



# **Royalty Streams Corp.**

Focused on cash flowing streams

## **CONSOLIDATED FINANCIAL STATEMENTS**

**For The Years Ended  
December 31, 2021 and 2020**

(Expressed in US Dollars)

(UNAUDITED- PREPARED BY MANAGEMENT)

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

	Note	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		\$ 47,661	\$ 14,181
Physical bullion	3	46,640	52,800
Marketable securities	8	638,098	1,016,127
Royalty receivable	6	11,342	-
Dividend receivable	4	5,171	-
Other receivable		-	1,287
Total current assets		<u>748,912</u>	<u>1,084,395</u>
Non-current assets:			
Private investment	4	513,500	376,404
Music royalties	5	101,566	121,928
Green royalties	6	-	5
Total non-current assets		<u>615,066</u>	<u>498,337</u>
Total assets		<u>\$ 1,363,978</u>	<u>\$ 1,582,732</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Other payable	11	\$ 36,235	\$ 4,000
Current tax payable		4,497	10,014
Total current liabilities		<u>40,732</u>	<u>14,014</u>
Long-term liabilities:			
Deferred tax payable	12	67,515	110,893
Total liabilities		<u>108,247</u>	<u>124,907</u>
Stockholders' equity: 10			
100,000,000 shares authorized			
Common stock, par value \$.0001		1,530	1,530
Additional paid-in capital		963,470	963,470
Retained earnings (loss)		492,825	40,049
Net income (loss)		(202,094)	452,776
Total stockholders' equity		<u>1,255,731</u>	<u>1,457,825</u>
Total liabilities and stockholders' equity		<u>\$ 1,363,978</u>	<u>\$ 1,582,732</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	Year ended December 31, 2021	Year ended December 31, 2020
<b><u>REVENUES:</u></b>			
Music royalty revenue	5	\$ 22,657	\$ 13,767
Green royalty revenue	6	24,713	36,876
Music investment dividends	4	21,357	11,811
Equity dividends	7	7,142	-
Total revenues		75,869	62,454
Green royalty amortization	6	5	-
Music royalty amortization	5	13,912	7,273
		61,952	55,181
<b><u>GROSS PROFIT</u></b>			
<b><u>EXPENSES:</u></b>			
Accounting		-	4,000
Annual franchise tax (DE)		1,350	2,250
Annual registered agent		495	491
Bank fees		24	936
Computer, web, postage and dues		741	210
Margin interest		4,557	
Organization costs		-	776
Tax prep and fees		1,075	900
Tax withholding canadian		6,294	
Total operating expenses		14,536	9,563
<b><u>INCOME FROM OPERATIONS</u></b>		<b>47,416</b>	<b>45,618</b>
<b><u>OTHER INCOME (LOSS):</u></b>			
Loss on music royalty disposal	5	(2,449)	-
Unrealized gain on private investment	4	104,304	217,199
Unrealized gain (loss) on physical bullion	3	(6,160)	19,740
Unrealized gain (loss) on securities	8	(384,086)	291,126
Total other income (loss)		(288,391)	528,065
<b><u>INCOME OR (LOSS) BEFORE TAXES</u></b>		(240,975)	573,683
Current income tax expense		4,497	10,014
Deferred income tax expense		(43,378)	110,893
<b><u>NET INCOME OR (LOSS)</u></b>		<b>\$ (202,094)</b>	<b>\$ 452,776</b>

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>	<b><u>13,100,000</u></b>	<b><u>\$ 1,310</u></b>	<b><u>\$ 918,500</u></b>	<b><u>\$ (2,592)</u></b>	<b><u>\$ 917,218</u></b>
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>	<b><u>15,000,000</u></b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 918,500</u></b>	<b><u>\$ 40,049</u></b>	<b><u>\$ 960,049</u></b>
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>	<b><u>15,300,000</u></b>	<b><u>\$ 1,530</u></b>	<b><u>\$ 963,470</u></b>	<b><u>\$ 492,825</u></b>	<b><u>\$ 1,457,825</u></b>
			\$ -		
Net loss				(202,094)	(202,094)
<b><u>AT DECEMBER 31, 2021</u></b>	<b><u>15,300,000</u></b>	<b><u>\$ 1,530</u></b>	<b><u>\$ 963,470</u></b>	<b><u>\$ 290,731</u></b>	<b><u>\$ 1,255,731</u></b>

See accompanying notes to the consolidated financial statements.

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

	Note	Year ended December 31, 2021	Year ended December 31, 2020
<b><u>OPERATING ACTIVITIES:</u></b>			
Net income (loss)		\$ (202,093)	\$ 452,779
Adjustments for non-cash items and other adjustments:			
Amortization of royalties	4,5	13,917	7,273
Loss from disposal of music royalty	5	2,449	-
Unrealized (gain) loss on investments and bullion		285,943	(583,227)
Changes in non-cash working capital		<u>(31,886)</u>	<u>248,760</u>
Net cash flows provided by operating activities		<u>68,330</u>	<u>125,585</u>
<b><u>INVESTING ACTIVITIES:</u></b>			
Proceeds from disposal of music royalty	5	4,000	-
Purchase of marketable securities	8	(6,058)	(18,985)
Purchase of music royalties	5	-	(74,100)
Purchase of private investment	4	(32,792)	(43,838)
Purchase of physical bullion	3	-	(33,060)
Net cash flows used in investing activities		<u>(34,850)</u>	<u>(169,983)</u>
<b><u>FINANCING ACTIVITIES:</u></b>			
Proceeds from private placements	10	-	45,000
Net cash flows provided by financing activities		<u>-</u>	<u>45,000</u>
<b>Net increase in cash and cash equivalents</b>		33,480	602
Cash and cash equivalents- beginning of the year		<u>14,181</u>	<u>13,579</u>
<b>Cash and cash equivalents- end of the year</b>		<u>\$ 47,661</u>	<u>\$ 14,181</u>

See accompanying notes to the consolidated financial statements.

# **ROYALTY STREAMS CORP.**

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

December 31, 2021 and 2020

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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 is subject to 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

## **ROYALTY STREAMS CORP.**

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

December 31, 2021 and 2020

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decline in music royalties, as they relate to public performances, given less concerts.

#### ***(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.

The Company did not have any cash equivalents as at December 31, 2021 and 2020.

#### ***(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.

## **ROYALTY STREAMS CORP.**

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

**December 31, 2021 and 2020**

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All catalogues of songs are carried at cost less accumulated amortization and any applicable impairment provision. No impairment provision was recognized as at December 31, 2021 and 2020.

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.

#### **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.



## **ROYALTY STREAMS CORP.**

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

December 31, 2021 and 2020

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#### ***(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.

##### **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.

## **ROYALTY STREAMS CORP.**

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

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#### ***(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.

#### ***(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

## **ROYALTY STREAMS CORP.**

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

**December 31, 2021 and 2020**

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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.

#### ***(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.

The Company 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.

## ROYALTY STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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 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.

<b>Purchase Date</b>	<b>Bullion Type</b>	<b>Ounces</b>	<b>Total Cost</b>	<b>FMV @ 12/31/21</b>	<b>FMV @ 12/31/20</b>	<b>Unrealized Gain or (Loss)</b>	<b>Change In Unrealized Gain or (Loss)</b>
				<b>(A)</b>	<b>(B)</b>		
April 2020	Silver	1000	16,530	23,320	26,400	6,790	(3,080)
April 2020	Silver	1000	16,530	23,320	26,400	6,790	(3,080)
			<b>\$ 33,060</b>	<b>\$ 46,640</b>	<b>\$ 52,800</b>	<b>\$ 13,580</b>	<b>\$ (6,160)</b>

**(A)** Silver spot price was US \$23.32 at 12/31/21

**(B)** Silver spot price was US \$26.40 at 12/31/20

## ROYALTY STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

#### 4. PRIVATE INVESTMENT

The Company made investments in Music Royalties Inc., (MRI) a private company that provides direct exposure to music revenue from the recent streaming growth by acquiring predominantly, LOA+ 70-year song royalties. Significant artists include Eminem, Jay-Z, Rihanna, Dan+Shay, Avicii, King Harvest, and The Beach Boys. MRI plans to publicly list on a national exchange in due course, and currently pays a monthly dividend.

Purchase Year	Quantity	Cost per share CAD	Cost per share US	Total Cost US	FMV @ 12/31/21	FMV @ 12/31/20	Unrealized Gain or (Loss)	Change in Unrealized Gain or (Loss)
					(A)			
2018	1,000,000	0.15	0.115	\$ 115,367	\$ 395,000	\$ 313,672	\$ 279,633	\$ 81,328
2020	100,000	0.15	0.116	11,637	39,500	31,366	27,863	8,134
2020	100,000	0.40	0.322	32,201	39,500	31,366	7,299	8,134
2021	100,000	0.40	0.328	32,792	39,500	-	6,708	6,708
			0.220	\$ 191,997	\$ 513,500	\$ 376,404	\$ 321,503	\$ 104,304

(A) Based on most recent private placement by Music Royalties Inc. at CAD .50 using .79 FX, or US .395 at 12/31/21. At 12/31/20, CAD .40 at .78418 FX was used.

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

Dividend income earned in 2021              \$21,357  
Dividend income earned in 2020              \$11,811  
Dividend income earned in 2019              \$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.

## ROYALTY STREAMS CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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	Notable Artists	Cost 1/1/21	Additions	Disposals	Amortization	Accumulated Amortization	NAV @ 12/31/21
10 year	Tyga	36,200			3,620	11,461	24,739
10 year	Matoma	8,550		(6,449)	285	2,101	-
10 year	IDWK	17,100			1,710	4,988	12,112
30 year	Reo Cragun	7,250			725	1,269	5,981
7.9 year	NKOTB	10,450			1,306	1,850	8,600
8.8 year	Echosmith	56,400			6,266	6,266	50,134
		<u>\$135,950</u>	<u>-</u>	<u>(6,449)</u>	<u>13,912</u>	<u>27,935</u>	<u>\$ 101,566</u>

Net asset value –December 31, 2020 \$121,928

Net asset value –December 31, 2019 \$55,100

Net asset value –December 31, 2018 \$44,750

Music revenue earned in 2021 \$22,657

Music revenue earned in 2020 \$13,767

Music revenue earned in 2019 \$13,579

During 2021, the Company sold its royalty interest in Matoma for \$4,000 and realized a loss of \$2,449 on disposal.

#### 6. GREEN ROYALTIES

During 2019, the Company issued 1,500,000 shares for Royalty Green Corp, which included a portfolio of royalties.

The terms for the royalties are for 3 years beginning January 1, 2019 until January 1, 2022, and may be extended based upon agreeable terms.

# ROYALTY STREAMS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The royalties cover 10% gross revenue on early stage window film companies listed below, that provide solar and security film installation for climate and glare control, as well as mitigating intrusion.

- Northeast Film Crew, LLC
- Midwest Film Crew, LLC
- Southwest Film Crew, LLC
- West Coast Film Crew, LLC
- Southeast Film Crew, LLC

Net asset value –December 31, 2021	\$0
Net asset value –December 31, 2020	\$5
Net asset value –December 31, 2019	\$5

Green revenue earned in 2021	\$24,713
Green revenue earned in 2020	\$36,876
Green revenue earned in 2019	\$51,189

The owner of these Companies is a related party. Since private stock was issued, the Company decided to use a conservative nominal value consideration of \$5.

### 7. EQUITY DIVIDENDS

Dividend income from equities were derived from the following;

<b>Subsidiary</b>	<b>Company</b>	<b>Gross Dividends in 2021</b>	<b>Gross Dividends in 2020</b>
Royalty Gold Corp.	Sailfish Royalty Corp.	\$ 400	\$ -
Royalty Gold Corp.	Bab Inc	125	-
Royalty Gold Corp.	Elysee Development Corp.	6,617	-
		<u>\$ 7,142</u>	<u>\$ -</u>

**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.

During the year, the Company purchased 120,000 shares of EWPMF for \$6,058.

Company	Ticker	Quantity	Total Cost	FMV @ 12/31/21	FMV @ 12/31/20	Unrealized Gain/(Loss)	Change in Unrealized Gain/(Loss)
Patriot Gold	PGOL	3,000,000	312,462	180,000	445,200	(132,462)	(265,200)
Orefinders Resources	ORFDF	2,200,000	200,689	97,240	275,001	(103,449)	(177,761)
Elysee Development	ASXSF	200,000	62,021	126,420	78,000	64,399	48,420
Elysee Development (A)	ASXSF	80,000	22,100	50,400	31,200	28,300	19,200
Gogold Resources	GLFDF	17,000	14,498	40,630	31,351	26,132	9,279
Gogold Resources	GLFDF	13,000	2,087	31,070	23,975	28,984	7,095
Xtierra (B)	XRESF	500,000	18,985	11,200	40,000	(7,785)	(28,800)
McEwen Mining	MUX	20,000	38,074	17,730	19,700	(20,344)	(1,970)
Argonaut Gold	ARNGF	8,000	14,935	15,196	17,200	261	(2,004)
QC Copper and Gold (C)	QCCUF	60,000	5,063	16,254	15,600	11,191	655
American Eagle (D)	AE CN	49,436	-	5,090	-	5,090	5,090
Anaconda Mining	ANXGF	20,000	8,708	9,800	9,608	1,092	192
Sailfish Royalty	SROYF	10,000	7,041	11,700	9,320	4,659	2,380
Resolute Mining	RMGGF	10,000	5,770	2,741	6,000	(3,029)	(3,259)
BAB	BABB	10,000	6,288	8,030	5,850	1,742	2,180
East West Petroleum	EWPMF	120,000	6,058	5,640	-	(418)	(418)
Sandstorm Gold	SAND	500	3,815	3,100	3,585	(715)	(485)
Silver Tiger Metals	SLVTF	10,000	2,464	5,857	4,537	3,393	1,320
			\$731,058	\$638,098	\$1,016,127	\$ (92,960)	\$ (384,086)

(A) The Company participated in a Private Placement of 80,000 shares at .35 CAD or .27625 US on September 27, 2018. The shares were subject to a four-month hold period, with an expiration date of 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.

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

(D) The Company received shares in American Eagle as a spin off from Orefinders. A US ticker is expected in 2022.



## **ROYALTY STREAMS CORP.**

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#### **9. 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 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.

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 December 31, 2021, 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 available and appropriate.

## **ROYALTY STREAMS CORP.**

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#### **11. RELATED PARTY TRANSACTIONS**

##### ***Loan payable***

The company has a loan payable to Frank Boglev, CEO for \$33,000, which was used for investment purposes. The loan is interest free and due on demand.

#### **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.

#### **13. SUBSEQUENT EVENTS**

Subsequent to December 31, 2021, the Company extended a 10% Gross Revenue Royalty (GRR) with Nationwide Film Corp., for \$40,000, beginning January 01, 2022, and ending December 31, 2023.

Management has determined there were no other events that occurred subsequent to December 31, 2021 and through report date of March 15, 2022.

These consolidated financial statements were authorized by the Board of Directors on March 15, 2022.