Evolve Royalties Ltd.

Condensed interim consolidated financial statements
for the three and six months ended June 30, 2026 and 2025 (unaudited)

(Expressed in Canadian dollars)

(Expressed in Canadian dollars)

	June 30, 2026	December 31, 2025
	$	$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	6,395,637	37,300,539
Amounts receivable	128,310	218,283
Investment in shares (Note 5)	399,713	1,223,908
Other assets	344,902	8,670
Total current assets	7,268,562	38,751,400
Non-current assets		
Investment in convertible debentures (Note 6)	4,450,260	1,757,560
Royalty and other interests (Note 7)	93,279,164	49,125,664
Total non-current assets	97,729,424	50,883,224
Total assets	104,997,986	89,634,624
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,017,393	1,595,954
Total current liabilities	1,017,393	1,595,954
Total liabilities	1,017,393	1,595,954
Shareholders' equity		
Common shares	103,660,695	89,094,470
Warrants	196,600	196,600
Contributed surplus	1,219,218	1,100,627
Deficit	(1,095,920)	(2,353,027)
Total shareholders' equity	103,980,593	88,038,670
Total liabilities and shareholders' equity	104,997,986	89,634,624

Subsequent events (Note 12)

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)

	Three months ended		Six months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	$	$	$	$
Revenue from royalty and other interests (Note 10)	2,653,369	482,957	2,700,509	482,957
Total revenue	**2,653,369**	**482,957**	**2,700,509**	**482,957**
Depletion of royalty and other interests (Note 7)	(1,183,555)	(308,819)	(1,199,213)	(308,819)
Gross profit	**1,469,814**	**174,138**	**1,501,296**	**174,138**
Other operating expenses				
General and administrative expenses	(671,601)	(294,266)	(1,219,712)	(539,671)
Share-based compensation (Note 8)	(309,742)	(78,146)	(408,784)	(157,036)
Total other operating expenses	(981,343)	(372,412)	(1,628,496)	(696,707)
Other income (expenses)				
Finance costs	—	(37,831)	—	(125,137)
Finance income and interest revenue	230,002	27,897	515,180	53,881
Change in fair value of investments (Note 5)	37,360	—	496,827	—
Foreign exchange (loss) gain	(388,099)	—	249,800	—
Other income	122,500	—	122,500	—
Total other income (expense)	1,763	(9,934)	1,384,307	(71,256)
Income (loss) before income taxes	**490,234**	**(208,208)**	**1,257,107**	**(593,825)**
Income tax recovery (expense)	—	—	—	—
Net income (loss) and comprehensive income (loss)	**490,234**	**(208,208)**	**1,257,107**	**(593,825)**
Net income (loss) per share				
– Basic	0.01	(0.01)	0.03	(0.02)
– Diluted	0.01	(0.01)	0.02	(0.02)
Weighted average number of shares outstanding				
– Basic	49,055,774	24,902,119	47,936,348	24,898,319
– Diluted	52,424,063	24,902,119	51,375,796	24,898,319

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

(Expressed in Canadian dollars)

	Six months ended June 30, 2026	Six months ended June 30, 2025
	$	$
Operating activities		
Net income (loss)	1,257,107	(593,825)
Items not affecting cash and cash equivalents:		
Depletion of royalty and other interests (Note 7)	1,199,213	308,819
Share-based compensation (Note 8)	408,784	157,036
Amortization of deferred financing fees	—	125,137
Finance income (Note 6)	(140,247)	—
Change in fair value of investments (Note 5)	(496,827)	—
Foreign exchange gain	(249,519)	—
Other income	(112,500)	—
Changes in other assets and liabilities		
Amounts receivable	89,973	(162,984)
Other assets	(183,281)	(11,478)
Accounts payable and accrued liabilities	(688,722)	641,369
Net cash provided by operating activities	1,083,981	464,074
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 (Note 7)	(30,854,561)	(1,000,000)
Net cash used in investing activities	(31,800,689)	(1,000,000)
Financing activities		
Share issuance costs	(219,522)	(284,666)
Proceeds from exercise of share options	63,500	—
Withholding taxes on settlement of DSUs	(108,888)	—
Net cash used in financing activities	(264,910)	(284,666)
Net decrease in cash and cash equivalents before impact of exchange rate	**(30,981,618)**	**(820,592)**
Effects of exchange rate changes on cash and cash equivalents	76,716	—
Net decrease in cash and cash equivalents	**(30,904,902)**	**(820,592)**
Cash and cash equivalents – Beginning of period	**37,300,539**	**4,325,338**
Cash and cash equivalents – End of period	**6,395,637**	**3,504,746**

Additional cash flows information (Note 9)

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

(Expressed in Canadian dollars)

	Number of common shares	Common shares	Warrants	Contributed surplus	Deficit	Total
		$	$	$	$	$
Balance as at January 1, 2025	**24,894,47**	**30,890,892**	—	**37,688**	**(834,178)**	**30,094,402**
Net loss and comprehensive loss	—	—	—	—	(593,825)	(593,825)
Issuance of common shares:						
- Settlement of debts	139,106	341,663	—	—	—	341,663
Issuance of warrants:						
- Acquisition of royalty interests	—	—	196,600	—	—	196,600
Share-based compensation (Note 8)	—	—	—	157,036	—	157,036
Balance as at June 30, 2025	**25,033,582**	**31,232,555**	**196,600**	**194,724**	**(1,428,003)**	**30,195,876**
Balance as at January 1, 2026	**46,666,92**	**89,094,47**	**196,600**	**1,100,627**	**(2,353,027)**	**88,038,670**
Net income and comprehensive income	—	—	—	—	1,257,107	1,257,107
Issuance of common shares:						
- Acquisition of royalty interests	4,199,830	14,321,420	—	—	—	14,321,420
- Exercise of share options (Note 8)	37,500	107,818	—	(44,318)	—	63,500
- Settlement of DSUs (Note 8)	48,750	136,987	—	(245,875)	—	(108,888)
Share-based compensation (Note 8)	—	—	—	408,784	—	408,784
Balance as at June 30, 2026	**50,953,003**	**103,660,695**	**196,600**	**1,219,218**	**(1,095,920)**	**103,980,59**

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 unaudited 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 and six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on August 13, 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 unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026.

Critical accounting estimates and significant judgements

The preparation of these unaudited 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 years ended December 31, 2025 and 2024.

Note 4 – Cash and cash equivalents

As at June 30, 2026, the consolidated cash position included US$1,162,485 ($1,651,892) held in U.S. dollars (December 31, 2025 – nil U.S. dollar balance).

As at June 30, 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:

	Six months ended June 30, 2026	**Year ended December 31, 2025**
	$	$
Balance – Beginning of period	1,223,908	—
Deemed acquisition as part of the RTO	—	1,066,032
Acquisition [(1)]	112,500	—
Change in fair value	496,827	157,876
Disposal of investment in shares [(2)]	(1,433,522)	—
Balance – End of period	399,713	1,223,908

(1) On April 17, 2026, the Company received 500,000 common shares of Boreal Gold Inc. ("**Boreal**") as per the terms of the option agreement with Boreal on the North Star project in Manitoba.

(2) 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.

(Expressed in Canadian dollars, except number of shares and as otherwise noted)

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:

	Six months ended June 30, 2026	Year ended December 31, 2025
	$	$
Balance – Beginning of period	1,757,560	—
Purchase of convertible debentures	2,379,650	1,728,625
Interest capitalized	140,247	44,310
Foreign exchange revaluation impact	172,803	(15,375)
Balance – End of period	4,450,260	1,757,560

As at June 30, 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 equivalent to their carrying value in the absence of significant changes in market conditions, credit risk or the underlying equity of GBM given the uncertainty related to the liquidity event and the limited period between the purchase of the second tranche of convertible debentures and the reporting date.

(Expressed in Canadian dollars, except number of shares and as otherwise noted)

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 Dec. 31, 2025	Additions	Balance June 30, 2026	Balance Dec. 31, 2025	Depletion	Balance June 30, 2026	Balance June 30, 2026	Balance Dec. 31, 2025
	$	$	$	$	$	$	$	$
Producing and development interests								
HVC NPI	20,617,391	—	20,617,391	(1,148,101)	(221,183)	(1,369,284)	19,248,107	19,469,290
Copper Mountain NSR Royalty	274,568	—	274,568	—	—	—	274,568	274,568
Uis Royalty	—	45,352,713	45,352,713	—	(970,607)	(970,607)	44,382,106	—
McIlvenna Bay Royalty	22,883,318	—	22,883,318	—	—	—	22,883,318	22,883,318
Exploration and evaluation interests								
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	45,352,713	95,641,323	(1,162,946)	(1,199,213)	(2,362,159)	93,279,164	49,125,664

(Expressed in Canadian dollars, except number of shares and as otherwise noted)

Acquisition of the Uis Royalty

On May 13, 2026, the Company completed the acquisition of a tin sliding-scale gross revenue contractual royalty (the "**Uis Royalty**") from OMF Fund III (F) Ltd., an entity managed by Orion Resource Partners LP ("**Orion**") on revenue from the producing Uis tin-tantalum mine in Namibia, operated by Andrada Mining Ltd.

The purchase consideration consisted of the issuance of 4,199,830 common shares of the Company and a cash payment of US$22,500,000 ($30,831,750). The fair value of the common shares issued was determined to be $14,321,420, based on the Company's closing share price of $3.41 on May 13, 2026.

The acquisition of the Uis Royalty has been recorded as an acquisition of asset as the acquired asset does not constitute a business under IFRS 3 *Business Combinations*. The Uis Royalty was recognized at the fair value of the considerations transferred and allocated entirely to the royalty interest acquired as follows:

Consideration paid:	$
Cash	30,831,750
4,199,830 common shares issued to Orion	14,321,420
Evolve's transaction costs	199,543
	45,352,713
Asset acquired:	
Uis Royalty	45,352,713
	45,352,713

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
Exercised	(37,500)	1.69
Outstanding – June 30, 2026	2,187,000	2.70
Exercisable – June 30, 2026	516,000	1.76

(Expressed in Canadian dollars, except number of shares and as otherwise noted)

Exercise price	Number of options outstanding	Number of options exercisable	Expiry date	Remaining contractual life
$0.56	57,000	38,000	January 15, 2029	2.6 years
$1.05	114,000	76,000	February 1, 2029	2.6 years
$1.60	125,000	125,000	November 16, 2027	1.4 years
$1.88	125,000	125,000	October 20, 2026	0.3 years
$2.45	456,000	152,000	January 1, 2030	3.5 years
$3.21	1,310,000	—	March 10, 2031	4.7 years
	2,187,000	516,000		3.8 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:

	For the six months ended June 30, 2026
Black-Scholes weighted average assumptions	
Grant date share price	$3.21
Exercise price	$3.21
Expected volatility	45.0%
Expected dividend yield	0.0%
Risk-free interest rate	2.8%
Expected option life, in years	5.0
Weighted average fair value	
Weighted average fair value per share option granted	$1.38

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 and six months ended June 30, 2026, the total share-based compensation related to share options amounted to $309,742 and $408,784, respectively (2025 – $78,146 and $157,036, respectively).

(Expressed in Canadian dollars, except number of shares and as otherwise noted)

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	—	150,000	2.81
Settled	—	(87,500)	2.81
Outstanding – June 30, 2026	—	62,500	2.81
Vested – June 30, 2026	—	62,500	2.81

Note 9 – Additional cash flows information

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

	Six months ended June 30, 2026	Six months ended June 30, 2025
	$	$
Payment of share issuance costs previously included in accounts payable and accrued liabilities	219,522	284,666
Transaction costs incurred in connection with the purchase of royalty and other interests and included in accounts payable and accrued liabilities	176,732	11,554

Note 10 – Segment disclosure

The chief operating decision-maker organizes and manages the business under a single operating segment, consisting of acquiring and managing royalty and other interests. All of the Company’s assets and revenues are attributable to this single operating segment.

Geographic revenues

Geographic revenues generated from royalties and other interests are determined by the location of the mining operations giving rise to the royalty or other interests. The following table summarizes the Company's revenue earned from the following jurisdictions:

	Six months ended June 30, 2026	Six months ended June 30, 2025
	$	$
Canada	1,224,901	482,957
Namibia	1,475,608	—
	2,700,509	482,957

Note 11 – 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				
Financial assets at fair value through profit or loss				
Convertible debentures of private mining company (Note 6)	—	—	4,450,260	4,450,260
Equity securities (Note 5)				
Publicly traded exploration companies	361,177	—	—	361,177
Private exploration company	—	—	38,536	38,536
Balance – June 30, 2026	361,177	—	4,488,796	4,849,973

During the six months ended June 30, 2026, there were no transfers among Level 1, Level 2 and Level 3.

Note 12 – Subsequent events

Acquisition of the Sunnyside Royalty

On July 8, 2026, the Company completed the acquisition of a 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. Pursuant to the definitive royalty purchase agreement with MinQuest Ltd., the total consideration is payable in two instalments comprising a mix of cash and common shares of the Company. The first instalment, consisting of a payment of US$500,000 ($708,700) in cash and the issuance of 363,750 common shares, was paid and issued on closing. The second instalment, consisting of US$500,000 in cash and the issuance of 242,500 common shares is to be paid and issued by January 2, 2027.

Credit Agreement with BMO

On July 17, 2026, the Company entered into a credit agreement (the "**Credit Agreement**") with Bank of Montreal ("**BMO**") for a secured revolving credit facility of US$50 million (the "**Facility**"), with the option to increase the Facility to US$75 million, subject to certain conditions. The Facility matures three years from the date of the Credit Agreement and is secured by a charge over the Company's assets. The Facility may be drawn in US$ base rate advances and term benchmark advances, which may be used for general corporate purposes and to finance the Company's acquisitions and investments.

US$ base rate advances will bear interest at the greater of (i) BMO's annual reference rate for commercial loans made in Canada in US dollars, (ii) the federal funds effective rate plus 0.50% per annum, and (iii) the term benchmark basis plus 1.00% per annum, in each case, plus the applicable margin ranging from 1.50% to 2.50% per annum based on the Company's net leverage ratio. Term benchmark advances will bear interest at the Secured Overnight Financing Rate (SOFR) plus 0.10% per annum (subject to a 0% per annum floor), plus the applicable margin ranging from 2.50% to 3.50% per annum based on the Company's net leverage ratio. A standby fee, ranging from 0.5625% to 0.7875%, is payable on the unused portion of the Facility. As at the date these unaudited condensed interim consolidated financial statements were authorized for issue, no amounts had been drawn under the Facility.