



Empress Royalty Corp.  
Condensed Interim Consolidated Financial Statements  
For The Three Months ended March 31, 2025  
(Unaudited - Expressed in US dollars)



	Note	March 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 1,775,329	\$ 953,631
Receivables	5	1,837,036	2,127,770
Prepaid expenses		127,741	118,836
		3,740,106	3,200,237
<b>Royalty and stream interests</b>	6	20,042,857	20,487,486
		\$ 23,782,963	\$ 23,687,723
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	\$ 509,166	\$ 668,392
Loan	7	2,939,594	2,939,594
		3,448,760	3,607,986
<b>Loan</b>	7	1,626,821	2,229,222
<b>Deferred income tax liability</b>	15	653,000	320,000
		5,728,581	6,157,208
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	21,339,259	21,339,259
Share-based reserve	8	5,642,478	5,566,010
Foreign exchange reserve		231,320	227,209
Deficit		(9,158,675)	(9,601,963)
		18,054,382	17,530,515
		\$ 23,782,963	\$ 23,687,723
Nature of operations and going concern	1		
Commitments	17		

These condensed interim consolidated financial statements are approved for issue by the Board of Directors of the Company on May 12, 2025.

They are signed on the Company's behalf by:

"Paul Mainwaring", Director

"Alexandra Woodyer Sherron", Director

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

Empress Royalty Corp.  
Condensed Interim Consolidated Statement of Income (Loss)  
and Comprehensive Income (Loss)  
(Unaudited - Expressed in US dollars)



		Three months ended March 31,	
	Note	2025	2024
<b>Revenue</b>			
Royalty and stream revenue	6	\$ 2,737,715	\$ 956,055
Cost of sales, excluding depletion	6	(444,022)	(72,454)
Depletion	6	(444,629)	(292,787)
		1,849,064	590,814
<b>Expenses</b>			
General and administrative	10	730,804	510,107
Project evaluation	11	171,851	124,517
Share-based compensation	8 & 12	76,468	221,702
		(979,123)	(856,326)
<b>Income (loss) from operations</b>		869,941	(265,512)
Finance costs	7	(318,851)	(264,132)
Foreign exchange gain (loss)		(15,586)	3,518
Gain on fair value remeasurement		240,784	-
<b>Income (loss) before income taxes</b>		776,288	(526,126)
Deferred income tax expense	15	(333,000)	-
<b>Income (loss) for the period</b>		443,288	(526,126)
<b>Other comprehensive income</b>			
Foreign exchange		4,111	(3,324)
<b>Comprehensive income (loss) for the period</b>		\$ 447,399	\$ (529,450)
<b>Basic and diluted loss per share</b>			
Basic		\$ 0.00	\$ (0.00)
Diluted		\$ 0.00	\$ (0.00)
<b>Weighted average number of shares outstanding –</b>			
<b>Basic and diluted</b>			
Basic	9	118,580,418	118,205,418
Diluted	9	124,948,553	118,205,418

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*



	Three months ended March 31,	
	2025	2024
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>		
Income (loss) for the period	\$ 443,288	\$ (526,126)
Items not involving cash:		
Depletion	444,629	292,787
Deferred income tax expense	333,000	-
Share-based compensation	76,468	221,702
Finance costs	132,497	85,467
Gain on fair value remeasurement	(240,784)	-
Unrealized foreign exchange loss (gain)	6,274	(27,617)
Accrued interest	186,354	178,665
Change in non-cash working capital items:		
Receivables	531,518	153,504
Prepaid expenses	(8,905)	37,625
Trade and other payables	(159,226)	93,316
	1,745,113	509,323
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES</b>		
Acquisition of royalty and stream interests	-	(5,000,000)
	-	(5,000,000)
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES</b>		
Loan	-	5,000,000
Loan transaction cost	-	(130,000)
Loan repayment	(921,252)	(507,967)
Warrant exercise	-	-
	(921,252)	4,362,033
Effect of foreign exchange	(2,163)	24,293
Change in cash and cash equivalents for the period	821,698	(104,351)
Cash and cash equivalents, beginning of period	953,631	1,171,687
Cash and cash equivalents, end of period	\$ 1,775,329	\$ 1,067,336
<b>Supplementary information (Note 16)</b>		
Interest paid	\$ 186,354	\$ 208,230
Income taxes paid	-	-

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

Empress Royalty Corp.  
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity  
(Unaudited - Expressed in US dollars)



	Number of Shares	Share Capital	Share-based reserve	Foreign exchange reserve	Deficit	Total Shareholders' Equity
<b>Balance, December 31, 2023</b>	118,205,418	\$ 21,257,045	\$ 4,741,969	\$ 248,822	\$ (10,614,834)	\$ 15,633,002
Fair value of warrants issued on Nebari loan drawdown	-	-	484,810	-	-	484,810
Share-based compensation	-	-	221,702	-	-	221,702
Comprehensive loss for the period	-	-	-	(3,324)	(526,126)	(529,450)
<b>Balance, March 31, 2024</b>	118,205,418	\$ 21,257,045	\$ 5,448,481	\$ 245,498	\$ (11,140,960)	\$ 15,810,064

	Number of Shares	Share Capital	Share-based reserve	Foreign exchange reserve	Deficit	Total Shareholders' Equity
<b>Balance, December 31, 2024</b>	118,580,418	\$ 21,339,259	\$ 5,566,010	\$ 227,209	\$ (9,601,963)	\$ 17,530,515
Share-based compensation	-	-	76,468	-	-	76,468
Comprehensive income for the period	-	-	-	4,111	443,288	447,399
<b>Balance, March 31, 2025</b>	118,580,418	\$ 21,339,259	\$ 5,642,478	\$ 231,320	\$ (9,158,675)	\$ 18,054,382

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*



## **1. NATURE OF OPERATIONS AND GOING CONCERN**

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Empress Royalty Corp. ("Empress" or the "Company") was incorporated on March 2, 2020, under the laws of the Province of British Columbia, Canada. The Company commenced trading on the TSX Venture Exchange ("TSX-V") on December 29, 2020, under the symbol EMPR. On February 19, 2021, the Company commenced trading on the OTCQB Venture Market in the United States under the symbol EMPYF. On January 11, 2023, the Company graduated to the OTCQX Venture Market in the United States under the same symbol EMPYF. The corporate office and registered and records office is located at Suite 3123, 595 Burrard Street, Vancouver, BC, Canada, V7X 1J1.

Empress is primarily in the business of structuring and creating proprietary precious metal royalty and streaming agreements for its own portfolio and may acquire certain interests from time to time. The Company is focussed on small to mid-tier producing or development stage mining companies, where immediate or near-term revenue can be generated but may consider earlier stage opportunities, as appropriate.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a period of at least 12 months. As at March 31, 2025, the Company had cash of \$1,775,329 and a working capital surplus of \$291,346. The Company's continued operations and the ability of the Company to meet commitments are dependent upon royalty and stream interests delivering cash or cash equivalents according to forecasts, which are outside the control of management, and the ability of the Company to continue to raise additional equity or debt financing. While the Company has been successful in obtaining financing to date, there can be no assurances that future equity financing, debt or debt refinancing alternatives will be available on acceptable terms to the Company or at all.

Some of the Company's activities for royalty generation are located in emerging nations and, consequently, may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights and the recoverability of investments in emerging nations can be affected by changing economic, legal, regulatory, and political situations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

## **2. BASIS OF PRESENTATION**

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### **Statement of compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the year ended December 31, 2024.

The unaudited condensed interim consolidated financial statements were approved by the board and authorized for issue on May 12, 2025.

### **Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. These condensed interim consolidated financial statements are presented in United States dollars ("U.S. dollar", "\$" or "dollar").

### **Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries, Empress Royalty Holding II Corp. and Empress Royalty Holdings Corp., the holder of the Company's current royalty and stream investments. The accounts of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. All inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated on consolidation.

### **Significant accounting estimates, judgements, and assumptions**

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates are contained in the accounting policies and/or the notes to the condensed interim consolidated financial statements. Areas of judgement and estimation that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are outlined below.

## **2. BASIS OF PRESENTATION (continued)**

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### *Going concern*

These condensed interim consolidated financial statements have been prepared on the assumption that the Company continues to operate as a going concern. Realization values may be substantially different from the carrying values shown due to market conditions, current conditions at the operations, interest rates and commodity prices. As at March 31, 2025, the Company had cash of \$1,775,329 and a working capital of \$291,346. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

### *Valuation of Share-based compensation*

Management determines the costs for share-based compensation and compensatory warrants using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant, using the Black Scholes Option Pricing model. Assumptions are made and judgement is used in calculating fair value including estimating the future volatility of the share price, expected dividend yield, future employee turnover rates, and future share option exercise behaviours and corporate performance. Such judgements are inherently uncertain and changes in these assumptions affect the fair value of the estimates for share-based compensation and compensatory warrants.

### *Accounting for royalty and stream interests*

There is judgement as to whether the royalty and stream interests should be accounted for as a financial asset, intangible asset or tangible asset. These interests, where the right to receive cash or metal exist only to the extent there is production and there are no interest payments, minimum payment obligations or any other means to enforce production or guarantee repayment are classified as tangible assets by the Company. The purchase price of each interest acquired is economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator), and price risk (returns depending on the future commodity price, driven by future supply and demand) are all risks which the Company indirectly participates in on a similar basis to an owner of the underlying mineral license. However, due to the nature of royalty and stream interests, the Company has no input into the operations of the mines of which it has an interest.

### *Impairment of royalty and stream interests*

Royalty and stream interests are assessed at each reporting date for indicators of impairment. The assessment requires the use of estimates and assumptions for variables such as the production profile, production commissioning dates as applicable, forecast commodity rates and guidance from the mine operators such as reserve and resource estimates and/or other relevant information which would indicate reduced or ceased production from royalty and stream interests.



## **2. BASIS OF PRESENTATION (continued)**

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### *Mineral reserves and resources*

The Company's royalty and stream interests that generate economic benefits are considered depletable and are depleted on a units of production method over the life of the mine to which the interest relates, which is determined using available information on proven and probable mineral reserves and the portion of mineral resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement. These calculations require the use of estimates and assumptions, including the mineral reserves and mineral resources related to each royalty or stream interest as provided by the mine operator. Mineral reserves and mineral resources are estimates of the amount of minerals that can be extracted from the mining properties at which the Company has royalty or stream interests. Changes to the mineral reserves and/or mineral resource assumptions could directly impact the depletion rates used. Changes to the depletion rates are accounted for prospectively.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

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The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2024.

### IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our consolidated financial statements.

#### 4. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024
Canadian dollar denominated deposits	\$ 273,986	\$ 215,914
US dollar denominated deposits	1,234,267	673,655
Metal deposits	267,076	64,062
<b>Total</b>	<b>\$ 1,775,329</b>	<b>\$ 953,631</b>

#### 5. RECEIVABLES

	March 31, 2025	December 31, 2024
Derivative stream receivables	\$ 1,423,410	\$ 1,726,717
Royalty receivables	354,674	360,450
Other accounts receivables	58,952	40,603
<b>Total</b>	<b>\$ 1,837,036</b>	<b>\$ 2,127,770</b>

On August 13, 2024, the Company reached an agreement with Luca Mining Corporation (“Luca”) and certain of their affiliates to amend the April 14, 2021, agreement and the first amended agreement from May 1, 2023 (Note 6). The second amendment introduced a revised payment schedule which will bring Luca fully up-to-date with its payment obligations under the agreement.

As the amount received by the Company will vary depending on changes in the silver price, the Company has recognized a derivative receivable carried at fair value through profit and loss. As per IFRS 9, the silver receivable is recognized as a derivative asset included as part of accounts receivable and revalued at every reporting date using the spot silver prices with any changes between the estimated fair value and the carrying value recognized in profit or loss in the period.

As at March 31, 2025, the Company was owed 39,669 oz of silver comprised of catch-up silver of 22,543 oz related to the settlement agreement with Luca plus 17,126 oz related to Luca’s production for the month of March 2025. In addition, the Company is owed 25.93 oz of gold related to the remaining amounts outstanding for March 2025 deliveries from the Galaxy and Sierra Antapite streams (Note 6). The Company recorded a fair value gain on the derivative receivable of \$296,227 for the period ended March 31, 2025 (2024 - \$nil).

## 6. ROYALTY AND STREAM INTERESTS

The royalty and stream interests as at and for the period ended March 31, 2025 are as follows:

	As at December 31, 2024	Cost Additions	As at March 31, 2025	As at December 31, 2024	Accumulated Depletion & Impairment Depletion & Impairment	As at March 31, 2025	Carrying amounts As at March 31, 2025
<b>Sierra Antapite</b> <sup>(1)</sup> Peru	\$ 10,096,964	\$ -	\$ 10,096,964	\$ 1,774,290	\$ 110,552	\$ 1,884,842	\$ 8,212,122
<b>Tahuehueto</b> <sup>(1)</sup> Mexico	5,092,628	-	5,092,628	535,841	184,880	720,721	4,371,907
<b>Manica</b> <sup>(1)</sup> Mozambique	3,024,284	-	3,024,284	1,222,563	112,190	1,334,753	1,689,531
<b>Galaxy</b> <sup>(1)</sup> South Africa	5,000,000	-	5,000,000	94,697	37,007	131,704	4,868,296
<b>Pinos</b> <sup>(2)</sup> Mexico	1,630,598	-	1,630,598	729,598	-	729,598	901,000
<b>Other royalties</b> <sup>(3)</sup> Canada	1	-	1	-	-	-	1
<b>Total</b>	<b>\$ 24,844,475</b>	<b>\$ -</b>	<b>\$ 24,844,475</b>	<b>\$ 4,356,989</b>	<b>\$ 444,629</b>	<b>\$ 4,801,618</b>	<b>\$ 20,042,857</b>

<sup>(1)</sup> Production stage asset

<sup>(2)</sup> Development stage asset

<sup>(3)</sup> Exploration stage asset

## 6. ROYALTY AND STREAM INTERESTS (continued)

The royalty and stream interests as at and for the year ended December 31, 2024 are as follows:

	Cost			Accumulated Depletion & Impairment			Carrying amounts
	As at December 31, 2023	Additions	As at December 31, 2024	As at December 31, 2023	Depletion & Impairment	As at December 31, 2024	As at December 31, 2024
<b>Sierra Antapite</b> <sup>(1)</sup> Peru	\$ 10,096,964	\$ -	\$ 10,096,964	\$ 1,308,808	\$465,482	\$ 1,774,290	\$ 8,322,674
<b>Tahuehueto</b> <sup>(2)</sup> Mexico	5,092,628	-	5,092,628	35,943	499,898	535,841	4,556,787
<b>Manica</b> <sup>(1)</sup> Mozambique	3,024,284	-	3,024,284	667,670	554,893	1,222,563	1,801,721
<b>Galaxy</b> <sup>(1)</sup> South Africa	-	5,000,000	5,000,000	-	94,697	94,697	4,905,303
<b>Pinos</b> <sup>(2)</sup> Mexico	1,630,598	-	1,630,598	729,598	-	729,598	901,000
<b>Other royalties</b> <sup>(3)</sup> Canada	1	-	1	-	-	-	1
<b>Total</b>	<b>\$ 19,844,475</b>	<b>\$ 5,000,000</b>	<b>\$ 24,844,475</b>	<b>\$ 2,742,019</b>	<b>\$1,614,970</b>	<b>\$ 4,356,989</b>	<b>\$ 20,487,486</b>

<sup>(1)</sup> Production stage asset

<sup>(2)</sup> Development stage asset

<sup>(3)</sup> Exploration stage asset

## 6. ROYALTY AND STREAM INTERESTS (continued)

### Revenue from royalty and stream interests

During the three months ended March 31, 2025, the Company earned a total stream and royalty revenue of \$2,737,715 (2024 - \$956,055) and recorded cost of sales of \$444,022 (2024 - \$72,454), excluding depletion. The following provides further breakdown by investment:

- During the period ended March 31, 2025, the Company earned stream revenue of \$1,543,234 (2024 – \$nil) and recorded cost of sales of \$308,647 (2024 – \$nil) from the silver stream agreement on the Tahuehueto mine in Mexico.
- During the period ended March 31, 2025, the Company earned stream revenue of \$459,520 (2024 – \$433,534) and recorded cost of sales of \$91,904 (2024 – \$67,425) from the gold stream agreement on the Sierra Antapite mine in Peru.
- During the period ended March 31, 2025, the Company earned royalty revenue of \$517,604 (2024 - \$497,372) from the royalty agreement on gold from the Manica gold project in Mozambique.
- During the period ended March 31, 2025, the Company earned stream revenue of \$217,357 (2024 – \$25,149) and recorded cost of sales of \$43,471 (2024 – \$5,029) from the gold stream agreement on the Galaxy mine in South Africa.

### Sierra Antapite Gold Stream

In July 2021, the Company structured and entered into a stream agreement with Sierra Sun Group, a private corporation, in respect of its Sierra Antapite gold mine located in Peru. The Company agreed to purchase an amount of gold equal to 2.25% of the payable gold production in return for upfront cash consideration of \$5,000,000 plus an additional amount for each ounce delivered equal to 20% of the prevailing market price. Subsequently, in both October 2021 and December 2021, the Company agreed to purchase an additional 1.125% in exchange for upfront cash of \$2,500,000 each time. As such, the Company will receive a total of 4.5% of payable gold production until 11,000 ounces have been delivered, thereafter dropping to 1% for the life of mine.

### Tahuehueto Silver Stream

In April 2021, the Company structured and entered into a stream agreement, subsequently amended, with Luca Mining Corporation, a publicly traded company (TSX-V: Luca) in respect of its Tahuehueto silver project located in Mexico. The Company agreed to purchase an amount of silver equal to 100% of the payable silver production in return for upfront cash consideration of \$5,000,000 plus an additional amount for each ounce delivered equal to 20% of the prevailing market price until 1,250,000 ounces have been delivered. Thereafter, the amount of payable silver will drop, to 20% on the same terms for a maximum of 10 years from the date of initial production. The cash consideration was paid in two tranches of \$2,000,000 and \$3,000,000 respectively in April 2021 and July 2021.

## 6. ROYALTY AND STREAM INTERESTS (continued)

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### Tahuehueto Silver Stream (continued)

On May 1, 2023, as part of Luca's restructuring process, Empress entered into an amending agreement with Luca with respect to the silver stream on the Tahuehueto project to defer deliveries of silver for the period from October 1, 2022, to June 30, 2023. Pursuant to the agreement, the Company received the sum of \$150,000 as compensation for the amendment. The life of the stream agreement, which was originally 10 years from initial production, was extended by nine months.

On August 13, 2024, the Company reached an agreement with Luca and certain of their affiliates to amend the April 14, 2021, agreement and the first amended agreement from May 1, 2023. The second amendment introduced a revised payment schedule which will bring Luca fully up-to-date with its payment obligations under the agreement. Regular silver ounces deliveries as provided for under the agreement are deemed to have recommenced effectively July 1, 2024.

The following are the key terms under the agreement:

- The delivery by Luca to Empress of refined silver valued at US\$150,000 by August 16, 2024, (received) plus an additional US\$300,000 worth of refined silver no later than August 31, 2024 (received);
- Within fourteen business days from the earlier of August 31, 2024, or the date on which Luca completes its next equity financing, the issuance to Empress of the equivalent of US\$150,000 in common shares of Luca or payment in cash (payment was received in cash); and
- Commencing October 31, 2024, and continuing monthly in 12 equal installments, the delivery by Luca to Empress of the number of ounces of refined silver as is equal to 45,085 ounces of refined silver.

### Manica Project Royalty

In April 2021, the Company structured and entered into a royalty agreement, subsequently amended, with Endor (Mauritius) Limited ("Endor") and Mutapa Mining & Processing LDA ("MMP"), a private corporation, in respect of its Manica hard rock gold project, located in Mozambique. The Company paid \$2,000,000 for a 2.25% royalty interest. In January 2022, the Company paid an additional \$1,000,000 to increase the royalty interest to 3.375% on the first 95,000 ounces of gold sold and a 1.125% royalty interest thereafter for the life of the mine.

On July 6, 2023, the Company amended the Manica Royalty Agreement to reflect that the Manica royalty payor Endor was replaced by MMP who successfully obtained its own gold export licence.



## 6. ROYALTY AND STREAM INTERESTS (continued)

### Galaxy Gold Stream

In February 2024, the Company structured and entered into a stream agreement (the “Purchase Agreement”) with Galaxy Gold Reefs (Pty) Ltd., a subsidiary of Golconda Gold Ltd. (“Golconda”), a publicly traded company (TSX-V: GG), in respect of its Galaxy gold mine located in South Africa. The Company agreed to purchase an amount of gold equal to 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first payment was made. As consideration, the Company made an upfront cash payment of \$5,000,000 and will make additional payments for each ounce delivered equal to 20% of the prevailing market price.

### Pinos Project Royalty

In November 2020, the Company structured and entered into a 1% net smelter royalty (“NSR”) agreement with Candelaria Mining Corp., a publicly traded company (TSX-V: CAND), in respect of its Pinos project located in Mexico for cash consideration of \$1,500,000. The transaction was a combination of a newly created 0.5% NSR royalty on the Pinos project for consideration of \$750,000 and the purchase of an existing 0.5% NSR royalty for consideration of \$750,000. During the year ended December 31, 2023, the Company re-evaluated the carrying value of the Pinos Project royalty recorded an impairment charge of \$729,598.

### Canadian Exploration Royalties

In July 2020, the Company acquired a portfolio of NSR royalties, all of which are on early-stage exploration properties located in Canada that range between 0.5% and 1.5%.

## 7. LOAN

	March 31, 2025	December 31, 2024
Opening balance	\$ 5,168,816	\$ 2,941,855
Loan refinancing and accordion draw	-	5,221,932
Discount on issuance	-	(221,932)
Transaction costs	-	(729,810)
Accrued interest	186,354	914,224
Interest paid	(186,354)	(943,790)
Principal repayment	(734,898)	(2,511,933)
Accretion of transaction costs	132,497	498,270
Ending balance	\$ 4,566,415	\$ 5,168,816
Current	\$ 2,939,594	\$ 2,939,594
Long-term	1,626,821	2,229,222

## 7. LOAN (continued)

On December 5, 2023, the Company entered into a \$28,500,000 Accordion Credit Facility (the "Credit Facility") with Nebari Gold Fund 1, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "Nebari"), an arm's length party. The Credit Facility replaced \$15,000,000 Nebari Facility. The Credit Facility bears interest at a rate of 7.5% per annum plus 3-month Term SOFR (3.5% floor). An arrangement fee of 2.0% of each draw made under the Credit Facility is payable on closing, together with reimbursement of Nebari's costs for each draw made. In addition, an OID of 4.25% is applicable to all loans made under the Credit Facility. The Credit Facility is secured against the existing investment assets of the Company. The Initial Loan has a term of three years, and any addition draws under the Accordion Feature will have a term of three years from that date of drawdown.

On December 5, 2023, the Company's made an initial drawdown of \$3,443,983 upon closing of the Credit Facility. These funds were used to repay the balance outstanding on the existing Nebari Facility of \$2,943,983 and provide \$500,000 for working capital. An OID of 4.25% applicable to all loans made under the Credit Facility resulted in the Initial Loan being \$3,596,849.

The Credit Facility is subject to standard events of default, as well as a requirement to maintain positive working capital (excluding the current portion of the Nebari loan) and no less than \$500,000 of cash.

Transaction cost on the Credit facility totalled \$547,422 comprised of i) the issuance of 3,104,153 warrants to Nebari at value of \$309,663, and ii) legal fees and other transaction costs in connection with the initial drawdown of the Credit Facility. The value of non-cash warrants was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.97%; an expected volatility of 67.36%; an expected life of three years; a forfeiture rate of zero; and an expected dividend of zero and will be amortized into profit or loss over the term of the Loan at an effective interest rate of 14.1%, comprised of, 11.1% cash interest on the Loan, and 3% non-cash warrants.

During the three months ended March 31, 2025, the Company recorded finance costs of \$318,851 (2024 – \$264,132), being interest expense of \$186,354 (2024 – \$178,665) and accretion of transaction costs of \$132,497 (2024 – \$85,467).

During the three months ended March 31, 2024, the Company drew \$5,000,000 from the accordion facility to fund the Galaxy Gold stream transaction (Note 6). An OID of 4.25% applicable to all loans made under the Credit Facility resulted in the Initial Loan being \$5,221,932.

Transaction cost on the \$5,000,000 draw totalled \$714,810 comprised of i) the issuance of 5,000,000 warrants to Nebari at value of \$484,810, and ii) legal fees and other transaction costs in connection with the initial drawdown of the Credit Facility. The value of non-cash warrants was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.96%; an expected volatility of 58.31%; an expected life of three years; a forfeiture rate of zero; and an expected dividend of zero and will be amortized into profit or loss over the term of the Loan at an effective interest rate of 14.2%, comprised of, 11% cash interest on the Loan, and 3.2% non-cash warrants.



## 7. LOAN (continued)

Interest payments over the next year, assuming an interest rate of 7.5% and SOFR interest rate of 4.3% for both the initial drawdown and the first accordion draw are between \$99,600 to \$164,700 per quarter in 2025. Principal payments over the next year are \$734,898 per quarter in 2025.

## 8. SHARE CAPITAL

### Authorized

The Company's authorized share structure consists of an unlimited number of common shares without par value.

### Issued and outstanding

As at March 31, 2025, the Company had 118,580,418 (December 31, 2024 – 118,580,418) common shares issued and outstanding. A summary of changes in share capital and reserves is contained on the consolidated statements of changes in shareholders' equity for the periods ended March 31, 2025, and 2024.

During the period ended March 31, 2025, there were no shares issued.

During the year ended December 31, 2024, the Company issued 375,000 common shares related to the settlement of certain RSUs and reallocated \$82,214 from share-based reserve to share capital.

### Warrants

The continuity of share purchase warrants for the period ended March 31, 2025 are as follows:

Expiry date	Exercise price (C\$)	Balance, December 31, 2024	Granted	Exercised	Expired	Balance, March 31, 2025
December 8, 2026	\$0.31	3,104,153	-	-	-	3,104,153
February 26, 2027	\$0.31	5,000,000	-	-	-	5,000,000
September 29, 2027	\$0.60	4,350,000	-	-	-	4,350,000
October 25, 2027	\$0.60	4,316,666	-	-	-	4,316,666
		16,770,819	-	-	-	16,770,819
Weighted average exercise price (C\$)		\$0.46	N/A	N/A	N/A	\$0.46

## 8. SHARE CAPITAL (continued)

The continuity of share purchase warrants for the year ended December 31, 2024 are as follows:

Expiry date	Exercise price (C\$)	Balance, December 31, 2023	Granted	Exercised	Expired	Balance, December 31, 2024
December 8, 2026	\$0.31	3,104,153	-	-	-	3,104,153
February 26, 2027	\$0.31	-	5,000,000	-	-	5,000,000
September 29, 2027	\$0.60	4,350,000	-	-	-	4,350,000
October 25, 2027	\$0.60	4,316,666	-	-	-	4,316,666
		11,770,819	5,000,000	-	-	16,770,819
Weighted average exercise price (C\$)		\$0.52	\$0.31	N/A	N/A	\$0.46

### Stock options

In July 2022, the Company implemented new incentive compensation plans. The 10% Rolling Stock Option Plan (the "Option Plan") and the 10% Fixed Security Based Compensation Plan (the "Equity Plan") supersede the incentive compensation plan implemented in June 2021 (the "Omnibus Equity Plan") for stock options, deferred stock units, performance share unit and restricted share units.

Under the Option plan, the maximum number of shares reserved for issue shall not exceed 10% of the outstanding shares of the Company, as at the date of the grant.

The continuity of stock options for the period ended March 31, 2025, and the year ended December 31, 2024, are as follows:

Expiry date	Exercise price (C\$)	Balance, December 31, 2024	Granted	Exercised	Expired	Balance, March 31, 2025
February 8, 2025 <sup>(4)</sup>	\$ 0.35	66,667	-	-	(66,667)	-
April 19, 2025 <sup>(5)</sup>	\$ 0.50	216,666	-	-	-	216,666
April 19, 2026 <sup>(1)</sup>	\$ 0.50	6,300,000	-	-	-	6,300,000
June 26, 2028 <sup>(2)</sup>	\$ 0.35	600,000	-	-	-	600,000
May 29, 2029 <sup>(3)</sup>	\$ 0.35	500,000	-	-	(166,666)	333,334
February 14, 2030 <sup>(6)</sup>	\$ 0.36	-	700,000	-	-	700,000
		7,683,333	700,000	-	(233,333)	8,150,000
Weighted average exercise price (C\$)		\$0.48	\$0.36	N/A	\$0.35	\$0.47

## 8. SHARE CAPITAL (continued)

Expiry date	Exercise price (C\$)	Balance, December 31, 2023	Granted	Exercised	Expired	Balance, December 31, 2024
February 8, 2025 <sup>(4)</sup>	\$ 0.35	-	200,000	-	(133,333)	66,667
April 19, 2025 <sup>(5)</sup>	\$ 0.50	450,000	-	-	(233,334)	216,666
April 19, 2026 <sup>(1)</sup>	\$ 0.50	6,800,000	-	-	(500,000)	6,300,000
June 26, 2028 <sup>(2)</sup>	\$ 0.35	900,000	-	-	(300,000)	600,000
January 15, 2029 <sup>(3)</sup>	\$ 0.35	-	500,000	-	-	500,000
		8,150,000	700,000	-	(1,166,667)	7,683,333
Weighted average exercise price (C\$)		\$0.48	\$0.35	N/A	\$0.42	\$0.48

<sup>(1)</sup> vest one-third on April 19, 2022, and one-third every year thereafter

<sup>(2)</sup> vest one-third on June 26, 2023, and one-third every year thereafter

<sup>(3)</sup> vest one-third on January 15, 2024, the expiry date for vested options was changed to May 29, 2025 representing 90 days after resignation, the unvested balance expired upon resignation of the holder.

<sup>(4)</sup> vest one-third on May 1, 2024, and one-third a year after, the date on these options was reset to February 8, 2025 subsequent to resignation of the holder and expired unexercised

<sup>(5)</sup> fully vested and expired unexercised on April 19, 2025

<sup>(6)</sup> vest one-third on February 14, 2025, and one-third every year thereafter

As at March 31, 2025, 7,483,333 (December 31, 2024 – 7,149,999) of the stock options are exercisable with a weighted average exercise price of \$0.48 (2024 - \$0.48).

The Equity Plan was adopted during the year ended December 31, 2023 after shareholder approval at its annual general meeting on September 1, 2022. Under the Equity Plan, the Company can grant equity-based incentive awards in the form of restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The maximum number of shares reserved for issue under the Equity Plan shall not exceed 10,457,439 shares or a greater number as approved. Vesting is determined by the Board of Directors.

Under the Equity Plan, the Company may determine vesting periods for equity units granted at the time of grant, but such vesting shall not be less than one year. The Company also has the option to settle vested units by either issuing one common share of the Company for each unit or make a cash payment calculated by multiplying the number of Vested share units to be redeemed by the market price per share on the date of settlement.

### Deferred Share Units (“DSU”)

Under the Equity Plan, the Company may elect to fix a portion of the Director’s fees that are to be payable in the form of DSUs. In addition, each Director may elect to participate in the grant of additional DSUs in lieu of Director’s fees payable in cash. During the year ended December 31, 2023, the Company issued 1,750,000 DSUs to directors of the Company. The Company expensed \$22,522 included in share-based compensation expense during the three months ended March 31, 2025 (2024 - \$72,852) related to the grant of 1,750,000 DSUs that vest equally over two years.

## 8. SHARE CAPITAL (continued)

The continuity of DSUs for the period ended March 31, 2025, and the year ended December 31, 2024, are as follows:

	Number of DSUs
Balance, December 31, 2024 and March 31, 2025	1,750,000
Vested at December 31, 2024 and March 31, 2025	875,000

### Restricted Share Units ("RSU")

Under the Equity Plan the Company may, in its discretion, designate participants who are to receive RSU units, fix the number of units and types of units to be granted the dates to be granted and the vesting period of the units. During the year ended December 31, 2023, the Company issued 1,500,000 RSU units to directors of the Company. The Company expensed \$19,304 included in share-based compensation expense during the three months ended March 31, 2025 (2024 - \$62,222) related to the grant of 1,500,000 RSUs that vest equally over two years.

The continuity of RSUs for the period ended March 31, 2025, and the year ended December 31, 2024, are as follows:

	Number of RSUs
Balance, December 31, 2023	1,500,000
Shares issued on settlement of vested RSUs	(375,000)
Balance, December 31, 2024 and March 31, 2025	1,125,000
Vested at December 31, 2024 and March 31, 2025	Nil

### Share-based compensation

During the period ended March 31, 2025, the Company recorded share-based compensation of \$34,642 (2024 – \$86,628).

On January 15, 2024, the Company granted 500,000 stock options to the vice president of corporate development of the Company exercisable at a price of C\$0.35 until January 15, 2029. The stock options were valued at a fair value of \$59,468. The options granted vest one-third on date of grant, one-third 12 months from grant date, and one-third 24 months from grant date.

On May 1, 2024, the Company granted 200,000 stock options to the vice president of investor relations of the Company exercisable at a price of C\$0.35 until May 1, 2029. The stock options were valued at a fair value of \$23,284. The options granted vest one-third on date of grant, one-third 12 months from grant date, and one-third 24 months from grant date.

On February 14, 2025, the Company granted 700,000 stock options to a investor relations advisor and a consultant exercisable at a price of C\$0.36 until February 14, 2030. The stock options were valued at a fair value of \$97,606. The options granted vest one-third on date of grant, one-third 12 months from grant date, and one-third 24 months from grant date.



## 8. SHARE CAPITAL (continued)

The fair value of the options granted was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	March 31, 2025	March 31, 2024
Risk-free interest rate	2.79%	3.27%
Expected volatility	62.48%	66.64%
Expected life of warrants	5.00 years	5.00 years
Expected dividend yield	nil	nil
Forfeiture rate	nil	nil

## 9. EARNINGS PER SHARE ("EPS")

Three months ended March 31						
	2025			2024		
	Net income	Number of shares	Per share amount	Net loss	Number of shares	Per share amount
Basic earnings (loss) per share	\$ 443,288	118,580,418	\$0.00	\$(526,126)	118,205,418	\$(0.00)
Effect of dilutive securities	-	6,368,135	-	-	-	-
Diluted earnings (loss) per share	\$ 443,288	124,948,553	\$0.00	\$(526,126)	118,205,418	\$(0.00)

For the three months ended March 31, 2025, 6,433,333 stock options and 8,666,666 warrants (2024 – 8,650,000 stock options, 16,770,819 warrants, 1,750,000 DSUs and 1,500,000 RSUs) were excluded in the computation of diluted EPS due to being anti-dilutive.

## 10. GENERAL AND ADMINISTRATIVE

	Note	Three months ended March 31, 2025	Three months ended March 31, 2024
Consulting fees and salaries	12	\$ 280,933	\$ 196,917
Director fees	12	76,655	73,397
Investor and shareholder relations		137,941	119,901
Office expenses		16,831	8,451
Professional fees		113,596	56,887
Regulatory fees		31,567	21,199
Travel		73,281	33,355
Total		\$ 730,804	\$ 510,107



## 11. PROJECT EVALUATION

During the period ended March 31, 2025, and 2024, the Company incurred certain expenditures to conduct due diligence and evaluate royalty and streaming opportunities with the potential for acquisition or investment.

	Note	Three months ended March 31, 2025	Three months ended March 31, 2024
Consulting fees	12	\$ 44,218	\$ 79,528
Professional fees		89,355	29,376
Other		38,278	15,613
Total		\$ 171,851	\$ 124,517

## 12. RELATED PARTY TRANSACTIONS

### *Compensation of key management personnel*

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the period ended March 31, 2025 and 2024 are as follows:

	Three months ended March 31, 2025	2024
Consulting fees and management salaries	\$ 173,763	\$ 81,824
Director fees and consulting fees paid to directors related to project evaluation	\$ 76,655	\$ 73,397
Share-based compensation	\$ 41,826	\$ 168,184
Total	\$ 292,244	\$ 323,405

<sup>(1)</sup> Endeavour Financial Limited (Cayman) ("Endeavour") and the Company have a director in common.

### *Amounts due to/from related parties*

As at March 31, 2025, the Company had trade and other payables of \$38,810 (December 31, 2024 - \$73,656) owing to related parties, being, \$3,084 (December 31, 2024 - \$50,430) owing to Endeavour Financial Limited (Cayman) ("Endeavour") a Company that has a director in common and \$13,293 (December 31, 2024 - \$7,589) owing to a Company for which the CFO works, \$22,433 (December 31, 2024 - \$nil) owing to the Chief Executive officer and \$nil (December 31, 2024 - \$15,637) to a director. All amounts owed are unsecured and non-interest bearing.

### **13. SEGMENTED INFORMATION**

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Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

As at March 31, 2025, the Company's business is the creating and investing in a portfolio of mining royalty and streaming interests. The geographical breakdown of the Company's royalty and stream interests is described in Note 6. All of the Company's revenue is derived from the Tahuehueto stream in Mexico, the Sierra Antapite stream in Peru, the Galaxy stream in South Africa and royalties on gold sales from the Manica gold project in Mozambique as described in Note 6.

### **14. FINANCIAL INSTRUMENTS**

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#### **Management of Capital**

Management monitors the Company's financial risk management policies and exposures and approves financial transactions. Management considers capital to include the components of shareholders' equity.

The Company's objectives when managing capital are to provide shareholder returns through maximization of the profitable growth of the company and to maintain a degree of financial flexibility relevant to the underlying operating and metal price risks while safeguarding the Company's ability to continue as a going concern. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares, acquire debt, or sell assets. Management regularly reviews cash flow forecasts to determine whether the Company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The Company was not subject to any externally imposed capital requirements with the exception of complying with certain covenants under the Nebari Credit Facility (Note 7). There were no changes in the Company's capital management strategy during the period ended March 31, 2025. The Company was in compliance with the debt covenants as at March 31, 2025.

#### **Financial instruments**

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:



## 14. FINANCIAL INSTRUMENTS (continued)

		March 31, 2025	December 31, 2024
Cash and cash equivalents	Amortized cost	\$ 1,775,329	\$ 953,631
Receivables	Amortized cost	413,626	401,053
	Fair value through profit	1,423,410	1,726,717
Derivative receivables	and loss		
Trade and other payables	Amortized cost	(355,606)	(426,144)
	Fair value through profit	(153,560)	(242,248)
Derivative liabilities	and loss		
Loan	Amortized cost	(4,566,415)	(5,168,816)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying value of cash and cash equivalents, receivables, trade and other payables approximates their fair value due to their short-term nature.

Loans payable is carried at amortized cost. Fair value of loan payable approximates its carrying value as the interest rates are comparable to market interest rates.

Derivative receivables and derivative liabilities are carried at fair value and are classified within Level 1 of the fair value hierarchy.

Discussions of risks associated with financial assets and liabilities are detailed below:

### *Credit Risk*

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables relating to royalty and stream revenues. The credit risk on cash is limited because the Company invests its cash in deposits in high credit quality banking institutions in Canada. The Company's receivables is subject to the credit risk of the counterparties who own and operate the mines underlying the royalty and stream portfolio. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets.



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## 14. FINANCIAL INSTRUMENTS (continued)

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### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to closely monitor cash forecasts and manage resources to ensure that there is sufficient capital in order to meet short-term business requirements. All of the Company's trade and other payables are classified as current and are anticipated to be settled in the next twelve months.

The Company is exposed to liquidity risk.

### *Market Risk*

Market risk is the risk that the Company's future earnings will be adversely impacted by changes in in market factors such as interest rates, foreign exchange rates, and commodity prices. These fluctuations may be significant.

### *Foreign Currency Risk*

The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currency. As such, the Company is subject to fluctuations in the exchange rate between the Canadian dollar and the US dollar where it holds funds in a currency other than its functional currency. As at March 31, 2025, management estimates the foreign exchange risk related to a 10% change in currency conversion is approximately \$3,500. The Company does not hedge its foreign exchange risk.

### *Interest Rate Risk*

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant. The Credit Facility bears interest at a rate of 7.5% per annum plus 3-month Term SOFR (3.5% floor) (Note 7). A 10% change in the SOFR rate would affect profit or loss by approximately \$40,000 per annum.

### *Commodity Risk*

While the value of the Company's investments is expected to be primarily related to the price of gold and silver and the outlook for these minerals, the value of the Company's investments is subject to changes in metal prices and market fluctuations.

## 15. INCOME TAXES

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	March 31, 2025	December 31, 2024
Royalty and stream interests	\$ (1,697,000)	\$ (1,309,000)
Share issue costs	432,000	481,000
Debt with accretion	(137,000)	(155,000)
Allowable capital losses	3,000	3,000
Non-capital loss carry forward	3,118,000	2,909,000
Net deferred tax assets	1,719,000	1,929,000
Unrecognized deferred tax assets	(2,372,000)	(2,249,000)
Net deferred tax liabilities	\$ (653,000)	\$ (320,000)

During the period ended March 31, 2025, the Company incurred deferred income tax expense of \$333,000 (2024 – \$nil).

## 16. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended March 31, 2025, the Company:

- Issued nil (December 31, 2024 - 5,000,000) warrants in connection with the Nebai loan valued at \$nil (December 31, 2024 - \$484,810) (Note 7).
- Transaction cost on loan includes \$nil (December 31, 2024 - \$168,880) which were included in accounts payable (Note 7).

During the periods presented, the Company paid no income taxes in cash.

The Company paid interest of \$186,354 (2024 – \$ 208,230) during the period ended March 31, 2025 (Note 6).

## 17. COMMITMENTS

In July 2021, the Company agreed to pay Endeavour a 2% success fee for sourcing, reviewing and negotiating mergers and acquisitions as well as debt opportunities for the Company.