

Evolve Royalties Ltd.

Condensed interim consolidated financial statements
for the three months ended March 31, 2026 and 2025 (unaudited)

(Expressed in Canadian dollars)

Evolve Royalties Ltd.
Consolidated Statements of Financial Position (unaudited)
(Expressed in Canadian dollars)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	36,706,995	37,300,539
Amounts receivable	183,011	218,283
Investment in shares (Note 5)	249,853	1,223,908
Other assets	249,489	8,670
Total current assets	<u>37,389,348</u>	<u>38,751,400</u>
Non-current assets		
Investment in convertible debentures (Note 6)	4,281,984	1,757,560
Royalty and other interests (Note 7)	49,110,006	49,125,664
Total non-current assets	<u>53,391,990</u>	<u>50,883,224</u>
Total assets	<u>90,781,338</u>	<u>89,634,624</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,876,753	1,595,954
Total current liabilities	<u>1,876,753</u>	<u>1,595,954</u>
Total liabilities	<u>1,876,753</u>	<u>1,595,954</u>
Shareholders' equity		
Common shares	89,094,470	89,094,470
Warrants	196,600	196,600
Contributed surplus	1,199,669	1,100,627
Deficit	<u>(1,586,154)</u>	<u>(2,353,027)</u>
Total shareholders' equity	<u>88,904,585</u>	<u>88,038,670</u>
Total liabilities and shareholders' equity	<u>90,781,338</u>	<u>89,634,624</u>

Subsequent events (Note 11)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board

(signed) Joseph de la Plante, Director

(signed) Elif Lévesque, Director

Evolve Royalties Ltd.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (unaudited)
(Expressed in Canadian dollars, except number of shares and per share amounts)

	Three months ended March 31, 2026	Three months ended March 31, 2025
	\$	\$
Revenue from royalty and other interests	47,140	–
Total revenue	47,140	–
Depletion of royalty and other interests (Note 7)	(15,658)	–
Gross profit	31,482	–
Other operating expenses		
General and administrative expenses	(548,111)	(245,405)
Share-based compensation (Note 8)	(99,042)	(78,890)
Total other operating expenses	(647,153)	(324,295)
Other income (expenses)		
Finance costs	–	(87,306)
Finance income and interest revenue	285,178	25,984
Change in fair value of investments (Note 5)	459,467	–
Foreign exchange gain	637,899	–
Total other income (expense)	1,382,544	(61,322)
Income (loss) before income taxes	766,873	(385,617)
Income tax recovery (expense)	–	–
Net income (loss) and comprehensive income (loss)	766,873	(385,617)
Net income (loss) per share – Basic and diluted	0.02	(0.02)
Weighted average number of shares outstanding		
– Basic	46,816,923	24,894,476
– Diluted	50,266,500	24,894,476

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Evolve Royalties Ltd.
Consolidated Statements of Cash Flows (unaudited)
(Expressed in Canadian dollars)

	Three months ended March 31, 2026	Three months ended March 31, 2025
	\$	\$
Operating activities		
Net income (loss)	766,873	(385,617)
Items not affecting cash and cash equivalents:		
Depletion of royalty and other interests (Note 7)	15,658	–
Share-based compensation (Note 8)	99,042	78,890
Amortization of deferred financing fees	–	87,306
Finance income (Note 6)	(55,221)	–
Change in fair value of investments (Note 5)	(459,467)	–
Foreign exchange gain	(637,899)	–
Changes in other assets and liabilities		
Amounts receivable	35,272	3,740
Other assets	(133,008)	(18,517)
Accounts payable and accrued liabilities	203,596	410,012
Net cash (used in) provided by operating activities	(165,154)	175,814
Investing activities		
Purchase of convertible debentures (Note 6)	(2,379,650)	–
Proceeds from disposal of investment in shares (Note 5)	1,433,522	–
Purchase of royalty and other interests	–	(1,000,000)
Net cash used in investing activities	(946,128)	(1,000,000)
Financing activities		
Share issuance costs	(30,608)	(284,666)
Cash used in financing activities	(30,608)	(284,666)
Net decrease in cash and cash equivalents before impact of exchange rate	(1,141,890)	(1,108,852)
Effects of exchange rate changes on cash and cash equivalents	548,346	–
Net decrease in cash and cash equivalents	(593,544)	(1,108,852)
Cash and cash equivalents – Beginning of period	37,300,539	4,325,338
Cash and cash equivalents – End of period	36,706,995	3,216,486

Additional cash flows information (Note 9)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Evolve Royalties Ltd.
Consolidated Statements of Changes in Equity (unaudited)
(Expressed in Canadian dollars)

	Number of common shares	Common shares	Warrants	Contributed surplus	Deficit	Total
		\$	\$	\$	\$	\$
Balance as at January 1, 2025	24,894,476	30,890,892	-	37,688	(834,178)	30,094,402
Net loss and comprehensive loss	-	-	-	-	(385,617)	(385,617)
Issuance of common shares:						
- Acquisition of royalty and other interests	-	-	196,600	-	-	196,600
Share-based compensation (Note 8)	-	-	-	78,890	-	78,890
Balance as at March 31, 2025	24,894,476	30,890,892	196,600	116,578	(1,219,795)	29,984,275
Balance as at January 1, 2026	46,666,923	89,094,470	196,600	1,100,627	(2,353,027)	88,038,670
Net income and comprehensive income	-	-	-	-	766,873	766,873
Share-based compensation (Note 8)	-	-	-	99,042	-	99,042
Balance as at March 31, 2026	46,666,923	89,094,470	196,600	1,199,669	(1,586,154)	88,904,585

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Note 1 – Description of Business and Nature of Operations

Evolve Royalties Ltd. (the “**Company**” or “**Evolve**”) is a copper-focused royalty company engaged in the acquisition and management of royalty and other similar interests on mining projects or operating mines. The Company was incorporated on March 27, 1973 under *The Corporations Act* (Manitoba) and was continued under the provisions of the *Canada Business Corporations Act* on December 11, 2025.

On December 15, 2025, the Company completed a reverse takeover transaction with Evolve Strategic Element Royalties Ltd. (“**ESER**”), pursuant to which ESER was deemed to have acquired control of the Company (the “**RTO**”). Following the RTO, the Company remained listed on the Canadian Securities Exchange (“**CSE**”) under the symbol “EVR”.

The Company's head and registered office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, Canada V6C 0A3.

Note 2 – Basis of Presentation and Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) applicable to the preparation of interim financial statements under IAS 34 *Interim Financial Reporting*. Accordingly, certain disclosures included in the annual consolidated financial statements prepared in accordance with the IFRS Accounting Standards have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024. The accounting policies, methods of computation and presentation used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those of the previous financial year except for the new material accounting policies described in Note 3.

The condensed interim consolidated financial statements included herein reflect all adjustments, consisting only of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on June 1, 2026.

Note 3 – Material Accounting Policy Information

Amendments – IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosure

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7, which respond to recent questions arising in practice. The amendments were issued to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows; and
- update disclosures for equity instruments designated at fair value through other comprehensive income.

These amendments are effective for periods beginning on January 1, 2026 and are applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, with no restatement

of comparatives per the initial transition requirements of these amendments. The Company has not elected the optional exception to derecognize financial liabilities settled through an electronic payment system prior to the settlement date. The Company's existing accounting policy is to derecognize financial liabilities when settlement is confirmed at the bank, which is consistent with the settlement-date derecognition requirements clarified by these amendments. The adoption of these amendments had no material impact on the Company's condensed interim consolidated financial statements for the three months ended March 31, 2026.

Critical accounting estimates and significant judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS Accounting Standards requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The critical accounting estimates and significant judgements applied by management in the preparation of these condensed interim consolidated financial statements are consistent with those described in Note 5 to the Company's audited consolidated financial statements for the year ended December 31, 2025 and 2024.

Note 4 – Cash and cash equivalents

As at March 31, 2026, the consolidated cash position included US\$22,504,000 (\$31,368,000) held in U.S. dollars (December 31, 2025 – nil U.S. dollar balance).

As at March 31, 2026, cash equivalents are comprised of \$1,500,000 held in prime-linked cashable guaranteed investment certificates ("GIC") bearing interest at 2.45% with maturity dates on July 9, 2026. As at December 31, 2025, cash equivalents were comprised of \$31,500,000 held in prime-linked cashable GICs bearing interest at 2.45% with maturity dates between July 9, 2026 and December 24, 2026.

Note 5 – Investment in shares

The following table summarizes the movement in the Company's investment in shares:

	Three months ended	Year ended
	March 31, 2026	December 31, 2025
	\$	\$
Balance – Beginning of period	1,223,908	—
Deemed acquisition as part of the RTO	—	1,066,032
Change in fair value	459,467	157,876
Disposal of investment in shares ⁽¹⁾	(1,433,522)	—
Balance – End of period	<u>249,853</u>	<u>1,223,908</u>

⁽¹⁾ On February 20, 2026, the Company completed the disposition of all of its common shares in Foran Mining Corporation for proceeds of \$1,433,522.

Note 6 – Investment in convertible debentures

On February 20, 2026, the Company completed the purchase of a second tranche of convertible debentures of Global Battery Material Corp. (“**GBM**”) bearing interest at an annual rate of 8.0% and maturing on February 21, 2029, for an aggregate principal amount of US\$1,750,000 (\$2,379,650). The unsecured debentures and the accrued and unpaid interest shall automatically convert into common shares of GBM upon the completion of a liquidity event. The conversion price shall be equal to the lesser of (i) a price that is a 30% discount to the price of the liquidity event and (ii) the price determined based on a pre-money value for GBM of US\$100,000,000.

The following table summarizes the Company's investment in convertible debentures:

	Three months ended	Year ended
	March 31, 2026	December 31, 2025
	\$	\$
Balance – Beginning of period	1,757,560	—
Purchase of convertible debentures	2,379,650	1,728,625
Interest capitalized	55,221	44,310
Foreign exchange revaluation impact	89,553	(15,375)
Balance – End of period	<u>4,281,984</u>	<u>1,757,560</u>

As at March 31, 2026, management assessed the fair value of the convertible debentures using valuation techniques that incorporate both the debt host and the embedded conversion feature. In determining fair value, the Company considered recent transactions in identical or similar instruments issued by GBM. Management has assessed the fair value of the convertible debentures to be unchanged from initial recognition in the absence of significant changes in market conditions, credit risk or the underlying equity of GBM given the limited period between the purchase of the second tranche of convertible debentures and the reporting date.

Note 7 – Royalty and other interests

The following table summarizes the carrying values of the Company’s royalty and other interests:

	Costs			Accumulated depletion			Carrying amount	
	Balance	Additions	Balance	Balance	Depletion	Balance	Balance	Balance
	Dec. 31, 2025		March 31, 2026	Dec. 31, 2025		March 31, 2026	March 31, 2026	Dec. 31, 2025
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Producing and development interests</i>								
HVC NPI	20,617,391	—	20,617,391	(1,148,101)	(8,235)	(1,156,336)	19,461,055	19,469,290
Copper Mountain NSR								
Royalty	274,568	—	274,568	—	—	—	274,568	274,568
McIlvenna Bay Royalty	22,883,318	—	22,883,318	—	—	—	22,883,318	22,883,318
<i>Exploration and evaluation interests</i>								
LAA NSR Royalty	6,237,638	—	6,237,638	—	—	—	6,237,638	6,237,638
Scott Lake Production								
Payment	137,848	—	137,848	(14,845)	(7,423)	(22,268)	115,580	123,003
Obalski NSR Royalty	137,847	—	137,847	—	—	—	137,847	137,847
	50,288,610	—	50,288,610	(1,162,946)	(15,658)	(1,178,604)	49,110,006	49,125,664

Note 8 – Share-based compensation

Share options

The following table summarizes information about the movement of the share options outstanding:

	Number of share options	Weighted average exercise price
		\$
Outstanding – January 1, 2025	171,000	0.89
Options deemed issued upon the RTO	375,000	1.70
Granted	456,000	2.45
Exercised	(87,500)	1.60
Outstanding – December 31, 2025	914,500	1.93
Granted	1,310,000	3.21
Outstanding – March 31, 2026	2,224,500	2.68
Exercisable – March 31, 2026	553,500	1.76

Exercise price	Number of options outstanding	Number of options exercisable	Expiry date	Remaining contractual life
\$0.56	57,000	38,000	January 15, 2029	2.8 years
\$1.05	114,000	76,000	February 1, 2029	2.8 years
\$1.60	150,000	150,000	November 16, 2027	1.6 years
\$1.88	137,500	137,500	October 20, 2026	0.6 years
\$2.45	456,000	152,000	January 1, 2030	3.7 years
\$3.21	1,310,000	—	March 10, 2031	4.9 years
	2,224,500	553,500		4.0 years

The Company expenses the fair value of the share options that are expected to vest, over the vesting period, using the Black-Scholes option pricing model to estimate the fair value at the date of grant. The model requires the use of subjective assumptions, including expected share price volatility. Expected volatility is determined by benchmarking comparable situations for companies that are similar to the Company. The weighted average fair value of share options granted and principal assumptions used in applying the Black-Scholes option pricing model are as follows:

Evolve Royalties Ltd.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars, except per share amounts)

	For the three months ended March 31, 2026	For the year ended December 31, 2025
<i>Black-Scholes weighted average assumptions</i>		
Grant date share price	\$3.21	\$2.11
Exercise price	\$3.21	\$2.11
Expected volatility	45.0%	47.3%
Expected dividend yield	0.0%	0.0%
Risk-free interest rate	2.8%	2.7%
Expected option life, in years	5.0	3.2
<i>Weighted average fair value</i>		
Weighted average fair value per share option granted	\$1.38	\$1.10

The fair value of the share options is recognized as compensation expense over the vesting period (1/3 per year over a three-year period for the options granted). For the three months ended March 31, 2026, the total share-based compensation related to share options amounted to \$99,042 (2025 – \$78,890).

Deferred share units and restricted share units

The following table summarizes information about the movement of the RSUs and DSUs outstanding:

	Number of RSUs	Number of DSUs	Weighted average intrinsic value
			\$
Outstanding – January 1, 2025	—	—	—
Units deemed issued upon the RTO	25,000	175,000	2.81
Settled	(25,000)	(25,000)	2.81
Outstanding – December 31, 2025 and March 31, 2026	—	150,000	2.81
Vested – March 31, 2026	—	150,000	2.81

Note 9 – Additional cash flows information

The following table summarizes the Company's additional cash flows information:

	Three months ended March 31, 2026	Three months ended March 31, 2025
	\$	\$
Transaction costs incurred in connection with the purchase of royalty and other interests and included in accounts payable and accrued liabilities	—	11,554
Share issuance costs included in accounts payable and accrued liabilities	188,914	—

Note 10 – Financial instruments

The Company's classification of its financial instruments and the methodology used to determine fair values categorized by Level 1, 2 and 3 inputs are described in Note 20 to the Company's audited consolidated financial statements for the year ended December 31, 2025.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring measurement				
<i>Financial assets at fair value through profit or loss</i>				
Convertible debentures of private mining company (Note 6)	—	—	4,281,984	4,281,984
Equity securities (Note 5)				
Publicly traded exploration companies	211,317	—	—	211,317
Private exploration company	—	—	38,536	38,536
Balance – March 31, 2026	<u>211,317</u>	<u>—</u>	<u>4,320,520</u>	<u>4,531,837</u>

During the three months ended March 31, 2026, there were no transfers among Level 1, Level 2 and Level 3.

Note 11 – Subsequent events

Acquisition of the Uis Royalty

On May 13, 2026, the Company completed the acquisition of a sliding-scale gross revenue tin royalty (the "**Uis Royalty**") on the producing Uis Tin-Tantalum Mine in Namibia, operated by Andrada Mining Ltd. The total consideration paid for the acquisition of the Uis Royalty was US\$32,500,000 (\$44,534,750), consisting of US\$22,500,000 (\$30,831,750) in cash and the issuance of 4,199,830 common shares of Evolve having an aggregate value of US\$10,000,000 (\$13,703,000).

Acquisition of the Sunnyside Royalty

On May 13, 2026, the Company entered into a binding letter of intent with a private royalty holder to acquire the 0.5% net smelter returns ("**NSR**") royalty on production from claims comprising the Sunnyside project operated by Barksdale Resources Corp. (the "**Sunnyside Royalty**") in Arizona, United States of America, for a total consideration of US\$2,250,000 (\$3,083,175), payable in a combination of cash and common shares of the Company. The acquisition of the Sunnyside Royalty is subject to customary closing conditions, including due diligence, execution of a definitive agreement and receipt of all required approvals.