Bab Inc	USA	1,200	420
Royalty Gold Corp.	Sandstorm (sold)	USA	-	31
			\$ 4,340	\$ 5,360

**ROYALTY STREAMS CORP.**  
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**8. MARKETABLE SECURITIES**

The Company holds equity positions in various resource companies to strive for capital appreciation as well as dividend income.

Company	Ref	Ticker	Quantity	Total Cost	FMV @ 6/30/23	Unrealized G or (L)
Orefinders Resources		ORFDF	3,000,000	\$ 222,870	\$ 90,600	\$ (132,270)
Elysee Development		ASXSF	320,000	108,808	106,880	\$ (1,928)
Elysee Development	(A)	ASXSF	80,000	22,100	26,720	\$ 4,620
Patriot Gold		PGOL	2,000,000	124,624	144,024	\$ 19,400
BAB Inc		BABB	50,000	38,012	34,500	\$ (3,512)
Gogold Resources		GLFDF	17,000	14,498	19,380	\$ 4,882
Gogold Resources		GLFDF	13,000	2,086	14,820	\$ 12,734
McEwen Mining		MUX	2,000	13,828	14,380	\$ 552
Globex Mining		GLBXF	20,000	9,659	10,906	\$ 1,247
Green Impact		GIPIF	2,000	11,633	11,754	\$ 121
Sailfish Royalty		SROYF	10,000	7,041	6,200	\$ (841)
Royalties Inc	(B)	XRESF	500,000	18,985	24,550	\$ 5,565
Royalties Inc	(C)	XRESF	1,500,000	55,500	73,650	\$ 18,150
QC Copper and Gold	(D)	QCCUF	60,000	5,063	6,720	\$ 1,657
Kingsmen Resources		KNGRF	25,000	6,186	7,000	\$ 814
Argonaut Gold		ARNGF	15,000	9,856	6,058	\$ (3,798)
Plata Latina		PLLMF	200,000	5,814	2,264	\$ (3,550)
				<u>\$ 676,563</u>	<u>\$ 600,406</u>	<u>\$ (76,157)</u>

(A) The Company participated in a Private Placement of 80,000 shares at .35 CAD or .27625 US on September 27, 2018. The shares holding period expired January 29, 2019.

(B) The Company participated in a Private Placement at .05 CAD or .03797 US on July 6, 2020. The shares holding period 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. There was a name change from Xtierra Inc. to Royalties Inc. in 2023.



## ROYALTY STREAMS CORP.

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(C) The Company participated in a Private Placement at .05 CAD or .037 US on May 27, 2023. The shares are subject to a four-month hold period and expire on September 27, 2023.

(D) The Company received shares in QC Copper as a spin off from Orefinders.

Fair market value December 31, 2022	\$419,286
Fair market value December 31, 2021	\$638,098
Fair market value December 31, 2020	\$1,016,127

The Company purchased the following marketable purchases during the year

Purchase(s) Date	Company	Ticker	Quantity	Total Cost
1/9/23	Kingsmen Resources	KNGRF	4,062	\$ 251
2/14/23	Elysee Development	ASXSF	50,000	19,162
3/14/23	Kingsmen Resources	KNGRF	45,938	5,935
March 23	Patriot Gold	PGOL	550,000	31,553
March 23	Elysee Development	ASXSF	50,000	17,702
			<b>Q1 Purchases</b>	<b>74,603</b>
Q2 23	Patriot Gold	PGOL	1,450,000	93,071
			<b>Q2 Purchases</b>	<b>93,071</b>
			YTD total	\$167,674

The Company sold the following marketable securities during the year;

Sale Date	Company	Ticker	Quantity	Total Cost	Proceeds	Realized G or (L)
			-	-	-	-
			<b>Q1 Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>
4/27/23	Patriot Gold	PGOL	1,041,893	\$ 54,763	\$ 63,034	\$ 8,271
4/13/23	Silver Tiger	SLVTF	10,000	2,464	2,430	(34)
			<b>Q2 Sales</b>	<b>57,227</b>	<b>65,464</b>	<b>8,237</b>
			YTD total	\$ 57,227	\$ 65,464	\$ 8,237

## **ROYALTY STREAMS CORP.**

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#### **9. COMMITMENTS AND CONTINGENCIES**

##### ***Management contracts***

The Company will pay a management fee equal to 1% of total assets at year end to the CEO for management and accounting services rendered, provided that income from operations, excluding such management fee, is positive.

##### ***Letter of Intent***

During 2022, the Company incurred a \$25,000 broker fee, in relation to a potential gross revenue royalty or a fixed payment stream with a window film company. In 2023, the proposed deal is uncertain, and given the uncertainty, the broker fee was reversed and recorded as other income.

##### ***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 are currently no claims or litigation toward the Company.

#### **10. 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.

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

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

As of June 30, 2023, 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 publicly trading, available and appropriate.

**11. RELATED PARTY TRANSACTIONS**

***Loan payable***

During 2021, the CEO loaned the Company \$33,000, which was non-interest bearing and was used for investment purposes. The loan was fully repaid in 2022. During 2023, the CEO and his affiliated companies loaned the Company \$108,500, which was non-interest bearing and was used for investment purposes.

**12. INCOME TAX**

The Company files a consolidated U.S. income tax return to the IRS, files Delaware corporate income tax returns separately, for each entity, and is current on all its corporate tax filings.

While the income tax may be attributable to certain subsidiaries, as a consolidated entity, the parent Company is responsible for the federal tax component. Any difference between the recorded tax amount and actual payment, would be accounted for in the following year.

The Company receives special dividend deductions of 50% on any foreign dividends received. Any applicable NOLS will be used according to current tax law. Deferred taxes are derived from any unrealized gains in the private investment and marketable securities.

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**13. SUBSEQUENT EVENTS**

Management has determined the following events that occurred subsequent to June 30, 2023 and through report date of September 15, 2023.

- During the 3rd quarter, the Company received a loan of \$190,000 from a related party to fund investments.
- On August 14, the Company sold 2,000,000 shares of Patriot Gold for \$144,000.
- During August, 2023, the Company purchased 1,000,000 shares of MRI for \$343,203.
- On September 14, 2023, the Company received \$11,291 in dividend income.

These consolidated financial statements were authorized by the Board of Directors on September 15, 2023.