

***These materials are important and require your immediate attention. If you have any questions with respect to the matters described in this document, please contact your tax, financial, legal or other professional advisors.***



EPL : TSX-V

**Eagle Plains  
Resources Ltd.**

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**NOTICE OF SPECIAL MEETING  
TO BE HELD ON APRIL 26, 2023**

**AND**

**NOTICE OF ORIGINATING APPLICATION  
TO THE COURT OF KING'S BENCH OF ALBERTA**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

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**CONCERNING THE SPIN-OFF OF EAGLE ROYALTIES LTD.**

**March 17, 2023**

***Your VOTE is important. The board of directors of Eagle Plains Resources Ltd. unanimously recommends that you vote FOR the Arrangement Resolution.***

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this management information circular.*

## TABLE OF CONTENTS

### LETTER TO EAGLE PLAINS RESOURCES LTD. SECURITYHOLDERS NOTICE OF SPECIAL MEETING OF EAGLE PLAINS SECURITYHOLDERS NOTICE OF ORIGINATION APPLICATION

<b>GLOSSARY OF TERMS .....</b>	<b>2</b>
<b>MANAGEMENT INFORMATION CIRCULAR .....</b>	<b>11</b>
Introductory Information .....	11
Forward-Looking Statements.....	11
Information for United States Securityholders ...	12
<b>FAQ RELATED TO THE MEETING AND THE TRANSACTION.....</b>	<b>16</b>
<b>SUMMARY.....</b>	<b>21</b>
<b>VOTING AND PROXY INFORMATION.....</b>	<b>24</b>
Purpose of Solicitation .....	24
Who Can Vote?.....	24
Matters to Be Voted On .....	24
How to Vote.....	24
Voting of Proxies .....	26
Exercise of Discretion of Proxy .....	26
Revocation of Proxies .....	26
Notice and Access.....	27
<b>VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....</b>	<b>28</b>
<b>THE TRANSACTION.....</b>	<b>28</b>
Overview .....	28
Background to the Transaction .....	29
General Overview of Spin-Off Assets .....	33
Reasons for the Transaction .....	34
Recommendation of the Board.....	34
Reasons for Recommendation of the Board .....	35
Voting and Support Agreements .....	36
Effect of the Arrangement.....	36
Details of the Arrangement.....	36
Procedure for Exchange of Eagle Plains Securities .....	38
<b>OTHER INFORMATION RELATING TO THE ARRANGEMENT.....</b>	<b>40</b>
Procedure for the Arrangement to Become Effective .....	40
Securityholder Approval.....	40
Court Approval of the Arrangement and Effective Date .....	41
Securities Law Matters .....	42
Depository Agreement.....	49
Interests of Certain Persons in the Arrangement .....	49
Other Legal Developments .....	50
<b>THE ARRANGEMENT AGREEMENT .....</b>	<b>50</b>
General .....	50
Representations and Warranties of the Parties... ..	50
Mutual Conditions .....	51
Covenants .....	52
Eagle Plains Options and Warrants .....	52
Termination of the Arrangement Agreement.....	52
Other Required Approvals .....	52
Fees and Expenses of the Arrangement .....	53
<b>THE AMALGAMATION AGREEMENT .....</b>	<b>53</b>
Overview .....	53
Required Approval .....	53
Representations and Warranties of the Parties... ..	54
Mutual Conditions .....	54
Conditions in Favour of Eagle Royalties.....	54
Conditions in Favour of 138 .....	55
Statutory and Contractual Escrow Restrictions... ..	55
Covenants .....	55
Covenants of Eagle Royalties and Eagle Plains Regarding Non-Solicitation.....	55
Notification of Acquisition Proposals .....	56
Responding to an Acquisition Proposal.....	56
Right to Match.....	57
138 Voting and Support Agreements .....	57
<b>DISSENT RIGHTS .....</b>	<b>58</b>
<b>INCOME TAX CONSIDERATIONS .....</b>	<b>60</b>
The Arrangement .....	60
The Amalgamation .....	63
<b>RISK FACTORS .....</b>	<b>63</b>
Risk Factors Relating to the Transaction .....	64
Risk Factors Relating to Eagle Plains .....	66
<b>PARTICULARS OF MATTERS TO BE ACTED UPON .....</b>	<b>66</b>
Approval of Arrangement .....	66
Other Business .....	67
<b>INFORMATION CONCERNING 138.....</b>	<b>67</b>
General.....	67
Concurrent Financing .....	68
Risk Factors Relating to the Concurrent Financing .....	68
<b>INFORMATION CONCERNING EAGLE ROYALTIES .....</b>	<b>68</b>
Name and Incorporation .....	69
Market for Securities .....	69
Prior Sales of Securities of Eagle Royalties.....	69
Dividends .....	69
Options and Warrants .....	69
Intercorporate Relationships .....	70
Promoter.....	71
<b>PRO FORMA INFORMATION RELATING TO AMALCO .....</b>	<b>71</b>
General.....	71
Organizational Structure after the Amalgamation .....	71
Narrative Description of the Combined Business .....	71
General Description of the Business.....	72
Intercorporate Relationships .....	72
General Development of the Business to Date... ..	72
Trends .....	72
Description of Share Capital .....	72
Selected <i>Pro Forma</i> Financial Information.....	72
Dividend Policy .....	73
Voting and Other Rights .....	73
Options and Other Rights to Purchase Shares ... ..	73
Prior Sales.....	74
Escrowed Securities.....	74
Governance Matters .....	75
Risk Factors.....	79
Legal Proceedings .....	81
Indebtedness of Directors, Officers and Other Management .....	81
Material Contracts .....	81
Auditors .....	81
Registrar and Transfer Agent .....	81
<b>LEGAL MATTERS.....</b>	<b>82</b>
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....</b>	<b>82</b>
<b>SINTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....</b>	<b>82</b>
<b>EXPERTS .....</b>	<b>82</b>
<b>OTHER MATTERS.....</b>	<b>82</b>
<b>APPROVAL AND CERTIFICATION .....</b>	<b>83</b>
APPENDIX A - Arrangement Resolution.....	A-1
APPENDIX B - Arrangement Agreement .....	B-1
APPENDIX C - Amalgamation Agreement .....	C-1
APPENDIX D - Interim Order .....	D-1
APPENDIX E - Dissent Rights.....	E-1
APPENDIX F - Financial Statements and MD&A.....	F-1



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# Eagle Plains Resources Ltd.

## **LETTER TO EAGLE PLAINS RESOURCES LTD. SECURITYHOLDERS**

March 17, 2023

Dear Eagle Plains Securityholders,

You are invited to attend a special meeting of the holders of Common Shares, share purchase options and share purchase warrants (collectively, the "**Securityholders**") of Eagle Plains Resources Ltd. ("**Eagle Plains**") to be held at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia V1C 2R7 on Wednesday, April 26, 2023, commencing at 9:00 a.m. (Mountain Time).

At the meeting, you will be asked to consider and, if thought appropriate, to vote on a special resolution (the "**Arrangement Resolution**") to approve a statutory plan of arrangement (the "**Plan of Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta). If you vote **FOR** the Arrangement Resolution, it will result in Eagle Plains transferring a majority of its royalty interests (the "**Spin-Off Transaction**") to its wholly-owned subsidiary, Eagle Royalties Ltd. ("**Eagle Royalties**") on a tax-deferred basis, and Common Shares of Eagle Royalties (the "**Eagle Royalties Shares**") will be distributed to the Eagle Plains shareholders following a reorganization of the share capital of Eagle Plains.

The Spin-Off Transaction is proposed to be completed pursuant to the provisions of an arrangement agreement dated February 28, 2023 between Eagle Plains and Eagle Royalties. Through a series of steps as contemplated in the arrangement agreement (the "**Arrangement**"), Eagle Royalties plans to issue an aggregate of approximately 42 million Eagle Royalties Shares, of which it is expected that approximately 5.2 million Eagle Royalties Shares will be retained by Eagle Plains and the remaining approximately 36.8 million Eagle Royalties Shares will be distributed to Eagle Plains shareholders on a 1:3 basis. All existing optionholders and warrant holders of Eagle Plains, upon exercise of their respective options and warrants, will receive one Eagle Plains Common Share and 1/3 of an Eagle Royalties Share.

**The board of directors of Eagle Plains (the "Board"), after consulting with its advisors, has unanimously determined that the Arrangement is fair and is in the best interests of Eagle Plains and is fair to its Securityholders, and it unanimously recommends that you vote FOR the Arrangement Resolution.**

The management information circular accompanying this letter contains a detailed description of the proposed Arrangement to give effect to the Spin-Off Transaction, including a discussion of the process the Board engaged in prior to approving the proposed Arrangement, and several conditions that need to be satisfied for the proposed Arrangement to be completed. The circular also provides a detailed description of an amalgamation transaction that will occur

immediately after the completion of the Arrangement, whereby Eagle Royalties will amalgamate with an arm's-length entity, namely 1386884 B.C. Ltd., under Section 181 of the *Business Corporations Act* (Alberta), as well as detailed information regarding Eagle Royalties and 1386884 B.C. Ltd. and certain *pro forma* and other information regarding the resulting entity formed after the completion of the amalgamation.

Please give this material your careful consideration and, if you require assistance, please consult your financial, tax or other professional advisors. Securityholders who have questions or need assistance with voting their Eagle Plains securities should contact TSX Trust Company by telephone at 416-368-2502 (North American Toll Free) or 1 866 781 3111 (Outside North America), or by email at [proxyvote@tmx.com](mailto:proxyvote@tmx.com).

Eagle Plains has received voting and support agreements from all of its officers and directors and from multiple significant shareholders in favour of the Arrangement Resolution. Eagle Plains has secured written support of approximately 27.7 million Eagle Plains Common Shares (which represents approximately 25% of the total issued and outstanding Eagle Plains Common Shares), approximately 8.2 million Eagle Plains options (which represents approximately 75% of the total issued and outstanding Eagle Plains options) and approximately 2.4 million Eagle Plains warrants (which represents approximately 44% of the total issued and outstanding Eagle Plains warrants).

**Your vote is important.** Whether or not you plan to attend the meeting in person to vote on the Arrangement, we encourage you to vote promptly using the form of proxy (or voting instruction form) that you have received.

On behalf of the Board, I would like to express our gratitude to our Securityholders for the support they have demonstrated in the past and hope that you will support our decision to move forward with the Spin-Off Transaction. I request your support for this transaction.

Sincerely,

(signed) "Timothy J. Termuende"

Timothy J. Termuende  
Director, President and Chief Executive Officer  
Eagle Plains Resources Ltd.

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# Eagle Plains Resources Ltd.

## **NOTICE OF SPECIAL MEETING OF EAGLE PLAINS SECURITYHOLDERS**

**NOTICE IS HEREBY GIVEN** that a special meeting (the "**Meeting**") of the holders of Common Shares, share purchase options and share purchase warrants (collectively, the "**Securityholders**") of Eagle Plains Resources Ltd. ("**Eagle Plains**") shall be held at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia V1C 2R7 on Wednesday, April 26, 2023, commencing at 9:00 a.m. (Mountain Time) for the following purposes:

- (a) to consider, pursuant to an interim order (the "**Interim Order**") of the Court of King's Bench of Alberta dated March 17, 2023 and, if deemed advisable, to approve with or without variation, a special resolution of the Securityholders to approve an arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended (the "**ABCA**") among Eagle Plains, Eagle Royalties Ltd. ("**Eagle Royalties**") and the Securityholders as more particularly described in the accompanying management information circular dated March 17, 2023 (the "**Circular**"); and
- (b) to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The Arrangement and specific details of all matters proposed to be put before the Meeting are described in the Circular. The full text of the special resolution of the Securityholders to approve the Arrangement (the "**Arrangement Resolution**") is set forth in Appendix A to the Circular. For details surrounding the Arrangement Resolution, please see "*Voting and Proxy Information - Matters to Be Voted On*" in the Circular.

Only registered Securityholders as at the close of business on March 17, 2023 (the "**Record Date**") are entitled to notice of, and to attend and vote at, the Meeting. For additional information, please see "*Voting and Proxy Information - Who Can Vote?*" of the Circular. If you are unable to attend the Meeting, you are entitled to vote by proxy.

Registered Securityholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting. To be effective, the applicable form of the enclosed proxy must be received by TSX Trust Company (i) by mail, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attn: Proxy Dept.; (ii) by email, at proxyvote@tmx.com; or (iii) online, at www.meeting-vote.com at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. For the Eagle Plains Common Shares (the "**Eagle Plains Shares**") held by beneficial shareholders (*i.e.*, shareholders whose Eagle Plains Shares are registered in the name of a broker, investment dealer, bank, trust company, or other intermediary or nominee) to be voted at the Meeting ("**Beneficial Shareholders**"), such Beneficial Shareholders should complete and return the

voting instruction form or other authorization form provided to them by their broker or intermediary in accordance with the instructions provided therein.

As described in the notice-and-access information mailed to Securityholders, Eagle Plains has delivered the Circular to Securityholders by posting it on Eagle Plains' website at [eagleplains.com](http://eagleplains.com). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and printing and mailing costs. The Circular will also be available at [sedar.com](http://sedar.com) and will be mailed to Eagle Plains Securityholders who request a paper copy in accordance with the instructions set forth under the heading "*Voting and Proxy Information - Notice and Access*" in the Circular.

Registered holders of Eagle Plains Shares (the "**Registered Shareholders**") have the right to dissent with respect to the Arrangement and, if the Arrangement is completed, to be paid the fair value of their Eagle Plains Shares in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Order. The right of a Registered Shareholder to dissent is more particularly described in the Circular. **Failure to strictly comply with the requirements set forth in Section 191 of the ABCA, as modified by the Interim Order, may result in the loss of any right of dissent that a Registered Shareholder may otherwise have. For further details surrounding dissent rights, please see "*Dissent Rights*" in the Circular.**

**Beneficial Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise the right of dissent pursuant to the ABCA must make arrangements for either (i) the Eagle Plains Shares beneficially owned by such Beneficial Shareholder to be registered in the Beneficial Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by or on behalf of Eagle Plains, or (ii) the Registered Shareholder to dissent on behalf of the Beneficial Shareholder. It is strongly recommended that any Shareholder wishing to dissent seek independent legal advice. For further details surrounding dissent rights, please see "*Dissent Rights*" in the Circular.**

Dated this 17<sup>th</sup> day of March 2023.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF EAGLE PLAINS RESOURCES LTD.**

(signed) "Timothy J. Termuende"

Timothy J. Termuende  
Director, President and Chief Executive Officer

**IN THE COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF EDMONTON**

**IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*,  
RSA 2000, C B-9, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING EAGLE PLAINS  
RESOURCES LTD., ITS SECURITYHOLDERS AND EAGLE ROYALTIES LTD.**

**NOTICE OF ORIGINATING APPLICATION**

**NOTICE IS HEREBY GIVEN** that an originating application (the "**Application**") has been filed with the Court of King's Bench of Alberta, Judicial Centre of Edmonton (the "**Court**") on behalf of Eagle Plains Resources Ltd. ("**Eagle Plains**") with respect to a proposed arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**"), involving Eagle Plains, the securityholders of Eagle Plains (the "**Eagle Plains Securityholders**"), and Eagle Royalties Ltd. ("**Eagle Royalties**"). The Arrangement is described in greater detail in the management information circular dated March 17, 2023 (the "**Circular**") accompanying this Notice of Originating Application.

At the hearing of the Application, Eagle Plains intends to seek:

1. a declaration that the Arrangement is an "arrangement" within the meaning of the ABCA and that the application for approval of the Arrangement shall be conducted under the process set forth in Section 193 of the ABCA;
2. a declaration that it is impracticable to effect the result contemplated by the Arrangement under the ABCA other than under Section 193 of the ABCA;
3. the establishment of a procedure by which the Meeting (as defined in the Circular) will be called and conducted for the Eagle Plains Securityholders to consider and vote upon the proposed Arrangement;
4. a declaration that the registered holders of Eagle Plains Common Shares (the "**Eagle Plains Shares**") shall have the right to dissent in respect of the Arrangement, in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement (as defined in the Circular);
5. the return of the Application and such other matters as may be required for the proper consideration of the Arrangement;
6. an order establishing the procedures to be followed by any interested party desiring to be heard at the Application for Final Order (as defined below); and
7. such other and further orders, declarations or directions as the Court may deem just.

**AND NOTICE IS FURTHER GIVEN** that the Court has been advised that its final order approving the Arrangement ("**Final Order**"), if granted, will constitute the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of Eagle Plains New Shares, Eagle Royalties Shares, and Eagle Plains Butterfly Shares (all as defined in the Circular), to the Securityholders pursuant to the Arrangement.

**AND NOTICE IS FURTHER GIVEN** that the said Application is directed to be heard before a Justice of the Court, at the Edmonton Court Centre *via* Cisco Webex® on Thursday, April 27, 2023 at 2:00 p.m. (Mountain Time) or the earliest available date thereafter. **Any Securityholder or other interested party desiring to support or oppose the Application is required to file with the Court and serve upon Eagle Plains by or before 4:00 p.m. (Mountain Time) on April 19, 2023, a notice of intention to appear (the "Notice of Intention to Appear") setting out such Securityholder's or interested party's address for service and indicating whether such Securityholder or interested party intends to support or oppose the Application or make submissions at the Application, together with a summary of the position such Securityholder or interested party intends to advocate before the Court and any evidence or materials which are to be presented to the Court.** Service on Eagle Plains is to be effected by delivery to its solicitors at the address set forth below.

**AND NOTICE IS FURTHER GIVEN** that, at the hearing and subject to the foregoing, Securityholders and any other interested parties will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangement. If you do not attend, either in person or by counsel, at that time, the Court may approve or refuse to approve the Arrangement as presented or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

**AND NOTICE IS FURTHER GIVEN** that no notice of the Application will be given by Eagle Plains and that, in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the Application at the hearing, or who have filed a Notice of Intention to Appear, as described above, shall be served with notice of the adjourned date.

**AND NOTICE IS FURTHER GIVEN** that the Court, by an interim order dated March 17, 2023, has given directions as to the calling and holding of a special meeting of Securityholders for the purposes of such Securityholders voting upon a special resolution to approve the Arrangement and, in particular, has directed that registered holders of Eagle Plains Shares have the right to dissent under the provisions of Section 191 of the ABCA, as modified by the terms of the Interim Order and the Plan of Arrangement (all as defined in the Circular).

**AND NOTICE IS FURTHER GIVEN** that a copy of the said Application and other documents in the proceedings will be furnished to any Securityholder or other interested party requesting the same by the undermentioned solicitors for Eagle Plains upon written request delivered to such solicitors as follows:

McLeod Law LLP  
Suite 500, 707 5<sup>th</sup> Street SW  
Calgary, Alberta T2P 1V8  
**Attention: Spencer Chimuk**  
Facsimile: (403) 271-1769

**DATED** at the City of Cranbrook, in the Province of British Columbia, this 17th day of March 2023.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF EAGLE PLAINS RESOURCES LTD.**

*(Signed) "Timothy J. Termuende"*

Director, President and Chief Executive Officer





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**Eagle Plains**  
**Resources Ltd.**

**MANAGEMENT INFORMATION CIRCULAR**

March 17, 2023

## **GLOSSARY OF TERMS**

The following is a glossary of general terms and abbreviations used in this Circular:

"**138**" means 1386884 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;

"**138 Continuation**" means the continuation of 138 from the Province of British Columbia and into the Province of Alberta under the ABCA;

"**138 Resolution**" the unanimous written consent resolution to be considered and approved by the 138 Shareholders to approve, among other things, the 138 Continuation and the Amalgamation;

"**138 Shares**" means the common shares in the capital of 138;

"**138 Shareholders**" means, collectively, the shareholders of 138;

"**138 Voting and Support Agreements**" the voting and support agreements among 138, Eagle Royalties and the 138 Shareholders, as of the date of the Amalgamation Agreement, pursuant to which the 138 Shareholders agreed to vote in favour of the 138 Resolution;

"**3(a)(10) Securities**" means, collectively, the Eagle Plains New Shares and Eagle Royalties Shares issuable to U.S. Shareholders pursuant to the Arrangement;

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, together with all regulations promulgated pursuant thereto;

"**Acquisition Proposal**" means, other than the transactions contemplated the Amalgamation Agreement and the Arrangement Agreement, any offer, proposal or inquiry (written or oral) from any Person or group of Persons (other than 138) relating to:

- (i) any direct or indirect sale or disposition (or any leasing or other arrangement having the same economic effect as a sale) of 20% or more of the consolidated assets or assets contributing 20% or more of the consolidated revenues of Eagle Royalties (following completion of the Arrangement) taken as a whole or 20% or more of any voting or equity securities of Eagle Royalties;
- (ii) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (or securities convertible into or exchangeable for such voting or equity securities) of Eagle Royalties;
- (iii) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Eagle Royalties; or
- (iv) any other similar transaction or series of transactions involving Eagle Royalties;

"**Amalco**" means the amalgamated corporation continuing from the Amalgamation;

"**Amalco Shares**" means the Common Shares in the capital of Amalco;

**"Amalgamation"** means the amalgamation of 138 and Eagle Royalties to form Amalco pursuant to the terms of the Amalgamation Agreement;

**"Amalgamation Agreement"** means the amalgamation agreement dated as of February 28, 2023 among 138, Eagle Royalties and Eagle Plains, a copy of which is attached as Appendix C to this Circular;

**"Applicable Laws"** means, in the context that refers to one or more Persons, any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person;

**"Applicable Securities Laws"** means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time;

**"Arrangement"** means the arrangement under Section 193 of the ABCA pursuant to which Eagle Plains proposes to reorganize its business and assets, and which is set out in detail in the Plan of Arrangement attached as Exhibit "B" to the Arrangement Agreement;

**"Arrangement Agreement"** means the agreement dated as of February 28, 2023 between Eagle Plains and Eagle Royalties, a copy of which is attached as Appendix B to this Circular, and any amendments or variations thereto;

**"Arrangement Resolution"** means the special resolution which will be considered by the Eagle Plains Securityholders to approve the Arrangement, the full text of which is set out in Appendix A to this Circular;

**"Articles of Arrangement"** means the articles of arrangement of Eagle Plains in respect of the Arrangement required by the ABCA to be filed with the Registrar after the Final Order has been granted;

**"Beneficial Shareholder"** means a Shareholder whose Eagle Plains Shares are registered in the name of a broker, investment dealer, bank, trust company, or other intermediary or nominee;

**"Board"** or **"Board of Directors"** means the board of directors of Eagle Plains;

**"Broadridge"** means Broadridge Financial Solutions Inc.;

**"Business Day"** means a day which is not a Saturday, Sunday or statutory holiday;

**"Butterfly Proportion"** means the fraction  $A \div B$  where:

- A. is the net fair market value of the Spin-Off Assets to be transferred by Eagle Plains to Eagle Royalties, determined immediately before such transfer; and

- B. is the net fair market value of all property owned by Eagle Plains immediately before the transfer of the Spin-Off Assets to Eagle Royalties;

**"Change in Recommendation"** means the occurrence of any of the following, prior to the Meeting:

- (i) the board of directors of Eagle Plains and Eagle Royalties failing to recommend or withdrawing, amending, modifying, or qualifying in a manner that has substantially the same effect as failing to recommend the Arrangement Resolution and the Eagle Royalties Resolution, respectively, or publicly proposing or stating an intention to do the foregoing; or
- (ii) the board of directors of Eagle Plains or Eagle Royalties accepting or approving or publicly proposing to accept or approve an Acquisition Proposal or taking no position or remaining neutral with respect to any Acquisition Proposal;

**"Circular"** means this management information circular dated March 17, 2023;

**"Concurrent Financing"** means the equity financing to be conducted by 138 prior to the Effective Date, as more particularly described in the Amalgamation Agreement;

**"Concurrent Financing Securities"** means common shares, warrants, units or subscription receipts issued by 138 pursuant to a private placement, for gross aggregate proceeds of at least \$3,000,000;

**"Constating Documents"** of a corporation means the articles of incorporation and the bylaws and all amendments to such articles or bylaws;

**"Court"** means the Court of King's Bench in the Province of Alberta;

**"CSE"** means the Canadian Securities Exchange;

**"Depository"** means TSX Trust Company;

**"Dissent Rights"** means the right of dissent provided for in Section 5.1 of the Plan of Arrangement;

**"Dissenting Shareholders"** means the registered holders of Eagle Plains Shares who exercise, and do not prior to the Effective Date withdraw or otherwise relinquish the Dissent Rights;

**"Dissenting Shares"** means the Eagle Plains Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

**"DRS Statement"** means a direct registration system statement evidencing ownership of shares;

**"Eagle Plains"** means Eagle Plains Resources Ltd., a corporation incorporated under the ABCA, whose Common Shares are listed on the TSXV;

**"Eagle Plains Butterfly Shares"** means the new series of preferred shares that Eagle Plains will create and issue and for which the Eagle Plains Class A Shares are, in part, to be exchanged under the Plan of Arrangement;

**"Eagle Plains Class A Shares"** means the Eagle Plains Shares as renamed and redesignated as Class A Common Shares under the Arrangement;

**"Eagle Plains New Shares"** means a new class of Common Shares without par value which Eagle Plains will create and issue and for which the Eagle Plains Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which will, immediately after completion of the transactions comprising the Plan of Arrangement, be identical in every relevant respect to the Eagle Plains Shares;

**"Eagle Plains Note"** the promissory note by Eagle Plains for the purchase of all of the Eagle Plains Butterfly Shares held by Eagle Royalties;

**"Eagle Plains Optionholders"** or **"Optionholders"** means the holders of Eagle Plains Options;

**"Eagle Plains Options"** or **"Options"** means Eagle Plains share purchase options issued pursuant to the Eagle Plains Stock Option Plan which are outstanding on the Effective Date;

**"Eagle Plains Commitment"** means the covenant of Eagle Plains described in Arrangement Agreement to issue Eagle Plains New Shares and to deliver Eagle Royalties Shares to the holders of Eagle Plains Stock Options or Eagle Plains Warrants which are outstanding as of the Effective Date, and to pay to Eagle Royalties its share of the exercise price, upon the exercise of such securities;

**"Eagle Plains Securities"** or **"Securities"** means, collectively, the Eagle Plains Shares, Eagle Plains Options and Eagle Plains Warrants;

**"Eagle Plains Securityholders"** or **"Securityholders"** means, collectively, the Eagle Plains Shareholders, Eagle Plains Optionholders and Eagle Plains Warrantholders;

**"Eagle Plains Shareholders"** or **"Shareholders"** means the shareholders of Eagle Plains;

**"Eagle Plains Shares"** means the Common Shares without par value which Eagle Plains is authorized to issue as the same are constituted on the date of this Circular;

**"Eagle Plains Stock Option Plan"** means the stock option plan of Eagle Plains;

**"Eagle Plains Voting and Support Agreements"** means the voting and support agreements entered into by certain Eagle Plains Securityholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Eagle Plains Securities in favour of the Arrangement Resolution;

**"Eagle Plains Warrantholders"** or **"Warrantholders"** means the holders of Eagle Plains Warrants;

**"Eagle Plains Warrants"** or **"Warrants"** means Eagle Plains share purchase warrants issued prior to, and which are outstanding on, the Effective Date;

**"Eagle Royalties"** means Eagle Royalties Ltd., a corporation incorporated under the ABCA and a wholly-owned subsidiary of Eagle Plains;

**"Eagle Royalties Commitment"** means the covenant of Eagle Royalties to issue Eagle Royalties Shares to the holders of Eagle Plains Stock Options or Eagle Plains Warrants which

are outstanding as of the Effective Date and are entitled pursuant to the corporate reorganization provisions thereof to receive Eagle Plains New Shares and Eagle Royalties Shares;

**"Eagle Royalties Note"** means the promissory note issued by Eagle Royalties for the purchase of all of the Eagle Royalties Reorganization Shares held by Eagle Plains;

**"Eagle Royalties Reorganization Shares"** means the new series of preferred shares which Eagle Royalties will create and issue and for which the Spin-Off Assets are, in part, to be exchanged under the Plan of Arrangement;

**"Eagle Royalties Resolution"** means the unanimous written consent resolution of Eagle Plains, as sole shareholder of Eagle Royalties, to approve, among other things, the Amalgamation;

**"Eagle Royalties Shareholders"** means the shareholders of Eagle Royalties;

**"Eagle Royalties Shares"** means the Common Shares without par value which Eagle Royalties is authorized to issue on the date hereof;

**"Effective Date"** means the date upon which the Amalgamation becomes effective;

**"Effective Time"** means 12.01 a.m. (Mountain Time) on the date the Arrangement becomes effective;

**"Final Order"** means the final order of the Court, after being informed of the intention to rely upon the Section 3(a)(10) Exemption in connection with the issuance of 3(a)(10) Securities to U.S. Shareholders, approving the Arrangement;

**"Governmental Authority"** means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;

**"IFRS"** means International Financial Reporting Standards;

**"IIROC"** means the Investment Industry Regulatory Organization of Canada;

**"Interested party"** means an interested party within the meaning of MI 61-101;

**"Interim Order"** means the interim order of the Court, after being informed of the intention to rely upon the Section 3(a)(10) Exemption in connection with the issuance of 3(a)(10) Securities to U.S. Shareholders, dated March 17, 2023 providing for, among other things, the calling and holding of the Meeting, a copy of which Interim Order is set out as Appendix D to this Circular;

**"KPMG"** means KPMG LLP;

**"Laws"** means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority;

**"Listing Date"** means the date the Amalco Shares are listed on the CSE;

**"Matching Period"** means at least five Business Days must have elapsed from the date on which 138 received the Superior Proposal Notice;

**"Material Adverse Change" or "Material Adverse Effect"** means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from:

- (i) the public announcement of the Transaction;
- (ii) any change in general economic, business, regulatory, political, financial, capital or credit market conditions in Canada;
- (iii) any change that generally affects any industry in which the Person or any of its subsidiaries operates;
- (iv) any change arising in connection with earthquakes, natural disasters, epidemics and pandemics, or material worsening of any such epidemics and pandemics, hostilities, acts of war, sabotage or terrorism, or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage, or terrorism or military actions existing as of the date hereof; and
- (v) any changes in IFRS or applicable accounting rules,

except in the case of the foregoing clauses (i), (ii), (iii), (iv) and (v) for any such change, event, occurrence, effect, state of facts or circumstance that materially and disproportionately affects either Eagle Royalties, Eagle Plains or 138 and their respective subsidiaries taken as a whole as compared to other participants in the industry in which Eagle Royalties, Eagle Plains, or 138 participates;

**"Meeting"** means the special meeting of the Eagle Plains Securityholders and includes any adjournment or postponement thereof;

**"MI 61-101"** means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

**"McQuesten Project"** means the drilling project conducted by Banyan Gold Corp. in Yukon Territory;

**"NI 54-101"** means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

**"Notice of Meeting"** means the Notice of Special Meeting of Securityholders in respect of the Meeting;

**"Notice of Originating Application"** means the written notice that an originating application has been filed with the Court on behalf of Eagle Plains with respect the Arrangement;

**"Notification of Notice-and-Access"** means the notice indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Securityholder can access them or obtain a paper copy of those materials.

**"Person"** includes an individual, sole proprietorship, corporation, company, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;

**"Plan of Arrangement"** means the plan of arrangement attached as Exhibit "B" to the Arrangement Agreement, and any amendments or variations thereto;

**"Record Date"** means March 17, 2023;

**"Registered Securityholders"** means Eagle Plains Securityholders who hold their Securities directly in their own name;

**"Registered Shareholders"** means Eagle Plains Shareholders who hold their shares directly;

**"Registration Statement"** means the statement issued by the Registrar in accordance with the ABCA in respect of the Articles of Arrangement;

**"Registrar"** means the Registrar of Corporations under the ABCA;

**"Representatives"** means, with respect to any Person, any officer, director, employee, representative (including financial, legal, or other advisor), or agent of such Person or any of its subsidiaries;

**"Requisite Securityholder Approval"** means, subject to further order of the Court, be approved by at least: (a) two-thirds of the votes cast by the Securityholders either in person or represented by proxy at the Meeting, voting as a single class; and (b) a majority of the votes cast on the Arrangement Resolution by the Securityholders either in person or represented by proxy at the Meeting, voting separately as a class, after excluding the votes cast by those persons whose votes must be excluded in accordance with MI 61-101;

**"Resulting Issuer"** means Amalco upon the listing of the Amalco Shares on the CSE;

**"Resulting Issuer Shares"** means the Common Shares in the capital of the Resulting Issuer;

**"Section 3(a)(10) Exemption"** means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof;

**"Spin-Off Assets"** means a majority of the royalty interests held by Eagle Plains which are to be transferred to Eagle Royalties pursuant to the Arrangement, as more particularly described in Exhibit "A" to the Arrangement Agreement;

**"Spin-Off Transaction"** means the transaction that will result in the transfer of the Spin-Off Assets from Eagle Plains to Eagle Royalties and which will be effected by the Arrangement;

**"Spin-Off Assets FMV"** means the fair market value of the Spin-Off Assets as determined by reference to Sections 2.6 and 2.7 of the Arrangement Agreement;



**"Superior Proposal"** means any *bona fide* written Acquisition Proposal: (i) to acquire not less than all of the outstanding Eagle Royalties Shares or all or substantially all of the assets of Eagle Royalties, following completion of the Arrangement, on a consolidated basis; (ii) that complies with Applicable Laws; (iii) to the extent it offers cash consideration, for which the financing has been demonstrated to be available to the reasonable satisfaction of the board of directors of Eagle Royalties; (iv) that is not subject to any due diligence and/or access condition; and (v) that the board of directors of Eagle Royalties determines in good faith (after receiving the advice of its outside legal counsel with respect to the board of directors of Eagle Royalties fiduciary duties and its financial advisors), taking into account all legal, financial, regulatory (including with respect to the *Competition Act* (Canada), as amended, to the extent applicable) and other aspects of such proposal considered appropriate by the board of directors of Eagle Royalties:

- (i) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; and
- (ii) would, if consummated in accordance with its terms and taking into account the completion risks as referred to in clause (a) above, result in a transaction that is more favourable from a financial point of view to Eagle Plains Securityholders and the Eagle Royalties Shareholder than the transaction contemplated by the Amalgamation Agreement;

**"Superior Proposal Notice"** means a written notice provided to 138 of the determination of the Board of Eagle Royalties or Eagle Plains, as applicable, that an Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board of Eagle Royalties or Eagle Plains, as applicable, to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the board of directors of Eagle Royalties or Eagle Plains, as applicable, regarding the value and financial terms as well as a copy of any draft agreement in respect thereof that the Board of Eagle Royalties or Eagle Plains, as applicable, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal;

**"Tax Act"** means the *Income Tax Act* (Canada), as amended;

**"Transaction"** means collectively, the Spin-Off Transaction pursuant to the Arrangement and the Amalgamation;

**"Transfer Agent"** means TSX Trust Company;

**"TSX Trust"** means TSX Trust Company;

**"TSXV"** means the TSX Venture Exchange Inc.;

**"United States"** or **"U.S."** means the United States of America;

**"U.S. Exchange Act"** means the United States *Securities Exchange Act of 1934*, as amended;

**"U.S. Person"** means a U.S. person as defined in Rule 902(k) under Regulation S under the U.S. Securities Act, including, but not limited to, any natural person resident in the United States;

**"U.S. Securities Act"** means the United States *Securities Act of 1933* and the rules, regulations and orders promulgated thereunder, as amended;

**"U.S. Shareholder"** means a Shareholder who is, at the Effective Time, either in the United States or a U.S. Person;

**"Voting and Support Agreements"** means, collectively, the 138 Voting and Support Agreements and the Eagle Plains Voting and Support Agreements; and

**"Voting Instruction Form"** or **"VIF"** means a voting instruction form or similar form.

## **MANAGEMENT INFORMATION CIRCULAR**

### **Introductory Information**

For the meaning assigned to certain capitalized terms in this Circular, please see "*Glossary of Terms*" in the Circular. Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information in this Circular has been presented in accordance with IFRS.

**This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Eagle Plains for use at the Meeting of the Eagle Plains Securityholders and any adjournment or postponement thereof. No person, other than the management of Eagle Plains, has been authorized to give any information or make any representation in connection with the Transaction or any matters to be considered at the Meeting and, if given or made, such information or representation must not be relied upon as having been authorized by Eagle Plains.**

**Eagle Plains Securityholders should not construe the contents of this Circular as constituting legal, tax or financial advice with respect to the matters described in this Circular and are instead encouraged to consult with their own legal, tax, financial and other professional advisors if they have any questions or concerns.**

**The information concerning Eagle Royalties and 138 has been provided by Eagle Royalties and 138, respectively. Although Eagle Plains has no knowledge that would indicate that any of the information provided is untrue or incomplete, Eagle Plains does not assume any responsibility for the accuracy or completeness of such information or the failure by Eagle Royalties or 138 to disclose events which may have occurred or may affect the completeness or accuracy of such information.**

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation. The delivery of this Circular will not, under any circumstances, create an implication that there has been no change in the information set forth in this Circular since the date as of which such information is given in this Circular.

This Circular is dated March 17, 2023 and all information contained in this Circular is given as of such date unless otherwise specifically stated.

All summaries of, and references to the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement which is attached as Appendix B to this Circular, and the complete text of the Plan of Arrangement, a copy of which is attached as Exhibit "B" to the Arrangement Agreement. All summaries of, and references to, the Amalgamation in this Circular are qualified in their entirety by reference to the complete text of the Amalgamation Agreement, which is attached as Appendix C to this Circular. **Readers are urged to carefully read the full text of this Circular, the Arrangement Agreement, Plan of Arrangement, and the Amalgamation Agreement.**

### **Forward-Looking Statements**

This Circular contains forward-looking statements within the meaning of Applicable Securities Laws and under the United States *Private Securities Litigation Reform Act of 1995*. All

statements other than statements of historical fact contained in this Circular are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving Eagle Plains or Eagle Royalties. Eagle Plains has tried to identify these forward-looking statements by using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or similar words or phrases in their negatives. Forward-looking statements necessarily involve known and unknown risks and uncertainties that may cause Eagle Plains' and Eagle Royalties' actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties include, among other things: the ability of the parties to complete the proposed Transaction at all or in a timely manner; the ability of Amalco to be listed on the CSE and, following such listing, the Resulting Issuer's ability to meet the continued listing requirements of the CSE; the ability of each of Eagle Plains, Eagle Royalties and 138 to successfully secure all of the necessary approvals to complete the proposed Transaction; the ability of 138 to successfully raise the capital as contemplated in the Amalgamation Agreement; the completion of satisfactory due diligence by 138 in relation to the proposed Transaction; the satisfactory fulfilment of all of the conditions precedent prior to giving effect to the proposed Transaction; and the receipt of all required securityholder approval, court approval and other regulatory approvals in respect of the proposed Transaction. There can be no assurance that such expectations will prove to be correct. Although Eagle Plains has attempted to identify important factors that could cause actual results to vary materially from expectations, there may be other factors that cause results to differ from those anticipated, estimated or intended. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, please see the risk factors discussed under the heading "*Risk Factors*" in this Circular.

All forward-looking statements speak only as of the date of this Circular or, in the case of any document incorporated by reference, the date of that document. Except as required by Applicable Laws, Eagle Plains does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this Circular. Readers are cautioned against attributing undue certainty to forward-looking statements.

### **Information for United States Securityholders**

**THE ARRANGEMENT AND THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED ON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The 3(a)(10) Securities to be issued to U.S. Shareholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act, and are being issued and exchanged or accomplished in reliance on the Section 3(a)(10) Exemption on the basis of the approval of the Court, and similar exemptions from registration under applicable state securities laws. The Section 3(a)(10) Exemption exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement

of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on March 17, 2023, and, subject to the approval of the Arrangement by the Securityholders, a hearing of the application for the Final Order will be held on Thursday, April 27, 2023 at 2:00 p.m. (Mountain Time) before a Justice of the Court, at the Edmonton Law Courts *via* Cisco Webex<sup>®</sup>, or the earliest available date thereafter. All Eagle Plains Securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the Section 3(a)(10) Exemption with respect to the issuance of the 3(a)(10) Securities pursuant to the Arrangement. Prior to the hearing of the application for the Final Order, the Court will be informed of this effect of the Final Order.

The Section 3(a)(10) Exemption does not exempt the issuance of securities issued upon the exercise of previously issued securities or securities that were issued pursuant to the Section 3(a)(10) Exemption. Therefore, the securities issuable upon the exercise of the Eagle Plains Warrants or Eagle Plains Options following the Effective Date may not be issued in reliance upon the Section 3(a)(10) Exemption and may be exercised only pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The 3(a)(10) Securities to be issued under the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Eagle Plains or Eagle Royalties, as applicable, after the Effective Date, or were "affiliates" of Eagle Plains or Eagle Royalties, as applicable, within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such 3(a)(10) Securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

The Amalgamation involves the distribution of Amalco Shares to the shareholders of Eagle Royalties in the United States in exchange for their Eagle Royalties Shares. The Amalco Shares to be issued to such securityholders pursuant to the Amalgamation have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are only being issued in the United States in reliance on the exemption from registration set forth in Rule 802 under the U.S. Securities Act and similar exemptions provided under the securities laws of each applicable state of the United States. Rule 802 under the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for securities of a foreign subject company where:

- the subject company is a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act;
- the shareholders of Eagle Royalties and 138 in the United States, in the aggregate, hold no more than 10 percent (10%) of the Amalco Shares immediately after the closing of the Amalgamation;

- the shareholders of Eagle Royalties in the United States participate in the Amalgamation on terms at least as favourable as those offered to any other holder of the subject securities;
- if an informational document in connection with the Amalgamation is published or disseminated to shareholders in the United States, complying with the disclosure requirements set forth in Rule 802 under the U.S. Securities Act, on a comparable basis to that provided to holders of the subject securities in the foreign subject company's home jurisdiction; and
- the informational document, including any amendments thereto, is furnished to the United States Securities and Exchange Commission on Form CB together with a Form F-X to appoint an agent for service of process in the United States.

The Amalco Shares to be issued pursuant to the Amalgamation will be unregistered "restricted securities" within the meaning of Rule 144 to the same extent and proportion that the securities exchanged by Eagle Royalties Shareholders in the United States pursuant to the Amalgamation were restricted securities.

Eagle Plains is a corporation organized under the laws of the Province of Alberta. The solicitation of proxies for the Meeting and the transactions contemplated in this Circular are not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitation of proxies and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate laws and Applicable Securities Laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Securityholders in the United States should be aware that Canadian corporate laws and Applicable Securities Laws and disclosure requirements are different from United States corporate and securities laws and disclosure requirements applicable to proxy statements under the U.S. Exchange Act.

Certain financial statements and information included or incorporated by reference herein have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles and United States auditing and auditor independence standards.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Eagle Plains and Eagle Royalties are incorporated outside of the United States, all of their officers and directors and the experts named herein may be residents of a country other than the United States, and all or a substantial portion of the assets of Eagle Plains and Eagle Royalties and said persons are located outside the United States. As a result, it may be difficult or impossible for U.S. Shareholders to effect service of process within the United States upon Eagle Plains or Eagle Royalties, their respective directors or officers, or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, U.S. Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

Securityholders should be aware that the transactions contemplated herein may have tax consequences both in Canada and in the United States. Securityholders who are subject to United States federal taxation should note that the United States tax consequences that may apply to them for participating in the Arrangement are not described in this Circular. Certain information concerning the Canadian tax consequences of the Arrangement for Securityholders resident in the United States is set forth under the heading "*Income Tax Considerations*" in this Circular, but such consequences may not be described fully in this Circular. **All Securityholders should consult with their legal, tax, financial and accounting advisors to determine the tax consequences to them resulting from the transactions contemplated by the Arrangement.**

## **FAQ RELATED TO THE MEETING AND THE TRANSACTION**

### **FAQs Related to the Meeting**

#### ***Q: When and where is the Meeting?***

The Meeting will be held in person at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia V1C 2R7 on Wednesday, April 26, 2023, commencing at 9:00 a.m. (Mountain Time).

#### ***Q: What am I voting on?***

At the Meeting, you will be asked to consider and, if deemed advisable, to vote on the Arrangement Resolution approving the Arrangement. If the Arrangement Resolution receives the requisite number of votes: (i) Eagle Plains Shareholders will exchange each of their Eagle Plains Shares for one Eagle Plains New Share and one-third (1/3) of an Eagle Royalties Share and (ii) Eagle Plains will transfer the Spin-Off Assets to Eagle Royalties. At the time of printing this Circular, Eagle Plains does not know of any new matter that is expected to come before the Meeting, other than the vote on the Arrangement Resolution. The full text of the Arrangement Resolution is set forth in Appendix A to this Circular.

#### ***Q: What is the quorum for the Meeting?***

Pursuant to the Interim Order and the bylaws of Eagle Plains, the quorum required at the Meeting will be at least one Shareholder present at the Meeting, or represented by proxy, and holding or representing at least 5% of the Eagle Plains Shares entitled to be voted at the Meeting.

#### ***Q: Does the Board support the Arrangement?***

Yes. The Board, following receipt of advice from its legal counsel, McLeod Law LLP, and having undertaken a thorough review of, and having carefully considered the Arrangement, the terms of the Arrangement Agreement and such other matters as it considered necessary or appropriate, including the factors and risks described under the heading "*Risk Factors*" and elsewhere in this Circular, has unanimously: (a) determined that the Arrangement is fair, from a financial point of view, to the Securityholders; (b) determined that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Eagle Plains; and (c) resolved to recommend that Securityholders vote FOR of the Arrangement Resolution.

**Accordingly, the Board unanimously recommends that Securityholders vote FOR the Arrangement Resolution.**

#### ***Q: Have any significant Securityholders agreed to vote in favour of the Arrangement Resolution?***

Yes. Eagle Plains has received written support from several Securityholders (including all of its directors and officers). The supporting Securityholders collectively hold approximately 25% of the total issued and outstanding Eagle Plains Shares, 75% of the total issued and outstanding Eagle Plains Options and 44% of the total issued and outstanding Eagle Plains Warrants.



**Q: Who is soliciting my proxy?**

The management of Eagle Plains will be soliciting proxies on behalf of Eagle Plains. Securityholders who have any questions or need assistance completing their form of proxy should contact TSX Trust by telephone at 416-368-2502 (North American Toll Free) or 1-866-781-3111 (Outside North America), or by email at proxyvote@tmx.com. Beneficial Shareholders who have received a VIF or similar form from Broadridge must deposit their completed VIF with Broadridge by mail or facsimile at the address or facsimile number noted thereon.

**Q: Who is entitled to vote on the Arrangement Resolution at the Meeting?**

Only Securityholders whose names have been entered in the register of Shareholders, Optionholders, or Warrantholders, as the case may be, at the close of business on the Record Date will be entitled to receive notice of and to vote either in person or by proxy at the Meeting.

**Q: How many Eagle Plains Securities are entitled to vote?**

As of the Record Date, 110,465,727 Eagle Plains Shares, 10,962,000 Eagle Plains Options, and 5,311,529 Eagle Plains Warrants were issued and outstanding. Each Eagle Plains Share, Eagle Plains Option, and Eagle Plains Warrant confers the right to one vote on the Arrangement Resolution.

**Q: What is the Requisite Securityholder Approval?**

The Arrangement Resolution must, subject to further order of the Court, be approved by at least: (a) two-thirds of the votes cast by the Securityholders either in person or represented by proxy at the Meeting, voting as a single class and (b) a majority of the votes cast on the Arrangement Resolution by the Securityholders either in person or represented by proxy at the Meeting, each voting separately as a class, after excluding the votes cast by those persons whose votes must be excluded in accordance with MI 61-101. Please see "*Other Information Relating to the Arrangement – Securityholder Approval*" in this Circular.

**Q: How do I vote?**

Registered Securityholders may attend the Meeting and vote in person at the Meeting. Alternatively, Registered Securityholders who do not wish to attend the Meeting in person may vote by proxy in accordance with the instructions on the form of proxy provided to them.

Beneficial Shareholders will receive a VIF with this Circular and may give their voting instructions to their intermediary (*i.e.*, their broker, investment dealer, trust company or other intermediary or nominee) in accordance with the instructions on the VIF provided to them.

Please see "*Voting and Proxy Information*" in this Circular for more information on how you may vote. If you have any questions or need assistance completing your form of proxy, please contact TSX Trust at 416-368-2502 (North American Toll Free) or 1-866-781-3111 (Outside North America), or by email at proxyvote@tmx.com.

## **FAQs Related to the Transaction**

### ***Q: What is the result of the Transaction?***

Generally speaking, the Transaction involves two main steps: (i) the transfer of the Spin-Off Assets from Eagle Plains to Eagle Royalties and the issuance of Eagle Royalties Shares to Eagle Plains Shareholders and Eagle Plains, pursuant to the Arrangement Agreement, and (ii) the amalgamation of 138 and Eagle Royalties to form Amalco, the shares of which are expected to be listed on the CSE, pursuant to the Amalgamation Agreement.

### ***Q: Am I voting on the Amalgamation?***

No. Eagle Plains, as the sole shareholder of Eagle Royalties, will approve the Amalgamation and the Amalgamation Agreement. However, note that the consummation of the Amalgamation, which is the second step of the Transaction, is conditional upon, among other things, obtaining Requisite Securityholder Approval of the Arrangement Resolution.

### ***Q: How many Eagle Royalties Shares will I own after the Amalgamation?***

Eagle Royalties Shareholders and 138 Shareholders immediately before the Amalgamation will, pursuant to the Amalgamation Agreement, exchange their Eagle Royalties Shares or 138 Shares, as the case may be, for Amalco Shares on a 1:1 basis.

### ***Q: How will my Eagle Plains Options or Eagle Plains Warrants be treated?***

Immediately following the Arrangement, each outstanding Eagle Plains Warrant and vested Eagle Plains Option, if exercised by the holder prior to the expiry of such options or warrants, will entitle the holder to receive one (1) Eagle Plains New Share and one-third (1/3) of an Eagle Royalties Share (or of an Amalco Share, as the case may be).

### ***Q: Can I exercise my Eagle Plains Options or Eagle Plains Warrants before the Arrangement?***

Yes. The Eagle Plains Shares you receive upon the exercise of Eagle Plains Options or Eagle Plains Warrants prior to the Arrangement will be exchanged under the terms of the Transaction.

If you exercise your Eagle Plains Options or Eagle Plains Warrants before the Arrangement is completed and the Transaction is not consummated, you will only receive the Eagle Plains Shares.

### ***Q: When will the Transaction be completed?***

If all of the necessary conditions to the Arrangement and the conditions to the Amalgamation are satisfied or waived, Eagle Plains expects the Effective Date to be on or about April 28, 2023. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order or delays in receiving any approvals from Governmental Authorities.

### ***Q: What will happen to Eagle Royalties if the Arrangement is completed?***

Following the completion of the Arrangement, Eagle Royalties will cease to be a wholly-owned subsidiary of Eagle Plains.

**Q: What will happen if the Transaction is not completed?**

The completion of the Transaction is subject to, among other things, the satisfaction or waiver of certain closing conditions set out in the Arrangement Agreement and the Amalgamation Agreement. Failure to complete the Transaction could negatively impact the price of Eagle Plains Shares and the future business and operations of Eagle Plains.

**Q: What approvals are required for the Arrangement to become effective?**

Completion of the Arrangement is subject to, among other things, receipt of: (a) the Requisite Securityholder Approval; and (b) Court approval. Please see "*Other Information Relating to the Arrangement – Procedure for the Arrangement to Become Effective*" in this Circular.

**Q: How is the number of Eagle Royalties Shares I will receive calculated?**

Pursuant to the Plan of Arrangement, each Eagle Plains Share will be exchanged for one (1) Eagle Plains New Share and one-third (1/3) of an Eagle Royalties Share. The number of Eagle Royalties Shares received by Eagle Plains Shareholders pursuant to the Arrangement is based upon the net fair market value of the Spin-Off Assets relative to the net fair market value of all property owned by Eagle Plains immediately before the transfer of the Spin-Off Assets to Eagle Royalties.

**Q: What will I have to do as a Shareholder to receive the Eagle Plains New Shares and Eagle Royalties Shares for my Eagle Plains Securities?**

Pursuant to the Arrangement Agreement: (i) the share certificates representing Eagle Plains Shares will be deemed to represent Eagle Plains New Shares and (ii) the Eagle Royalties shares issued to Eagle Plains Shareholders will be held in trust by the Depository for the benefit of such Eagle Plains Shareholders until such shares are exchanged for Amalco Shares pursuant to the Amalgamation Agreement.

**No action is required on the part of Eagle Plains Shareholders to effect the foregoing.**

**Q: Am I entitled to Dissent Rights?**

You are entitled to Dissent Rights if you are a Registered Shareholder. Registered Shareholders who validly exercise their Dissent Rights will be entitled to be paid by Eagle Plains the fair value of their Eagle Plains Shares in respect of which the holder dissents.

Beneficial Shareholders who wish to exercise Dissent Rights should be aware that they may only do so through the Registered Shareholder of such Eagle Plains Shares and should contact their intermediary to make appropriate arrangements.

Failure to strictly adhere to the procedures established by Section 191 of the ABCA, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of Dissent Rights. **Accordingly, Dissenting Shareholders who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out in Appendix E to this Circular, as modified by the terms of the Plan of Arrangement and the Interim Order, and consult their own legal advisor.** Please see "*Dissent Rights*" in this Circular.

***Q: What are the tax consequences to Securityholders?***

This Circular contains a summary of certain income tax considerations generally applicable to certain Securityholders who, under the Transaction, dispose of one or more of the applicable securities. **Securityholders should consult their own tax advisors for advice with respect to the income tax consequences to them in respect of the Transaction.** Please see "*Income Tax Considerations*" in this Circular.

***Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?***

The Arrangement involves various risks. Securityholders should carefully consider the risk factors described in this Circular in evaluating whether to approve the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive. Such risk factors should be considered in conjunction with the other information included in this Circular, including the documents filed by Eagle Plains pursuant to Applicable Securities Laws from time to time. Please see "*Risk Factors*" in this Circular.

## **SUMMARY**

*The following is a summary of certain information contained elsewhere in this Circular, including the appendices attached hereto, which are incorporated into and form part of this Circular. Certain capitalized words and terms used in this summary are defined in the Glossary of Terms. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Circular and the appendices attached hereto.*

### **The Meeting**

The Meeting will be held at Suite 200, 44 - 12th Avenue South, Cranbrook, British Columbia V1C 2R7 on Wednesday, April 26, 2023, commencing at 9:00 a.m. (Mountain Time).

The Meeting has been called to consider and, if thought advisable, to vote on the Arrangement Resolution.

### **Record Date**

Eagle Plains has fixed March 17, 2023 as the record date for determining the Securityholders entitled to receive notice of and vote at the Meeting.

### **The Arrangement**

Pursuant to the Arrangement Agreement between Eagle Plains and Eagle Royalties, following a reorganization of the capital of Eagle Plains: (i) Eagle Plains will subscribe for Eagle Royalties Shares; (ii) Eagle Plains Shareholders will exchange certain shares of Eagle Plains for Eagle Royalties Shares on a 1:3 basis; and (iii) Eagle Plains will transfer the Spin-Off Assets to Eagle Royalties. Upon completion of the Arrangement, Eagle Royalties will cease being a wholly-owned subsidiary of Eagle Plains.

### **Recommendation and Approval of Board of Directors**

The Board unanimously recommends that the Securityholders vote FOR the Arrangement Resolution.

### **Reasons for the Transaction**

The decision to proceed with the Transaction was based on the following primary determinations:

1. Eagle Plains' historical, recent and present focus has primarily been the development of its base and precious metals exploration properties in Canada. The royalties that Eagle Plains has acquired over the years have been notably absent of recognition as an asset.
2. The Spin-Off Transaction will give current Eagle Plains Securityholders an interest in a company focused on the development of the Spin-Off Assets and a continuing interest in a more aggressive pure exploration company that will continue to search for base-precious metal deposits and that will pursue the grassroots exploration of these properties as well as the acquisition of new properties.

Please see "*The Transaction - Reasons for the Transaction*" in this Circular.

## **Conduct of Meeting and Securityholder Approval**

The Interim Order provides that, in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by: (i) at least two-thirds (2/3) of the eligible votes cast with respect to the Arrangement Resolution by Eagle Plains Securityholders voting as a single class, present in person or by proxy at the Meeting and (ii) a majority of the votes cast at the Meeting, either in person or by proxy by each class of the Securityholders, each voting separately as a class, after excluding the votes of persons whose votes must be excluded in accordance with MI 61-101. Please see "*The Transaction – Securityholder Approval*" in this Circular.

If the Arrangement Resolution is not passed by an adequate majority of eligible votes at the Meeting, the Arrangement will not be completed, and Eagle Plains will continue to hold and manage the Spin-Off Assets in the same manner as it presently does. Eagle Royalties will continue as a private company, remaining a wholly-owned subsidiary of Eagle Plains.

## **Court Approval**

A plan of arrangement under the ABCA requires court approval. Prior to the mailing of this Circular, Eagle Plains obtained an Interim Order which is attached as Appendix D to this Circular. The Interim Order, among other things, provides for the calling and holding of the Meeting and for a further hearing for the Final Order. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. As set forth in the Interim Order, the hearing in respect of the Final Order is scheduled to take place before the Court on Thursday, April 27, 2023, at 2:00 p.m. (Mountain Time) before a Justice of the Court, at the Edmonton Law Courts *via* Cisco Webex<sup>®</sup>, or the earliest available date thereafter, subject to the adoption of the Plan of Arrangement by Eagle Plains' Securityholders at the Meeting.

The authority of the Court is very broad under the ABCA. Eagle Plains has been advised by its counsel that the Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with any terms and conditions, if any, as the Court deems fit. The Final Order is required for the Arrangement to become effective, and prior to the hearing on the Final Order, the Court will be informed that the Final Order will also constitute the basis for the Section 3(a)(10) Exemption under the U.S. Securities Act with respect to the 3(a)(10) Securities to be issued pursuant to the Arrangement. It is presently contemplated that the Effective Date will be on or about April 28, 2023. In the event that the hearing is adjourned, then subject to further order of the Court, only those persons having previously filed and delivered an appearance will be given notice of the adjournment.

## **Income Tax Considerations**

Certain income tax considerations applicable to Eagle Plains Securityholders who participate in the Transaction or who dissent from the Arrangement are set out in the summary herein entitled "*Income Tax Considerations*". Tax considerations applicable to U.S. Shareholders have not been included in this Circular. U.S. Shareholders are advised to consult their own tax advisors to determine the particular tax consequences to them of the Transaction.

**Eagle Plains Securityholders should carefully review the tax considerations applicable to them under the Transaction and are urged to consult their own tax advisors in regard to their particular circumstances.**

**Right to Dissent**

The Interim Order provides that registered Eagle Plains Shareholders will have the right to dissent in respect of the Arrangement Resolution as provided in the Plan of Arrangement and Section 191 of the ABCA. If an Eagle Plains Shareholder dissents, they will be entitled to be paid in cash the fair value for their Eagle Plains Shares provided such Dissenting Shareholder: (i) does not vote any of their Eagle Plains Shares in favour of the Arrangement Resolution; (ii) provides to Eagle Plains a written objection to the Arrangement Resolution no later than 5:00 p.m. (Mountain Time) on the second business day prior to the Meeting; and (iii) otherwise complies with the requirements of the Plan of Arrangement and Section 191 of the ABCA. Please see "*Dissent Rights*" in this Circular.

**Stock Exchange Listings**

The Eagle Plains Shares are currently listed and traded on the TSXV and will continue to be listed following completion of the Arrangement. Immediately following the closing of the Transaction, it is expected that the Amalco Shares will be listed and posted for trading on the CSE, subject to CSE approval. However, there is no assurance that such approval will be granted by the CSE.

**Risk Factors**

There are risk factors associated with the Arrangement. Securityholders should carefully consider the risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement Resolution.

Please see "*Risk Factors*" in this Circular.

## **VOTING AND PROXY INFORMATION**

### **Purpose of Solicitation**

This Circular is furnished in connection with the solicitation of proxies by the management of Eagle Plains for use at the Meeting to be held at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia V1C 2R7 on Wednesday, April 26, 2023, commencing at 9:00 a.m. (Mountain Time) or at any adjournment or postponement thereof, for the purposes set out in the accompanying Notice of Meeting.

Although it is expected that the solicitation of proxies will be done primarily by mail, proxies may be solicited personally or by telephone by management of Eagle Plains or by any other means management of Eagle Plains may deem fit. The cost of such solicitation will be borne by Eagle Plains. Securityholders who have any questions or need assistance completing their form of proxy should contact TSX Trust by telephone at 416-368-2502 (North American Toll Free) or 1-866-781-3111 (Outside North America), or by email at proxyvote@tmx.com. Beneficial Shareholders who have received a VIF or similar form from Broadridge must deposit their completed VIF with Broadridge by mail or facsimile at the address or facsimile number noted thereon.

### **Who Can Vote?**

Eagle Plains Securityholders of record at the close of business on the Record Date are entitled to vote in person or by proxy at the Meeting.

### **Matters to Be Voted On**

At the Meeting, Securityholders will be asked to consider and, if deemed advisable, to vote on the Arrangement Resolution, a copy of which is attached to this Circular as Appendix A, and such other matters which may properly come before the Meeting, or at any adjournment or postponement thereof. At the time of printing this Circular, Eagle Plains knows of no other matter expected to come before the Meeting, other than the vote on the Arrangement Resolution.

### **How to Vote**

#### As a Registered Securityholder

##### *Voting in person*

If you plan to attend the Meeting and vote your Securities in person, do not complete the enclosed form of proxy. When you arrive at the Meeting, please register with Eagle Plains' Transfer Agent, and your vote at the Meeting will be counted.

##### *Voting by proxy*

Registered Securityholders will receive a form of proxy with this Circular and may vote by proxy as follows:

<b>By Internet</b>	<ul style="list-style-type: none"> <li>• navigate to meeting-vote.com and follow the instructions;</li> <li>• refer to the 13-digit control number, located on the proxy; and</li> </ul>
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	<ul style="list-style-type: none"> <li>• convey your voting instructions electronically over the internet.</li> </ul>
<b>By Mail</b>	<ul style="list-style-type: none"> <li>• complete, date and sign the proxy in accordance with the instructions on the proxy; and</li> <li>• return the completed proxy in the envelope provided to TSX Trust, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attn: Proxy Dept.</li> </ul>

Please note that if you vote by mail, your proxy must be deposited at the offices of TSX Trust, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attn: Proxy Dept., not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the Meeting or any adjournment or postponement thereof. If you vote by internet, there is no need to mail back the proxy.

#### As a Beneficial Shareholder

**The information set out in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Eagle Plains Shares in their own name.** Only Registered Shareholders whose names appear on the records of Eagle Plains as Registered Shareholders, and duly appointed proxyholders, are permitted to vote at the Meeting. If Eagle Plains Shares are listed in an account statement provided to a Shareholder by an intermediary, such Eagle Plains Shares will likely be registered under the name of the intermediary or an agent of that intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Eagle Plains Shares held by intermediaries or their agents can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, intermediaries or their agents are prohibited from voting shares for clients. Eagle Plains does not know and cannot determine for whose benefit Eagle Plains Shares registered in the name of CDS & Co. are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Eagle Plains Shares are communicated.** Beneficial Shareholders will receive a VIF with this Circular directly from their intermediaries. As a Beneficial Shareholder, you may vote as follows:

#### *Giving your voting instructions to your intermediary*

Applicable regulatory rules require intermediaries to seek voting instructions from Beneficial Shareholders in advance of securityholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Eagle Plains Shares are voted at the Meeting. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically provides a scannable VIF. Beneficial Shareholders are asked to complete and return the completed VIF by mail or facsimile to Broadridge. Alternatively, Beneficial Shareholders may call a toll-free number or go online to proxyvote.com to vote. Eagle Plains may utilize the Broadridge Quickvote™ service to assist Shareholders with voting their shares. Certain Beneficial Shareholders who have not objected to Eagle Plains knowing who they are (non-objecting beneficial owners) may be contacted to conveniently obtain a vote directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Eagle Plains Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a VIF cannot use that VIF to vote Eagle Plains Shares directly at the Meeting. The VIF will not be valid unless it is completed as outlined**

**therein and returned to Broadridge well in advance of the Meeting in accordance with the instructions set out therein in order to have the Eagle Plains Shares voted at the Meeting.**

**Beneficial Shareholders should follow the instructions on the VIF that they receive and contact their intermediaries promptly if they need assistance.**

Pursuant to NI 54-101, Eagle Plains has distributed copies of proxy-related materials in connection with the Meeting (including this Circular) indirectly to all Beneficial Shareholders.

Eagle Plains has agreed to pay the postage for intermediaries to deliver copies of the proxy-related materials and related documents to objecting beneficial owners (who have not otherwise waived their right to receive proxy-related materials).

All Eagle Plains Options and Eagle Plains Warrants are registered in the name of the Optionholder and Warranholder, respectively. As such, none of the Optionholders or Warranholders will receive a VIF as they will receive a form of proxy.

### **Voting of Proxies**

The persons named in the accompanying forms of proxy will vote the Eagle Plains Securities in accordance with the direction of the Securityholder appointing them. **In the absence of such direction, such Eagle Plains Securities will be voted FOR the approval of the Arrangement Resolution. A Securityholder desiring to appoint a person (who need not be a Securityholder) to represent such Securityholder at the Meeting other than the persons designated in the accompanying form of proxy may do so by crossing out the names of the persons designated in the form of proxy and by inserting such person's name in the blank space provided in the applicable form of proxy and returning the completed proxy to TSX Trust, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attn: Proxy Dept., no later than 9:00 a.m. (Mountain Time) on April 24, 2023 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting or the time set for any adjournment or postponement of the Meeting.**

### **Exercise of Discretion of Proxy**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Circular and with respect to other matters that may properly come before the Meeting. At the date of this Circular, management of Eagle Plains knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **Revocation of Proxies**

A Registered Securityholder who has submitted a proxy may revoke it as to any matter upon which a vote has not already been cast, pursuant to the authority conferred by the proxy.

Only Registered Securityholders may revoke a proxy by voting again on the internet or by phone, or by depositing an instrument in writing, executed by the Securityholder or their attorney authorized in writing, or, if the Securityholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for such corporation at the offices of TSX Trust, at any time, not less than 48 hours (excluding Saturdays, Sundays and statutory

holidays) preceding the Meeting or any adjournment or postponement of the Meeting at which the proxy is to be used.

Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the revocation procedures set out above.

### **Notice and Access**

Notice-and-access is a mechanism that allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Requirements* (collectively, the "**Notice-and-Access Provisions**") can be used to deliver materials for both special and annual meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the reporting issuer. In order for Eagle Plains to utilize the Notice-and-Access Provisions to deliver proxy-related materials, Eagle Plains must send a Notification of Notice-and-Access to Securityholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Securityholder can access them or obtain a paper copy of those materials. Upon request, Securityholders are entitled to delivery of a paper copy of the Circular at the reporting issuer's expense. This Circular has been posted in full on Eagle Plains' website at [www.eagleplains.com](http://www.eagleplains.com) and under Eagle Plains' SEDAR profile at [www.sedar.com](http://www.sedar.com).

The requirements for the Notification of Notice-and-Access are that Eagle Plains shall provide basic information about the Meeting and the matters to be voted on, explain how a Securityholder can obtain a paper copy of this Circular, and explain the notice-and-access process. The Notification of Notice-and-Access containing this information has been delivered to Securityholders by Eagle Plains, along with the applicable voting document.

Eagle Plains will not rely upon the use of "stratification". Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its securityholders, along with the Notice of Meeting. In relation to the Meeting, all Securityholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Securityholder will receive a paper copy of this Circular from Eagle Plains or any intermediary unless such Securityholder specifically requests same.

Eagle Plains will be delivering proxy-related materials to NOBOs (as defined in NI 54-101) indirectly through the use of intermediaries. Eagle Plains intends to pay for delivery of materials to OBOs (as defined in NI 54-101). As a result, OBOs will also receive the materials indirectly through the use of intermediaries.

Any Securityholder who wishes to receive a paper copy of this Circular must contact Eagle Plains at Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, V1C 2R7 or by email to [info@eagleplains.com](mailto:info@eagleplains.com). In order to ensure that a paper copy of this Circular can be delivered to a requesting Securityholder in time for such Securityholder to review this Circular and return a proxy or VIF so that it is received not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment or postponement of the Meeting, it is strongly suggested that a Securityholder ensure their

request is received no later than 4:00 p.m. (Mountain Time) on Tuesday, April 18, 2023. All Securityholders may call 1-866 486-8673 in order to obtain additional information about the Notice-and-Access Provisions or to obtain a paper copy of this Circular, up to and including the date of the Meeting, including any adjournment or postponement of the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The only voting securities of Eagle Plains are the Eagle Plains Shares, of which, as at the Record Date, 110,465,727 were issued and outstanding. Each Eagle Plains Share confers the right to one vote on the Arrangement Resolution and any other matters to be considered at the Meeting. As noted earlier, pursuant to the Arrangement, each Eagle Plains Warrant and Eagle Plains Option shall entitle the holder thereof to one vote at the Meeting in respect of the Arrangement Resolution. Warrantheolders and Optionholders shall not be entitled to vote on any new or other matter as may properly be brought before the Meeting. As of the Record Date, there are 5,311,529 Eagle Plains Warrants and 10,962,000 Eagle Plains Options issued and outstanding.

Only Securityholders whose names have been entered in the register of Shareholders, Optionholders or Warrantheolders on the close of business on the Record Date will be entitled to receive the Notice of Meeting and to vote either in person by proxy at the Meeting, except to the extent that:

- (a) a Securityholder transfers any of their Eagle Plains Securities after the Record Date; and
- (b) the transferee of such Eagle Plains Securities produces properly endorsed security certificates or otherwise establishes that they own the Eagle Plains Securities and requests, through Eagle Plains' Transfer Agent at TSX Trust, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attn: Proxy Dept., not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Registered Securityholders entitled to vote either in person or by proxy at the Meeting,

and, in such event, such transferee shall be entitled to vote such Eagle Plains Securities by proxy or in person at the Meeting.

As of the date of this Circular, and to the best of the knowledge of the directors and executive officers of Eagle Plains, no person or company beneficially owns or controls or directs, directly or indirectly, 10% or more of the voting rights attached to the Eagle Plains Shares.

### **THE TRANSACTION**

#### **Overview**

On February 28, 2023, Eagle Plains entered into the Arrangement Agreement with its wholly-owned subsidiary, Eagle Royalties. The Arrangement will be effected pursuant to the Plan of Arrangement as contemplated in Arrangement Agreement. In summary, through a series of steps which will result in a reorganization of the share capital of Eagle Plains, Eagle Plains will transfer the Spin-Off Assets from Eagle Plains to Eagle Royalties. As part of the Spin-Off Transaction, Eagle Royalties plans to issue an aggregate of approximately 42 million Eagle Royalties Shares, of which it is expected that approximately 5.2 million Eagle Royalties Shares will be issued to Eagle Plains and the remaining approximately 36.8 million Eagle Royalties Shares will be distributed to Eagle Plains Shareholders on a 1:3 basis. For the treatment of

Eagle Plains Options and Eagle Plains Warrants, please see "*The Arrangement Agreement - Eagle Plains Options and Warrants*" in this Circular.

The Arrangement Agreement, a copy of which is attached as Appendix B to this Circular, sets out the steps to be taken by the parties to the Arrangement Agreement to implement the Arrangement and to give effect to the Spin-Off Transaction. The Arrangement Agreement contains covenants, representations and warranties of and from each of the parties to the Arrangement Agreement and contains various closing conditions which must be satisfied or waived for the Arrangement to be completed. The steps of the Arrangement are set forth in the Plan of Arrangement which is attached to the Arrangement Agreement as Exhibit "B". Immediately following the completion of the Spin-Off Transaction, Eagle Royalties and 138 shall amalgamate to continue as the corporation "Eagle Royalties Ltd.", pursuant to the terms of the Amalgamation Agreement. The Amalgamation is subject to approval by the shareholder(s) of 138 and Eagle Royalties, respectively. Upon completion of the Amalgamation and subject to approval by the CSE, it is expected that the Amalco Shares will be listed and posted for trading on the CSE. **The description in this Circular of the Arrangement and the Arrangement Agreement and the Amalgamation and the Amalgamation Agreement are qualified in their entirety by reference to the full text of the Plan of Arrangement and the Arrangement Agreement and the Amalgamation Agreement.**

For further details, please see "*The Arrangement Agreement*", "*The Amalgamation Agreement*", *Appendix B - Arrangement Agreement* and *Appendix C - Amalgamation Agreement*" in this Circular.

### **Background to the Transaction**

The terms of the Arrangement are the result of negotiations among Eagle Plains and Eagle Royalties, on one hand and 138 on the other, and their respective legal counsel. The following is a summary of the material events, meetings, negotiations and discussions between the Representatives of Eagle Plains and those of 138 that preceded the execution of the Arrangement Agreement and the public announcement of the Transaction.

Eagle Plains has been actively building a diverse portfolio of royalties since 2010. Over the years, more than 25 individual royalties have been reserved for Eagle Plains on mineral tenures sold to third parties. In addition to these third-party royalties, Eagle Plains owns a 100% interest in various mineral exploration projects throughout western Canada and is positioned to generate royalties on these mineral interests. In late fall of 2021, Eagle Plains' Board and senior management started discussing the creation of a standalone business vehicle to house several of these royalty interests.

On January 21, 2022, Eagle Royalties was incorporated under the laws of the Province of Alberta as a wholly-owned subsidiary of Eagle Plains. Mr. Termuende, President and Chief Executive Officer of Eagle Plains was appointed as a director of Eagle Royalties.

In or around February 2022, senior management of Eagle Plains was contacted by Banyan Gold Corp. (TSXV: BYN) requesting a meeting to discuss the possibility of Eagle Plains selling its royalty interest on claims comprising the McQuesten Project (also known as the AurMac Project) in exchange for common shares of Banyan Gold Corp. Following a conference call between the respective senior management teams of Eagle Plains and Banyan Gold Corp., senior management of Eagle Plains determined that the best course of action was to retain control of the McQuesten Project royalty for the time being. The management team also determined that it would be prudent to investigate a "going public" initiative for Eagle

Royalties. The current and former Board members and management teams of Eagle Plains have, in the past, spun-out several different companies, which had allowed Eagle Plains to extract value for its shareholders. As recently as October 2017, the Board announced the spin-out of Taiga Gold Corp. ("**Taiga Gold**") *via* a plan of arrangement. Around mid-April of 2018, the then-securityholders of Eagle Plains approved the spin-out of Taiga Gold. Following the spin-out, Taiga Gold was an exploration and development company and its principal focus was on the exploration and development of its gold projects located adjacent to the Seabee Gold Operation and along the Tabbernor Fault structure in eastern Saskatchewan. On April 14, 2022, approximately four years after Taiga Gold was spun out, Taiga Gold was acquired by SSR Mining Inc., an arm's-length strategic acquiror, for approximately \$31 million. The acquisition of Taiga Gold in 2022 represented accretive growth for Eagle Plains and its shareholders, as well as for the shareholders of Taiga Gold.

On May 5, 2022, a meeting of the Board was convened where senior management put forward the plan for a potential spin-out of the Spin-Off Assets. At the meeting, the management team of Eagle Plains apprised the Board about methods to extract maximum value from several royalty interests that had formed part of Eagle Plains' overall asset portfolio. Over the years, Eagle Plains had accumulated a significant portfolio of royalty assets in British Columbia, Yukon and Saskatchewan, representing a diverse set of commodities including, but not limited to, gold, silver copper, lead, zinc, rare/critical earth elements ("**REEs**"), uranium, graphite, diamonds and industrial minerals. There was consensus among the Board that Eagle Plains was unable to extract the maximum value for its royalty assets and that Eagle Plains' share price undervalued or failed to recognize the true fair market value of its several royalty interests. As such, the Board agreed with senior management that decoupling the Spin-Off Assets from Eagle Plains' core business could attract a different investor base and ultimately deliver greater value to its Securityholders. So, the Board unanimously approved management's plan and authorized senior management to explore the various possibilities to complete a spin-out of the Spin-Off Assets, including authorizing Tim Termuende to explore, consider and evaluate a wide range of strategic alternatives, including the potential sale or other separation of the Spin-Off Assets from Eagle Plains' core business.

On May 17, 2022, Banyan Gold Corp. announced the presence of a significant gold deposit at the AurMac Project (~4M ounces), and it indicated that a portion of the deposit was on tenures subject to the royalty interest held by Eagle Plains.

On June 29, 2022, Banyan Gold Corp. publicly filed its National Instrument 43-101F1 – Technical Report prepared by JDS Energy & Mining Inc. (the "**Banyan Technical Report**"). The Banyan Technical Report specifically outlined the resource boundaries which enabled Eagle Plains' senior management to more conclusively and accurately assess the location of mineralization and better estimate the potential value of Eagle Plains' royalty on the McQuesten Project.

Between July and August of 2022, Mr. Termuende along with certain members of the management team of Eagle Plains began exploring various strategic opportunities, including the direct sale of the Spin-Off Assets to various strategic royalty purchasers.

On July 7, 2022, Mr. Termuende, accompanied by legal counsel, met with managers of the TSXV at the TSXV office in Calgary, Alberta to discuss the possibility of a public listing of Eagle Royalties on the TSXV and to gather relevant information on the steps necessary to accomplish such a public listing. On July 8, 2022, Mr. Termuende also met with managers of the CSE in Calgary, Alberta to discuss the possibility of a public listing of Eagle Royalties on the CSE and to gather relevant information on required steps to accomplish such a public listing.

Following discussions in Calgary with both TSXV and CSE personnel, it was determined that an independent valuation of the McQuesten Project royalty be initiated. On July 29, 2022, senior management met with the deal advisory and valuation services team at KPMG and provided details surrounding the royalties and in particular, the McQuesten Project royalty. On August 11, 2022, a formal engagement letter was executed by Eagle Plains to formally engage KPMG to proceed with the independent valuation of the McQuesten Project royalty and present a valuation report.

On September 9, 2022, a Board meeting of Eagle Plains was convened to discuss the public listing venues that were available to Eagle Royalties. At that meeting, early discussions occurred surrounding the structure of the transaction to effect the spin-out of Eagle Royalties, the transfer of the Spin-Off Assets from Eagle Plains to Eagle Royalties and the pros and cons of listing on different stock exchanges. The Board enquired about the need to form a special committee, and following the advice of legal counsel, the Board determined that a special committee of the Board was not strictly required in this instance.

On September 15, 2022, management received an unsolicited offer from an arm's-length mid-tier royalty company interested in acquiring specific royalty assets (including the interest in the McQuesten Project). Several meetings occurred between management and the Board regarding the offer and its merits and potential risks. The Board considered the unsolicited offer in light of the fact that the offer was to acquire only a small number of royalties (particularly, the McQuesten Project royalty) relative to Eagle Plains' large royalty portfolio, declining capital markets conditions, rising interest rates, and heightened concerns over commodity prices and execution risk. The Board considered the alternative of pursuing the spin-out of Eagle Royalties and there was a general belief among the Board that doing so could unlock significant value of all of its royalties, including the interest in the McQuesten Project, for the overall benefit of its Securityholders and that there was reduced execution risk relative to a potential third-party asset sale transaction. The Eagle Plains Board and senior management believed that a spin-out transaction could be further de-risked given the experience and success that Eagle Plains' management team has had with prior spin-out opportunities.

On September 21, 2022, KPMG presented senior management with a draft valuation report wherein the McQuesten Project royalty was valued at a range of approximately \$3.94 million to \$4.72 million. The Board reviewed and considered the draft KPMG valuation report and following discussions with senior management, requested that a range of values be estimated by management for the remaining royalties that Eagle Plains planned to transfer to Eagle Royalties. For additional details, please see "*The Transaction - General Overview of Spin-Off Assets*" in this Circular.

On September 26, 2022, a subsequent teleconference meeting took place between the offeror and senior management of Eagle Plains and, following that meeting, the Board concluded that it was in the best interests of Eagle Plains to not respond to the unsolicited offer, and instead proceed with the proposed spin-out of the Spin-Off Assets to Eagle Royalties and the subsequent public listing Eagle Royalties. At that point, under the direction of the Board, Eagle Plains shifted its focus solely to the potential Spin-Off Transaction.

On November 4, 2022, senior management and an independent director of Eagle Plains met with Representatives of a private British Columbia-based company (which would become 138) in Vancouver, British Columbia and discussed different financing scenarios that would enable a successful public listing of Eagle Royalties on a recognized Canadian stock exchange. Representatives of 138 indicated that a private placement financing of 138 could be completed

on a subscription receipt basis and, following a combination between 138 and Eagle Royalties, a public listing of Eagle Royalties could be achieved.

On November 9, 2022, Eagle Plains formally announced the creation of Eagle Royalties via a news release.

On November 10, 2022, the Eagle Plains Board formally met in person and by teleconference and discussed the proposed amalgamation with Representatives for 138, the nature and timing of the Concurrent Financing, the ability of 138 and its Representatives to successfully complete the financing and other matters pertaining to the proposed transaction. Upon being satisfied by responses from senior management of Eagle Plains, the Board approved a motion authorizing management to proceed exploring the spin-out of the Spin-Off Assets to Eagle Royalties and the amalgamation of Eagle Royalties with 138 and the subsequent public listing of Eagle Royalties.

On December 5, 2022, 138 presented Mr. Termuende with a draft non-binding letter of intent outlining the Transaction, which was subject to completion of 138's due diligence, among other conditions. After consulting with Eagle Plains' legal counsel, a preliminary meeting was organized among certain members of the CSE, 138. Eagle Plains and its legal counsel participated in the pre-listing meeting to explore the overall transaction structure as contemplated in the draft letter of intent with certain members of the CSE. At the meeting, CSE members proposed some revisions to certain parts of the overall transaction structure in order to meet the listing requirements of the CSE.

Thereafter, between December 5 and December 30, 2022 negotiations ensued between Eagle Plains, 138 and their respective legal counsel, and certain amendments were made to the original transaction structure as outlined in the letter of intent.

On January 3, 2023 management provided the Board with its views as to the merits and feasibility of the Transaction as outlined in the draft letter of intent. The Board reviewed and evaluated the proposed Transaction as contemplated in the letter of intent, including other possible alternative transactions. Given the considerable amount of time, effort and funds that had already been expended by Eagle Plains and its management team, the absence of viable alternative transactions, the likelihood of a public listing for Eagle Royalties following the completion of the Transaction as proposed in the letter of intent, the possibility of Eagle Royalties being able to receive IIROC-registered broker support following its public listing, the Board authorized and approved that Eagle Plains enter into the letter of intent with 138, subject to completion of due diligence satisfactory to Eagle Plains. Late in the day on January 3, 2023, a letter of intent between Eagle Royalties, Eagle Plains and 138 was executed.

On January 4, 2023, Eagle Plains announced the signing of a non-binding letter of intent with 138. Between mid-January and mid-February 2023, Eagle Plains and 138 commenced and satisfactorily completed their respective business, legal and financial due diligence. During this period, senior management kept the Board apprised of the transaction timeline and key milestones. Over the course of several weeks following the signing of the letter of intent, Eagle Plains' legal counsel, McLeod Law LLP, discussed and revised drafts of the definitive agreements to give effect to the Transaction.

On February 20, 2023, a final version of the independent valuation report prepared by KPMG was provided to the Board.



By the morning of February 27, 2023, the terms of the Arrangement Agreement, the Amalgamation Agreement and the Voting and Support Agreements were substantially agreed to by 138, Eagle Plains and Eagle Royalties and their Representatives.

At mid-afternoon on February 27, 2023, the Board met to formally consider the Arrangement Agreement, the Amalgamation Agreement and other ancillary documents. At the meeting, McLeod Law LLP discussed in detail certain key terms of the Arrangement Agreement, the Amalgamation Agreement and other ancillary documents and advised the Board of its fiduciary duties when considering a transaction of this nature, including the "fiduciary-out" provisions available to the Board. The Board also received advice from McLeod Law LLP regarding the impact the proposed Arrangement would have on the Securityholders and other stakeholders of Eagle Plains.

Following discussions between the Board and senior management present at the meeting, the Board reviewed, considered and unanimously resolved that: (a) the Arrangement is in the best interests of Eagle Plains and is fair to its Securityholders; and (b) the Board recommends that the Securityholders vote in favour of the Arrangement Resolution. As part of its deliberations, the Board considered the matters described under the headings "*The Transaction – Reasons for the Transaction*" and "*The Transaction – Recommendation of the Board*".

Following the approval by the Board, the Arrangement Agreement, the Amalgamation Agreement and other ancillary documents were executed and delivered to the respective parties on February 28, 2023.

Subsequently, Eagle Plains announced the Transaction and the signing of the definitive agreements prior to markets opening on March 1, 2023.

### **General Overview of Spin-Off Assets**

The Spin-Off Transaction, which will be effected by the Arrangement, contemplates the transfer of the Spin-Off Assets to Eagle Royalties. The Spin-Off Assets consist of approximately 50 royalty interests held by Eagle Plains.

These royalty assets cover a broad range of commodities including gold, silver, uranium, critical metals including copper, zinc, REEs, lithium, cobalt, and others, including diamonds and industrial minerals. The royalty interests are located in western Canada, specifically in British Columbia, Yukon and Saskatchewan. Many royalties are associated with property interests held by major mining corporations including Cameco Corp., Iso Energy Corp., Denison Mines Corp., Skeena Resources Ltd. and Hecla Mining Co./Banyan Gold Corp., among others. Some of the royalty interests are associated with mineral tenures held 100% by Eagle Plains itself.

In its final valuation report, KPMG assigned a fair market value in the range of \$3.94 million and \$4.72 million to the McQuesten Project royalty. For the remaining Spin-Off Assets (excluding the McQuesten Project royalty), senior management of Eagle Plains has estimated and assigned a fair market value of approximately \$1.8 million.

For certain key summary information regarding the Spin-Off Assets, please see "*Description of the Spin-Off Assets*" under Exhibit "A" to the Arrangement Agreement. A copy of the Arrangement Agreement is set out in Appendix B to this Circular.

## Reasons for the Transaction

As of the date of this Circular, the market values the Spin-Off Assets together with all of Eagle Plains' other business and operations. By completing the Arrangement (and the subsequent Amalgamation of Eagle Royalties with 138), Eagle Plains believes that the market will value the Spin-Off Assets separate and independent of Eagle Plains' other business, which should create additional value for Eagle Plains' Securityholders. Eagle Plains believes that the Arrangement is in its best interest for numerous reasons, including the following key reasons:

- (a) separating approximately 50 royalties from Eagle Plains' current portfolio of assets is expected to enable Eagle Royalties to focus on accretive growth, spotlighting the value of the royalty assets and potentially realizing a fair market value that is commensurate with peer royalty companies;
- (b) Securityholders will benefit by holding shares in two separate public companies listed on the TSXV and the CSE, respectively;
- (c) separating the Spin-Off Assets is expected to expand Eagle Royalties' potential shareholder base, marketing opportunities and access to capital;
- (d) packaging these diverse royalty assets into an independent and stand-alone vehicle should enable Eagle Royalties to be readily available for a possible acquisition by other royalty companies interested in expanding their existing portfolio; and
- (e) the Board and management team will be able to maintain its focus on Eagle Plains' core business model of acquiring and advancing grassroots critical and precious metal exploration properties.

## Recommendation of the Board

The Board, after careful consideration unanimously recommended that Securityholders vote **FOR** the Arrangement Resolution.

The Board based its recommendation upon the totality of the information presented to it, including the KPMG valuation report of the flagship royalty asset (*i.e.* the McQuesten Project royalty), Eagle Plains' financial condition and current and future prospects and after taking into account the advice of Eagle Plains' legal counsel and the advice and input of senior management. The Board did not assign a relative weight to each specific factor and each director may have given different weights to different factors. Based on its review of all the factors, the Board considers the Arrangement and the exchange ratio to be advantageous to Eagle Plains and fair and reasonable to the Securityholders. The Board also identified disadvantages associated with the Arrangement, including the fact that there will be the additional costs associated with running two public companies and that there can be no assurance that the Arrangement (and the subsequent amalgamation of Eagle Royalties with 138) will result in positive benefits to the Securityholders.

The Arrangement Resolution is set out in Appendix A to this Circular. To become effective, the Arrangement Resolution must be approved, with or without variation, by not less than: (i) two-thirds of the votes cast at the Meeting, either in person or by proxy by the Securityholders, voting as a single class and (ii) a majority of the votes cast at the Meeting, either in person or by proxy by each class of Securityholders, each voting separately as a class, after excluding the votes of persons whose votes must be excluded in accordance with MI 61-101.

Please see "*Other Information Relating to the Arrangement - Securityholder Approval*" in this Circular.

The Board recommends that the Securityholders vote **FOR** the Arrangement Resolution. Eagle Plains has received Voting and Support Agreements from all of its officers and directors who collectively represent approximately 11% of the total issued and outstanding Eagle Plains Shares, 69% of the total issued and outstanding Eagle Plains Options and 24% of the total issued and outstanding Eagle Plains Warrants, pursuant to which they have each agreed, among other things, to vote their Eagle Plains Securities **FOR** the Arrangement Resolution.

### **Reasons for Recommendation of the Board**

The Board, with the advice of its legal advisor and assistance from senior management, carefully evaluated the Arrangement and related transactions and believes that the Arrangement is in the best interests of Eagle Plains and is fair to the Securityholders. In forming its recommendations, the Board considered the following factors, among others:

- (a) the financial condition, business and operations of Eagle Plains, on both a historical and prospective basis, and information in respect of Eagle Royalties on a *pro forma* basis following the completion of the Transaction;
- (b) the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which the procedural and substantive fairness to Securityholders will be considered;
- (c) the availability of Dissent Rights to registered holders of Eagle Plains Shares with respect to the Arrangement;
- (d) the assets to be held by each of Eagle Plains and Eagle Royalties after completion of the Transaction and the unrealized value of the Spin-Off Assets within Eagle Plains should the Arrangement not be completed;
- (e) the advantages of segregating the risk profiles of Eagle Plains' core business from the Spin-Off Assets;
- (f) historical information regarding the price of the Eagle Plains Shares;
- (g) the expected tax treatment to certain Securityholders under the Arrangement;
- (h) Securityholders will own securities of two publicly-listed companies, if the intended listing of Eagle Royalties is obtained and successfully completed; and
- (i) Eagle Royalties will be able to concentrate its efforts on developing the Spin-Off Assets and Eagle Plains will be able to concentrate its efforts on its core business strategy of advancing its mining exploration and development business.

In the course of its deliberations, the Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to, the risks set out under the heading "*Risk Factors*" in this Circular.

The foregoing discussion summarizes the material information and factors considered by the Board in its consideration of the Arrangement. The Board reached its unanimous decision with respect to the Arrangement in light of the factors described above and other factors that each

member of the Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the Board may have given different weight to different factors.

### **Voting and Support Agreements**

The directors and officers of Eagle Plains who collectively hold, or exercise direction and control over, approximately 12,078,364 Eagle Plains Shares (which represents approximately 11% of the total issued and outstanding Eagle Plains Shares), 7,550,000 Eagle Plains Options (which represents approximately 69% of the total issued and outstanding Eagle Plains Options) and 1,299,500 Eagle Plains Warrants (which represents approximately 24% of the total issued and outstanding Eagle Plains Warrants) have each entered into a Voting and Support Agreement pursuant to which they have each agreed, among other things, to vote their Eagle Plains Securities in favour of the Spin-Off Transaction.

In addition to the directors and officers of Eagle Plains, several Securityholders who collectively hold, or exercise direction and control over, approximately 15,612,150 Eagle Plains Shares (which represents approximately 14% of the total issued and outstanding Eagle Plains Shares), 675,000 Eagle Plains Options (which represents approximately 6% of the total issued and outstanding Eagle Plains Options) and 1,063,529 Eagle Plains Warrants (which represents approximately 20% of the total issued and outstanding Eagle Plains Warrants) have each entered into a Voting and Support Agreement pursuant to which they have each agreed, among other things, to vote their Eagle Plains Securities in favour of the Spin-Off Transaction.

Along with the directors and officers, Eagle Plains has received written support for the Spin-Off Transaction of approximately 27,690,514 Eagle Plains Shares (which represents approximately 25% of the total issued and outstanding Eagle Plains Shares), 8,225,000 Eagle Plains Options (which represents approximately 75% of the total issued and outstanding Eagle Plains Options) and 2,363,029 Eagle Plains Warrants (which represents approximately 44% of the total issued and outstanding Eagle Plains Warrants).

### **Effect of the Arrangement**

If completed, the Arrangement will give effect to the Spin-Off Transaction which will result in the transfer of the Spin-Off Assets from Eagle Plains to Eagle Royalties. For additional details, please see "*The Transaction - General Overview of Spin-off Assets*" in this Circular.

The Arrangement will be implemented by way of a Court-approved Plan of Arrangement under Section 193 of the ABCA pursuant to the terms of the Arrangement Agreement. For a detailed description of the steps that will occur under the Plan of Arrangement, assuming all conditions to the implementation of the Arrangement have been satisfied or waived, please see the full text of the Plan of Arrangement attached as Exhibit "B" to the Arrangement Agreement which is attached as Appendix B to this Circular.

### **Details of the Arrangement**

**The following is a summary only of the Plan of Arrangement and reference should be made to the full text of the Arrangement Agreement and the Plan of Arrangement attached to this Circular as Appendix B and Exhibit "B" thereto, respectively.**

**Securityholders are urged to read the Arrangement Agreement, including the Plan of Arrangement, carefully and in its entirety.**

Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the steps, events or transactions set out below shall occur and shall be deemed to occur sequentially in the order set out below without any further authorization, act or formality, in each case, unless stated otherwise (provided that none of the following shall occur unless all of the following occur):

*Subscription of Eagle Royalties Shares*

Eagle Plains shall subscribe for 5,176,425 Eagle Royalties Shares for the aggregate cash subscription price of \$103,528.50.

*Eagle Royalties Share Reorganization*

The authorized share capital of Eagle Royalties shall be amended by creating the Eagle Royalties Reorganization Shares.

*Eagle Plains Share Reorganization*

The authorized share capital of Eagle Plains shall be amended as follows:

- i. renaming and redesignating all of the issued and unissued Eagle Plains Shares as Eagle Plains Class A Shares;
- ii. creating an unlimited number Eagle Plains New Shares with terms identical to the Eagle Plains Shares; and
- iii. creating an unlimited number of Eagle Plains Butterfly Shares.

*Eagle Plains Class A Share Exchange*

Each Eagle Plains Shareholder shall be deemed to have automatically exchanged each of their issued and outstanding Eagle Plains Class A Shares outstanding on the Effective Date for one (1) Eagle Plains New Share and one-third (1/3) of an Eagle Plains Butterfly Share.

The aggregate fair market value of the Eagle Plains Butterfly Shares will be equal to the Spin-Off Assets FMV.

*Eagle Plains Butterfly Shares Rollover*

Each holder of Eagle Plains Butterfly Shares shall transfer to Eagle Royalties their Eagle Plains Butterfly Shares in exchange for Eagle Royalties Shares on a 1:1 basis.

The aggregate fair market value of the Eagle Royalties Shares received pursuant to the transfer will be equal to the Spin-Off Assets FMV.

*Rollover of Spin-Off Assets*

Eagle Plains shall transfer the Spin-Off Assets to Eagle Royalties in exchange for:

- i. that number of Eagle Royalties Reorganization Shares the aggregate fair market value of which equals the Spin-Off Assets FMV; and
- ii. the Eagle Royalties Commitment.

*Redemption of Eagle Royalties Reorganization Shares and Eagle Plains Butterfly Shares*

Eagle Royalties will purchase for cancellation all of the Eagle Royalties Reorganization Shares held by Eagle Plains for a redemption amount equal to the Spin-Off Assets FMV, payable by way of the Eagle Royalties Note.

Eagle Plains will purchase for cancellation all of the Eagle Plains Butterfly Shares held by Eagle Royalties for a redemption amount equal to the Spin-Off Assets FMV, payable by way of the Eagle Plains Note.

*Set-Off of Eagle Royalties Note and Eagle Plains Note*

The Eagle Royalties Note and the Eagle Plains Note will each be satisfied by way of set-off against each other.

*Cancellation of Eagle Plains Class A Shares and Eagle Plains Butterfly Shares*

The Eagle Plains Class A Shares and the Eagle Plains Butterfly Shares shall be cancelled, and the authorized capital of Eagle Plains shall consist solely of the Eagle Plains New Shares.

*Cancellation of Eagle Royalties Reorganization Shares*

The Eagle Royalties Reorganization Shares shall be cancelled, and the authorized capital of Eagle Royalties shall solely consist of the Eagle Royalties Shares.

*Treatment of Eagle Plains Warrants and Eagle Plains Options*

After the completion of the Amalgamation and provided they have not expired, each Eagle Plains Warrant and vested Eagle Plains Option shall be exercisable into:

- i. that number of Eagle Plains New Shares that equals the number of Eagle Plains Shares that would have been issued under such Eagle Plains Warrant or Eagle Plains Option, as the case may be; and
- ii. that number of Eagle Royalties Shares (or shares of Eagle Royalties' successor, as the case may be), issued by Eagle Royalties (or Eagle Royalties' successor, as the case may be) pursuant to the Eagle Royalties Commitment, that equals one-third (1/3) of the number of Eagle Plains Shares that would have been issued under such Eagle Plains Warrant or Eagle Plains Option, as the case may be.

**Procedure for Exchange of Eagle Plains Securities**

*Issuance of Eagle Plains New Shares*

Recognizing that the Eagle Plains Shares shall be renamed and redesignated as Eagle Plains Class A Shares, and that the Eagle Plains Class A Shares will be exchanged partially for Eagle Plains New Shares on a 1:1 basis, pursuant to the Arrangement Agreement, Eagle Plains will not issue replacement share certificates representing the Eagle Plains Class A Shares or Eagle

Plains New Shares, and all share certificates representing the Eagle Plains Shares shall for all purposes be deemed to represent Eagle Plains New Shares.

No further act or formality will be required on the part of Eagle Plains Shareholders to facilitate the issuance of the issuance of Eagle Plains New Shares pursuant to the Arrangement Agreement.

Any Eagle Plains Shares traded after the Effective Date will represent Eagle Plains New Shares as of the Effective Date and shall not carry any rights to receive Eagle Royalties Shares.

If any certificate that immediately prior to the Effective Time represented one or more outstanding Eagle Plains Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Eagle Plains New Shares and Eagle Royalties Shares that such holder is entitled to receive in accordance with the Arrangement Agreement. When authorizing such delivery of Eagle Plains New Shares and Eagle Royalties Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered shall, as a condition precedent to the delivery of such Eagle Plains New Shares and Eagle Royalties Shares, give a bond satisfactory to Eagle Plains, Eagle Royalties and the Depositary in such amount as Eagle Plains, Eagle Royalties and the Depositary may direct, or otherwise indemnify Eagle Plains, Eagle Royalties and the Depositary in a manner satisfactory to Eagle Plains, Eagle Royalties and the Depositary, against any claim that may be made against Eagle Plains, Eagle Royalties or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the Constatting Documents of Eagle Plains.

#### *Issuance of Eagle Royalties Shares*

Pursuant to the Arrangement Agreement, following the Effective Date, Eagle Royalties shall cause to be issued to the registered holders, other than Dissenting Shareholders, of Eagle Plains Shares as of the Effective Date, share certificates or DRS Statements representing the Eagle Royalties Shares of which each such Eagle Plains Shareholder will be the registered holder at the close of business on the Effective Date. Such share certificates and DRS Statements will be held by the Depositary for the benefit of such Eagle Plains Shareholders until such Eagle Plains Shares are exchanged or deemed to be exchanged for Amalco Shares pursuant to the Amalgamation Agreement, and such share certificates and DRS Statements shall then be cancelled by the Transfer Agent.

No further act or formality will be required on the part of Eagle Plains Shareholders to facilitate the issuance of the Eagle Royalties Shares pursuant to the Arrangement Agreement.

#### *Procedure for Exchange of Other Securities*

Issued and outstanding Eagle Plains Options or Eagle Plains Warrants will not be amended or replaced.

Pursuant to the Arrangement Agreement, following the completion of the Amalgamation, all unexpired and vested Eagle Plains Options and unexpired Eagle Plains Warrants shall be exercisable, pursuant to its terms, into that number of:

- i. Eagle Plains New Shares that would have been issued under such exercised option or warrant; and

- ii. Eagle Royalties Shares (or Amalco Shares, if exercised following the Amalgamation) equal to one-third (1/3) of the number of such Eagle Plains New Shares.

#### *Withholdings*

Eagle Plains, Eagle Royalties, and the Depositary shall be entitled to deduct or withhold from any amounts payable to any person under the Plan of Arrangement, as are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other applicable laws. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated, for all purposes of the Plan of Arrangement, as having been paid to the persons in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority.

### **OTHER INFORMATION RELATING TO THE ARRANGEMENT**

#### **Procedure for the Arrangement to Become Effective**

Upon the conditions precedent set forth in the Arrangement Agreement being fulfilled or waived, Eagle Plains intends to file a copy of the Final Order along with the Plan of Arrangement and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement.

The Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement Resolution must receive the Requisite Securityholder Approval by the Eagle Plains Securityholders at the Meeting in the manner set forth in the Interim Order;
- (b) the Court must grant the Final Order approving the Arrangement;
- (c) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party; and
- (d) the Final Order, Articles of Arrangement, and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

**There is no assurance that the conditions set out in the Arrangement Agreement will be satisfied or waived on a timely basis or at all.**

Upon the conditions precedent set forth in the Arrangement Agreement being fulfilled or waived, Eagle Plains intends to file a copy of the Final Order along with the Plan of Arrangement and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement.

#### **Securityholder Approval**

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least:



- (a) two-thirds of the votes cast by the Eagle Plains Securityholders, voting as a single class, either in person or represented by proxy at the Meeting; and
- (b) a majority of the votes cast on the Arrangement Resolution by each class of Eagle Plains Securityholders, in each case voting separately as a class, either in person or represented by proxy at the Meeting, after excluding the votes cast by those persons whose votes must be excluded in accordance with MI 61-101.

To the knowledge Eagle Plains and its directors and senior officers, after reasonable inquiry, for the purposes of MI 61-101, it is expected that the votes in respect of an aggregate of 11,528,364 Eagle Plains Shares (representing approximately 10% of the issued and outstanding Eagle Plains Shares), 6,600,000 Eagle Plains Options (representing approximately 60% of the issued and outstanding Eagle Plains Options) and 1,299,500 Eagle Plains Warrants (representing approximately 24% of the issued and outstanding Eagle Plains Warrants) beneficially owned or over which control or direction is exercised, directly or indirectly, by Messrs. Termuende, Downie, Reynolds, Campbell, Jordan and Diduck will be excluded for the purposes of determining whether "majority of the minority" approval of the Arrangement required under MI 61-101 is obtained. Please see "*Other Information Relating to the Arrangement - Securities Law Matters - MI 61-101*" in this Circular.

The Arrangement Resolution must receive the Requisite Securityholder Approval in order for Eagle Plains to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order. If the Arrangement Resolution is not approved by the Requisite Securityholder Approval, the Arrangement cannot be completed. Please see "*Other Information Relating to the Arrangement - Procedure for the Arrangement to Become Effective*" and "*Particulars of Matters to be Acted Upon*" in this Circular.

Pursuant to the Interim Order, the quorum required at the Meeting will be at least one Shareholder present at the Meeting and holding or representing at least 5% of the Eagle Plains Shares entitled to be voted at the Meeting.

**Unless instructed otherwise, the persons designated by management of Eagle Plains in the enclosed form of proxy intend to vote FOR the Arrangement Resolution set forth in Appendix A to this Circular.**

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Securityholders authorizes the Board, without further notice to or approval of the Eagle Plains Securityholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement and (b) subject to the terms of the Arrangement Agreement, to disregard the approval of the Eagle Plains Securityholders and not proceed with the Arrangement, at any time prior to the issuance of the Registration Statement. Please see Appendix A to this Circular for the full text of the Arrangement Resolution.

### **Court Approval of the Arrangement and Effective Date**

#### *Interim Order*

On March 17, 2023, the Court granted the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The full text of the Interim Order is attached as Appendix D to this Circular.

### *Final Order*

Subject to the terms of the Arrangement Agreement and subject to obtaining the Requisite Securityholder Approval for the Arrangement Resolution at the Meeting, Eagle Plains will make a virtual application to the Court for the Final Order before a Justice of the Court, at the Edmonton Law Courts *via* Cisco Webex® on Thursday, April 27, 2023 at 2:00 p.m. (Mountain Time) or the earliest available date thereafter. The Notice of Originating Application for the Final Order accompanies this Circular. At the application for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to Securityholders.

Any Eagle Plains Securityholder or other interested party desiring to support or oppose the application with respect to the Arrangement, may appear virtually at the hearing in person or by counsel for that purpose, subject to filing with the Court and serving on Eagle Plains on or before 4:00 p.m. (Mountain Time) on April 19, 2023, a notice of intention to appear setting out their address for service and indicating whether they intend to support or oppose the application or make submissions, together with any evidence or materials which are to be presented to the Court. Service of such notice on Eagle Plains is required to be effected by service upon the solicitors for Eagle Plains: McLeod Law LLP, 500, 707 - 5<sup>th</sup> Street SW, Calgary, Alberta, T2P 1V8, **Attention: Spencer Chimuk**.

Eagle Plains has been advised by its counsel that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the Eagle Plains Securityholders and any other interested party as the Court determines appropriate. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. Either Eagle Plains or Eagle Royalties may, subject to the terms of the Arrangement Agreement, determine not to proceed with the Arrangement in the event that any amendment ordered by the Court is not satisfactory to such party, acting reasonably.

### **Securities Law Matters**

The following is a brief summary of the securities law considerations applicable to the Arrangement contemplated herein.

#### ***Canadian Securities Laws and Resale Restrictions***

Eagle Plains is a "reporting issuer" in British Columbia, Alberta and Saskatchewan. The Eagle Plains Shares are currently listed and posted for trading on the TSXV under the ticker symbol "EPL".

Upon completion of the Arrangement and the subsequent Amalgamation of Eagle Royalties with 138, Amalco is expected to be a "reporting issuer" in Canada. It is expected that an application will be made to list the Amalco Shares on the CSE. There can be no assurance that Amalco will be able to obtain such a listing on the CSE or any other stock exchange. Any listing will be subject to the approval of the CSE.

The issuance of the Eagle Royalties Shares, Eagle Plains Butterfly Shares and Eagle Plains New Shares pursuant to the Arrangement will constitute a distribution of securities, which is exempt from the prospectus requirements of Applicable Securities Laws. The Eagle Royalties Shares distributed to Eagle Plains Securityholders may be resold in each of the provinces and territories of Canada provided the holder is not a "control person" as defined under Applicable

Securities Laws, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale.

**The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the Eagle Plains New Shares and the Eagle Royalties Shares received upon completion of the Arrangement. All holders of Eagle Plains Shares are urged to consult with their own legal counsel to ensure that any resale of their Eagle Plains New Shares and Eagle Royalties Shares complies with applicable securities legislation.**

### ***U.S. Securities Law***

#### **The Arrangement**

Each of Eagle Royalties and Eagle Plains is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act. The 3(a)(10) Securities are not listed or quoted for trading in the United States, and Eagle Royalties and Eagle Plains do not intend to seek such a listing or quotation at this time.

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to U.S. Shareholders. All U.S. Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of the 3(a)(10) Securities issued under the Arrangement complies with applicable securities legislation.

The following discussion does not address the Canadian securities laws that will apply to the issue or distribution of the 3(a)(10) Securities or the resale of these shares by U.S. Shareholders within Canada. U.S. Shareholders reselling their 3(a)(10) Securities in Canada must comply with Canadian securities laws, as outlined elsewhere in this Circular.

#### *Exemption from the Registration Requirements of the U.S. Securities Act*

The 3(a)(10) Securities to be issued to U.S. Shareholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, but will be issued in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the securities laws of each state of the United States in which U.S. Shareholders reside. The Section 3(a)(10) Exemption exempts from registration the issuance of a security that is issued in exchange for one or more outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and receive timely and adequate notice thereof, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the 3(a)(10) Securities issued in connection with the Arrangement.

#### *Resales of 3(a)(10) Securities after Completion of the Arrangement*

The manner in which a U.S. Shareholder may resell the 3(a)(10) Securities received on completion of the Arrangement will depend on whether such holder is, at the time of such resale, an "affiliate" of Eagle Plains or Eagle Royalties, as applicable, after completion of the Arrangement, or has been such an "affiliate" at any time within 90 days immediately preceding the completion of the Arrangement.

As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, that issuer. Typically, persons who are executive officers, directors or 10% (or greater) holders of an issuer are considered to be its "affiliates," as well as any other person or group that actually controls the issuer.

Persons who are affiliates of Eagle Plains or Eagle Royalties, as applicable, after the completion of the Arrangement, or within 90 days immediately preceding the completion of the Arrangement may not sell the applicable 3(a)(10) Security that they received in connection with the Arrangement in the absence of registration under the U.S. Securities Act, unless an exemption from such registration is available, such as the exemptions provided by Rule 144 under the U.S. Securities Act or Rule 904 of Regulation S.

#### *Rule 144*

In general, Rule 144 under the U.S. Securities Act provides that persons who are affiliates of Eagle Plains or Eagle Royalties, as applicable, after the completion of the Arrangement or, at any time during the 90-day period immediately prior to the completion of the Arrangement, will be entitled to sell, during any three-month period, a portion of the applicable 3(a)(10) Security that they received in connection with the Arrangement, provided that the number of each such securities sold does not exceed the greater of one percent of the number of then outstanding securities of such class or, if such securities are listed on a United States securities exchange (which neither of Eagle Plains or Eagle Royalties intends to seek at this time), the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Eagle Plains or Eagle Royalties, as applicable. In addition, subject to certain exceptions, Rule 144 will not be available for resales of the 3(a)(10) Securities if the issuer of such securities is, or has at any time previously been, a shell company, which means a company with no or nominal operations and no or nominal assets other than cash and cash equivalents.

#### *Regulation S*

Subject to certain limitations, all persons who are affiliates of Eagle Plains or Eagle Royalties, as applicable, after the completion of the Arrangement or, at any time during the 90-day period immediately prior to the completion of the Arrangement, may immediately resell such securities outside the United States, without registration under the U.S. Securities Act, pursuant to Regulation S. Generally, subject to certain limitations, holders of 3(a)(10) Securities who are not affiliates of Eagle Plains or Eagle Royalties, as applicable, or who are affiliates of Eagle Plains or Eagle Royalties, as applicable, solely by virtue of being an officer and/or director of the applicable corporation and who pay only the usual and customary broker's commission in connection with the transaction, may resell their 3(a)(10) Securities, as applicable, in an "offshore transaction" (which would generally include a sale through the TSXV) if no offer is made to a person in the United States, the sale is not prearranged with a buyer in the United States, neither the seller, any affiliate of the seller, nor any person acting on any of their behalf engages in any "directed selling efforts" in the United States, and subject to certain additional conditions. For the purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the resale transaction. Under Regulation S, certain additional restrictions and qualifications are applicable to holders of 3(a)(10) Securities who are affiliates of Eagle Plains or Eagle Royalties, as applicable, other than by virtue of being an officer and/or director or the applicable corporation.

*Issuance of Eagle Royalties Shares upon the exercise of Eagle Plains Options or Eagle Plains Warrants*

The Section 3(a)(10) Exemption does not exempt the issuance of securities issued upon the exercise of previously securities or securities issued pursuant to the Section 3(a)(10) Exemption. Therefore, the Eagle Royalties Shares issuable upon the exercise of the Eagle Plains Options and Eagle Plains Warrants following the Effective Date may not be issued in reliance upon the Section 3(a)(10) Exemption and such options may be exercised only pursuant to an available exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of Eagle Royalties Shares pursuant to any such exercise, Eagle Royalties may require the delivery of an opinion of counsel or other evidence reasonably satisfactory to Eagle Royalties to the effect that the issuance of such securities does not require registration under the U.S. Securities Act or applicable state securities laws. Any Eagle Royalties Shares issued upon exercise of the Eagle Plains Options or Eagle Plains Warrants, as applicable, pursuant to an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined in Rule 144 under the U.S. Securities Act and will be subject to restrictions on resale imposed by the U.S. Securities Act.

**The foregoing discussion is only a general overview of the requirements of United States securities laws for the resale of the 3(a)(10) Securities received pursuant to the Arrangement. U.S. Shareholders are urged to seek legal advice prior to any resale of such securities to ensure that the resale is made in compliance with the requirements of applicable securities legislation.**

**The Amalgamation**

The Amalgamation involves the distribution of Amalco Shares to the shareholders of Eagle Royalties in the United States in exchange for their Eagle Royalties Shares. The Amalco Shares to be issued to such securityholders pursuant to the Amalgamation have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are only being issued in the United States in reliance on the exemption from registration set forth in Rule 802 under the U.S. Securities Act and similar exemptions provided under the securities laws of each applicable state of the United States. Rule 802 under the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for securities of a foreign subject company where:

- the subject company is a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act;
- the shareholders of Eagle Royalties and 138 in the United States, in aggregate, hold no more than 10 percent (10%) of the Amalco Shares immediately after closing of the Amalgamation;
- shareholders of Eagle Royalties in the United States participate in the Amalgamation on terms at least as favourable as those offered to any other holder of the subject securities;
- if an informational document in connection with the Amalgamation is published or disseminated to shareholders in the United States, complying with the disclosure requirements set forth in Rule 802 under the U.S. Securities Act, on a comparable

basis to that provided to holders of the subject securities in the foreign subject company's home jurisdiction; and

- the informational document, including any amendments thereto, is furnished to the United States Securities and Exchange Commission on Form CB together with a Form F-X to appoint an agent for service of process in the United States.

The Amalco Shares to be issued pursuant to the Amalgamation will be unregistered "restricted securities" within the meaning of Rule 144 to the same extent and proportion that the securities exchanged by Eagle Royalties Shareholders in the United States pursuant to the Amalgamation were restricted securities.

#### *MI 61-101*

Eagle Plains is a "reporting issuer" in British Columbia, Alberta and Saskatchewan, and is accordingly subject to applicable securities laws of such provinces. In addition, the securities regulatory authority in the province of Alberta (*i.e.*, the Alberta Securities Commission) has adopted MI 61-101.

MI 61-101 regulates certain types of transactions to ensure fair treatment of securityholders when, in relation to a transaction, there are persons in a position that could cause them to have an actual or reasonably perceived conflict of interest or informational advantage over other securityholders. If MI 61-101 applies to a particular transaction of a reporting issuer, then some of the following may be required: (i) enhanced disclosure in documents sent to securityholders; (ii) the approval of securityholders excluding, among others, "interested parties" (as defined in MI 61-101); (iii) a formal valuation of the affected securities, prepared by an independent and qualified valuator; and (iv) an independent committee of the board of the directors of the reporting issuer to carry out specified responsibilities. The securityholder protections provided by MI 61-101 go substantially beyond the requirements of corporate law.

The protections afforded by MI 61-101 apply to, among other transactions, "business combinations" (as defined in MI 61-101) which may terminate the interests of an equity holder without their consent in certain circumstances, regardless of whether the equity security is replaced with another security. The Arrangement constitutes a "business combination" for the purposes of MI 61-101, as: (i) it is a transaction as a consequence of which the interest of the holder of Eagle Plains Shares may be terminated without such holder's consent; (ii) the Arrangement being a transaction involving Eagle Royalties, which is a related party of Eagle Plains; and (iii) Eagle Royalties is also a party to a "connected transaction" (as defined in MI 61-101), namely the Amalgamation Agreement. Accordingly, Eagle Plains has determined that Part 4 of MI 61-101 applies to the Arrangement.

The protections afforded by MI 61-101 also apply to a "related party transaction" (as defined in MI 61-101), which is a transaction between an issuer and a person that is a related party of the issuer at the time the transaction is agreed to (whether or not there are also other parties to the transaction), as a consequence of which, either through the transaction itself or together with connected transactions, the issuer directly or indirectly, among other things, sells, transfers or disposes of an asset to the related party.

While Eagle Plains has determined that the Arrangement would also constitute a "related party transaction", within the meaning of MI 61-101, as result of the Arrangement being a transaction involving Eagle Royalties, which is a related party of Eagle Plains, and the issuance of Eagle Royalties Shares to, *inter alios*, the directors and officers of Eagle Plains, who are

also Eagle Plains Shareholders and related parties of Eagle Plains. However, in accordance with Section 5.1(e) of MI 61-101, Eagle Plains has determined that Part 5 of MI 61-101 shall not apply to the Arrangement because the Arrangement is also a "business combination" for Eagle Plains, for the purposes of MI 61-101.

The Arrangement constitutes a business combination under MI 61-101 and, consequently, completion of the Arrangement is subject to a formal valuation in accordance with Part 4 of MI 61-101 and obtaining "majority of the minority" approval of the Arrangement Resolution. Eagle Plains is relying on the exemptions from the formal valuation requirements of Part 4 of MI 61-101 set forth in Section 4.4(a) of MI 61-101, on the basis that, at the time the Arrangement was agreed to, no securities of Eagle Plains were listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

#### *Collateral Benefit*

A "collateral benefit", as defined in MI 61-101, includes any benefit that a "related party" (as defined in MI 61-101) of Eagle Plains (which includes, a director or senior officer of Eagle Plains) is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump-sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of Eagle Plains.

However, MI 61-101 excludes from the meaning of "collateral benefit" certain benefits to a related party received solely in connection with the related party's services as an employee, director or consultant of an issuer where, among other things: (a) the benefit is not conferred for the purposes of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefits are disclosed in the disclosure document for the transaction; and (d) the related party and its associated entities beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities of the issuer.

None of the directors and senior officers of Eagle Plains will receive any benefit or payment pursuant to the Arrangement. In addition, all distributions received by directors and senior officers of Eagle Plains pursuant to the Arrangement and in their capacity as a holder of Eagle Plains Shares, Eagle Plains Options and Eagle Plains Warrants will be identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class.

#### *Minority Approval*

MI 61-101 requires market participants to take a board and purposive interpretation of the requirements of MI 61-101. Accordingly, Eagle Plains has determined that certain individuals who are director and/or senior officers of Eagle Plains may derive future benefits (financial or non-financial) by virtue of also being directors and/or senior officers of Eagle Royalties. While no such future benefits (if any) have been determined as of the date of this Circular, by taking a broad and purposive interpretation of the requirements of MI 61-101, Eagle Plains has concluded that given the high likelihood of such future benefits being offered to the directors and officers of Eagle Royalties, they be considered as a "collateral benefit" for MI 61-101

purposes. Accordingly, Messrs. Termuende, Downie, Reynolds, Campbell, Jordan and Diduck will be considered to have received a "collateral benefit" for the purposes of MI 61-101.

As of the date of this Circular, Timothy J. Termuende owned (directly or indirectly) or exercised control or direction over 6,623,614 Eagle Plains Shares, 550,000 Eagle Plains Warrants and 1,425,000 Eagle Plains Options, representing 6.00% of the Eagle Plains Shares, 10.35% of the Eagle Plains Warrants and 12.99% of the Eagle Plains Options.

As of the date of this Circular, Charles C. Downie owned (directly or indirectly) or exercised control or direction over 1,129,750 Eagle Plains Shares, 150,000 Eagle Plains Warrants and 1,050,000 Eagle Plains Options, representing 1.02% of the Eagle Plains Shares, 2.82% of the Eagle Plains Warrants and 9.57% of the Eagle Plains Options.

As of the date of this Circular, Paul Reynolds owned (directly or indirectly) or exercised control or direction over 250,000 Eagle Plains Shares, 100,000 Eagle Plains Warrants and 1,250,000 Eagle Plains Options, representing 0.23% of the Eagle Plains Shares, 1.88% of the Eagle Plains Warrants and 11.40% of the Eagle Plains Options.

As of the date of this Circular, Jesse Campbell owned (directly or indirectly) or exercised control or direction over 750,000 Eagle Plains Shares, 182,000 Eagle Plains Warrants and 900,000 Eagle Plains Options, representing 0.68% of the Eagle Plains Shares, 3.43% of the Eagle Plains Warrants and 8.21% of the Eagle Plains Options.

As of the date of this Circular, Norm Jordan owned (directly or indirectly) or exercised control or direction over 175,000 Eagle Plains Shares, 102,500 Eagle Plains Warrants and 800,000 Eagle Plains Options, representing 0.16% of the Eagle Plains Shares, 1.93% of the Eagle Plains Warrants and 7.29% of the Eagle Plains Options.

As of the date of this Circular, Glen Diduck owned (directly or indirectly) or exercised control or direction over 2,600,000 Eagle Plains Shares, 215,000 Eagle Plains Warrants and 1,175,000 Eagle Plains Options, representing 2.35% of the Eagle Plains Shares, 4.05% of the Eagle Plains Warrants and 10.71% of the Eagle Plains Options.

As a result, all of the Eagle Plains Shares, Eagle Plains Warrants and Eagle Plains Options owned (directly or indirectly) or over which control or direction is exercised by Messrs. Termuende, Downie, Reynolds, Campbell, Jordan and Diduck will be excluded in determining "majority of minority" approval of the Arrangement Resolution under MI 61-101.

#### *Prior Valuations and Bona Fide Prior Offers*

As at the date hereof, no "prior valuation" (as defined in MI 61-101) in respect of Eagle Plains has been made in the 24 months preceding the date of this Circular, the existence of which is known, after reasonable inquiry, to Eagle Plains or to any director or member of senior management of Eagle Plains.

During the 24 months prior to the entering into of the Arrangement Agreement, except as disclosed herein, Eagle Plains has not received any *bona fide* prior offer related to the subject matter of the Arrangement or that is otherwise relevant to the Arrangement. Please see "*The Transaction - Background to the Transaction*" in this Circular.



## Depository Agreement

Prior to the Effective Date, Eagle Plains, Eagle Royalties, 138 and the Depository may enter into a depository agreement. Under the terms of the Arrangement Agreement, the Depository shall hold for the benefit of each Eagle Plains Shareholder following the Effective Time, a certificate or DRS Statement representing the Eagle Royalties Shares that each such Eagle Plains Shareholder is entitled to receive under the terms of the Arrangement.

## Interests of Certain Persons in the Arrangement

Except as described below and elsewhere in this Circular, management of Eagle Plains is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of Eagle Plains or any individual who has held office as such since the beginning of Eagle Plain's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting, including the Arrangement.

### *Eagle Plains Securities*

As at the date hereof, the directors and executive officers of Eagle Plains and their respective affiliates and associates beneficially owned or controlled or directed, directly or indirectly, an aggregate of 12,078,364 Eagle Plains Shares, representing approximately 11% of the outstanding Eagle Plains Shares, an aggregate of 7,550,000 Eagle Plains Options, representing approximately 69% of the outstanding Eagle Plains Options, and 1,299,500 Eagle Plains Warrants, representing approximately 24% of the outstanding Eagle Plains Warrants. All of the Eagle Plains Securities held by such directors and executive officers of Eagle Plains and their associates will be treated in the same fashion under the Arrangement as Eagle Plains Securities held by the other Securityholders. Please see the table below under the heading "*Interests of Certain Persons in the Arrangement – Summary of Interests*" for the number of Eagle Plains Securities held by each director and executive officer of Eagle Plains.

### *Summary of Interests*

The following table sets forth the names and positions of the directors and senior officers of Eagle Plains as of March 17, 2023, the number of Eagle Plains Shares, Eagle Plains Options, and Eagle Plains Warrants owned or over which control or direction was exercised by each such director or senior officer of Eagle Plains and, where known after reasonable inquiry, by their respective associates or affiliates as of such date.

<b>Name</b>	<b>Eagle Plains Shares</b>	<b>Eagle Plains Options</b>	<b>Eagle Plains Warrants</b>
Timothy Termuende	6,623,614	1,425,000	550,000
Charles Downie	1,129,750	1,050,000	150,000
Glen Diduck	2,600,000	1,175,000	215,000
Jesse Campbell	750,000	900,000	182,000
Paul Reynolds	250,000	1,250,000	100,000

<b>Name</b>	<b>Eagle Plains Shares</b>	<b>Eagle Plains Options</b>	<b>Eagle Plains Warrants</b>
Bill Bennett	550,000	950,000	-
Norm Jordan	175,000	800,000	102,500
<b>TOTAL</b>	<b><u>12,078,364</u></b>	<b><u>7,550,000</u></b>	<b><u>1,299,500</u></b>

### **Other Legal Developments**

Section 193 of the ABCA provides that, where it is impracticable for a corporation to effect an arrangement under any other provision of the ABCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this section of the ABCA, such an application will be made by Eagle Plains for approval of the Arrangement. Eagle Plains has been advised by its counsel, McLeod Law LLP, that the Court has broad discretion under the ABCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, Eagle Plains may determine not to proceed with the Arrangement.

There have been several judicial decisions considering Section 193 of the ABCA and applications to various arrangements. There have been recent judicial decisions which may apply in this instance. Eagle Plains Securityholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.

### **THE ARRANGEMENT AGREEMENT**

**The following is a summary only of certain of the material terms of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement attached to this Circular as Appendix B. Securityholders are urged to read the Arrangement Agreement and the Plan of Arrangement carefully and in their entirety.**

#### **General**

The Arrangement will be effected pursuant to the Plan of Arrangement, which is attached as Exhibit "B" to the Arrangement Agreement, which is attached as Appendix B to this Circular. The Arrangement Agreement contains covenants, representations and warranties of and from each of Eagle Plains and Eagle Royalties, and various conditions precedent, both mutual and with respect to Eagle Plains and Eagle Royalties. Unless all such conditions are satisfied or waived (to the extent capable of being waived) by the party for whose benefit such conditions exist, the Arrangement will not proceed. There is no assurance that the conditions set out in the Arrangement Agreement will be satisfied or waived on a timely basis or at all.

#### **Representations and Warranties of the Parties**

The Arrangement Agreement contains certain customary representations and warranties of each of Eagle Plains and Eagle Royalties relating to, among other things, their respective

organization, qualification and authorization to enter into the Arrangement Agreement and to consummate the Arrangement, as well as certain representations and warranties related to the absence of any violation of, or conflict with, among other things, such party's constating documents or applicable Laws. The representations and warranties made by the parties are, in certain cases, subject to specified exceptions or qualifications. For the complete text of the applicable provisions, please see Article 3 of the Arrangement Agreement.

### **Mutual Conditions**

The respective obligations of the parties to consummate the transactions contemplated by the Arrangement Agreement, and, in particular, the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of certain key conditions, any of which may be waived, in whole or in part, by either party (with respect to such party) in its sole discretion at any time and without prejudice to any other rights that such party may have, including the following:

- (a) Interim Order and Final Order. The Interim Order and Final Order shall have been obtained in form and substance satisfactory to each of Eagle Plains and Eagle Royalties, acting reasonably.
- (b) Arrangement Resolution. The Arrangement Resolution shall have been passed by the Eagle Plains Securityholders in accordance with the Interim Order, the Arrangement Agreement, the Constating Documents of Eagle Plains, and the requirements of any applicable regulatory authorities.
- (c) Approval of Directors. The Arrangement Agreement and the Arrangement shall have been approved by the board of directors of each of Eagle Plains and Eagle Royalties in accordance with the ABCA and their respective Constating Documents.
- (d) Amalgamation Agreement. The Amalgamation Agreement and a corresponding officer's certificate from each of the other parties thereto to Eagle Plains, stating there is nothing to prevent or materially impair (or would reasonably be expected to prevent or materially impair) the ability of either party to consummate the transactions contemplated by the Amalgamation Agreement, shall have been executed.
- (e) Concurrent Financing. 138 shall have provided satisfactory evidence to Eagle Plains and Eagle Royalties that 138 has successfully completed the Concurrent Financing. For additional information with respect to the Concurrent Financing, please see "*Information Concerning 138 - Concurrent Financing*" in this Circular.
- (f) Approval by TSXV. The TSXV shall have conditionally approved the Arrangement and all related matters.
- (g) Approval by CSE. The CSE shall have conditionally approved the listing of the shares of the Resulting Issuer, subject to compliance with the listing requirements and policies of the CSE.
- (h) Material Adverse Effect. No law, regulation, or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement which would reasonably be expected to have a

material adverse effect on any of Eagle Plains, the Eagle Plains Securityholders or, if the Arrangement is completed, Eagle Royalties or the holders of Eagle Royalties Shares.

- (i) Dissent Rights. The aggregate number of Eagle Plains Shares held, directly or indirectly, by those holders of such shares who have validly exercised Dissent Rights and not withdrawn such exercise in connection with the Arrangement shall not exceed 10% of the aggregate number of Eagle Plains Shares outstanding immediately prior to the Effective Date.

For the complete text of the applicable provisions, please see Article 5 of the Arrangement Agreement.

### **Covenants**

The Arrangement Agreement also contains customary negative and affirmative covenants of Eagle Plains and Eagle Royalties relating to their respective assurances.

For the complete text of the applicable provisions, please see Article 4 of the Arrangement Agreement.

### **Eagle Plains Options and Warrants**

After the completion of the Amalgamation, all unexpired and vested Eagle Plains Options and unexpired Eagle Plains Warrants shall be exercisable, pursuant to its terms, into that number of:

- (i) Eagle Plains New Shares that would have been issued under such exercised option or warrant; and
- (ii) Amalco Shares equal to one-third (1/3) of the number of such Eagle Plains New Shares.

For the complete text of the applicable provisions, please see Section 4.3 of the Arrangement Agreement.

### **Termination of the Arrangement Agreement**

The Arrangement Agreement may be terminated at any time prior to the Effective Date by (i) the Board of Eagle Plains for whatever reasons it may consider appropriate and without further action on the part of the Eagle Plains Securityholders or (ii) by the board of directors of Eagle Royalties for whatever reasons it may consider appropriate.

For the complete text of the applicable provisions relating to termination of the Arrangement Agreement, please see Sections 6.2 and 6.3 of the Arrangement Agreement.

### **Other Required Approvals**

Except as otherwise disclosed in this Circular, Eagle Plains is not aware of any other consents or approvals of any Governmental Authority required in connection with the Arrangement.

## **Fees and Expenses of the Arrangement**

Except as otherwise expressly provided for in the Arrangement Agreement, all expenses and costs incurred in connection with the Arrangement Agreement and the transactions contemplated by the Arrangement Agreement shall be initially borne by Eagle Plains on the condition that all applicable expenses and costs be reimbursed by Eagle Royalties following the Effective Date. For the complete text of the applicable provisions, please see Section 7.6 of the Arrangement Agreement.

Eagle Plains currently estimates that, if the Transaction is consummated, the aggregate costs incurred by it, including fees and expenses of financial and accounting advisors, printing, mailing, solicitation, proxy solicitation and securityholder communication costs, Meeting costs, and legal fees and disbursements, will be approximately \$400,000.

## **THE AMALGAMATION AGREEMENT**

**The following is a summary only of certain of the material terms of the Amalgamation Agreement and is qualified in its entirety by the full text of the Amalgamation Agreement attached to this Circular as Appendix C. Securityholders are urged to read the Amalgamation Agreement carefully and in its entirety.**

### **Overview**

Following the completion of the Arrangement, the Amalgamation will be effected pursuant to the terms of the Amalgamation Agreement which provides for, among other things, the amalgamation of 138 and Eagle Royalties to form Amalco, the shares of which will be traded on the CSE, subject to approval by the CSE and in compliance with the listing rules and policies of the CSE.

Pursuant to the Amalgamation Agreement, the exchange of 138 Shares and Eagle Royalties Shares for Amalco Shares will be completed on a 1:1 basis. For Eagle Royalties Shareholders, whose Eagle Royalties Shares will, pursuant to the Arrangement Agreement, be held in trust by the Depository, there shall be no further act or formality required by such Eagle Royalties Shareholders to receive Amalco Shares from the Transfer Agent as a result of the exchange.

Immediately following the Amalgamation, but prior to giving effect to the Concurrent Financing, and prior to the exercise of any Eagle Plains Options or Eagle Plains Warrants, Eagle Plains shall own approximately 11%, former Eagle Royalties Shareholders (other than Eagle Plains) shall own approximately 78%, and former 138 Shareholders, including 138 Shareholders who were subscribers in the Concurrent Financing, shall own approximately 11% of the issued and outstanding Amalco Shares.

### **Required Approval**

The Amalgamation will require the approval of 138 Shareholders and the approval of Eagle Plains, as the sole shareholder of Eagle Royalties. As a result, Eagle Plains Securityholders are not required to approve the Amalgamation, but are encouraged to review the terms and effect thereof since the Amalgamation is conditional upon, among other things, the completion of the transactions contemplated by the Arrangement Agreement, which requires the approval of the Arrangement Resolution by Eagle Plains Securityholders.

## **Representations and Warranties of the Parties**

The Amalgamation Agreement contains certain customary representations and warranties of each of Eagle Plains and Eagle Royalties, jointly, and 138 relating to, among other things, their respective organization, qualification and authorization to enter into the Amalgamation Agreement and to consummate the Amalgamation, as well as certain representations and warranties related to the absence of any violation of, or conflict with, among other things, such party's constating documents or applicable Laws. The representations and warranties made by the parties are, in certain cases, subject to specified exceptions or qualifications. For the complete text of the applicable provisions, please see Part 3 of the Amalgamation Agreement.

## **Mutual Conditions**

The respective obligations of the parties to consummate the transactions contemplated by the Amalgamation Agreement, and, in particular, the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of certain key conditions, any of which may be waived, in whole or in part, by either party (with respect to such party) in its sole discretion at any time and without prejudice to any other rights that such party may have, including the following:

- (a) Completion of Arrangement. The transactions contemplated by the Arrangement Agreement shall have been consummated.
- (b) 138 Approval. 138 Shareholders shall have duly approved the 138 Resolution and the Amalgamation.
- (c) CSE Requirements. Amalco will satisfy the requirements of the CSE, including minimum shareholder distribution requirements and net tangible asset requirements.
- (d) CSE Approval. The CSE shall have approved the listing on the CSE of the Amalco Shares on terms acceptable to the parties to the Amalgamation Agreement, acting reasonably.

## **Conditions in Favour of Eagle Royalties**

The obligation of Eagle Royalties to consummate the transactions contemplated by the Amalgamation Agreement, and in particular the Amalgamation, is subject to certain key conditions, including the following:

- (a) Concurrent Financing. 138 shall have completed the Concurrent Financing, and all conditions to the conversion of Concurrent Financing Securities into Amalco Shares shall be satisfied or waived.
- (b) Voting and Support Agreements. There shall not have been any breach of the 138 Voting and Support Agreements by any party to such agreement.
- (c) Material Adverse Change. There shall not have occurred any Material Adverse Change of 138.

### **Conditions in Favour of 138**

The obligation of 138 to consummate the transactions contemplated by the Amalgamation Agreement, and in particular the Amalgamation, is subject to the certain key conditions, including the following:

- (a) Escrow Agreements. Eagle Royalties Shareholders shall have entered into any escrow or lock-up agreements required by the CSE or as mutually agreed by the parties to the Amalgamation Agreement.
- (b) Material Adverse Change. There shall not have occurred any Material Adverse Change (as defined in the Amalgamation Agreement) of Eagle Royalties taken as a whole.

For the complete text of the applicable provisions relating to conditions, please see Part 6 of the Amalgamation Agreement.

### **Statutory and Contractual Escrow Restrictions**

Eagle Royalties Shares received by Eagle Plains Securityholders pursuant to the Arrangement Agreement will be exchanged for Amalco Shares on a 1:1 basis in accordance with the Amalgamation Agreement. In accordance with the Amalgamation Agreement, subject to approval by the CSE and in compliance with the listing rules and policies of the CSE, the shares of Amalco are to be listed on the CSE immediately following the Amalgamation.

As a result, certain shares of Amalco will be subject to (i) resale restrictions imposed by the CSE and (ii) contractual restrictions on resale as more particularly described in the Amalgamation Agreement.

For the complete text of the applicable provisions relating to statutory and contractual escrow restrictions, please see Sections 2.16 through 2.18 of the Amalgamation Agreement and Section 4.4 of the Arrangement Agreement.

### **Covenants**

The Amalgamation Agreement also contains customary negative and affirmative covenants of Eagle Plains and Eagle Royalties, jointly, and 138 as it relates to their respective assurances.

For the complete text of the applicable provisions, see Part 4 of the Amalgamation Agreement.

### **Covenants of Eagle Royalties and Eagle Plains Regarding Non-Solicitation**

In the Amalgamation Agreement, Eagle Plains and Eagle Royalties, jointly, have agreed to certain non-solicitation covenants including that Eagle Plains and Eagle Royalties shall not, directly or indirectly, through any of its Representatives do any of the following:

- (a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information of Eagle Plains or Eagle Royalties or entering into any form of contract) any inquiries, submissions, proposals or offers that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

- (b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than 138) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
- (c) make a Change in Recommendation; or
- (d) accept, approve, endorse or enter into any contract in respect of any Acquisition Proposal (other than a confidentiality agreement permitted by the Amalgamation Agreement) or publicly propose to accept or enter into any agreement, understanding, or arrangement in respect of an Acquisition Proposal.

Under the terms of the Amalgamation Agreement, Eagle Plains and Eagle Royalties shall and shall cause their Representatives to, immediately cease and terminate any solicitation, encouragement, discussion or negotiations with any Person (other than 138) commenced prior to the date of the Amalgamation Agreement with respect to any inquiry, proposal or offer that may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall: (i) immediately discontinue access to and disclosure of all confidential information regarding Eagle Royalties or any of its affiliates or the Spin-Off Assets and (ii) to the extent that such information has not been previously returned or destroyed promptly request, and exercise all rights it has to require the return or destruction of, all copies of any confidential information regarding Eagle Royalties or any of its affiliates or the Properties provided to any Person other than 138 and its Representatives and use its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

The foregoing restrictions, however, are subject to "fiduciary out" provisions, which provide that the Board of either Eagle Plains or Eagle Royalties may take any action to fulfill its disclosure or legal obligations to Eagle Royalties Shareholders or Eagle Plains Shareholders and may make a Change in Recommendation prior to the Effective Date if, in the good faith judgment of such Board, after consultation with outside legal counsel, failure to take such action or make such disclosure would reasonably be expected to be inconsistent with such Board's exercise of its fiduciary duties or such action or disclosure is otherwise required under Applicable Laws.

### **Notification of Acquisition Proposals**

Eagle Royalties has agreed, in connection with a *bona fide* Acquisition Proposal to:

- (a) promptly notify 138 within 48 hours of such Acquisition Proposal including a description of its material terms and conditions and the identity of its offeror(s); and
- (b) keep 138 reasonably informed on a current basis of the status of material developments and negotiations with respect to such Acquisition Proposal, to the extent permitted by the Amalgamation Agreement.

### **Responding to an Acquisition Proposal**

At any time prior to obtaining the required approval of the Eagle Royalties Resolution, if Eagle Plains or Eagle Royalties receives a written Acquisition Proposal, Eagle Plains or Eagle Royalties may (i) contact the offeror(s) of such Acquisition Proposal and their Representatives for the purpose of clarifying the terms and conditions of the Acquisition Proposal to determine



whether such Acquisition Proposal could reasonably be expected to constitute or lead to a Superior Proposal and (ii) engage in or participate in discussions or negotiations with such offeror(s) regarding the Acquisition Proposal, and may provide access to confidential information of Eagle Royalties or its affiliates if, among other things:

- (a) the Board of either Eagle Royalties or Eagle Plains has determined in good faith, after consultation with its financial advisors and its outside legal counsel, that the Acquisition Proposal could reasonably be expected to constitute a Superior Proposal; and
- (b) Eagle Royalties enters into a confidentiality agreement with the offeror(s) in accordance with the Amalgamation Agreement before providing access to such confidential information and provides same to 138.

### **Right to Match**

If Eagle Plains or Eagle Royalties receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution, the Board of Eagle Royalties or Eagle Plains may, subject to the provisions of the Arrangement Agreement, make a Change in Recommendation and enter into a definitive agreement with respect to the Superior Proposal, if, among other things:

- (a) Eagle Royalties or Eagle Plains, as applicable, has delivered to 138 a Superior Proposal Notice;
- (b) the Matching Period has elapsed from the date on which 138 received the Superior Proposal Notice;
- (c) during any Matching Period, 138 has had the opportunity (but not the obligation), in accordance with the Amalgamation Agreement, to offer to amend the Amalgamation Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal; and
- (d) after the Matching Period, the Board of Eagle Royalties or Eagle Plains, as the case may be, has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Amalgamation Agreement as proposed to be amended by 138 under the terms of the Amalgamation Agreement).

For the complete text on the applicable provisions relating to matching rights in favour of 138 and related matters, please see Sections 4.7 through 4.14 of the Amalgamation Agreement.

### **138 Voting and Support Agreements**

All of the 138 Shareholders who collectively hold, or exercise direction and control over, the 5,000,000 currently outstanding common shares of 138, have each entered into a voting and support agreement pursuant to which they have each agreed, among other things, to vote their shares of 138 in favour of the 138 Continuation and Amalgamation.

## **DISSENT RIGHTS**

Pursuant to the terms of the Interim Order and the Plan of Arrangement, Eagle Plains has granted Dissent Rights in respect of the Arrangement to the Eagle Plains Shareholders who object to the Arrangement Resolution. The Dissent Right is granted in Article 5 of the Plan of Arrangement and is summarized below. **The following is a summary only and Eagle Plains Shareholders are referred to the full text of the Plan of Arrangement (Exhibit "B" to Appendix B), the Interim Order (Appendix D) and the full text of Section 191 of the ABCA which is attached to this Circular as Appendix E.** Eagle Plains Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Appendix E and seek legal advice, as failure to adhere strictly to the Dissent Right requirements may result in the loss or unavailability of any right to dissent.

Dissenting Shareholders are entitled, in addition to any other right such as Dissenting Shareholders may have, to exercise Dissent Rights and to be paid by Eagle Plains the fair value of the Eagle Plains Shares held by such Dissenting Shareholders, determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution was adopted. An Eagle Plains Shareholder may exercise Dissent Rights only with respect to all of the Eagle Plains Shares held by such Eagle Plains Shareholder or on behalf of any one beneficial owner and registered in such Eagle Plains Shareholder's name. Only Registered Shareholders may exercise Dissent Rights. Persons who are beneficial owners of Eagle Plains Shares registered in the name of a broker, custodian, nominee or other intermediary, who wish to exercise Dissent Rights, should be aware that they may only do so through the Registered Shareholder of such securities. A Registered Shareholder, such as a broker, who holds Eagle Plains Shares as nominee for beneficial holders, some of whom wish to exercise Dissent Rights, must exercise Dissent Rights on behalf of such beneficial owners with respect to the Eagle Plains Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Eagle Plains Shares covered by it.

Dissenting Shareholders must provide a written objection to the Arrangement Resolution so that it is received by Eagle Plains c/o McLeod Law LLP, Suite 500, 707 – 5th Street SW, Calgary, Alberta, T2P 1V8, **Attention: Spencer Chimuk**, not later than 5:00 p.m. (Mountain Time) on April 24, 2023 (or the date that is two business days immediately prior to the date of any adjournment or postponement of the Meeting). No person who has voted (including by way of instructing a proxy holder to vote) in favour of the Arrangement shall be entitled to exercise Dissent Rights. Voting against the Arrangement (including by way of instructing a proxyholder to vote) will not constitute a written objection referred to in Section 191(5) of the ABCA.

A Dissenting Shareholder may exercise Dissent Rights only with respect to all of the Eagle Plains Shares held by such Dissenting Shareholder, or on behalf of any one beneficial owner, and registered in the Dissenting Shareholder's name.

In the event that an Eagle Plains Shareholder fails to perfect or effectively withdraws that shareholder's claim under the Dissent Right or forfeits that shareholder's right to make a claim under the Dissent Right or his or her rights as an Eagle Plains Shareholder are otherwise revoked, each Eagle Plains Share held by that Eagle Plains Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

An application may be made to the Court by Eagle Plains or by a Dissenting Shareholder after the adoption of the Arrangement Resolution to fix the fair value of the Dissenting Shareholder's Eagle Plains Shares. If such an application to the Court is made by Eagle Plains

or a Dissenting Shareholder, Eagle Plains must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay the Dissenting Shareholder an amount considered by the Eagle Plains Board to be the fair value of the Eagle Plains Shares. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if Eagle Plains is the applicant, or within 10 days after Eagle Plains is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an arrangement with Eagle Plains for the purchase of such Dissenting Shareholder's Eagle Plains Shares in the amount of the offer made by Eagle Plains (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Eagle Plains Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Eagle Plains Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Eagle Plains and in favour of each of those Dissenting Shareholders, and fixing the time within which Eagle Plains must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as an Eagle Plains Shareholder, until the date of payment.

Upon the completion of the Arrangement, the Dissenting Shareholder will cease to have any rights as a Eagle Plains Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Eagle Plains Shares, in the amount agreed to between Eagle Plains and the Dissenting Shareholder or in the amount of the judgment, as the case may be.

Eagle Plains will not make a payment to a Dissenting Shareholder under Section 191 of the ABCA if there are reasonable grounds for believing that Eagle Plains is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of Eagle Plains would thereby be less than the aggregate of its liabilities. In such event, Eagle Plains will notify each Dissenting Shareholder that it is unable to lawfully pay Dissenting Shareholders for their Eagle Plains Shares, in which case the Dissenting Shareholder will retain status as a claimant against Eagle Plains to be paid as soon as Eagle Plains is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Eagle Plains but in priority to its shareholders.

All Eagle Plains Shares held by Dissenting Shareholders who exercise their Dissent Rights will be deemed to be transferred to Eagle Plains and cancelled at the Effective Time.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Eagle Plains Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who might desire to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out at Appendix E and consult his or her own legal advisor.

It is a condition to the completion of the Arrangement that Eagle Plains Shareholders holding not more than 10% of the issued and outstanding Eagle Plains Shares, in the aggregate, will have exercised Dissent Rights in respect of the Arrangement Resolution that have not been withdrawn as of the Effective Date.

## **INCOME TAX CONSIDERATIONS**

### **The Arrangement**

#### *Certain Canadian Federal Income Tax Considerations*

The following is a summary of the principal Canadian federal income tax considerations generally applicable in respect of the redesignation of Eagle Plains Shares as Eagle Plains Class A Shares (under "*Income Tax Considerations*", the "**Redesignation**"), the exchange of Eagle Plains Class A Shares for Eagle Plains New Shares and Eagle Plains Butterfly Shares (under "*Income Tax Considerations*", the "**Share Exchange**") and the transfer of the Eagle Plains Butterfly Shares to Eagle Royalties for consideration including the Eagle Royalties Shares (under "*Income Tax Considerations*", the "**Share Transfer**") under the Plan of Arrangement, or the exercise of Dissent Rights, to Holders of Eagle Plains Shares who are individuals (other than trusts) and who, for purposes of the Tax Act, deal and will deal at arm's-length with Eagle Plains and Eagle Royalties, and hold and will hold their Eagle Plains Shares and Eagle Royalties Shares, as applicable, as capital property. Individuals meeting all such requirements are referred to as "**Holder**" or "**Holder**s" under "*Income Tax Considerations*", and this summary only addresses such Holders. In addition, this summary does not address income tax considerations applicable to directors, officers or other insiders of Eagle Plains, Eagle Royalties or related companies, or persons who hold Eagle Plains Shares or will hold Eagle Royalties Shares subject to escrow, trading or other restrictions that might affect the value thereof. The summary addresses the tax considerations applicable to Eagle Plains only to the extent expressly set out herein.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all proposals to amend the Tax Act or the regulations publicly announced by the federal Minister of Finance prior to the date hereof, and Eagle Plains' tax advisors' understanding of the current administrative practices of the CRA. It has been assumed that all currently proposed amendments will be enacted as proposed and that there will be no other relevant change to the Tax Act or other applicable law or policy, although no assurance can be given in these respects. For purposes of this summary, it has also been assumed that the Eagle Plains Class A Shares will be or remain listed on the TSXV upon the Redesignation, and the Eagle Plains New Shares will be listed on the TSXV and the Eagle Royalties Shares will be listed on the CSE, when issued.

This summary is not exhaustive of all Canadian federal income tax considerations applicable to Holders under the Plan of Arrangement or in respect of an exercise of dissent rights. For example, the summary does not address tax considerations applicable to Holders of Warrants or Options. The summary does not take into account provincial, territorial, U.S. or other foreign tax considerations, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Holder. The tax consequences to any particular Holder will depend on a variety of factors including the Holder's own particular circumstances. Therefore, all Holders, and all persons affected by the Plan of Arrangement should consult their own tax advisors with respect to their particular circumstances. The discussion below is qualified accordingly.**

*Holder's Resident in Canada and Participating in the Plan of Arrangement*

The following summary applies generally to an individual who is a Holder (as defined above) who, for the purposes of the Tax Act, is a resident only in Canada, who is a citizen of Canada only and who participates in the Redesignation, Share Exchange and the Share Transfer under the Plan of Arrangement. The Redesignation is not a taxable event to a Holder under the Tax Act.

The Share Exchange will not result in the recognition of a capital gain or loss to the Holder under the Tax Act. On the Share Exchange, the Holder will be deemed to dispose of the Holder's Eagle Plains Class A Shares for proceeds equal to his or her "adjusted cost base" of those shares, and will acquire the Eagle Plains New Shares and Eagle Plains Butterfly Shares at an aggregate cost equal to such amount.

The Holder must apportion such cost between the Eagle Plains New Shares and Eagle Plains Butterfly Shares in accordance with their proportionate fair market values immediately after the Share Exchange. For this purpose, it is assumed to be reasonable to expect that the fair market value of the Holder's Eagle Plains Butterfly Shares immediately after the Share Exchange will derive from the fair market value of the Spin-Off Assets to be transferred to Eagle Royalties under the Plan of Arrangement. The fair market value of the Spin-off Assets will be determined by the Eagle Royalties Shares to be received by the Holder under the Plan of Arrangement. The fair market value of Eagle Plains New Shares is a question of fact determined by reference to all relevant factors (including the respective trading values of those shares following the Share Exchange).

On the Share Transfer, the Eagle Plains Butterfly Shares acquired by each Shareholder participating under the Plan of Arrangement will be transferred by the Holder to Eagle Royalties for consideration consisting of Eagle Royalties Shares, on the terms and subject to the Plan of Arrangement. Such transfer may trigger a capital gain or loss to the Holder. However, if requested by the Holder of the Eagle Plains Butterfly Shares, Eagle Royalties and the Holder of the Eagle Plains Butterfly Shares will jointly elect, in prescribed form and within the time limit set under the Tax Act, to transfer the Eagle Plains Butterfly Shares to Eagle Royalties at an "agreed amount". The "agreed amount" in respect of the Eagle Plains Butterfly Shares so transferred by each Holder to Eagle Royalties will be an amount equal to the lesser of the fair market value of the particular Eagle Plains Butterfly Shares and their cost amount to the particular Holder at that time. If the election has been requested as described above, a capital gain is not expected to occur to the Holder.

The Eagle Royalties Shares received by a Holder on the Share Transfer will have an adjusted cost base to the Holder equal to the agreed amount as noted above. Further, the aggregate paid up capital of the Eagle Royalties Shares will be equal to the cost amount to Eagle Royalties of the Eagle Plains Butterfly Shares transferred.

*Dissenting Holders Resident in Canada*

A Dissenting Shareholder will be deemed to receive a dividend equal to the amount by which the amount received (other than in respect of interest awarded by a Court, if any) from Eagle Plains exceeds the paid-up capital of the Dissenting Shareholder's Eagle Plains Shares. The deemed dividend will be subject to the normal gross-up and dividend tax credit rules under the Tax Act.

In addition, a Dissenting Shareholder will be considered to have disposed of their Eagle Plains Shares for proceeds of disposition equal to the amount received from Eagle Plains (less the

deemed dividend referred to above and not including any interest awarded by a Court). The Dissenting Shareholder will realize a capital gain (or capital loss) to the extent such adjusted proceeds of disposition, less any reasonable costs of disposition, exceed (or are exceeded by, respectively) the Dissenting Shareholder's adjusted cost base of the Eagle Plains Shares so disposed of. Any such capital gain or loss will be subject to the normal rules under the Tax Act.

Interest awarded to a Dissenting Shareholder by a Court, if any, must be included by the Dissenting Shareholder in computing the Dissenting Shareholder's income for purposes of the Tax Act.

#### *Non-Resident Holders Participating in the Plan of Arrangement*

The following part of the summary applies, subject to all provisions and assumptions set out above, to a Holder (as defined above) who participates in the Share Redesignation, Share Exchange and the Share Transfer and who, for the purposes of the Tax Act and any relevant tax treaty, is not and has never been resident in Canada and does not and will not at any relevant time use or hold any shares of Eagle Plains (including the Eagle Plains Shares, the redesignated Eagle Plains Class A Shares, the Eagle Plains Butterfly Shares and any other shares) in carrying on, or otherwise in connection with, a business in Canada. A Holder meeting all such requirements is referred to herein as a "Non-Resident Holder", and the following part of the summary only addresses such Non-Resident Holders.

As indicated above under "*Holders Resident in Canada and Participating in the Plan of Arrangement*", the Redesignation is not a taxable event to a Holder under the Tax Act.

The Share Exchange will not result in the recognition of a capital gain or loss to the Non-Resident Holder under the Tax Act. On the Share Exchange, the Non-Resident Holder will be deemed to dispose of the Non-Resident Holder's Eagle Plains Class A Shares for proceeds equal to his or her adjusted cost base of those shares, and will acquire the Eagle Plains New Shares and Eagle Plains Butterfly Shares at an aggregate cost equal to such amount.

The Non-Resident Holder must apportion such cost between the Eagle Plains New Shares and Eagle Plains Butterfly Shares in accordance with their proportionate fair market values immediately after the Share Exchange. For this purpose, it is assumed to be reasonable to expect that the fair market value of the Non-Resident Holder's Eagle Plains Butterfly Shares immediately after the Share Exchange will derive from the fair market value of the Spin-off Assets to be transferred to Eagle Royalties under the Plan of Arrangement. The fair market value of the Spin-off Assets will be determined by the Eagle Royalties Shares to be received by the Non-Resident Holder under the Plan of Arrangement. The fair market value of Eagle Royalties Shares and Eagle Plains New Shares is a question of fact determined by reference to all relevant factors (including the respective trading values of those shares following the Share Exchange).

On the Share Transfer, the Eagle Plains Butterfly Shares acquired by each Non-Resident Holder participating under the Plan of Arrangement will be transferred by the Non-Resident Holder to Eagle Royalties for consideration consisting of Eagle Royalties Shares, on the terms and subject to the Plan of Arrangement. Such transfer may trigger a capital gain or loss to the Non-Resident Holder if such shares are considered taxable Canadian property (as discussed below). However, if requested by the Non-Resident Holder of the Eagle Plains Butterfly Shares, Eagle Royalties and the Non-Resident Holder of the Eagle Plains Butterfly Shares will jointly elect, in prescribed form and within the time limit set under the Tax Act, to transfer the Eagle Plains Butterfly Shares to Eagle Royalties at an "agreed amount". The

"agreed amount" in respect of the Eagle Plains Butterfly Shares so transferred by each Non-Resident Holder to Eagle Royalties will be an amount equal to the lesser of the fair market value of the particular Eagle Plains Butterfly Shares and their cost amount to the particular Non-Resident Holder at that time. If the election has been requested as described above, a capital gain is not expected to occur to the Non-Resident Holder.

The Eagle Royalties Shares received pursuant to the election noted above by a Non-Resident Holder on the Share Transfer will have an adjusted cost base to the Non-Resident Holder equal to the agreed amount as noted above. Further, the aggregate paid up capital of the Eagle Royalties Shares will be equal to the cost amount to Eagle Royalties of the Eagle Plains Butterfly Shares transferred.

If the Non-Resident Holder does not elect on the Share Transfer as noted above, and a capital gain or capital loss arises to the Non-Resident Holder, the Non-Resident Holder will be subject to tax in respect of such capital gain under the Tax Act only if the Non-Resident Holder's Eagle Plains Butterfly Shares constitute "taxable Canadian property" and the Non-Resident Holder is not entitled to relief under an applicable tax treaty (if any).

For this purpose, Eagle Plains Butterfly Shares will not be "taxable Canadian property" to a Non-Resident Holder provided that at no time during the 60-month period preceding the Share Exchange and the Share Transfer, respectively: (i) did the Non-Resident Holder (or persons with whom the Non-Resident Holder did not deal at arm's-length for purposes of the Tax Act, alone or together with the Non-Resident Holder) hold 25% or more of the issued shares of any class of Eagle Plains and (ii) more than 50% of the fair market value of the Eagle Plains Shares, Eagle Plains Class A Shares, or Eagle Plains Butterfly Shares was derived, directly or indirectly, from real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or any combination thereof.

### **The Amalgamation**

A Holder (other than a Dissenting Shareholder) will realize no capital gain (or loss) on the disposition of Eagle Royalties Shares for Amalco Shares in connection with the Amalgamation. A Holder will be deemed to have disposed of its Eagle Royalties Shares for proceeds of disposition equal to the aggregate adjusted cost base of such Eagle Royalties Shares to such Holder immediately before such disposition. Such Holder will be deemed to have acquired the Amalco Shares at an aggregate cost equal to such proceeds of disposition. That aggregate cost will be allocated between the Amalco Shares received on the Amalgamation based on the relative fair market value of such shares received.

**Resident Holders and Non-Resident Holders are urged to consult their own tax advisors with respect to the Amalgamation.**

### **RISK FACTORS**

The following risk factors should be carefully considered by Securityholders in evaluating whether to approve the Arrangement Resolution. These risk factors should be considered in conjunction with the other information contained in or incorporated by reference into this Circular. The risks and uncertainties described below are those currently believed to be material, but they are not the only ones Eagle Plains and/or Eagle Royalties faces or that Eagle Plains, Eagle Royalties, Amalco and/or the Resulting Issuer could face or will face. Should the following risks, or should any other risks and uncertainties not yet identified or that are currently considered not to be material, occur or become material risks, such risks and uncertainties could materially adversely affect the respective business, results of

operations, and/or financial condition of Eagle Plains, Eagle Royalties, Amalco and/or the Resulting Issuer and, consequently, the price of the Eagle Plains Shares and/or Amalco or Resulting Issuer Shares. In all these cases, the trading price of the Eagle Plains Shares and/or the Resulting Issuer Shares going forward could decline, and you could lose all or part of your investment.

### **Risk Factors Relating to the Transaction**

#### *Failure to satisfy conditions to the completion of the Arrangement*

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Eagle Plains, including obtaining the Requisite Securityholder Approval, the granting of the Final Order and the satisfaction of other customary closing conditions. There can be no certainty, nor can Eagle Plains provide any assurance, that these conditions will be satisfied or waived nor can there be any certainty as to the timing of their satisfaction or waiver.

A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in the approvals to be obtained could delay the Effective Date and may adversely affect the business, financial condition and/or results of Eagle Plains. There can be no certainty, nor can Eagle Plains provide any assurance, that these conditions will be satisfied or waived, nor can there be any certainty as to the timing of their satisfaction and/or waiver. If such conditions are not satisfied or waived and the Arrangement is not completed, or is materially delayed, the market price of the Eagle Plains Shares may be adversely affected.

#### *Eagle Plains will incur costs even if the Arrangement is not completed*

Certain costs relating to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Eagle Plains even if the Arrangement is not completed.

#### *Failure to complete the Arrangement could negatively impact the price of the Eagle Plains Shares and future business and operations of Eagle Plains*

There are a number of material risks relating to the Arrangement not being completed, including, but not limited to, the following:

- (a) the price of Eagle Plains Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will not be completed;
- (b) Eagle Plains Securityholders will not receive the Eagle Royalties Shares issuable pursuant to the Arrangement and will not obtain the prospective benefits to be derived therefrom;
- (b) certain costs related to the Arrangement, such as legal, accounting and other advisory fees will be payable by Eagle Plains even if the Arrangement is not completed; and
- (d) Eagle Plains will continue to be subject to various risks related to its ongoing business (please see "*Risk Factors – Risks Relating to Eagle Plains*" in this Circular).



*The exchange ratio is fixed and will not be adjusted in the event of any change in the price of Eagle Plains Shares*

The exchange ratio is fixed and will not be adjusted if there are changes in the market price of the Eagle Plains Shares. The market price of the Eagle Plains Shares could fluctuate prior to the Effective Date in response to various factors and events, including, without limitation, the differences between Eagle Plains' actual financial or operating results and those expected by investors and analysts, changes in analysts' projections or recommendations, changes in general economic or market conditions, and/or broad market fluctuations. As a result of such fluctuations, historical market prices are not indicative of future market prices. There can be no assurance that continuing fluctuations in price and volume will not occur.

*The Arrangement may not be completed if holders of a certain number of Eagle Plains Shares exercise Dissent Rights*

Shareholders have the right to exercise Dissent Rights and demand payment of the fair value of their Eagle Plains Shares, in cash, in connection with the Arrangement and in accordance with the ABCA, as modified by the Plan of Arrangement and the Interim Order. The exercise of Dissent Rights requires satisfaction of certain specific conditions, and the determination of the amount payable is subject to a Court-supervised valuation process. If there are a significant number of Dissenting Shareholders, a substantial cash payment may be required to be made to such Dissenting Shareholders. For this reason, it is a condition to the completion of the Arrangement that holders of not more than 10% of the outstanding Eagle Plains Shares shall have exercised Dissent Rights in respect of the Arrangement. While this condition may be waived by 138, in its sole discretion, 138 may determine not to proceed with the Arrangement if the threshold of Dissenting Shareholders is exceeded. If this occurs, the Arrangement will not be completed. Please see "*Dissent Rights*" in this Circular.

*The Arrangement may be classified as a taxable transaction*

There is no assurance that the CRA will agree with Eagle Plains and Eagle Royalties on the amounts and/or classification of assets with respect to certain transfers of assets contemplated by the Plan of Arrangement, which are intended to take place on a tax-deferred basis, in which case Eagle Plains, Eagle Royalties and/or the Securityholders could be subject to tax on completion of the Arrangement.

*Completion of the Amalgamation is subject to several conditions that must be satisfied or waived*

The completion of the Amalgamation is subject to a number of conditions precedent, some of which are outside of the control of Eagle Plains. In addition, the completion of the Amalgamation is conditional on, among other things, no Material Adverse Effect in respect of Eagle Plains having occurred since the date of the Amalgamation Agreement. Moreover, a substantial delay in obtaining required approvals could result in the Amalgamation not being completed. There can be no certainty, nor can Eagle Plains provide any assurance, that these conditions will be satisfied or waived, and if satisfied or waived, when they will be satisfied or waived

*The Amalgamation Agreement may be terminated in certain circumstances*

Each of the parties to the Amalgamation Agreement have the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can

Eagle Plains provide any assurance, that the Amalgamation Agreement will not be terminated by any of Eagle Plains, Eagle Royalties or 138 before the completion of the Amalgamation.

For instance, 138 has the right, in certain circumstances, to terminate the Amalgamation Agreement if changes occur that constitute a Material Adverse Effect with respect to Eagle Plains. There is no assurance that a Material Adverse Effect with respect to Eagle Plains will not occur before the Effective Date, in which case 138 could elect to terminate the Amalgamation Agreement and the Amalgamation would not proceed.

If the Amalgamation Agreement is terminated, Eagle Plains will still have incurred costs for pursuing the Amalgamation, including legal, accounting and other advisory fees and costs related to the diversion of management's attention away from the conduct of Eagle Plains' business.

*While the Amalgamation is pending, Eagle Plains is restricted from taking certain actions*

The Amalgamation Agreement restricts Eagle Plains from taking specified actions without the consent of 138 until the Amalgamation is completed. These restrictions may, in certain circumstances, prevent Eagle Plains from pursuing attractive business opportunities that could arise prior to the completion of the Amalgamation.

Please see "*The Amalgamation Agreement – Covenants of Eagle Royalties and Eagle Plains Regarding Non-Solicitation*" in this Circular.

*The Resulting Issuer Shares may experience price volatility*

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Resulting Issuer include macroeconomic developments in North America and/or globally, and market perceptions of the attractiveness of particular industries. The Resulting Issuer's share price, financial condition and results of operations are all likely to be significantly affected by short term changes in metal prices. There can be no assurance that continual fluctuations in metal prices will not occur. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value.

### **Risk Factors Relating to Eagle Plains**

If the Transaction is not completed, Eagle Plains will continue to face, and Securityholders will be exposed to, the risks that Eagle Plains currently faces with respect to its business, affairs, operations and future prospects. A description of the risk factors applicable to Eagle Plains is available in Eagle Plains' latest annual management's discussion and analysis and interim management's discussion and analysis, which are available on Eagle Plains' SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Approval of Arrangement**

The Securityholders will be asked to consider and approve the Arrangement by passing the Arrangement Resolution in substantially the form set out in Appendix A to this Circular. If the

Arrangement Resolution does not receive the Requisite Securityholder Approval, the Arrangement will not be completed and Eagle Plains will continue to hold and manage the Spin-Off Assets in the same manner that it presently does, and Eagle Royalties will continue as a private wholly-owned subsidiary of Eagle Plains. Please see "*The Transaction*" in this Circular.

### **Other Business**

Management of Eagle Plains knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment in such matters. The right to vote on the matter described in the Notice of Meeting accompanying this Circular has been extended to Eagle Plains Optionholders and Eagle Plains Warrantholders along with Eagle Plains Shareholders, all voting as a single class, except for the votes required to be excluded pursuant to MI 61-101. However, if any new matter were to properly come before the Meeting requiring a vote, the right to vote on such new matter shall only be available to Eagle Plains Shareholders.

### **INFORMATION CONCERNING 138**

The following information should be read together with the audited financial statements of 138 and related management's discussion and analysis as set out in Appendix F.

#### **General**

138 was incorporated on November 15, 2022 under the *Business Corporations Act* (British Columbia) for the sole purpose of completing the Concurrent Financing and the Amalgamation. The registered and head office of 138 is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

138 has no active business and its sole activities since incorporation have been the completion of an initial seed financing, the negotiation and execution of the Amalgamation Agreement, the pursuit of the Concurrent Financing and the transactions contemplated by the Amalgamation Agreement.

On December 6, 2022, 138 completed an initial private placement of 5,000,000 common shares at a price of \$0.02 per share, generating aggregate gross proceeds of \$100,000, to be used for 138's expenses associated with the pursuit of the transactions contemplated by the Amalgamation Agreement. 138 has not issued or granted any options or warrants or other similar securities that are convertible into common shares of 138, but it may do so as part of the Concurrent Financing, as described below.

138 is not currently a reporting issuer and its shares are not listed on any recognized stock exchange in Canada, the United States or elsewhere.

Immediately prior to the completion of the Amalgamation, 138 will complete the 138 Continuation in order to facilitate the Amalgamation under the ABCA.

No 138 Shareholder will become an insider of Amalco following completion of the Amalgamation.

## **Concurrent Financing**

Concurrent with the Transaction, 138 will conduct the Concurrent Financing whereby 138 will raise gross proceeds of at least \$3,000,000 through the issuance of Concurrent Financing Securities at a price of \$0.30 per Concurrent Financing Security prior to the Effective Date. It is a condition to the completion of the Transaction that 138 will have completed the Concurrent Financing prior to the Effective Date. If the Concurrent Financing is not completed, the Transaction will not be consummated.

The Concurrent Financing will be structured and completed by 138 in such a manner to ensure that Amalco meets the CSE's listing requirements on the Listing Date.

At the Effective Date, the Concurrent Financing Securities will automatically convert to, or become exercisable into, Amalco Shares or shares of the Resulting Issuer, as the case may be, in accordance with their terms and pursuant to the terms of the Amalgamation Agreement.

It is expected that the net proceeds of the Concurrent Financing will be used by the Resulting Issuer for operating expenses, working capital, transaction expenses, as well general corporate expenses.

To the knowledge of Eagle Plains, no directors or officers of Eagle Plains or Eagle Royalties are expected to participate in the Concurrent Financing, except as disclosed herein.

### *Compensation*

In connection with the Concurrent Financing, 138 may: (i) pay agent commissions in cash of up to 7% of the gross proceeds raised from the Concurrent Financing and (ii) issue broker's warrants, equivalent to 7% of the Concurrent Financing Securities sold under the Concurrent Financing.

## **Risk Factors Relating to the Concurrent Financing**

### *Completion, Size of, and Participation in the Concurrent Financing*

There can be no assurance that the Concurrent Financing will be completed or that it will be fully subscribed. While 138 has received expressions of interest from various parties regarding participation in the Concurrent Financing, such parties may ultimately decide not to participate in the Concurrent Financing or to not participate in the Concurrent Financing to the extent anticipated.

If the Concurrent Financing fails to raise the minimum gross proceeds or the Concurrent Financing is not completed at all, the Transaction will not be consummated.

## **INFORMATION CONCERNING EAGLE ROYALTIES**

As at the date of this Circular, Eagle Royalties has not carried on any active business, and until the Transaction is effected, Eagle Royalties will have no significant assets or liabilities, will conduct no operations and will not, except in connection with the Arrangement, issue shares in its capital.

The following information should be read together with the Audited Financial Statements of Eagle Royalties and related management's discussion and analysis as set out in Appendix F.

**Name and Incorporation**

Eagle Royalties was incorporated under the ABCA on January 21, 2022 as "Eagle Royalties Ltd." The registered office of Eagle Royalties is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta, T2X 3J3 and the principal office of Eagle Royalties is located at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia, V1C 2R7.

**Market for Securities**

Eagle Royalties is not currently a reporting issuer and the Eagle Royalties Shares are not listed on any recognized stock exchange in Canada, the United States or elsewhere. It is anticipated that a listing application will be submitted to list the Amalco Shares on the CSE following the completion of the Amalgamation. Such listing will be subject to meeting CSE initial listing requirements and there can be no assurance that such a listing will be obtained. Completion of the Transaction is conditional upon the CSE approving the listing of the Amalco Shares.

If the Transaction is completed, the Resulting Issuer will become a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario.

**Prior Sales of Securities of Eagle Royalties**

As of the date of this Circular, Eagle Royalties has issued one hundred (100) Eagle Royalties Shares to Eagle Plains, its sole shareholder.

**Dividends**

As at the date of this Circular, Eagle Royalties has not declared or paid any dividends on the outstanding Eagle Royalties Shares. Any decision to pay dividends on Eagle Royalties Shares in the future will be made by the board of directors of Eagle Royalties on the basis of the earnings, financial requirements and other conditions existing at such time. Management does not foresee payment of dividends in the short or medium term.

**Options and Warrants**

As of the date of this Circular, Eagle Royalties has not issued or granted any options or warrants or other similar securities that are convertible into Eagle Royalties Shares nor has it adopted any plans for the issuance thereof, other than in connection with the Eagle Royalties Commitment.

Subject to completion of the Amalgamation and pursuant to the Eagle Plains Commitment, each vested Eagle Plains Option and Eagle Plains Warrant, provided they have not expired, shall be exercisable into:

- (a) that number of Eagle Plains New Shares that equals the number of Eagle Plains Shares that would have been issued under the Eagle Plains Option or Eagle Plains Warrant, as the case may be; and
- (b) that number of Eagle Royalties Shares (or Amalco Shares, if exercised after the Amalgamation) that is equal to one-third (1/3) of the number of Eagle Plains Shares that would have been issued under the Eagle Plains Option or Eagle Plains Warrant, as the case may be.

Eagle Plains shall, as agent for Eagle Royalties, distribute such Eagle Royalties Shares to the exercising Warrantholders or Optionholders, and collect and pay to Eagle Royalties an amount for each Eagle Royalties Share so issued that is equal to the exercise price under the Eagle Plains Option or Eagle Plains Warrant, as the case may be, multiplied by the Butterfly Proportion.

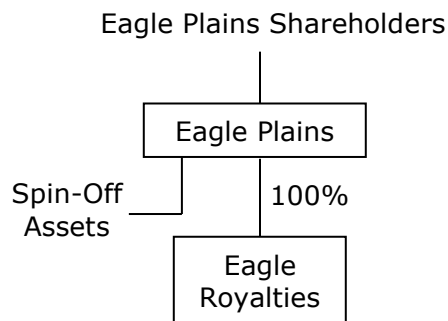
For further information of the treatment of Eagle Plains Options and Eagle Plains Warrants, please see Section 4.3 of the Arrangement Agreement.

As of the date of this Circular, there are 10,962,000 Eagle Plains Options and 5,311,529 Eagle Plains Warrants issued and outstanding. As such, Eagle Royalties will reserve for issuance a total of 5,424,510 Eagle Royalties Shares pursuant to the Eagle Royalties Commitment.

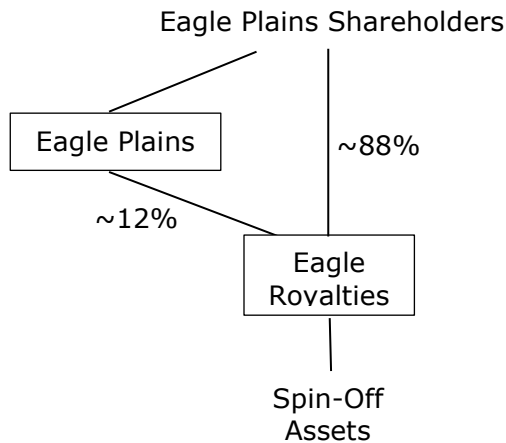
### Intercorporate Relationships

Below are diagrams which illustrate the intercorporate relationship between Eagle Royalties and Eagle Plains before and after the completion of the Arrangement.

#### Before the Arrangement



#### After the Arrangement



## **Promoter**

Eagle Plains took the initiative in organizing Eagle Royalties and, accordingly, it may be considered to be a "promoter" of Eagle Royalties within the meaning of Applicable Securities Laws. During the period from incorporation up to and including the closing of the Arrangement, the only material property that Eagle Plains will receive from Eagle Royalties are the Eagle Royalties Shares to be issued to Eagle Plains pursuant to the Arrangement. Please see "*The Transaction – Details of the Arrangement*".

## **PRO FORMA INFORMATION RELATING TO AMALCO**

The following sets forth certain information relating to Eagle Royalties and 138, together with *pro forma* information of Amalco after giving effect to the Transaction and certain other adjustments. The following information should be read in conjunction with the information concerning Eagle Royalties and 138, as applicable, appearing elsewhere in this Circular. Please see "*Information Concerning Eagle Royalties*" and "*Information Concerning 138*" in this Circular.

Furthermore, the following information should be read together with the *Pro Forma* Financial Statements, as set out in Appendix F and the Audited Carve-Out Financial Statements of Eagle Royalties as set out in Appendix F to this Circular.

Information included in this section under the headings "*Selected Pro Forma Financial Information*" pertaining to Eagle Royalties and 138, as applicable, has been furnished by Eagle Royalties and 138, respectively. With respect to such information, the Board has relied exclusively upon Eagle Royalties and 138, without independent verification by Eagle Plains.

## **General**

Immediately following the completion of the Arrangement, Eagle Royalties and 138 shall amalgamate pursuant to Section 181 of the ABCA and, pursuant to the terms and conditions of the Amalgamation Agreement, their respective share capital will be exchanged on a 1:1 basis for Amalco Shares. After giving effect to the transactions contemplated by the Amalgamation Agreement, but before giving effect to the Concurrent Financing, and prior to the exercise of any Eagle Plains Options or Eagle Plains Warrants, the Eagle Plains Shareholders will hold approximately 78%, Eagle Plains will hold approximately 11%, and 138 Shareholders will hold approximately 11% of the issued and outstanding Amalco Shares. Following approval of the Amalgamation, an application will be made to list the Amalco Shares on the CSE.

## **Organizational Structure after the Amalgamation**

Immediately following the Amalgamation, Eagle Royalties and 138 shall continue as one combined business entity operating under the name "Eagle Royalties Ltd.", which will cease to be a wholly-owned subsidiary of Eagle Plains.

## **Narrative Description of the Combined Business**

Following the completion of the Amalgamation, Amalco will carry on the business and operations of Eagle Royalties and 138 on a combined basis and its headquarters will be located in Cranbrook, British Columbia. The principal assets of Amalco will be cash or cash equivalents of 138 and the Spin-Off Assets, and the principal business of Amalco will be that of a royalty company.

## General Description of the Business

After completion of the Transaction, Amalco will operate as a royalty company. As at the date of this Circular, Amalco does not have any of its securities listed or quoted on any stock exchange, but it is expected that an application will be made to list the Amalco Shares on the CSE. If such listing is approved by the CSE, the Resulting Issuer will operate as a publicly listed royalty company.

## Intercorporate Relationships

Amalco currently has no subsidiaries and is not, upon completion of the Transaction, expected to have any subsidiaries.

## General Development of the Business to Date

The Amalgamation of Eagle Royalties and 138 will be completed on the Effective Date and, prior to the Amalgamation, neither Eagle Royalties nor 138 will have had any active business operations.

## Trends

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on Amalco's business, financial condition or results of operations as at the date of this Circular, except as otherwise disclosed herein or except in the ordinary course of business.

## Description of Share Capital

The share capital of Amalco will be identical to the share capital of Eagle Royalties immediately prior to the completion of the Amalgamation. As such, the authorized share capital of Amalco shall consist of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series which shall have the rights, privileges, restrictions and conditions as set out in the articles of amalgamation and as would be standard for a corporation listed on a recognized Canadian stock exchange.

## Selected *Pro Forma* Financial Information

The following table sets out selected *pro forma* financial information in respect of Amalco as at December 31, 2022, as if the Transaction had been completed as of December 31, 2022 and should be considered in conjunction with the more complete information contained in the *Pro Forma* Financial Statements as set out in Appendix F of this Circular.

	<b>Eagle Royalties as at December 31, 2022</b>	<b>138 as at December 31, 2022</b>	<b><i>Pro forma</i> as at December 31, 2022 after giving effect to the Amalgamation</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Current Assets	108,714	94,073	3,096,316
Non-Current Assets	-	-	-



Current Liabilities	317,445	7,354	324,799
Non-Current Liabilities	-	-	-
Total Assets	108,714	94,073	3,096,316
Total Liabilities	317,445	7,534	324,799
Shareholders' Equity Deficit	(208,731)	86,719	2,771,517

The following table sets out selected *pro forma* financial information in respect of Amalco as of December 31, 2022, as if the Arrangement had been completed as of December 31, 2022 and should be read in conjunction with the more complete information provided in the *pro forma* statement of loss and comprehensive loss of Amalco as set out in Appendix F of this Circular.

	<b>Eagle Royalties as at December 31, 2022</b>	<b>138 as at December 31, 2022</b>	<b><i>Pro forma</i> as at December 31, 2022 after giving effect to the Amalgamation</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Net Loss	(208,741)	(13,281)	(292,593)
Comprehensive Loss	(208,741)	(13,281)	(292,593)
Loss per Share (basic and diluted)	(2,087.41)	(0.00)	(0.00)

### **Dividend Policy**

Amalco currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

### **Voting and Other Rights**

Holders of Amalco Shares are entitled to one vote per Amalco Share at all meetings of Amalco shareholders, to receive dividends as and when declared by the directors and to receive a *pro rata* share of the assets of Amalco when available for distribution to holders of Amalco Shares in the event of liquidation, dissolution or winding up of Amalco.

### **Options and Other Rights to Purchase Shares**

As of the date of this Circular, there are no options or other rights to purchase Amalco Shares, other than those provided for pursuant to the Arrangement Agreement and the Amalgamation Agreement. It is anticipated that after the listing of Amalco, the Resulting Issuer's board of directors may adopt an equity incentive plan, subject to the approval of the CSE. If an equity incentive plan is adopted in the future, the purpose of such an incentive plan will be to allow the Resulting Issuer to grant options (or other similar equity-based compensation securities) to directors, officers, employees and consultants, as additional compensation, and as an

opportunity to participate in the success of the Resulting Issuer. The granting of such options (or other similar equity-based compensation securities) is intended to align the interests of such persons with that of the Resulting Issuer's shareholders.

### Prior Sales

Except for the shares issued by Eagle Royalties at the time of incorporation, Eagle Royalties has not issued any other shares. Except for the shares issued by 138 at the time of incorporation, as of the date of this Circular, 138 has not issued any other shares other than the 5,000,000 138 Shares issued in connection with an initial seed financing.

Prior to the Effective Date, 138 intends to issue additional securities as part of the Concurrent Financing and Eagle Royalties intends to issue Eagle Royalties Shares as part of the Arrangement.

### Escrowed Securities

Under the applicable policy of the CSE, all securities issued to "Related Persons" (as defined under the applicable CSE policy) are generally required to be subject to an escrow agreement pursuant to National Policy 46-201 - *Escrow for Initial Public Offerings*. As such all related persons of the Resulting Issuer must enter into an escrow agreement that provides for the escrow of Resulting Issuer Shares (the "**Escrow Shares**") held by such persons after the completion of the Transaction. The Escrow Shares will be subject to an escrow for a period of 36 months following the Listing Date. The Escrow Shares held by each related person will be released in accordance with the release schedule set forth below:

Release Schedule of the Escrow Shares	Number of Escrow Shares
On the listing and trading of the Resulting Issuer Shares on the CSE	10% of the total Escrow Shares shall be released from escrow
6 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow
12 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow
18 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow
24 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow
30 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow
36 months following listing and trading of the Resulting Issuer Shares on the CSE	15% of the total Escrow Shares shall be released from escrow

In addition to the Escrow Shares, Securityholders and certain 138 Shareholders are also subject to certain contractual escrow terms. Please see "*The Arrangement Agreement - Statutory and Contractual Escrow Restrictions*" in this Circular. In summary, all Amalco Shares held by each former Eagle Plains Securityholder and certain 138 Shareholders (each a "**Contractually Escrowed Securityholder**") shall be held in escrow and releasable to each such Contractually Escrowed Securityholder in increments of 20% on each of the following

dates: (a) the Listing Date; (b) 90 days from the Listing Date; (c) 180 days from the Listing Date; (d) 270 days from the Listing Date; and (e) 360 days from the Listing Date.

## Governance Matters

### *Proposed Directors, Officers and Management of Amalco*

After the completion of the Amalgamation, Amalco is expected to have the directors, officers and management set out in the table below.

<b>Name and Municipality of Residence</b>	<b>Office held in Resulting Issuer upon completion of the Transaction</b>	<b>Number of Amalco Shares beneficially owned or controlled upon completion of the Transaction but prior to giving effect to the Concurrent Financing and the Exercise of Eagle Plains Options and Eagle Plains Warrants</b>	<b>Percentage of Amalco Shares beneficially owned or controlled upon completion of the Transaction but prior to giving effect to the Concurrent Financing and the Exercise of Eagle Plains Options and Eagle Plains Warrants</b>
<i>Timothy T. Termuende</i> <sup>(2)</sup> Cranbrook, British Columbia	President, Chief Executive Officer and Director	2,207,871	4.70%
<i>Charles C. Downie</i> <sup>(2)</sup> Cranbrook, British Columbia	Vice-President and Director	376,583	0.80%
<i>Paul Reynolds</i> <sup>(1)</sup> Vancouver, British Columbia	Director	83,333	0.18%
<i>Jesse T. Campbell</i> Cranbrook, British Columbia	Director	250,000	0.53%
Glen J. Diduck, Cochrane, Alberta	Chief Financial Officer	866,667	1.84%
<i>Norm E. Jordan</i> Cranbrook, British Columbia	Company Secretary and Controller	58,333	0.12%
		<b><u>3,842,787</u></b>	<b><u>8.18%</u></b>

#### Notes:

1. Proposed member of audit committee of Amalco.
2. Proposed member of corporate governance and compensation committee of Amalco.

Upon the completion of the Transaction but prior to giving effect to the Concurrent Financing and the exercise of Eagle Plains Options and Eagle Plains Warrants, it is expected the directors and senior officers of Amalco will, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 3,842,787 Amalco Shares, representing approximately 8.18% of the issued Amalco Shares.

*Background and Experience of Proposed Directors, Officers and Management*

The following is the background information on the above proposed directors, officers and management.

**TIMOTHY J. TERMUENDE**, President, Chief Executive Officer and Director  
Cranbrook, British Columbia

Mr. Termuende obtained his Bachelor of Science degree in Geology in 1987 and his Professional Geologist designation in British Columbia in 1992. Mr. Termuende has been a self-employed consulting geologist and President of Toklat Resources Inc., a privately owned resource management company, from March 1990 to the present. He has served as President and Chief Executive Officer of Eagle Plains since May 1999.

**CHARLES C. DOWNIE**, Director  
Cranbrook, British Columbia

Mr. Downie obtained his Bachelor of Science degree from the University of Alberta in 1988 and his Professional Geoscientist designation in British Columbia in 1993. He served as a Geological Consultant for Big City Resources Ltd., a privately owned resources company, from May 1994 to 1999. Mr. Downie has acted as Exploration Manager for Eagle Plains since January 2000.

**PAUL REYNOLDS**, P. GEO, Director  
Vancouver, British Columbia

Mr. Reynolds is a professional geoscientist with over 34 years' experience working on exploration and mining projects in Canada, USA, Bolivia, Argentina and Guyana. He specializes in the conception and management of mineral exploration ventures. He has 24 years' experience managing public companies as both a director and/or executive officer. Paul was formerly Chairman of Athlone Energy Ltd., which was sold to Daylight Energy Ltd. in September 2008. He is currently a director of Azincourt Energy Inc. (TSXV), Highway 50 Gold Corp. (TSXV) and West Oak Gold Corp. (CSE). Mr. Reynolds holds a Bachelor of Science degree in Geology from the University of British Columbia (1987) and is a member of Engineers and Geoscientists British Columbia since 1992.

**JESSE T. CAMPBELL**  
Cranbrook, British Columbia

Mr. Campbell obtained his Bachelor of Science degree in Geography from the University of Calgary in 2005. Mr. Campbell has been employed by Eagle Plains in a variety of roles since 1998 and has been involved in the mining industry since 1997. He has served as President of TerraLogic Exploration Inc., a resource consulting firm and wholly owned subsidiary of Eagle Plains, since 2009.

**GLEN J. DIDUCK**, Chief Financial Officer  
Cochrane, Alberta

Mr. Diduck is a retired Chartered Professional Accountant. He has over 40 years of experience in public accounting focusing on accounting, audit and taxation of small to medium-sized businesses. Since 1999, Glen has overseen disclosure and corporate governance in the publicly-traded junior mining exploration industry. He is currently the CFO and a director of Eagle Plains. He previously held executive positions with Copper Canyon Resources Ltd. until

it was acquired by NovaGold Resources Ltd. in 2011, Taiga Gold until its acquisition by SSR Mining Inc. in 2022, Omineca Mining and Metals Ltd. and Triumph Gold Corp.

***NORM E. JORDAN***, Company Secretary and Controller  
Cranbrook, British Columbia

Mr. Jordan obtained his Bachelor of Science in Business Administration degree in 1978 from Michigan Technological University. He has served as Controller of Eagle Plains since November 2004. Prior to joining Eagle Plains, he was employed as a manager at BDO Dunwoody, a public accounting firm, where he worked for 20 years.

*Other Reporting Issuers*

The proposed directors and officers of Amalco are, or within the past five years have been, directors and officers of the following reporting issuers:

<b>Name</b>	<b>Other Reporting Issuers</b>	<b>Exchange</b>	<b>Position</b>	<b>Dates</b>
<i>Charles C. Downie</i>	Eagle Plains	TSXV	Exploration Manager, Director	Dec 2001 – present
	Taiga Gold	CSE	Director	Sept 2017 – April 2022
<i>Timothy J. Termuende</i>	Aben Resources Ltd.	TSXV	Director	Mar 2011 – present
	Taiga Gold	CSE	President, CEO, Director	Sept 2017 – April 2022
	Eagle Plains	TSXV	President, CEO, Director	Jan 1995 – present
	Silver Range Resources	TSXV	Director	Jan 2020 – present
	1844 Resources Inc. (formerly Gespeg Resources Ltd.)	TSXV	Director	Jan 2012 – Jan 2020
<i>Paul Reynolds</i>	Eagle Plains	TSXV	Director	July 2019 – present
	Azincourt Energy Inc.	TSXV	Director	Feb 2012 – present
	Taiga Gold	CSE	Director	Aug 2019 – April 2022
	West Oak Gold Corp.	CSE	Director	July 2021 – present
	Highway 50 Gold Corp.	TSXV	Director	Dec 2020 – present
<i>Jesse Campbell</i>	Taiga Gold	CSE	Director	Apr 2018 – April 2022
<i>Glen Diduck</i>	Eagle Plains	TSXV	CFO, Director	May 1999 – present
	Taiga Gold	CSE	CFO, Director	Sept 2017 – April 2022

<b>Name</b>	<b>Other Reporting Issuers</b>	<b>Exchange</b>	<b>Position</b>	<b>Dates</b>
<i>Norm E. Jordan</i>	Eagle Plains	TSXV	Controller, Company Secretary	Nov 2004 – present
	Taiga Gold	CSE	Controller, Company Secretary	Sept 2017 – April 2022

#### *Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors or executive officers of the Resulting Issuer are, as of the date of this Circular, or were within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company, that:

- A. was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;
- B. was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- C. while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- D. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

For the purposes of the above, "order" means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

#### *Penalties or Sanctions*

No proposed director, officer or other member of management of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body including a

self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Arrangement.

#### *Conflicts of Interest*

Other than as described herein, the common directors and officers of Eagle Plains and Amalco are not expected to be subject to any conflicts of interest.

#### *Statement of Executive Compensation*

Both Eagle Royalties and 138 were incorporated recently and, accordingly, have not yet developed a compensation program. Following its listing on the CSE (subject to CSE approval), the Resulting Issuer anticipates that it will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, option-based awards and annual cash incentives, all elements which are similar to majority of public listed companies within its peer group.

#### *Audit Committee and Corporate Governance*

Following its listing on the CSE (subject to CSE approval), the Resulting Issuer expects to appoint an audit committee and a corporate governance and compensation committee.

### **Risk Factors**

In addition to the other information contained in this Circular, the following factors should be considered carefully when considering risks related to Amalco's proposed business and following its listing on the CSE (subject to CSE approval).

#### *Nature of the Securities and No Assurance of any Listing*

Amalco Shares are not currently listed on any stock exchange and there is no assurance that the Amalco Shares will be listed. Even if a listing is obtained, the holding of Resulting Issuer Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Resulting Issuer Shares should not be held by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Resulting Issuer should not constitute a major portion of an investor's portfolio.

#### *Possible Non-Completion of the Transaction*

There is no assurance that the Transaction will receive regulatory, stock exchange, Court or Requisite Securityholder Approval or that it will be completed. If the Transaction is not completed, Eagle Royalties will remain a private company and a wholly-owned subsidiary of Eagle Plains. If the Transaction is completed and Amalco is listed on the CSE, the holders of Resulting Issuer Shares will be subject to the risk factors described below relating to the Resulting Issuer's business and operations.

#### *Limited Operating History*

Amalco has a limited operating history and no operating revenues.

### *Dependence on Management*

Amalco will be very dependent upon the personal efforts and commitment of its directors and officers. If one or more of Amalco's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of Amalco could result, and Amalco may not be able to replace them readily, if at all. As Amalco's business activity grows, Amalco will require additional key financial and administrative personnel as well as additional staff. There can be no assurance that Amalco will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If Amalco is not successful in attracting, training and retaining qualified personnel, its future operations could be impaired, which could have an adverse impact on Amalco's future cash flows, earnings, results of operations and financial condition.

### *Financing Risks*

If the Transaction is completed, additional funding may be required to conduct future business development initiatives within Amalco. If Amalco's business and operational programs are successful, additional funds may be required. The only source of future funds presently available to Amalco is through the sale of equity capital. There is no assurance that any such funds will be available in the future. Failure to obtain additional financing on a timely basis could cause materially affect Amalco's future business, operations and prospects.

### *Conflicts of Interest*

Certain directors and officers of Amalco are, and may continue to be, involved in the mining industry through their direct and indirect participation in corporations, partnerships or joint ventures which may be potential competitors of Amalco, including possibly Eagle Plains. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Amalco. Directors and officers of Amalco with conflicts of interest will be subject to the procedures set out in applicable corporate and securities laws, regulation, rules and policies.

### *No History of Earnings*

Amalco has no history of earnings or of a return on investment, and there is no assurance that the Spin-off Assets or any other asset or business that Amalco may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Amalco has no plans to pay dividends for some time in the future, if ever.

### *Dilution*

Issuances of additional securities including, but not limited to, Amalco Shares or some form of convertible securities, will result in a substantial dilution of the equity interests of any persons who may become Amalco shareholders as a result of or subsequent to the Transaction.

### *Market for securities*

There can be no assurance that an active trading market will develop for Amalco Shares following the completion of the Transaction, or if developed, that such a market will be sustained at the trading price on the CSE immediately after the Effective Date. There can be no assurances that any securities regulatory authority will recognize Amalco as a reporting issuer, or that it will be able to obtain a listing on the CSE or any other stock exchange.



### *No Independent Operating History*

Amalco will have no operating history independent from Eagle Plains.

### *Early Stage Company*

Market perception of early-stage companies may change, potentially affecting the value of investors' holdings and the ability of Amalco to raise further funds through the issue of further Amalco Shares or otherwise. The share price of publicly traded early stage companies can be highly volatile. The value of the Resulting Issuer's shares may rise or fall and, in particular, the share price may be subject to sudden and large falls in value given the likely restricted marketability of the Resulting Issuer's shares.

### **Legal Proceedings**

To the best of 138's and Eagle Royalties' knowledge, following due enquiry, neither is a party to any material legal proceedings and neither is aware of any such proceedings known to be contemplated.

### **Indebtedness of Directors, Officers and Other Management**

As of the date of this Circular, none of the proposed directors, officers or other members of management or promoters of 138 or Eagle Royalties, nor any of their associates or affiliates is indebted to 138 or Eagle Royalties, nor has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by 138 or Eagle Royalties.

### **Material Contracts**

The only agreements or contracts that each of 138 and Eagle Royalties have entered into since their incorporation or will enter into as part of the Transaction which may be reasonably regarded as being material are as follows:

1. the Arrangement Agreement; and
2. the Amalgamation Agreement.

A copy of each of the material agreements may be inspected at any time up to the commencement of the Meeting during normal business hours at Eagle Plains' offices, located at Suite 200, 44 – 12th Avenue South, Cranbrook, British Columbia V1C 2R7 and is available under Eagle Plains' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Auditors**

It is anticipated that upon completion of the Transaction, the auditors of Amalco will be Crowe MacKay LLP, Chartered Professional Accountants at their principal offices at 1100 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5.

### **Registrar and Transfer Agent**

It is anticipated that the transfer agent and registrar for Amalco will be TSX Trust, located at Suite 2110, 685 Centre Street SW, Calgary, Alberta, T2G 1S5.

## **LEGAL MATTERS**

There are no pending legal proceedings to which Eagle Plains is or is likely to be a party or of which any of its properties including the Spin-Off Assets are or, to the best of knowledge of management of Eagle Plains, are likely to be subject.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date of this Circular, no current or former director, executive officer or employee of Eagle Plains is, or at any time since the beginning of the most recently completed financial year has been indebted to (a) Eagle Plains; or (b) another entity, where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Eagle Plains.

## **SINTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Circular, no director or executive officer of Eagle Plains or a person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of any class or series of voting securities of Eagle Plains, or any associate or affiliate of the foregoing has or had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of Eagle Plains' most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Eagle Plains or any of its subsidiaries.

## **EXPERTS**

### **Name of Experts**

The only persons or companies who are named as having prepared or certified a report, valuation, statement, or opinion in this Circular and whose profession or business gives authority to such report, valuation, statement, or opinion are (i) Crowe MacKay LLP, as independent auditors of Eagle Plains, Eagle Royalties, and 138, and (ii) KPMG, as independent valuers of the McQuesten Project.

### **Interest of Experts**

Each of the applicable audited financial statements for the year ended December 31, 2022 included under Appendix F of this Circular have been included in reliance upon the auditor's report of Crowe MacKay LLP, Chartered Professional Accountants, also included herein, and upon the authority of such firm as experts in accounting and auditing. Crowe MacKay LLP has advised Eagle Plains that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

KPMG prepared a valuation report with respect to the McQuesten Project. KPMG has advised Eagle Plains that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta and the Canadian Institute of Chartered Business Valuators.

## **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, only

the Eagle Plains Shares represented by the proxy solicited herein will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

**APPROVAL AND CERTIFICATION**

The contents of this Circular and the sending of the Notice of Meeting and this Circular have been approved by the Eagle Plains Board.

Dated this 17th day of March 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "Timothy J. Termuende"

Timothy J. Termuende

Director, President and Chief Executive Officer Eagle Plains Resources Ltd.

**APPENDIX A**

**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED BY SPECIAL RESOLUTIONS THAT:**

1. the arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of Eagle Plains Resources Ltd. (the "**Corporation**"), as more particularly described and set forth in the management information circular (the "**Circular**") of the Corporation dated March 17, 2023 accompanying the notice of this meeting and as it may be amended, modified or supplemented in accordance with the arrangement agreement (the "**Arrangement Agreement**") dated February 28, 2023 between the Corporation and Eagle Royalties Ltd. (the "**Eagle Royalties**") is hereby authorized, approved and adopted;
2. the plan of arrangement of the Corporation (the "**Plan of Arrangement**"), as it may be amended, modified or supplemented in accordance with its terms and the Arrangement Agreement, the full text of which is set out in Exhibit "B" to the Arrangement Agreement, is hereby authorized, approved and adopted;
3. the: (i) Arrangement Agreement and the transactions contemplated therein; (ii) actions of the directors of the Corporation in approving the Arrangement Agreement; and (iii) actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto, are hereby ratified and approved;
4. the Corporation is authorized to apply for a final order from the Court of King's Bench of Alberta in the City of Calgary, Alberta (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement;
5. notwithstanding that this resolution has been passed by the holders of common shares, warrants, and stock options of the Corporation (collectively, the "**Corporation Securityholders**"), voting as a single class, or that the Arrangement has been approved by the Court, the directors of the Corporation are hereby authorized and empowered to, without further notice to or approval of the Corporation Securityholders: (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement, to the extent permitted thereby; and (ii) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement and related transactions;
6. any officer or director of the Corporation is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the Corporation's seal or otherwise, and to deliver, or cause to be delivered, for filing with the Registrar of Corporations appointed under Section 263 of the Act (the "**Registrar**") articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement and the transactions contemplated thereby in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any other such documents with the Registrar; and
7. any officer or director of the Corporation is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the Corporation's seal or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done, all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**APPENDIX B**

**ARRANGEMENT AGREEMENT**

**EAGLE PLAINS RESOURCES LTD.**

**- AND -**

**EAGLE ROYALTIES LTD.**

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**ARRANGEMENT AGREEMENT**

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**DATED: FEBRUARY 28, 2023**

## TABLE OF CONTENTS

### **ARTICLE 1 DEFINITIONS, INTERPRETATION ..... 2**

1.1	Definitions. ....	2
1.2	Currency. ....	5
1.3	Interpretation Not Affected by Headings. ....	5
1.4	Number and Gender. ....	6
1.5	Date for any Action. ....	6
1.6	Meaning. ....	6
1.7	Exhibits. ....	6

### **ARTICLE 2 ARRANGEMENT ..... 6**

2.1	Arrangement. ....	6
2.2	Effective Date of Arrangement. ....	6
2.3	Commitment to Effect. ....	6
2.4	Filing of Final Order. ....	7
2.5	Section 85 Rollover. ....	7
2.6	Price Adjustment. ....	7
2.7	Related Liabilities. ....	8
2.8	Exemption Under the 1933 Act. ....	8
2.9	Exercise of Eagle Plains Stock Options or Warrants by U.S. Holders ....	9

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES ..... 10**

3.1	Representations and Warranties. ....	10
-----	--------------------------------------	----

### **ARTICLE 4 COVENANTS ..... 10**

4.1	Covenants. ....	10
4.2	Interim Order and Final Order. ....	11
4.3	Eagle Plains Stock Options and Warrants ....	11
4.4	Statutory and Contractual Escrow Restrictions ....	12
4.5	Eagle Plains Voting and Support Agreements. ....	12
4.6	Tax-Related Post-Closing Covenants. ....	12

### **ARTICLE 5 CONDITIONS ..... 12**

5.1	Conditions Precedent. ....	12
5.2	Pre-Closing. ....	14
5.3	Merger of Conditions. ....	14
5.4	Merger of Representations, Warranties and Covenants. ....	14

### **ARTICLE 6 AMENDMENT AND TERMINATION ..... 14**

6.1	Amendment. ....	14
6.2	Termination. ....	15
6.3	Cessation of Right. ....	15

### **ARTICLE 7 GENERAL ..... 15**

7.1	Notices. ....	15
7.2	Assignment. ....	16
7.3	Binding Effect. ....	16
7.4	Waiver. ....	16
7.5	Governing Law. ....	16
7.6	Expenses. ....	16
7.7	Entire Agreement. ....	16
7.8	Time of Essence. ....	16
7.9	Counterparts. ....	16

Exhibit "A"	Description of the Spin-off Assets
Exhibit "B"	Plan of Arrangement
Exhibit "C"	Arrangement Resolution
Exhibit "D"	Form of Eagle Plains Voting and Support Agreement



## ARRANGEMENT AGREEMENT

This Arrangement Agreement is dated as of the 28<sup>th</sup> day of February, 2023

### BETWEEN:

**EAGLE PLAINS RESOURCES LTD.**, a corporation existing under the laws of the Province of Alberta ("**Eagle Plains**")

- and -

**EAGLE ROYALTIES LTD.**, a corporation incorporated under the laws of the Province of Alberta ("**SpinCo**")

### WHEREAS:

- (A) SpinCo is, as of the date hereof, a wholly-owned subsidiary of Eagle Plains;
- (B) Eagle Plains has entered into the Amalgamation Agreement (as defined herein) with 138 (as defined herein) to, in conjunction with this Arrangement Agreement, effect a series of transactions involving Eagle Plains, SpinCo, 138, and all of their respective securityholders whereby, among other things:
  - (i) pursuant to a statutory plan of arrangement under the ABCA (as defined herein), Eagle Plains Shareholders (as defined herein) will, following a reorganization of the capital of Eagle Plains, exchange certain shares of Eagle Plains for SpinCo Shares (as defined herein) on a tax-deferred basis and Eagle Plains will transfer the Spin-off Assets (as defined herein) to SpinCo on a tax-deferred basis; and
  - (ii) SpinCo will thereafter amalgamate with 138 to form Amalco (as defined herein), and SpinCo will cease to be a wholly-owned subsidiary of Eagle Plains;
- (C) After giving effect to the transactions contemplated by this Arrangement Agreement and the Amalgamation Agreement, on the Closing Date (as defined herein), Eagle Plains Shareholders will hold approximately 65%, Eagle Plains will hold approximately 9%, and shareholders of 138 will hold approximately 26% of the issued and outstanding shares of Amalco; and
- (D) Eagle Plains shall convene a meeting of the Eagle Plains Shareholders to consider the Arrangement (as defined herein) pursuant to Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement (as defined herein) attached as Exhibit "B" to this Agreement.

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties (as defined herein), the Parties hereby covenant and agree as follows:

**ARTICLE 1  
DEFINITIONS, INTERPRETATION**

**1.1 Definitions.**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**138**" means 1386884 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;
- (b) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;
- (c) "**Agreement**" means this arrangement agreement including the exhibits attached to this agreement, as the same may be supplemented or amended from time to time;
- (d) "**Amalco**" means the corporation formed as a result of combining 138 and SpinCo in accordance with the terms and conditions of the Amalgamation Agreement;
- (e) "**Amalgamation**" means the amalgamation of 138 and SpinCo pursuant to the terms of the Amalgamation Agreement, subject to any amendments or variations thereto;
- (f) "**Amalgamation Agreement**" means the amalgamation agreement among Eagle Plains, 138 and SpinCo pursuant to Section 181 of the ABCA to form the Amalco;
- (g) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (h) "**Arrangement Provisions**" means Part 15, Section 193 of the ABCA;
- (i) "**Arrangement Resolution**" means the special resolution to be considered and, if thought fit, passed by Eagle Plains Securityholders at the Eagle Plains Meeting to approve the Arrangement, to be substantially in the form and content of Exhibit "C";
- (j) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, AB;
- (k) "**Butterfly Proportion**" means the quotient of  $A \div B$ , where:

**A** = the net fair market value of the Spin-off Assets to be transferred by Eagle Plains to SpinCo, determined immediately before such transfer; and

**B** = the net fair market value of all property owned by Eagle Plains immediately before the transfer of the Spin-off Assets to SpinCo;

- (l) "**Closing Date**" means the date of closing of the various transactions contemplated by this Agreement;
- (m) "**Concurrent Financing**" means the equity financing to be conducted by 138 prior to the Closing Date, as more particularly described in the Amalgamation Agreement;
- (n) "**Constating Documents**" of a corporation, means the articles of incorporation and the by-laws and all amendments to such articles or by-laws;
- (o) "**Court**" means the Court of King's Bench of the Province of Alberta;
- (p) "**CSE**" means the Canadian Securities Exchange;
- (q) "**Dissent Rights**" has the meaning assigned to that term in Section 5.1 of the Plan of Arrangement;
- (r) "**Eagle Plains**" has the meaning assigned to that term on the cover page of this Agreement;
- (s) "**Eagle Plains Commitment**" has the meaning assigned to that term in Section 4.3(a);
- (t) "**Eagle Plains Butterfly Shares**" means the new series of preferred shares, as more particularly described in Appendix III to the Plan of Arrangement;
- (u) "**Eagle Plains Class A Shares**" means the renamed and re-designated Eagle Plains Shares as described in Section 3.1(c) of the Plan of Arrangement;
- (v) "**Eagle Plains Meeting**" means the special meeting of the Eagle Plains Securityholders and any adjournments or postponements thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (w) "**Eagle Plains New Shares**" means a new class of common shares without par value which Eagle Plains will create and issue as described in Sections 3.1(c) and 3.1(d) of the Plan of Arrangement and for which the Eagle Plains Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Eagle Plains Shares;
- (x) "**Eagle Plains Note**" means the promissory note which Eagle Plains will create and issue to SpinCo to redeem the Eagle Plains Butterfly Shares, as described in Section 3.1(h) of the Plan of Arrangement;
- (y) "**Eagle Plains Optionholders**" means the holders of Eagle Plains Stock Options;
- (z) "**Eagle Plains Securityholders**" means, collectively, the Eagle Plains Shareholders, Eagle Plains Optionholders, and Eagle Plains Warrantholders;
- (aa) "**Eagle Plains Shareholders**" means the shareholders of Eagle Plains;

- (bb) "**Eagle Plains Shares**" means the Common Shares which Eagle Plains is authorized to issue as the same are constituted on the date hereof;
- (cc) "**Eagle Plains Stock Option Plan**" means the stock option plan of Eagle Plains adopted on February 24, 1995 and as subsequently updated and amended;
- (dd) "**Eagle Plains Stock Options**" means share purchase options issued pursuant to the Eagle Plains Stock Option Plan which are outstanding on the Effective Date;
- (ee) "**Eagle Plains Voting and Support Agreements**" means the voting and support agreement, in the form of Exhibit "D", between Eagle Plains and certain Eagle Plains Securityholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Eagle Plains Shares, Eagle Plains Stock Options, and Eagle Plains Warrants, as applicable, in favour of the Arrangement Resolution;
- (ff) "**Eagle Plains Warrants**" means the share purchase warrants issued by Eagle Plains which are outstanding on the Effective Date;
- (gg) "**Eagle Plains Warrantholders**" means the holders of Eagle Plains Warrants;
- (hh) "**Effective Date**" has the meaning assigned to that term in Section 2.3;
- (ii) "**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended at any time before the Effective Date, or if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (jj) "**Information Circular**" means the management information circular of Eagle Plains to be sent to the Eagle Plains Securityholders in connection with the Eagle Plains Meeting;
- (kk) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the Eagle Plains Meeting and the Arrangement, as the same may be amended;
- (ll) "**Parties**" means, together, Eagle Plains and SpinCo, and "**Party**" means any one of them;
- (mm) "**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (nn) "**Plan of Arrangement**" means the Plan of Arrangement attached to this Agreement as Exhibit "B", as the same may be amended pursuant to its terms therein;
- (oo) "**Registrar**" means the Registrar of Corporations under the ABCA;
- (pp) "**Related Liabilities**" means liabilities that relate to the Spin-off Assets as described in Section 2.7;

- (qq) "**Resulting Issuer**" means Amalco upon completion of the Amalgamation and the listing of the shares of Amalco on the CSE;
- (rr) "**Section 3(a)(10) Exemption**" has the meaning assigned to that term in Section 2.8;
- (ss) "**Spin-off Assets**" means the assets of Eagle Plains described in Exhibit "A" to this Agreement which are to be transferred to SpinCo under the Arrangement;
- (tt) "**SpinCo**" has the meaning assigned to that term in the preamble of this Agreement;
- (uu) "**SpinCo Commitment**" has the meaning assigned to that term in Section 4.3(b);
- (vv) "**SpinCo Note**" means the promissory note which SpinCo will create and issue to Eagle Plains to redeem the SpinCo Reorganization Shares, as described in Section 3.1(g) of the Plan of Arrangement;
- (ww) "**SpinCo Reorganization Shares**" means the new series of preferred shares, as more particularly described in Appendix II to the Plan of Arrangement;
- (xx) "**SpinCo Shareholders**" means the shareholders of SpinCo;
- (yy) "**SpinCo Shares**" means the Common Shares which SpinCo is authorized to issue as the same are constituted on the date hereof;
- (zz) "**T2057 Election Form**" has the meaning set out in Section 2.5;
- (aaa) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;
- (bbb) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (ccc) "**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934* and the rules and regulations promulgated thereunder, as amended; and
- (ddd) "**U.S. Securities Act**" means the *United States Securities Act of 1933* and the rules and regulations promulgated thereunder, as amended.

## 1.2 Currency.

All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## 1.3 Interpretation Not Affected by Headings.

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms "**this Agreement**", "**hereof**", "**herein**", "**hereunder**" and similar expressions refer to this Agreement and the exhibits forming part of this Agreement as a whole and not to any particular article, section, subsection, paragraph or

subparagraph of this Agreement and include any agreement or instrument supplementary or ancillary to this Agreement.

#### **1.4 Number and Gender.**

In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms, corporations and other entities.

#### **1.5 Date for any Action.**

In the event that any date on which any action is required to be taken hereunder by either Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

#### **1.6 Meaning.**

Words and phrases used in this Agreement and defined in the ABCA shall have the same meaning in this Agreement as in the ABCA unless the context otherwise requires.

#### **1.7 Exhibits.**

Attached to this Agreement and deemed to be incorporated into and forming part of this Agreement are the following exhibits:

- Exhibit "A" - Description of the Spin-off Assets
- Exhibit "B" - Plan of Arrangement
- Exhibit "C" - Arrangement Resolution
- Exhibit "D" - Form of Eagle Plains Voting and Support Agreement

## **ARTICLE 2 ARRANGEMENT**

#### **2.1 Arrangement.**

The Parties agree to effect the Arrangement pursuant to the applicable provisions under the ABCA on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

#### **2.2 Effective Date of Arrangement.**

The Arrangement shall become effective on the Effective Date as set out in the Plan of Arrangement without any further act or formality, except as contemplated in the Plan of Arrangement.

#### **2.3 Commitment to Effect.**

Subject to termination of this Agreement pursuant to ARTICLE 6, the Parties shall each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than July 15, 2023, or by such other date as Eagle Plains and SpinCo may determine (the "**Effective Date**"), and in conjunction therewith, to cause the conditions described in Section 5.1 to be complied with prior

to the Effective Date. Without limiting the generality of the foregoing as soon as practicable following the execution of this Agreement, the Parties shall proceed forthwith to apply for the Interim Order and, upon obtaining same, Eagle Plains shall call the Eagle Plains Meeting and mail the Information Circular to the Eagle Plains Securityholders.

#### **2.4 Filing of Final Order.**

Subject to the rights of termination contained in ARTICLE 6, upon the Eagle Plains Securityholders approving the Arrangement Resolution in accordance with the provisions of the Interim Order and the ABCA, and upon Eagle Plains obtaining the Final Order and the other conditions contained in ARTICLE 5 being complied with or waived, Eagle Plains on its behalf and on behalf of SpinCo shall file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions;
- (b) a certified copy of the Final Order; and
- (c) such other documents, records and information as may be required by the Registrar to give effect to the Arrangement in accordance with this Agreement.

#### **2.5 Section 85 Rollover.**

It is the intention of the Parties that the exchange of Eagle Plains Butterfly Shares for SpinCo Shares as set out in Section 3.1(e) of the Plan of Arrangement, and the exchange of the Spin-off Assets for the SpinCo Reorganization Shares as set out in Section 3.1(f) of the Plan of Arrangement, occur on a tax-deferred basis in accordance with the provisions of subsection 85(1) of the Tax Act so as to effect the transfer of the respective property at the agreed amount, with the result that the transfer will be effected without giving rise to the account of the respective vendor of such property to any tax liability. The Parties undertake to file the prescribed form of election (the "**T2057 Election Form**") within the time referred to in subsection 85(6) of the Tax Act to give effect to the joint elections which the respective Parties have agreed to make herein. In respect of the exchange set out in Section 3.1(e) of the Plan of Arrangement, upon receipt of approval from the Eagle Plains Securityholders and the Final Order, recipients of SpinCo Shares shall be deemed to have authorized Eagle Plains as their power of attorney and agent, as required under the Tax Act, to sign on their behalf the T2057 Election Form which shall have been prepared by or on behalf of SpinCo. In respect of the exchange set out in Section 3.1(f) of the Plan of Arrangement, SpinCo agrees to sign the T2057 Election Form, which shall be prepared by or on behalf of Eagle Plains.

#### **2.6 Price Adjustment.**

The consideration paid and received on the exchange of Eagle Plains Butterfly Shares for SpinCo Shares as set out in Section 3.1(e) of the Plan of Arrangement, and the exchange of the Spin-off Assets for the SpinCo Reorganization Shares as set out in Section 3.1(f) of the Plan of Arrangement, is intended by the Parties to be the fair market value of the Spin-off Assets. The determination of such fair market value has been made by the directors of Eagle Plains and SpinCo, provided that if the fair market value of such consideration should be determined, whether:

- (a) by a tribunal or court of competent jurisdiction as a result of a reassessment of income tax;
- (b) by the Canada Revenue Agency and such determination is not or can no longer be appealed;
- (c) by the Canada Revenue Agency, and the amount so determined is agreed to by the Parties; or by agreement between the Parties;

to be greater or less than the fair market value determined by the directors of Eagle Plains and SpinCo, then the consideration paid and received shall be increased or decreased so as to equal the fair market value determined pursuant to sub-clause (i), (ii) or (iii) above. Such adjustment shall be effective immediately before the Effective Date; and the Parties shall make all payments and take all action required to give effect thereto. Without limiting the generality of the foregoing, if the consideration paid and received is adjusted at any time after the Effective Date, then the Parties shall make all payments and take all action as may be necessary to give effect to the change in the consideration paid and received.

## **2.7 Related Liabilities.**

To the best of their knowledge, the Parties are not aware of, and do not expect or anticipate, any liabilities, such as accounts payable, payments, liens or encumbrances that directly or indirectly relate to the Spin-off Assets (the "**Related Liabilities**"), the Parties agree that, should any such liabilities exist on the Effective Date they shall follow, or comprise part of, the Spin-off Assets to be transferred to SpinCo, and in such case the appropriate adjustments to the fair market value of the Spin-off Assets shall be made.

## **2.8 Exemption Under the 1933 Act.**

The Parties agree that the Arrangement will be carried out with the intention that all SpinCo Shares, Eagle Plains Butterfly Shares and Eagle Plains New Shares issued and/or delivered on completion of the Arrangement to the Eagle Plains Shareholders in the United States will be issued and/or delivered in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court and the Court will hold a hearing approving the fairness of the terms and conditions of the Arrangement;
- (b) prior to the hearing required to approve the Arrangement, the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the Arrangement to the Eagle Plains Securityholders;



- (d) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being substantively and procedurally fair to the Eagle Plains Securityholders;
- (e) Eagle Plains will ensure that all the Eagle Plains Shareholders, the Eagle Plains Optionholders, and the Eagle Plains Warranholders in the United States, as applicable, who are entitled to receive SpinCo Shares and Eagle Plains New Shares on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (f) The Interim Order approving the Eagle Plains Meeting will specify that each Eagle Plains Securityholder will have the right to appear before the Court so long as such Eagle Plains Securityholder enters an appearance within a reasonable time and in accordance with the requirements of the Section 3(a)(10) Exemption;
- (g) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the terms and conditions of the Arrangement is approved by the Court as being fair, substantively and procedurally, to the Eagle Plains Securityholders; and
- (h) the Final Order shall include a statement substantially to the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States *Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that Act, regarding the distribution, or deemed distribution, of the SpinCo Shares, Eagle Plains Butterfly Shares and Eagle Plains New Shares pursuant to the Plan of Arrangement."

## **2.9 Exercise of Eagle Plains Stock Options or Warrants by U.S. Holders**

With respect to any Eagle Plains Stock Options or Eagle Plains Warrants outstanding immediately prior to the Effective Date, the issuance of SpinCo Shares (or shares of the Resulting Issuer, as the case may be) upon the exercise of such Eagle Plains Stock Options or Eagle Plains Warrants held in the U.S. or by U.S. holders after the Effective Date shall not be covered by the Section 3(a)(10) Exemption, and will require the use of an available exemption, if any, from registration under the U.S. Securities Act at the time of such later issuance of such SpinCo Shares (or shares of the Resulting Issuer, as the case may be) upon exercise of such Eagle Plains Stock Options or Eagle Plains Warrants. This Agreement and the Plan of Arrangement does not contain a discussion of such possible exemptions from registration under the U.S. Securities Act, if any, that could apply to the issuance of SpinCo Shares (or shares of the Resulting Issuer, as the case may be) upon the subsequent exercise of such securities. Eagle Plains Securityholders in the United States will be urged to consult with their own legal counsel with respect to matters related to the exercise of Eagle Plains Stock Options or Eagle Plains Warrants.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

#### **3.1 Representations and Warranties.**

Each Party hereby represents and warrants to the other Party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it, and is enforceable against it in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a default under, or be in any contravention or breach of:
  - (i) any provision of its Constatng Documents or other governing corporate documents;
  - (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or
  - (iii) any agreement or instrument to which it is a party or by which it is bound and which is material to such party and its subsidiaries, considered as a whole;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it; and
- (e) as of the date of this Agreement, the Eagle Plains Shares are not registered under Section 12 of the U.S. Exchange Act and Eagle Plains and SpinCo are each a "foreign private issuer", as defined in Rule 3b-4 under the U.S. Exchange Act, and is not subject to the reporting requirements of Sections 13(a) or 15(d) of the U.S. Exchange Act.

### **ARTICLE 4 COVENANTS**

#### **4.1 Covenants.**

Each Party covenants with the other Party that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

#### 4.2 Interim Order and Final Order.

The Parties acknowledge that, as soon as practicable following the execution of this Agreement, Eagle Plains will:

- (a) provide notice to the Registrar of its intention to apply to the Court for an Interim Order; and
- (b) apply to and obtain from the Court, pursuant to Section 193 of the ABCA, the Interim Order providing for, among other things, the calling and holding of the Eagle Plains Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution.

The Parties each covenant and agree that if the approvals of the Arrangement Resolution by the Eagle Plains Securityholders are obtained, Eagle Plains will thereafter, subject to the exercise of any discretionary authority granted to Eagle Plains directors to take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in ARTICLE 5 and to the rights of termination contained in ARTICLE 6, file the materials described in Section 2.4 with the Registrar.

#### 4.3 Eagle Plains Stock Options and Warrants

- (a) Eagle Plains shall (collectively, the "**Eagle Plains Commitment**"):
  - (i) issue to each Eagle Plains Optionholder and Eagle Plains Warrantheader who exercises their respective rights under their Eagle Plains Options or Eagle Plains Warrants, as the case may be, after the Effective Date, that number of Eagle Plains New Shares that equals the number of Eagle Plains Shares that would have been issued under such Eagle Plains Warrants or Eagle Plains Options, as the case may be;
  - (ii) as agent for SpinCo (or the Resulting Issuer, as the case may be), collect from such Eagle Plains Optionholders and Eagle Plains Warrantheaders and pay to SpinCo (or the Resulting Issuer, as the case may be) for the issuance of SpinCo Shares (or shares of the Resulting Issuer, as the case may be) pursuant to the SpinCo Commitment an amount for each SpinCo Share (or share of the Resulting Issuer, as the case may be) so issued equal to the exercise price under such Eagle Plains Options or Eagle Plains Warrants, as the case may be, multiplied by the Butterfly Proportion; and
  - (iii) as agent for SpinCo (or the Resulting Issuer, as the case may be), deliver such SpinCo Shares (or shares of the Resulting Issuer, as the case may be) to such Eagle Plains Optionholders and Eagle Plains Warrantheaders.
- (b) Subject to Section 4.3(a)(ii), SpinCo (or the Resulting Issuer, as the case may be) shall issue to each Eagle Plains Optionholder and Eagle Plains Warrantheader who exercises their respective rights under their Eagle Plains Options or Eagle Plains Warrants, as the case may be, after the Effective Date, that number of SpinCo Shares (or shares of the Resulting Issuer, as the case may be) that equals one-third of the number of Eagle Plains Shares that would

have been issued under such Eagle Plains Warrants or Eagle Plains Options, as the case may be (the "**SpinCo Commitment**").

#### **4.4 Statutory and Contractual Escrow Restrictions**

The Parties acknowledge and agree that the shares of Amalco or the Resulting Issuer (as the case may be) received, pursuant to the Amalgamation Agreement, in exchange for (i) SpinCo Shares issuable to Eagle Plains Shareholders on the Effective Date or (ii) the SpinCo Shares, Amalco shares, or Resulting Issuer shares, as the case may be, issuable to Eagle Plains Optionholders and Eagle Plains Warrantholders upon the exercise of their Eagle Plains Options and Eagle Plains Warrants, as applicable, on or after the Effective Date, will be subject to: (A) the resale restrictions imposed by the CSE on the shares of the Resulting Issuer as part of the listing of the shares of the Resulting Issuer on the CSE; and (B) any contractual restrictions on resale as agreed to between SpinCo and 138, as more particularly described in the Amalgamation Agreement.

#### **4.5 Eagle Plains Voting and Support Agreements**

Eagle Plains covenants and agrees that it shall use reasonable commercial efforts to cause certain Eagle Plains Securityholders, as determined by Eagle Plains, or as requested by 138, acting reasonably, to enter into Eagle Plains Voting and Support Agreements.

#### **4.6 Tax-Related Post-Closing Covenants.**

- (a) Each Party covenants and agrees with and in favour of the other Party that it will cooperate in the preparation and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act or other applicable tax law, of all tax returns, filings, notifications, designations and elections under the Tax Act in respect of the transactions contemplated in the Plan of Arrangement and this Agreement (and any similar tax returns, filings, elections, notifications or designations that may be required under applicable provincial or foreign legislation).
- (b) SpinCo will elect, in its return of income filed under the Tax Act for its first taxation year, to be deemed to be a "public corporation", within the meaning of the Tax Act, from the date of its incorporation until the time it becomes a public corporation by virtue of the listing of the SpinCo Shares on the CSE, such election to be made pursuant to the definition of "public corporation" in subsection 89(1) of the Tax Act.

### **ARTICLE 5 CONDITIONS**

#### **5.1 Conditions Precedent.**

The respective obligations of the Parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Eagle Plains and SpinCo, acting reasonably;
- (b) the Arrangement Resolution, with or without amendment, shall have been approved at the Eagle Plains Meeting by the Eagle Plains Securityholders in

accordance with the terms of this Agreement, the Constatng Documents of Eagle Plains, the Interim Order and the requirements of any applicable regulatory authorities;

- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the board of directors of SpinCo to the extent required by, and in accordance with the applicable provisions under the ABCA and the Constatng Documents of SpinCo;
- (d) the Final Order shall have been obtained in form and substance satisfactory to Eagle Plains and SpinCo, acting reasonably;
- (e) the issuance of the SpinCo Shares, Eagle Plains Butterfly Shares and Eagle Plains New Shares will be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption, provided that Eagle Plains and 138 will not be entitled to rely on the provisions of this Section 5.1(e) in failing to complete the Arrangement if Eagle Plains fails to advise the Court prior to the hearing in respect of the Final Order that Eagle Plains will rely on the Section 3(a)(10) Exemption based on the Court's approval of the Arrangement;
- (f) the execution of the Amalgamation Agreement and a corresponding certificate from a senior officer of each of the parties to the Amalgamation Agreement addressed to Eagle Plains that there is nothing to prevent or materially impair (or would reasonably be expected to prevent or materially impair) the ability of either Party to consummate the transactions contemplated by the Amalgamation Agreement;
- (g) the provision of satisfactory evidence to Eagle Plains and SpinCo by 138 that 138 has successfully completed its Concurrent Financing, and, if deemed necessary, the delivery by 138 of a corresponding certificate from one of its senior officers certifying that the net proceeds from the Concurrent Financing will be available to SpinCo on the Closing Date;
- (h) the TSX Venture Exchange shall have conditionally approved the Arrangement and all related matters;
- (i) the CSE shall have conditionally approved the listing of the shares of Amalco, subject to compliance with the listing requirements and policies of the CSE;
- (j) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to Eagle Plains and SpinCo;
- (k) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement;
- (l) there shall not have been any breach of the Eagle Plains Voting and Support Agreements by any party to such agreement;

- (m) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Eagle Plains, the Eagle Plains Securityholders, or, if the Arrangement is completed, SpinCo or the holders of SpinCo Shares;
- (n) the aggregate number of Eagle Plains Shares held, directly or indirectly, by those holders of such shares who have validly exercised Dissent Rights and not withdrawn such exercise in connection with the Arrangement shall not exceed 10% of the aggregate number of Eagle Plains Shares outstanding immediately prior to the Effective Date; and
- (o) this Agreement shall not have been terminated under ARTICLE 6.

## **5.2 Pre-Closing.**

Unless this Agreement is terminated earlier pursuant to the provisions hereof, pre-closing will occur electronically at 1:00 p.m. (Mountain Time) on the Business Day immediately preceding the Effective Date or in such other manner, location, time, or date as the Parties may mutually agree, and each Party shall deliver to the other Party:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby (not including the T2057 Election Form which may be filed after the Effective Date), provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

## **5.3 Merger of Conditions.**

The conditions set out in Section 5.1 shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

## **5.4 Merger of Representations, Warranties and Covenants.**

The representations and warranties in Section 3.1 shall be conclusively deemed to be correct as of the Effective Date and the covenant in Section 4.1 shall be conclusively deemed to have been complied with in all respects as of the Effective Date, and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

# **ARTICLE 6 AMENDMENT AND TERMINATION**

## **6.1 Amendment.**

Subject to any mandatory applicable restrictions under the applicable provisions under the ABCA or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Eagle Plains Meeting, but prior to the Effective Date, be amended by the written agreement of the

Parties without, subject to applicable law, further notice to or authorization on the part of the Eagle Plains Securityholders.

## **6.2 Termination.**

Subject to Section 6.3, this Agreement may at any time before or after the holding of the Eagle Plains Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of Eagle Plains without further action on the part of the Eagle Plains Securityholders, or by the Board of Directors of SpinCo and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of Eagle Plains or SpinCo to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

## **6.3 Cessation of Right.**

The right of Eagle Plains or SpinCo or any other party to amend or terminate the Plan of Arrangement pursuant to Sections 6.1 and 6.2 shall be extinguished upon the occurrence of the Effective Date.

## **ARTICLE 7 GENERAL**

### **7.1 Notices.**

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered or sent by e-mail, addressed as follows:

in the case of Eagle Plains:

Suite 200, 44 - 12th Avenue S.  
Cranbrook, British Columbia V1C 2R7  
**Attention: Timothy J. Termuende, President and CEO**  
Email: [tjt@eagleplains.com](mailto:tjt@eagleplains.com)  
with a copy to:

McLeod Law LLP  
500, 707 - 5th Street SW  
Calgary, Alberta T2P 1V8  
**Attention: S (Rishi) Chakraborty, Partner**  
Email: [schakraborty@mcleod-law.com](mailto:schakraborty@mcleod-law.com)

in the case of SpinCo:

Suite 200, 44 - 12th Avenue S.  
Cranbrook, British Columbia V1C 2R7  
**Attention: Charles C. Downie, Vice President**  
Email: [ccd@eagleplains.com](mailto:ccd@eagleplains.com)

with a copy to:

McLeod Law LLP  
500, 707 – 5th Street SW  
Calgary, Alberta T2P 1V8  
**Attention: S (Rishi) Chakraborty, Partner**  
Email: schakraborty@mcleod-law.com

**7.2 Assignment.**

None of the Parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the others of them.

**7.3 Binding Effect.**

This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

**7.4 Waiver.**

Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the Party granting such waiver or release.

**7.5 Governing Law.**

This Agreement shall be governed by and be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**7.6 Expenses.**

All expenses or costs, including without limitation, financial, advisory, accounting and legal fees, incurred to give effect to the transactions as contemplated in this Agreement shall be initially borne by Eagle Plains on the condition that all applicable expenses and costs shall be reimbursed by SpinCo following the Closing Date.

**7.7 Entire Agreement.**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understanding, negotiations and discussions, whether oral or written, of the Parties.

**7.8 Time of Essence.**

Time is of the essence of this Agreement.

**7.9 Counterparts.**

This Agreement may be executed electronically and in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

***[Remainder of page intentionally left blank; signature page follows]***



**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**EAGLE PLAINS RESOURCES LTD.**

**(Signed) "Timothy J. Termuende"**

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TIMOTHY J. TERMUENDE  
President and CEO

**EAGLE ROYALTIES LTD.**

**(Signed) "Charles C. Downie"**

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CHARLES C. DOWNIE  
Vice President

**EXHIBIT "A"**

**DESCRIPTION OF THE SPIN-OFF ASSETS**

<b>Eagle Plains Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
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**BC Royalties**

Acacia	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Lead, Zinc, Copper
Adamant	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Niobium, Industrial Minerals, Silver, Tantalum
Beaven	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper, Molybdenum
Black Diamond	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Gold, Copper
Blackwater (Regional)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold
Coyote Creek	Eagle Plains Resources	\$1.50/tonne, Buy-back 50% for \$1M	Gypsum, Zinc, Vanadium, Nickel, Molybdenum
Eskay Creek	Skeena Resources Ltd.	2% NSR, Buydown 1% for \$1m	Gold
Haskins	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Molybdenum
Hot Punch	Green River Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold, Silver, Lead, Zinc
Hunter Basin	Standard Drilling and Engineering	2% NSR, Buydown 1% for \$1m, 0% for addtn'l \$5M	Gold
Ice River	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Industrial Minerals, Lead, Zinc, Gold

**Eagle Plains Holdings    Operator / Option Partner    NSR Terms    Commodity**

Jake	Eagle Plains Resources	1% NSR, underlying sale agreement	Gold
K9	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Copper, Cobalt
Kalum	Rex Resources	2% NSR, Buydown 1% for \$1m	Gold, Silver
LCR	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper
Lost Horse	Eagle Plains Resources	1.5% NSR, Buy-back 0.5% for \$500,000; underlying sale agreement	Gold, Copper
Mount Graves	ATAC Resources Ltd	2% NSR, Buydown 1% for \$500k	Copper, Gold
Mount Polley West (Jacobie)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Gold
Slocan Graphite	Eagle Plains Resources	2% NPR, Buydown 1% for \$1m	Graphite
Wildhorse	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper

**Saskatchewan Royalties**

Albert Lake (Tremblay-Olson)	Fathom Nickel Inc.	2% NSR, Buydown 1% for \$1m	Nickel, Copper, Cobalt, Palladium, Platinum
American North*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium

<b>Eagle Plains Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
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Axis Lake	ALX Resources Corp.	2% NSR, Buydown 1% for \$1m	Nickel, Cobalt, Copper
BC MAS	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold
Bell Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Brownell Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc, Gold
Cable Bay 2.0	Cosa Resources Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Cathro	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold
Cup Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	REE
Derksen (PLS Regional)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium
Dianne Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Copper
Flat Rock Island	92 Energy	2% NSR, Buydown 1% for \$1m	Uranium
Fort A la Corne	Eagle Plains Resources	2% GPR, Buy-back 1% for \$1m	Diamond
George Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Lead, Zinc
Knife Lake	Rockridge Resources Ltd	2% NSR, Buydown 1% for \$1m	Copper, Silver, Zinc, Gold, Cobalt
Larocque Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Lazy Edward Bay (include American North*)	Okapi Resources Canada Ltd.	2% NSR, Buy-back 1% for \$1m	Uranium
Manson Bay South	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold

**Eagle Plains Holdings    Operator / Option Partner    NSR Terms    Commodity**

North Hansen*	Brunswick Exploration Inc.	2% NSR, Buydown 1% for \$1m	Copper, lithium
Park Lake (part of American North agree.)*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Perpete Lake	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium
Pine Channel	Apogee Minerals Ltd./Tri Capital	2% NSR, Buydown 1% for \$1m	Gold, Silver, Nickel, Copper, Uranium
Pine Channel South	Pegasus Resources Inc.	2% NSR, Buydown 1% for \$1m	Uranium
PLS (Carter)	Cameco Corp.	2% NSR, Buydown 1% for \$1m	Uranium
PLS (Carter - Denison via ALX)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium
Preview/North Lake	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold
Puzzle Lake	CanterResources Corp.	2% NSR, Buydown 1% for \$1m	Gold
Shasko Bay	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium
Schott's Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc
Shea	Orano Canada/UEX Corp.	2% NSR, Buydown 1% for \$1m	Uranium
Virgin River	Denison Mines Corp./Tarku Resources	2% NSR, Buydown 1% for \$1m	Uranium or Gold?

**Yukon Royalties**

**Eagle Plains Holdings   Operator / Option Partner   NSR Terms   Commodity**

McQuesten/AurMac	Alexco Resource Corp/Banyan Gold	0.5-2% NSR no buy-down	Gold, Silver
Rusty Springs	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc

\* The management of Eagle Plains Resources Ltd. expects these royalties to be transferred pursuant to the Arrangement Agreement. However, as of the date of the Arrangement Agreement, the required consents have not been received to effect such transfer.

**EXHIBIT "B"**  
**PLAN OF ARRANGEMENT**



## PLAN OF ARRANGEMENT

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions.

In this plan of arrangement the following capitalized words and terms shall have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;
- (b) "**Amalco**" means the corporation formed as a result of combining 138 and SpinCo in accordance with the terms and conditions of the Amalgamation Agreement;
- (c) "**Amalgamation**" means the amalgamation of 138 and SpinCo pursuant to the terms of the Amalgamation Agreement on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto;
- (d) "**Amalgamation Agreement**" means the amalgamation agreement among Eagle Plains, 138 and SpinCo pursuant to Section 181 of the ABCA to form the Amalco;
- (e) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA;
- (f) "**Arrangement Agreement**" means the arrangement agreement dated as of February 28, 2023 between Eagle Plains and SpinCo to which this Exhibit is attached, as may be supplemented or amended from time to time;
- (g) "**Arrangement Resolution**" means the special resolution of the Eagle Plains Securityholders approving the Arrangement, substantially in the form as Exhibit III to the Arrangement Agreement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement or at the direction of the Court in the Interim Order with the consent of Eagle Plains;
- (h) "**Articles**" means, in respect of a person, its articles of incorporation, amalgamation, or continuation, as application, together with all amendments thereto;
- (i) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, Alberta;
- (j) "**Butterfly Holder**" has the meaning assigned to that term in Section 3.1(e);
- (k) "**Butterfly Proportion**" means quotient of  $A \div B$ , where:

**A** = the net fair market value of the Spin-off Assets to be transferred by Eagle Plains to SpinCo, determined immediately before such transfer;  
and

**B** = the net fair market value of all property owned by Eagle Plains immediately before the transfer of the Spin-off Assets to SpinCo.

- (l) "**Court**" means the Court of King's Bench of the Province of Alberta;
- (m) "**CSE**" means the Canadian Securities Exchange;
- (n) "**Depository**" means TSX Trust Company;
- (o) "**Dissent Procedures**" has the meaning assigned to that term in Section 5.1;
- (p) "**Dissent Rights**" has the meaning assigned to that term in Section 5.1;
- (q) "**Dissenting Shareholder**" means a registered Eagle Plains Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights in strict compliance with the Dissent Procedures and whose Dissent Rights remain valid immediately prior to the Effective Time, but only in respect of the Dissenting Shares held by such registered Eagle Plains Shareholder;
- (r) "**Dissenting Shares**" has the meaning assigned to that term in Section 5.2;
- (s) "**DRS Statement**" means a direct registration system statement evidencing ownership of SpinCo Shares;
- (t) "**Eagle Plains**" means Eagle Plains Resources Ltd., a corporation existing under the ABCA;
- (u) "**Eagle Plains Board**" means the board of directors of Eagle Plains;
- (v) "**Eagle Plains Butterfly Shares**" has the meaning assigned to that term in Section 3.1(c)(iii);
- (w) "**Eagle Plains Class A Shares**" has the meaning assigned to that term in Section 3.1(c)(i);
- (x) "**Eagle Plains Commitment**" means the covenant of Eagle Plains, as more particularly described in Section 4.3 of the Arrangement Agreement;
- (y) "**Eagle Plains Meeting**" means the special meeting of the Eagle Plains Securityholders and any adjournments or postponements thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (z) "**Eagle Plains New Shares**" has the meaning assigned to that term in Section 3.1(c)(ii);
- (aa) "**Eagle Plains Note**" has the meaning assigned to that term in Section 3.1(h);
- (bb) "**Eagle Plains Optionholders**" means the holders of Eagle Plains Stock Options on the Effective Date;

- (cc) "**Eagle Plains Securityholders**" means, collectively, the Eagle Plains Shareholders, Eagle Plains Optionholders, and Eagle Plains Warranholders;
- (dd) "**Eagle Plains Shareholders**" means the shareholders of Eagle Plains on the Effective Date;
- (ee) "**Eagle Plains Shares**" means the Common Shares which Eagle Plains is authorized to issue as the same are constituted on the date hereof;
- (ff) "**Eagle Plains Stock Option Plan**" means the stock option plan of Eagle Plains adopted on February 24, 1995, and as subsequently updated and amended;
- (gg) "**Eagle Plains Stock Options**" means share purchase options issued pursuant to the Eagle Plains Stock Option Plan which are outstanding immediately prior to the Effective Time;
- (hh) "**Eagle Plains Warranholders**" means the holders of Eagle Plains Warrants on the Effective Date;
- (ii) "**Eagle Plains Warrants**" means the warrants issued by Eagle Plains which are outstanding immediately prior to the Effective Time;
- (jj) "**Effective Date**" shall be the date giving effect to the Arrangement;
- (kk) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as agreed to in writing by Eagle Plains and SpinCo;
- (ll) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be affirmed, modified, amended, supplemented or varied by the Court with the consent of the parties hereto at any time prior to the Effective Date, or if appealed, then unless such appeal is withdrawn or denied, as affirmed, modified, amended, supplemented or varied on appeal;
- (mm) "**Final Proscription Date**" has the meaning assigned to that term in Section 6.4;
- (nn) "**Information Circular**" means the management information circular of Eagle Plains, including all exhibits, appendices, and schedules thereto, to be sent to the Eagle Plains Securityholders in connection with the Eagle Plains Meeting, together with any amendments or supplements thereto;
- (oo) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the Eagle Plains Meeting and the Arrangement, as the same may be amended by the Court with the consent of the parties hereto;
- (pp) "**Plan of Arrangement**" means this Plan of Arrangement, as the same may be amended from time to time;
- (qq) "**Registrar**" means the Registrar of Corporations under the ABCA;
- (rr) "**Resulting Issuer**" means Amalco upon completion of the Amalgamation and the listing of the shares of Amalco on the CSE;

- (ss) "**SpinCo**" means Eagle Royalties Ltd., a corporation incorporated under the ABCA;
- (tt) "**SpinCo Commitment**" means the covenant of SpinCo, as more particularly described in Section 4.3 of the Arrangement Agreement;
- (uu) "**SpinCo Note**" has the meaning assigned to that term in Section 3.1(g);
- (vv) "**SpinCo Reorganization Shares**" has the meaning assigned to that term in Section 3.1(b);
- (ww) "**SpinCo Shareholders**" means the shareholders of SpinCo;
- (xx) "**SpinCo Shares**" means the Common Shares which SpinCo is authorized to issue as the same are constituted on the date hereof;
- (yy) "**Spin-off Assets**" means the assets of Eagle Plains described in Exhibit I to the Arrangement Agreement;
- (zz) "**Spin-off Assets FMV**" means the fair market value of the Spin-off Assets as determined by reference to Sections 2.6 and 2.7 of the Arrangement Agreement;
- (aaa) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;
- (bbb) "**Transfer Agent**" means TSX Trust Company at its principal office in Calgary, Alberta;
- (ccc) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
- (ddd) "**U.S. Securities Act**" means the United States *Securities Act of 1933* and the rules and regulations promulgated thereunder, as amended.

## 1.2 Interpretation Not Affected by Headings.

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms "**this Plan of Arrangement**", "**hereof**", "**hereunder**" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

## 1.3 Number and Gender.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

**1.4 Meaning.**

Words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA, unless the context otherwise requires.

**1.5 Date for Any Action.**

If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

**ARTICLE 2  
ARRANGEMENT AGREEMENT**

**2.1 Arrangement Agreement.**

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

**2.2 Arrangement Effectiveness.**

The Arrangement and this Plan of Arrangement shall become final and conclusively binding on Eagle Plains, the Eagle Plains Shareholders (including the Dissenting Shareholders), the Eagle Plains Optionholders, the Eagle Plains Warrantholders, SpinCo, and the SpinCo Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

**ARTICLE 3  
THE ARRANGEMENT**

**3.1 The Arrangement.**

Commencing at the Effective Time, each of the steps, events, or transactions set out below shall, except for steps, events, or transactions deemed to occur concurrently with other steps, events, or transactions as set out below, occur and shall be deemed to occur consecutively in ten minute intervals in the following order (or in such other manner, order, or times as Eagle Plains and SpinCo may agree in writing) without any further act or formality (notwithstanding anything contained in the provisions attaching to any of the securities of Eagle Plains or SpinCo), except as otherwise provided herein:

*Subscription of Eagle Royalties Shares*

- (a) Eagle Plains shall subscribe for 5,176,425 SpinCo Shares for the aggregate cash subscription price of \$103,528.50.

*SpinCo Share Reorganization*

- (b) The authorized share capital of SpinCo shall be amended by creating an unlimited number of preferred shares, containing share terms as more particularly described in Appendix I (the "**SpinCo Reorganization Shares**"), and the Articles of SpinCo shall be amended to reflect the foregoing amendment.

*Eagle Plains Share Reorganization*

- (c) The authorized share capital of Eagle Plains shall be amended as follows:
- (i) renaming and re-designating all of the issued and unissued Eagle Plains Shares as Class A common shares (the "**Eagle Plains Class A Shares**");
  - (ii) creating an unlimited number of common shares with terms identical to the Eagle Plains Shares (the "**Eagle Plains New Shares**"); and
  - (iii) creating an unlimited number of preferred shares, containing share terms as more particularly described in Appendix II (the "**Eagle Plains Butterfly Shares**"),

and the Articles of Eagle Plains shall be amended to reflect the foregoing amendments.

*Eagle Plains Class A Share Exchange*

- (d) Each Eagle Plains Shareholder shall be deemed to have automatically exchanged each of their issued and outstanding Eagle Plains Class A Shares outstanding on the Effective Date for one Eagle Plains New Share and one-third of an Eagle Plains Butterfly Share and, subject to the provisions of ARTICLE 5, each such Eagle Plains Shareholder shall automatically cease to be the holders of the Eagle Plains Class A Shares so exchanged. Following the completion of such exchange, the name of each Eagle Plains Shareholder shall be removed from the register of shareholders of Eagle Plains Class A Shares and instead their name shall be added to the registers of shareholders of Eagle Plains New Shares and Eagle Plains Butterfly Shares as the holder of the number of Eagle Plains New Shares and Eagle Plains Butterfly Shares, deemed to have been received on the exchange, whereupon all of the issued Eagle Plains Class A Shares shall be cancelled with the appropriate entries being made in the register of shareholders of Eagle Plains Class A Shares. The paid-up capital (as that term is used for purposes of the Tax Act) of the Eagle Plains Class A Shares immediately prior to the Effective Date shall be allocated between the Eagle Plains New Shares and the Eagle Plains Butterfly Shares such that the paid-up capital of the Eagle Plains New Shares and the Eagle Plains Butterfly Shares is based on the proportion that the fair market value (as that term is used for purposes of the Tax Act) of the Eagle Plains New Shares or the Eagle Plains Butterfly Shares, as the case may be, is of the fair market value of all new shares issued on exchange. The aggregate fair market value of all Eagle Plains Butterfly Shares shall be equal to the Spin-off Assets FMV.

*Eagle Plains Butterfly Shares Rollover*

- (e) Each holder of Eagle Plains Butterfly Shares ("**Butterfly Holder**") shall transfer to SpinCo their Eagle Plains Butterfly Shares. As sole consideration for such transfer, SpinCo will issue to each Butterfly Holder a number of SpinCo Shares equal to the number of Eagle Plains Butterfly Shares so transferred by each such Butterfly Holder. The aggregate fair market value of the SpinCo Shares so issued by SpinCo shall have a fair market value at that time equal to the

aggregate fair market value of the Eagle Plains Butterfly Shares so transferred to SpinCo.

*Spin-off Assets Rollover*

- (f) Eagle Plains shall transfer the Spin-off Assets to SpinCo in exchange for:
  - (i) that number of SpinCo Reorganization Shares the aggregate fair market value of which equals the Spin-off Assets FMV; and
  - (ii) the SpinCo Commitment.

*SpinCo Reorganization Shares Redemption*

- (g) SpinCo will purchase for cancellation all of the SpinCo Reorganization Shares held by Eagle Plains for a redemption amount equal to the Spin-off Assets FMV and will issue to Eagle Plains, as payment thereof, a demand non-interest bearing promissory note having a principal amount and fair market value equal to the Spin-off Assets FMV (the "**SpinCo Note**"). Eagle Plains will accept the SpinCo Note as full satisfaction for the purchase price of its SpinCo Reorganization Shares so purchased for cancellation.

*Eagle Plains Butterfly Shares Redemption*

- (h) Concurrently with the transaction contemplated by Section 3.1(g), Eagle Plains will purchase for cancellation all of the Eagle Plains Butterfly Shares held by SpinCo for a redemption amount equal to the Spin-off Assets FMV and will issue to SpinCo, as payment thereof, a demand non-interest bearing promissory note having a principal amount and fair market value equal to the Spin-off Assets FMV (the "**Eagle Plains Note**"). SpinCo will accept the Eagle Plains Note as full satisfaction for the purchase price of its Eagle Plains Butterfly Shares so purchased for cancellation.

*Set-off of SpinCo Note and Eagle Plains Note*

- (i) Eagle Plains will satisfy the principal amount of the Eagle Plains Note by transferring to SpinCo the SpinCo Note that will be accepted by SpinCo as full repayment, by way of set-off, of the Eagle Plains Note. Concurrently, SpinCo will satisfy the principal amount of the SpinCo Note by transferring to Eagle Plains the Eagle Plains Note that will be accepted by Eagle Plains as full repayment, by way of set-off, of the SpinCo Note. Following such transfer, the Eagle Plains Note and the SpinCo Note will both be marked paid in full and cancelled.

*Cancellation of Eagle Plains Class A Shares and Eagle Plains Butterfly Shares*

- (j) The Eagle Plains Class A Shares and the Eagle Plains Butterfly Shares shall be cancelled and the authorized capital of Eagle Plains shall consist solely of the Eagle Plains New Shares. The Articles of Eagle Plains shall be amended to reflect the foregoing.

*Cancellation of SpinCo Reorganization Shares*

- (k) The SpinCo Reorganization Shares shall be cancelled and the authorized capital of SpinCo shall solely consist of the SpinCo Shares. The Articles of SpinCo shall be amended to reflect the foregoing.

*Treatment of Eagle Plains Warrants and Eagle Plains Options*

- (l) After the Effective Date and provided they have not expired, each Eagle Plains Warrant and vested Eagle Plains Stock Option shall be exercisable into:
- (i) that number of Eagle Plains New Shares that equals the number of Eagle Plains Shares that would have been issued under such Eagle Plains Warrant or Eagle Plains Option, as the case may be; and
  - (ii) that number of SpinCo Shares (or shares of SpinCo's successor, as the case may be), issued by SpinCo (or SpinCo's successor, as the case may be) pursuant to the SpinCo Commitment, that equals one-third of the number of Eagle Plains Shares that would have been issued under such Eagle Plains Warrant or Eagle Plains Option, as the case may be.

Eagle Plains shall, as agent for SpinCo (or SpinCo's successor, as the case may be), collect from the holders of such Eagle Plains Options and Eagle Plains Warrants, who have exercised their respective rights thereunder, and pay to SpinCo (or SpinCo's successor, as the case may be) for the issuance of such SpinCo Shares (or shares of SpinCo's successor, as the case may be) an amount for each SpinCo Share (or share of SpinCo, as the case may be) so issued equal to the exercise price under such Eagle Plains Stock Option or Eagle Plains Warrant, as the case may be, multiplied by the Butterfly Proportion.

### **3.2 No Fractional shares.**

Notwithstanding any other provision of this Plan of Arrangement, (i) no fractional Eagle Plains Butterfly Shares will be distributed by Eagle Plains pursuant to Section 3.1(d) and (ii) no fractional SpinCo Shares will be issued or distributed by Eagle Plains or SpinCo, as the case may be, upon the exercise of Eagle Plains Options or Eagle Plains Warrants following the Effective Time pursuant to Section 4.3 of the Arrangement Agreement. If a Eagle Plains Shareholder, Eagle Plains Optionholder, or Eagle Plains Warrantholder would, but for this Section 3.2, be entitled to receive a fractional Eagle Plains Butterfly Share or SpinCo Share, as the case may be, such fractional entitlement shall be rounded down to the next lower whole number, and the fractional entitlement shall be cancelled without any compensation or other consideration therefor. For greater certainty, in calculating such fractional interests, all fractional entitlements of any particular Eagle Plains Shareholder, Eagle Plains Optionholder, or Eagle Plains Warrantholder, as the case may be, shall be aggregated prior to rounding.

### **3.3 Deemed Time for Rollover.**

In addition to the chronological order in which the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the exchange of Eagle Plains Butterfly Shares for SpinCo Shares set out in Section 3.1(e) shall occur and shall be deemed to occur immediately after the time of listing of the shares of Amalco on the CSE on the Effective Date.



**3.4 Deemed Fully Paid and Non-Assessable Shares.**

All Eagle Plains New Shares, Eagle Plains Butterfly Shares, SpinCo Reorganization Shares and SpinCo Shares issued shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the ABCA.

**3.5 Supplementary Actions.**

Notwithstanding that the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Eagle Plains and SpinCo shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer, retraction, or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

**3.6 Withholding.**

Each of Eagle Plains, SpinCo and the Depositary shall be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of Eagle Plains New Shares or SpinCo Shares made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement, provided such amount is remitted to the appropriate governmental authority. Without limiting the generality of the foregoing, any Eagle Plains New Shares or SpinCo Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance shall be paid to the person forthwith.

**3.7 No Liens.**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, restrictions, adverse claims, or other claims of third parties of any kind.

**3.8 U.S. Securities Law Matters.**

The Court is advised that the Arrangement will be carried out with the intention that the Eagle Plains New Shares, Eagle Plains Butterfly Shares, and SpinCo Shares delivered or deemed to be delivered upon completion of the Arrangement to the Eagle Plains Shareholders, Eagle Plains Optionholders, and Eagle Plains Warrantholders, as applicable, on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

## **ARTICLE 4 CERTIFICATES**

### **4.1 Eagle Plains Class A Shares.**

Recognizing that the Eagle Plains Shares shall be renamed and re-designated as Eagle Plains Class A Shares pursuant to Section 3.1(a) and that the Eagle Plains Class A Shares shall be exchanged partially for Eagle Plains New Shares pursuant to Section 3.1, Eagle Plains shall not issue replacement share certificates representing the Eagle Plains Class A Shares.

### **4.2 Eagle Plains' SpinCo Reorganization Shares.**

Recognizing that the SpinCo Reorganization Shares issued to Eagle Plains under Section 3.1(f) shall be redeemed by SpinCo pursuant to the provisions of Section 3.1(g), SpinCo shall issue one share certificate representing all of the SpinCo Reorganization Shares registered in the name of Eagle Plains, which share certificate shall be held by the Transfer Agent until such shares are redeemed by SpinCo and such certificate shall then be cancelled by the Transfer Agent.

### **4.3 Eagle Plains Butterfly Shares.**

Recognizing that all of the Eagle Plains Butterfly Shares issued to the Eagle Plains Shareholders under Section 3.1(d) will be transferred by the Butterfly Holders to SpinCo in exchange for SpinCo Shares under Section 3.1(e), and that such Eagle Plains Butterfly Shares will then be purchased by Eagle Plains for cancellation under Section 3.1(h), Eagle Plains shall issue one share certificate representing all of the Eagle Plains Butterfly Shares issued pursuant to Section 3.1 in trust for the Eagle Plains Shareholders, which share certificate will be held by the Depositary for the benefit of the Eagle Plains Shareholders and thereafter for the benefit of SpinCo until such Eagle Plains Butterfly Shares are purchased by Eagle Plains, and such certificate shall then be cancelled by the Transfer Agent.

### **4.4 SpinCo Share Certificates.**

As soon as practicable following the Effective Date, SpinCo shall cause to be issued to the registered holders of Eagle Plains Shares as of the Effective Date, share certificates or DRS Statements representing the SpinCo Shares of which each such Eagle Plains Shareholder will be the registered holder at the close of business on the Effective Date. Such share certificates and DRS Statements will be held by the Depositary for the benefit of such Eagle Plains Shareholders until such SpinCo Shares are exchanged or deemed to be exchanged pursuant to the Amalgamation Agreement, and such share certificates and DRS Statements shall then be cancelled by the Transfer Agent.

### **4.5 New Share Certificates.**

From and after the Effective Date, share certificates representing Eagle Plains Shares not deemed to have been cancelled pursuant to ARTICLE 5 shall for all purposes be deemed to be share certificates representing Eagle Plains New Shares, and no new share certificates shall be issued with respect to the Eagle Plains New Shares issued in connection with the Arrangement.

#### **4.6 Interim Period.**

Any Eagle Plains Shares traded after the Effective Date will represent Eagle Plains New Shares as of the Effective Date and shall not carry any rights to receive SpinCo Shares.

### **ARTICLE 5 RIGHTS OF DISSENT**

#### **5.1 Dissent Right.**

Notwithstanding Section 3.1, registered holders of Eagle Plains Shares may exercise rights of dissent (the "**Dissent Right**") in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in Section 191 of the ABCA (the "**Dissent Procedures**") as they may be amended by the Interim Order or Final Order, and provided that such Dissenting Shareholder delivers a written notice of Dissent Rights to Eagle Plains at least two (2) Business Days before the date of the Eagle Plains Meeting or any adjournment or postponement thereof.

#### **5.2 Dealing with Dissenting Shares.**

Eagle Plains Shareholders who duly exercise Dissent Rights with respect to their Eagle Plains Shares ("**Dissenting Shares**") and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares shall be deemed to have transferred their Dissenting Shares to Eagle Plains for cancellation immediately before the Effective Date; or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Eagle Plains Shareholder and shall receive Eagle Plains New Shares and SpinCo Shares on the same basis as every other non-dissenting Eagle Plains Shareholder;

but in no case shall Eagle Plains or SpinCo be required to recognize such persons as holding Eagle Plains Shares on or after the Effective Date.

#### **5.3 Reservation of SpinCo Shares.**

If an Eagle Plains Shareholder exercises the Dissent Right, Eagle Plains shall on the Effective Date set aside and not distribute that portion of the SpinCo Shares which is attributable to the Eagle Plains Shares for which Dissent Rights have been exercised. If the dissenting Eagle Plains Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Eagle Plains shall distribute to such Eagle Plains Shareholder his or her pro rata portion of the SpinCo Shares. If an Eagle Plains Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Eagle Plains shall retain the portion of the SpinCo Shares attributable to such Eagle Plains Shareholder and such shares will be dealt with as determined by the Eagle Plains Board in its discretion.

## **ARTICLE 6 DELIVERY OF SHARES**

### **6.1 Delivery of Shares.**

- (a) Upon delivery by each Eagle Plains Shareholder to the Depository such documents and instruments as the Depository may reasonably require, each such Eagle Plains Shareholder will be entitled to receive, and the Depository shall, pursuant to Section 4.4, hold in trust for the benefit of each such Eagle Plains Shareholder following the Effective Time, a certificate or DRS Statement representing the SpinCo Shares that each such Eagle Plains Shareholder is entitled to receive in accordance with Section 3.1.
- (b) After the Effective Time and until the delivery of documents contemplated by Section 6.1(a) hereof, each certificate that immediately prior to the Effective Time represented one or more Eagle Plains Shares shall be deemed at all times to be a share certificate representing Eagle Plains New Shares and the right to receive the SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1.

### **6.2 Lost Certificates.**

If any certificate that immediately prior to the Effective Time represented one or more outstanding Eagle Plains Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate, the Eagle Plains New Shares and SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1. When authorizing such delivery of Eagle Plains New Shares and SpinCo Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered shall, as a condition precedent to the delivery of such Eagle Plains New Shares and SpinCo Shares, give a bond satisfactory to Eagle Plains, SpinCo and the Depository in such amount as Eagle Plains, SpinCo and the Depository may direct, or otherwise indemnify Eagle Plains, SpinCo and the Depository in a manner satisfactory to Eagle Plains, SpinCo and the Depository, against any claim that may be made against Eagle Plains, SpinCo or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the Articles of Eagle Plains.

### **6.3 Distributions with Respect to Unsurrendered Certificates.**

No dividend or other distribution declared or made after the Effective Time with respect to Eagle Plains New Shares or SpinCo Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Eagle Plains Shares unless and until the holder of such certificate shall have complied with the provisions of Sections 6.1 or 6.2. Subject to applicable law and to Section 3.6, at the time of such compliance, there shall, in addition to the delivery of the Eagle Plains New Shares and SpinCo Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Eagle Plains New Shares or SpinCo Shares, as applicable.

#### **6.4 Limitation and Proscription.**

To the extent that a former Eagle Plains Shareholder shall not have complied with the provisions of Sections 6.1 or 6.2, as applicable, on or before the date that is six (6) years after the Effective Date (the "**Final Proscription Date**"), then the Eagle Plains New Shares and SpinCo Shares that such former Eagle Plains Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Eagle Plains New Shares and SpinCo Shares to which such Eagle Plains Shareholder was entitled, shall be delivered to SpinCo (in the case of the SpinCo Shares) or Eagle Plains (in the case of the Eagle Plains New Shares) by the Depositary and certificates or DRS Statements representing such Eagle Plains New Shares and SpinCo Shares shall be cancelled by Eagle Plains and SpinCo, as applicable, and the interest of the former Eagle Plains Shareholder in such Eagle Plains New Shares and SpinCo Shares or to which it was entitled shall be terminated as of such Final Proscription Date. For greater certainty, any amounts for dividends or distributions related to such Eagle Plains New Shares and SpinCo Shares being held by the Depositary in accordance with Section 6.3 shall be surrendered and returned to Eagle Plains or SpinCo, as applicable, without interest concurrent with the cancellation of any entitlement to receive such Eagle Plains New Shares and SpinCo Shares pursuant to this Section 6.4.

#### **6.5 Paramountcy.**

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all entitlements arising from the Eagle Plains Shares, Eagle Plains Warrants and Eagle Plains Options issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Eagle Plains Shares, Eagle Plains Warrants, Eagle Plains Options, SpinCo, the Transfer Agent, and any transfer agent or depositary therefor, shall be solely as provided for in this Plan of Arrangement.

### **ARTICLE 7 AMENDMENTS & WITHDRAWAL**

#### **7.1 Amendments.**

Eagle Plains and SpinCo reserve the right to amend, modify, or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Eagle Plains Meeting, approved by the Court.

#### **7.2 Amendments Made Prior to or at the Eagle Plains Meeting.**

Any amendment, modification or supplement to this Plan of Arrangement, if agreed upon by Eagle Plains and SpinCo, may be proposed by Eagle Plains and SpinCo at any time prior to or at the Eagle Plains Meeting with or without any prior notice or communication, and if so proposed and accepted by the Eagle Plains Shareholders voting at the Eagle Plains Meeting, shall become part of this Plan of Arrangement for all purposes.

**7.3 Amendments Made After the Eagle Plains Meeting.**

Any amendment, modification or supplement to this Plan of Arrangement, if agreed upon by Eagle Plains and SpinCo, may be proposed by Eagle Plains and SpinCo after the Eagle Plains Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Eagle Plains Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Eagle Plains, provided that it concerns a matter which, in the reasonable opinion of Eagle Plains and SpinCo, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the legal, financial or economic interests of any Eagle Plains Shareholder, SpinCo Shareholder, Eagle Plains Optionholder, or Eagle Plains Warrantholder.

**7.4 Withdrawal.**

Notwithstanding any prior approvals by the Court or by the Eagle Plains Securityholders, the Eagle Plains Board may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of, or notice to, the Court or the Eagle Plains Shareholders.

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**APPENDIX I**  
**SPINCO REORGANIZATION SHARE TERMS**

**SPECIAL RIGHTS AND RESTRICTIONS FOR THE SERIES 1 PREFERRED  
SHARES OF EAGLE ROYALTIES LTD. (THE "CORPORATION")**

**1.1 The Reorganization Shares**

The Series 1 Preferred Shares, as a series (the "**Reorganization Shares**"), shall have attached thereto the following special rights, privileges, restrictions and conditions:

(a) **Voting**

The holders of the Reorganization Shares shall be entitled as such to receive notice of, attend and vote at any meeting of the shareholders of the Corporation;

(b) **Dividends**

Subject to the prior rights of holders of any shares of the Corporation ranking in priority to the Reorganization Shares, the holders of the Reorganization Shares shall be entitled to receive, if, as and when declared by the Board of Directors, noncumulative cash dividends in an amount or amounts to be determined by the Board of Directors from time to time;

(c) **Redemption**

Subject to applicable law, the Corporation may, with or without notice, redeem at any time any of the then outstanding Reorganization Shares on payment in cash or property for each Reorganization Share of an amount equal to the Reorganization Share Redemption Amount, and the Board of Directors may authorize any person to conclusively determine the Reorganization Share Redemption Amount at any time, such determination to be evidenced by a certificate of such person. The Reorganization Share Redemption Amount will be the specified amount for the purposes of the Tax Act;

(d) **Retraction**

Subject to applicable law, the holder of Reorganization Shares is entitled to require the Corporation to redeem the Reorganization Shares at any time for an amount equal to the Reorganization Share Redemption Amount;

(e) **Restriction on Payments to other Classes**

Notwithstanding any other provision contained in the Articles of the Corporation, no dividends shall be paid on any class of shares of the Corporation other than the Reorganization Shares, if there are reasonable grounds to believe that the realizable value of the net assets of the Corporation, after payment of the dividends would be less than the aggregate of the Reorganization Share Redemption Amount relating to all of the Reorganization Shares then outstanding; and

(f) **Dissolution**

In the event of liquidation, dissolution or winding-up of the Corporation or other return of capital by the Corporation, whether voluntary or involuntary, the holders of the Reorganization Shares are entitled to receive, before any distribution of any part of



the profits and assets of the Corporation among the holders of any other shares, a payment of an amount equal to the Reorganization Share Redemption Amount to the extent of the amount of value of property available under applicable law for payment to shareholders upon such liquidation, dissolution or winding-up, and will be entitled to no more than the amount of that payment.

## 1.2 Definitions

In these Special Rights and Restrictions:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;
- (b) "**Arrangement**" means the arrangement pursuant to Part 15, Section 193 of the ABCA as contemplated by the Arrangement Agreement;
- (c) "**Arrangement Agreement**" means the arrangement agreement between SpinCo and the Corporation dated as of February 28, 2023, as amended;
- (d) "**Board of Directors**" means the board of directors of the Corporation;
- (e) "**Reorganization Share Redemption Amount**" of a Reorganization Share means the aggregate fair market value of the Spin-off Assets at the time of transfer to the Corporation less any liabilities, divided by the number of Reorganization Shares issued in consideration therefore, plus any declared but unpaid dividends thereon;
- (f) "**Reorganization Shares**" means the Series 1 Preferred Shares described in Section 1.1 above;
- (g) "**Corporation**" means Eagle Royalties Ltd., a corporation incorporated under the ABCA;
- (h) "**Eagle Plains**" means Eagle Plains Resources Ltd., a corporation existing under the ABCA;
- (i) "**Effective Date**" means the date upon which the Arrangement becomes effective;
- (j) "**Plan of Arrangement**" means the Plan of Arrangement attached as Exhibit II to the Arrangement Agreement, as amended;
- (k) "**Spin-off Assets**" means those assets of the Corporation which are to be transferred to SpinCo pursuant to Section 3.1(f) of the Plan of Arrangement;
- (l) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;

## 1.3 Issuance of Reorganization Shares

On the Effective Date and subject to the provisions of the ABCA, pursuant to Section 3.1(f) of the Plan of Arrangement, the Corporation will issue to Eagle Plains a number of Reorganization Shares in exchange for the transfer by Eagle Plains to the Corporation of the Spin-off Assets, where:

- (a) the amount to be specified in respect of each Reorganization Share so issued will:
  - (i) be pursuant to a resolution of the Board of Directors;
  - (ii) be expressed as a dollar amount;
  - (iii) not be determined by a formula; and
  - (iv) not exceed the net fair market of the property received by the Corporation in consideration for its issuance; and
- (b) such issuance will occur without any notice or act or formality required by the Corporation or Eagle Plains.

#### **1.4 Automatic Purchase for Cancellation**

On the Effective Date and subject to the provisions of the ABCA, the Reorganization Shares issued to Eagle Plains pursuant to Section 1.3 above will, pursuant to Section 3.1(g) of the Plan of Arrangement, be purchased by the Corporation for cancellation by issuing to Eagle Plains, as payment therefore, a demand non-interest bearing promissory note having a principle amount and fair market value equal to the aggregate Reorganization Share Redemption Amount of the Reorganization Shares so purchased for cancellation (the "**Note**"), and Eagle Plains will accept the Note as full satisfaction for the purchase price of its Reorganization Shares so purchased, without any notice or other act or formality required by the Corporation or Eagle Plains, and Eagle Plains shall cease to be entitled to any right in respect of such shares except to receive the Note, unless the issuance of the Note is not made by the Corporation in accordance with the stated terms of the Arrangement and this Section 1.4, in which case the rights of Eagle Plains shall remain unimpaired.

**APPENDIX II**  
**EAGLE PLAINS BUTTERFLY SHARE TERMS**

**SPECIAL RIGHTS AND RESTRICTIONS FOR THE SERIES 2 PREFERRED SHARES OF EAGLE PLAINS RESOURCES LTD. (THE "CORPORATION")**

**1.1 The Butterfly Shares**

The Series 2 Preferred Shares, as a series (the "**Butterfly Shares**"), shall have attached thereto the following special rights, privileges, restrictions and conditions:

(c) **Voting**

The holders of the Butterfly Shares shall be entitled as such to receive notice of, attend and vote at any meeting of the shareholders of the Corporation;

(d) **Dividends**

Subject to the prior rights of holders of any shares of the Corporation ranking in priority to the Butterfly Shares, the holders of the Butterfly Shares shall be entitled to receive, if, as and when declared by the Board of Directors, noncumulative cash dividends in an amount or amounts to be determined by the Board of Directors from time to time;

(e) **Redemption**

Subject to applicable law, the Corporation may, with or without notice, redeem at any time any of the then outstanding Butterfly Shares on payment in cash or property for each Butterfly Share of an amount equal to the Butterfly Share Redemption Amount, and the Board of Directors may authorize any person to conclusively determine the Butterfly Share Redemption Amount at any time, such determination to be evidenced by a certificate of such person. The Butterfly Share Redemption Amount will be the specified amount for the purposes of the Tax Act;

(f) **Retraction**

Subject to applicable law, the holder of Butterfly Shares is entitled to require the Corporation to redeem the Butterfly Shares at any time for an amount equal to the Butterfly Share Redemption Amount;

(g) **Restriction on Payments to other Classes**

Notwithstanding any other provision contained in the Articles of the Corporation, no dividends shall be paid on any class of shares of the Corporation other than the Butterfly Shares, if there are reasonable grounds to believe that the realizable value of the net assets of the Corporation, after payment of the dividends would be less than the aggregate of the Butterfly Share Redemption Amount relating to all of the Butterfly Shares then outstanding; and

(h) **Dissolution**

In the event of liquidation, dissolution or winding-up of the Corporation or other return of capital by the Corporation, whether voluntary or involuntary, the holders of the Butterfly Shares are entitled to receive, before any distribution of any part of the profits and assets of the Corporation among the holders of any other shares, a payment of an amount equal to the Butterfly Share Redemption Amount to the extent of the

amount of value of property available under applicable law for payment to shareholders upon such liquidation, dissolution or winding-up, and will be entitled to no more than the amount of that payment.

## 1.2 Definitions

In these Special Rights and Restrictions:

- (i) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;
- (j) "**Arrangement**" means the arrangement pursuant to Part 15, Section 193 of the ABCA as contemplated by the Arrangement Agreement;
- (k) "**Arrangement Agreement**" means the arrangement agreement between SpinCo and the Corporation dated as of February 28, 2023, as amended;
- (l) "**Board of Directors**" means the board of directors of the Corporation;
- (m) "**Butterfly Share Redemption Amount**" of a Butterfly Share means the aggregate net fair market value of the Spin-off Assets to be transferred by Eagle Plains to SpinCo, determined immediately before such transfer, divided by the number of Butterfly Shares issued and outstanding, plus any declared but unpaid dividends thereon;
- (n) "**Butterfly Shares**" means the Series 2 Preferred Shares described in Section 1.1 above;
- (o) "**Corporation**" means Eagle Plains Resources Ltd., a corporation existing under the ABCA;
- (p) "**Eagle Plains Shares**" means the issued Common Shares of the Corporation;
- (q) "**Eagle Plains New Shares**" means the new Common Shares of the Corporation, identical in terms to the Eagle Plains Shares, for which the Eagle Plains Shares are, in part, to be exchanged pursuant to the Arrangement;
- (r) "**Effective Date**" means the date upon which the Arrangement becomes effective;
- (s) "**Plan of Arrangement**" means the Plan of Arrangement attached as Exhibit II to the Arrangement Agreement, as amended;
- (t) "**SpinCo**" means Eagle Royalties Ltd. a corporation incorporated under the ABCA;
- (u) "**SpinCo Shares**" means the Common Shares of SpinCo which SpinCo is authorized to issue;
- (v) "**Spin-off Assets**" means those assets of the Corporation which are to be transferred to SpinCo pursuant to Section 3.1(f) of the Plan of Arrangement;
- (w) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;

### 1.3 Issuance of Butterfly Shares

On the Effective Date and subject to the provisions of the ABCA, pursuant to Section 3.1(d) of the Plan of Arrangement, each Eagle Plains Share shall be exchanged for one Eagle Plains New Share and one-third of a Butterfly Share, where:

- (a) the amount to be specified in respect of each Butterfly Share so issued will:
  - (i) be pursuant to a resolution of the Board of Directors;
  - (ii) be expressed as a dollar amount;
  - (iii) not be determined by a formula; and
  - (iv) not exceed the net fair market of the property received by the Corporation in consideration for its issuance.

### 1.4 Automatic Transfer

On the Effective Date and subject to the provisions of ABCA, pursuant to Section 3.1(e) of the Plan of Arrangement, each holder of Butterfly Shares will transfer to SpinCo their Butterfly Shares (having an aggregate fair market value equal to the fair market value of the Spin-off Assets) for an equal number of SpinCo Shares with no par value having an aggregate fair market value equal to the fair market value of the Butterfly Shares so transferred. Such transfer will occur without any notice or other act or formality required by the Corporation, SpinCo or the holders of the Butterfly Shares, and the holders shall cease to be entitled to any right in respect of such shares except to receive the SpinCo Shares, unless the issuance of the SpinCo Shares is not made by SpinCo in accordance with the stated terms of the Arrangement and this Section 1.4, in which case the rights of the holders of such shares shall remain unimpaired.

### 1.5 Automatic Purchase for Cancellation

On the Effective Date and subject to the provisions of the ABCA, the Butterfly Shares transferred to SpinCo pursuant to Section 1.4 above will, pursuant to Section 3.1(h) of the Plan of Arrangement, be purchased by the Corporation for cancellation by issuing to SpinCo, as payment therefore, a demand non-interest bearing promissory note having a principal amount and fair market value equal to the aggregate Butterfly Share Redemption Amount of the Butterfly Shares so transferred (the "**Note**"), and SpinCo will accept the Note as full satisfaction for the purchase price of its Butterfly Shares so purchased, without any notice or other act or formality required by the Corporation or SpinCo, and SpinCo shall cease to be entitled to any right in respect of such shares except to receive the Note, unless the issuance of the Note is not made by the Corporation in accordance with the stated terms of the Arrangement and this Section 1.5, in which case the rights of SpinCo shall remain unimpaired.

**EXHIBIT "C"**  
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED BY SPECIAL RESOLUTIONS THAT:**

1. the arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of Eagle Plains Resources Ltd. (the "**Corporation**"), as more particularly described and set forth in the management information circular (the "**Circular**") of the Corporation dated [•], 2023 accompanying the notice of this meeting and as it may be amended, modified or supplemented in accordance with the arrangement agreement (the "**Arrangement Agreement**") dated February 28, 2023 between the Corporation and Eagle Royalties Ltd. (the "**Eagle Royalties**") is hereby authorized, approved and adopted;
2. the plan of arrangement of the Corporation (the "**Plan of Arrangement**"), as it may be amended, modified or supplemented in accordance with its terms and the Arrangement Agreement, the full text of which is set out in Schedule "[•]" to the Circular, is hereby authorized, approved and adopted;
3. the: (i) Arrangement Agreement and the transactions contemplated therein; (ii) actions of the directors of the Corporation in approving the Arrangement Agreement; and (iii) actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto, are hereby ratified and approved;
4. the Corporation is authorized to apply for a final order from the Court of King's Bench of Alberta in the City of Calgary, Alberta (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement;
5. notwithstanding that this resolution has been passed by the holders of common shares, warrants, and stock options of the Corporation (collectively, the "**Corporation Securityholders**"), voting as a single class, or that the Arrangement has been approved by the Court, the directors of the Corporation are hereby authorized and empowered to, without further notice to or approval of the Corporation Securityholders: (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement, to the extent permitted thereby; and (ii) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement and related transactions;
6. any officer or director of the Corporation is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the Corporation's seal or otherwise, and to deliver, or cause to be delivered, for filing with the Registrar of Corporations appointed under Section 263 of the Act (the "**Registrar**") articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement and the transactions contemplated thereby in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any other such documents with the Registrar; and
7. any officer or director of the Corporation is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the Corporation's seal or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done, all such other acts and things as such person determines may be



necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**EXHIBIT "D"**

**FORM OF EAGLE PLAINS VOTING AND SUPPORT AGREEMENT**

## VOTING AND SUPPORT AGREEMENT

This Voting and Support Agreement (this "**Agreement**"), dated as of \_\_\_\_\_, is entered into between Eagle Plains Resources Ltd., a corporation existing under the laws of the Province of Alberta ("**Corporation**") and the undersigned shareholder ("**Shareholder**") of the Corporation.

### WHEREAS:

1. the Corporation has entered into an arrangement agreement (the "**Arrangement Agreement**") dated February 28, 2023 between the Corporation and Eagle Royalties Ltd. ("**Eagle Royalties**") in connection with a statutory plan of arrangement under section 181 of the *Business Corporations Act* (Alberta), pursuant to which shareholders of the Corporation will, following a reorganization of the capital of the Corporation, exchange certain shares of the Corporation for shares of Eagle Royalties on a tax-deferred basis, and the Corporation will transfer certain assets to Eagle Royalties on a tax-deferred basis; and
2. the Shareholder is the registered and/or direct or indirect beneficial owner of, or exercises control or direction (directly or indirectly) over: (i) shares of the Corporation ("**Corporation Shares**") (such Corporation Shares, together with any Corporation Shares acquired by the Shareholder during the term of this Agreement, being referred to in this Agreement as the "**Subject Shares**") and (ii) the other securities ("**Subject Securities**") of the Corporation which are convertible into Corporation Shares, in each case, as set forth below the Shareholder's signature on the signature page of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

### PART II - DEFINITIONS AND INTERPRETIVE PROVISIONS.

In this Agreement:

1. all terms used and not defined in this Agreement that are defined in the Arrangement Agreement shall have the respective meanings given to them in the Arrangement Agreement;
2. the division of this Agreement into Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement;
3. any reference to gender includes all genders and words importing the singular number include the plural and vice versa;
4. if the date on which any action is required to be taken by a party to this Agreement is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place;
5. the words "**including**", "**includes**" and "**include**" mean including (or includes or include) without limitation;

6. the term "**Agreement**" and any reference thereof or of any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it; and
7. any reference to a particular statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, consolidated, replaced or re-enacted.

### **PART III - REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER.**

The Shareholder represents and warrants to the Corporation as follows as at the date of this Agreement and immediately prior to the Effective Date, and acknowledges that the Corporation is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

1. **Organization and Authority and Capacity.** If the Shareholder is not an individual: (i) the Shareholder is a corporation or entity incorporated or organized, as applicable, and existing under the laws of its jurisdiction of incorporation or organization; (ii) the execution and delivery of this Agreement by the Shareholder and the consummation by it of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of the Shareholder are necessary to authorize this Agreement or the transactions contemplated by this Agreement; and (iii) the Shareholder has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. If the Shareholder is an individual, the Shareholder is of the age of majority and has the capacity to enter into and perform its obligations under this Agreement.
2. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Shareholder and constitutes a legal, valid and binding agreement of the Shareholder enforceable against it in accordance with its terms subject only to any limitation on bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies, such as specific performance and injunction.
3. **Non-Contravention.** The execution and delivery of this Agreement by the Shareholder, the performance of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) contravene, conflict with, or result in the violation of: (i) the articles, by-laws or other constituting documents of the Shareholder (as applicable); (ii) any other agreement or instrument to which the Shareholder is a party or by which the Shareholder or any of the Shareholder's property or assets is bound; and (iii) any applicable laws.
4. **Ownership of Subject Shares and Subject Securities.** The Shareholder is the legal and beneficial owner of, or the beneficial owner exercising control or direction over, all of the Subject Shares and the Subject Securities, free and clear of any liens and encumbrances. The Subject Shares and the Subject Securities are the only securities of the Corporation owned, directly or indirectly, or over which control or direction is exercised by the Shareholder. The Shareholder has sole dispositive power and the sole power to agree to the matters set forth in this Agreement with respect to the Subject Shares and the Subject Securities. None of the Subject Shares are subject to any

agreement, arrangement or restriction with respect to the voting thereof, except as contemplated by this Agreement. Except for the Subject Securities, the Shareholder has no agreement or option or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition or transfer to the Shareholder of additional securities of the Corporation. No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual), capable of becoming an agreement or option for the purchase, acquisition or transfer from the Shareholder of any of the Subject Shares or the Subject Securities except pursuant to this Agreement and, in the case of the Subject Securities, as expressly provided in the terms of the Corporation's plans governing such securities.

5. **Proceedings.** There is no suit, claim, action, litigation, arbitration or other proceeding in progress, pending or ongoing or, to the knowledge of the Shareholder, threatened against or affecting the Shareholder that would reasonably be expected to have an adverse impact on the validity of this Agreement or any action taken or to be taken by the Shareholder in connection with this Agreement.

#### **PART IV - COVENANTS OF THE SHAREHOLDER.**

The Shareholder covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, unless otherwise required or expressly permitted by this Agreement:

1. **Agreement to Vote in Favour.** At the Eagle Plains Meeting, the Shareholder shall cause its Subject Shares and Subject Securities (which have a right to vote at such meeting) to be counted as present (in person or by proxy) for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Shares and Subject Securities (which have a right to vote at such meeting): (i) in favour of the approval of the Arrangement and each of the other transactions contemplated by the Arrangement Agreement (including the Arrangement Resolution) and (ii) in favour of any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement.
2. **Agreement to Vote Against.** At the Eagle Plains Meeting, the Shareholder shall cause its Subject Shares and Subject Securities (which have a right to vote at such meeting) to be counted as present (in person or by proxy) for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Shares and Subject Securities (which have a right to vote at such meeting) against any action, proposal, transaction or agreement that could reasonably be expected to: (i) result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Corporation under the Arrangement Agreement or of the Shareholder under this Agreement or (ii) impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Arrangement or the fulfillment of the Corporation's conditions under the Arrangement Agreement or change in any manner the voting rights of any class of shares of the Corporation (including any amendments to the Corporation's articles or by-laws).
3. **Restriction on Transfer.** The Shareholder agrees not to directly or indirectly: (i) sell, transfer, assign, gift-over, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Subject Shares or Subject Securities to any Person other

than pursuant to the Arrangement Agreement or (ii) grant any proxies or power of attorney, deposit any of its Subject Shares or Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to any of its Subject Shares or Subject Securities.

4. **Additional Corporation Shares or Subject Securities.** The Shareholder: (i) agrees to notify the Corporation promptly of any new Corporation Shares or Subject Securities acquired by the Shareholder after the execution of this Agreement and (ii) acknowledges that any such new Corporation Shares or Subject Securities will be subject to the terms of this Agreement as though owned by the Shareholder on the date of this Agreement.
  
5. **Delivery of Proxy.** The Shareholder agrees that it will, on or before the seventh Business Day prior to the Eagle Plains Meeting: (i) deliver or cause to be delivered, in accordance with the instructions set out in the Information Circular and the form of proxy, a duly executed proxy or proxies directing the holder of such proxy or proxies to vote in favour of the approval of the Arrangement and each of the other transactions contemplated by the Arrangement Agreement (including the Arrangement Resolution) and (ii) with respect to any Subject Shares (and any other Subject Securities entitled to vote) that are beneficially owned by the Shareholder but not registered in the name of the Shareholder, the Shareholder shall deliver or cause to be delivered voting instructions to the intermediary through which the Shareholder holds its beneficial interest in the Shareholder's Subject Shares (and any other Subject Securities entitled to vote), instructing that the Shareholder's Subject Shares (and any other Subject Securities entitled to vote) be voted in favour of the approval of the Arrangement and each of the other transactions contemplated by the Arrangement Agreement (including the Arrangement Resolution). Such proxy or proxies shall name those individuals as may be designated by the Corporation in the Information Circular and such proxy or proxies or voting instructions shall not be revoked, withdrawn or modified without the prior written consent of the Corporation.
  
6. **Other Covenants.** The Shareholder hereby:
  - (a) agrees not to exercise any Dissent Rights with respect to the Arrangement;
  - (b) consents to: (A) details of, or a summary of, this Agreement being set out in any news release, information circular and court documents or other public disclosure produced by the Corporation in connection with the transactions contemplated by this Agreement and the Arrangement Agreement and (B) this Agreement being made publicly available, including by filing on SEDAR; and
  - (c) acknowledges and agrees that a summary of the negotiations leading to the execution and delivery of this Agreement may appear in the Information Circular and in any other public disclosure document required by any applicable laws and further agrees that it will, as promptly as practicable, notify the Corporation of any required corrections with respect to any written information supplied by it specifically for use in any such disclosure documents if and to the extent that the Shareholder becomes aware that any such information shall have become false or misleading in any material respect.

#### **PART V - TERMINATION.**

This Agreement shall terminate upon the earliest to occur of:

1. the written agreement of the parties to this Agreement;
2. notice being delivered to the Corporation if, without the prior written consent of the Shareholder, there is a material change in the form or nature of, the consideration payable for the outstanding Corporation Shares as set out in the Arrangement Agreement;
3. the Effective Time, subject to any amendments as contemplated in the Arrangement Agreement; and
4. the termination of the Arrangement Agreement in accordance with its terms.

**PART VI - NO AGREEMENT AS DIRECTOR OR OFFICER.**

The Corporation acknowledges that the Shareholder is bound hereunder solely in its capacity as a security holder of the Corporation and, if the Shareholder is a director or officer of the Corporation, that the provisions hereof shall not be deemed or interpreted to bind the Shareholder in its capacity as a director or officer of the Corporation. Nothing in this Agreement shall: (a) limit or affect any actions or omissions taken by the Shareholder in its capacity as a director or officer of the Corporation, including in exercising rights under the Arrangement Agreement and no such actions or omissions shall be deemed a breach of this Agreement or (b) be construed to prohibit, limit or restrict the Shareholder from fulfilling its fiduciary duties as a director or officer of the Corporation.

**PART VII - INJUNCTIVE RELIEF.**

The parties to this Agreement agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties to this Agreement shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedies to which the parties to this Agreement may be entitled at law or in equity.

**PART VIII - ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

**PART IX - AMENDMENT AND WAIVER.**

This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties. No waiver of any provisions by either party shall be deemed a waiver of any other provisions by such party, nor shall any such waiver be deemed a continuing waiver of any provision by such party.

## **PART X - NOTICES.**

Any notice or other communication given regarding the matters contemplated in this Agreement will be sufficient if in writing and: (a) hand delivered; (b) sent by certified or registered mail; (c) sent by express courier; or (d) if notice is also contemporaneously sent by one of the other methods, sent by email, and addressed as follows:

If to the Corporation:

Suite 200, 44 - 12th Avenue S.  
Cranbrook, British Columbia V1C 2R7  
**Attention: Timothy J. Termuende, President & CEO**  
Email: [tjt@eagleplains.com](mailto:tjt@eagleplains.com)

with a copy to:

McLeod Law LLP  
500, 707 - 5th Street SW  
Calgary, Alberta T2P 1V8  
**Attention: S (Rishi) Chakraborty, Partner**  
Email: [schakraborty@mcleod-law.com](mailto:schakraborty@mcleod-law.com)

If to the Shareholder, to the address or email address set forth for Shareholder on the signature page hereof.

Any notice or other communication is deemed to be given and received on the day on which it was delivered or, in the case of notices or other communications transmitted by facsimile or email, transmitted (or if such day is not a Business Day or if such notice or communication was delivered or transmitted after 5:00 p.m. (local time in the place of receipt) on the next following Business Day).

## **PART XI - MISCELLANEOUS.**

1. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.
2. If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any provision is illegal, invalid or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.
3. Subject to the provisions of this Agreement, the parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
4. Time is of the essence in this Agreement.



5. Each party will pay its own expenses (including the fees and disbursements of legal counsel and other advisers) incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.
6. This Agreement will be binding upon and enure to the benefit of the parties and their successors and permitted assigns. Neither party to this Agreement may assign its rights or obligations under this Agreement without the prior written consent of the other party. No assignment shall relieve the assigning party of any of its obligations hereunder.
7. The Shareholder acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that the Shareholder has either done so or waived its right to do so in connection with the entering into of this Agreement.
8. This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties to this Agreement shall be entitled to rely upon delivery of an executed PDF or similar executed electronic copy of this Agreement, and such PDF or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

***[Remainder of page intentionally left blank; signature page follows]***

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of the date first written above.

**EAGLE PLAINS RESOURCES LTD.**

---

Timothy J. Termuende, President & CEO

\_\_\_\_\_  
(Print Name of Shareholder)

\_\_\_\_\_  
(Signature of Shareholder or Authorized Signatory)

\_\_\_\_\_  
(Name and Title of Authorized Signatory)

Number of Corporation Shares  
Beneficially Owned as of the Date of this  
Agreement: \_\_\_\_\_

Number of Subject Securities Beneficially  
Owned as of the Date of this Agreement:  
\_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email

**APPENDIX C**

**AMALGAMATION AGREEMENT**

**1386884 B.C. LTD.**

**- AND -**

**EAGLE ROYALTIES LTD.**

**- AND -**

**EAGLE PLAINS RESOURCES LTD.**

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**AMALGAMATION AGREEMENT**

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**DATED: FEBRUARY 28, 2023**

## TABLE OF CONTENTS

<b>PART 1 INTERPRETATION .....</b>	<b>2</b>		
Definitions .....	2	Term .....	45
Interpretation .....	10	Termination .....	45
Exhibits .....	12	<b>PART 8 AMENDMENT .....</b>	<b>46</b>
<b>PART 2 THE AMALGAMATION .....</b>	<b>12</b>	Amendment .....	46
Agreement to Amalgamate .....	12	<b>PART 9 GENERAL .....</b>	<b>46</b>
Effect of Amalgamation .....	12	Notices .....	46
Name .....	13	Binding Effect .....	47
Registered Office .....	13	Assignment .....	47
Authorized Capital .....	13	Entire Agreement .....	47
Fiscal Year .....	13	Public Communications .....	47
Business .....	13	Costs and Expenses .....	48
Initial Directors of Amalco .....	13	Confidentiality .....	48
Initial Officers of Amalco .....	13	Severability .....	49
Eagle Royalties Share Exchange Ratio and 138 Share Exchange Ratio .....	14	Further Assurances .....	49
Exchange of 138 Shares and Eagle Royalties Shares for Amalco Shares .....	14	Time of Essence .....	49
Convertible Securities .....	14	Applicable Law and Enforcement .....	49
Completion of the Amalgamation and Effective Date .....	15	Waiver .....	50
U.S. Securities Law Matters .....	15	Counterparts .....	50
Escrow and Resale Restrictions .....	15	Exhibit "A" Description of Royalty Interests	
Share Certificates .....	16	Exhibit "B" Transaction Consents	
Fractional Shares .....	16	Exhibit "C" Form of 138 Voting and Support Agreement	
Withholding .....	16	Exhibit "D" 138 Resolution	
<b>PART 3 REPRESENTATIONS AND WARRANTIES .....</b>	<b>17</b>	Exhibit "E" Eagle Royalties Resolution	
Representations and Warranties of 138 .....	17		
Representations and Warranties of Eagle Royalties .....	21		
Survival of Representation and Warranties .....	28		
<b>PART 4 COVENANTS .....</b>	<b>28</b>		
Mutual Covenants .....	28		
Additional Covenants of 138 .....	30		
Additional Covenants of Eagle Royalties and Eagle Plains .....	31		
Covenants Regarding Non-Solicitation .....	32		
Notification of Acquisition Proposals .....	34		
Responding to an Acquisition Proposal .....	34		
Right to Match .....	35		
Access to Information; Confidentiality .....	36		
Pre-Amalgamation Reorganization .....	37		
Public Communications .....	37		
Notice and Cure Provisions .....	38		
<b>PART 5 AGREEMENTS .....</b>	<b>38</b>		
Eagle Plains Resolution and Eagle Royalties Resolution .....	38		
138 Resolution .....	39		
Listing Application, Exchange Matters, and Related Filings .....	39		
138 Concurrent Financing .....	40		
<b>PART 6 CONDITIONS PRECEDENT .....</b>	<b>40</b>		
Mutual Conditions Precedent .....	40		
Additional Conditions to Obligations of 138 .....	42		
Additional Conditions to Obligations of Eagle Royalties .....	43		
Notice and Effect of Failure to Comply with Conditions .....	44		
Satisfaction of Conditions .....	44		
<b>PART 7 TERMINATION .....</b>	<b>45</b>		

## AMALGAMATION AGREEMENT

This Amalgamation Agreement is dated as of the 28<sup>th</sup> day of February, 2023.

### AMONG:

**1386884 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia ("**138**")

- and -

**EAGLE ROYALTIES LTD.**, a corporation incorporated under the laws of the Province of Alberta ("**Eagle Royalties**")

- and -

**EAGLE PLAINS RESOURCES LTD.**, a corporation existing under the laws of the Province of Alberta ("**Eagle Plains**")

### WHEREAS:

- A. Eagle Royalties has entered into the Arrangement Agreement (as defined herein) with Eagle Plains to, in conjunction with this Agreement (as defined herein), effect a series of transactions involving Eagle Royalties, 138, Eagle Plains, and all of their respective securityholders whereby, among other things:
- (i) pursuant to a statutory plan of arrangement under the ABCA (as defined herein), the shareholders of Eagle Plains will, following a reorganization of the capital of Eagle Plains, exchange certain shares of Eagle Plains for Eagle Royalties Shares (as defined herein) on a tax-deferred basis and Eagle Plains will transfer the certain assets to Eagle Royalties on a tax-deferred basis;
  - (ii) 138 shall continue from British Columbia as an Alberta corporation under the ABCA;
  - (iii) Eagle Royalties will thereafter amalgamate with 138 (the "**Amalgamation**") to form Amalco (as defined herein) under the provisions of the ABCA and on the terms and subject to the conditions set forth herein;
  - (iv) upon the Amalgamation taking effect, shareholders of Eagle Royalties and 138 will receive Amalco Shares (as defined herein) in the proportion and to the extent set out herein;
  - (v) upon completion of the Amalgamation, it is intended that the Amalco Shares will be listed on the Exchange (as defined herein); and
- B. after giving effect to the transactions contemplated by the Arrangement Agreement and this Agreement (as defined herein), as of the Effective Time (as defined herein), the shareholders of Eagle Plains will hold approximately 65%, Eagle Plains will hold approximately 9%, and 138 Shareholders will hold approximately 26% of the issued and outstanding shares of Amalco.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties (as defined herein) do hereby covenant and agree as follows:

## **PART 1 INTERPRETATION**

### **Definitions**

1.1 In this Agreement, the following terms shall have the following meanings:

- (a) "**138**" has the meaning assigned to that term in the preamble of this Agreement;
- (b) "**138 Concurrent Financing**" means the private placement by 138 whereby 138 will raise gross proceeds of at least \$3,000,000 through the issuance of applicable securities of 138 prior to the Effective Time;
- (c) "**138 Financial Statements**" means the audited financial statements of 138 for the fiscal year ended December 31, 2022;
- (d) "**138 Resolution**" means the unanimous written consent resolution of 138 Shareholders to authorize, approve and adopt the Continuance, Amalgamation, and all other related matters, in the form set out in Exhibit "D";
- (e) "**138 Seed Shares**" means the issued and outstanding 138 Shares issued pursuant to the initial seed financing of 138 whereby 138 raised \$100,000 through the issuance of 5,000,000 138 Shares at a subscription price of \$0.02 per 138 Share;
- (f) "**138 Share Exchange Ratio**" means the number of Amalco Shares to be received for each 138 Share, as determined in Section 2.11(b);
- (g) "**138 Shareholders**" means, collectively, the holders of 138 Shares and "**138 Shareholder**" means any one of them;
- (h) "**138 Shares**" means the Common Shares in the capital of 138;
- (i) "**138 Voting and Support Agreements**" means the voting and support agreements, in the form set out in Exhibit "C", among 138, Eagle Royalties, and certain 138 Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their 138 Shares in favour of the 138 Resolution;
- (j) "**138 Warrants**" means, collectively, the outstanding warrants of 138 on the Effective Date, as issuable as a part of the 138 Concurrent Financing, entitling the holders thereof to acquire 138 Shares on certain terms and conditions as set out in the 138 warrant certificate;
- (k) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;



- (l) **"Acquisition Proposal"** means, other than the transactions contemplated by this Agreement and the Arrangement Agreement, any offer, proposal or inquiry (written or oral) from any Person or group of Persons (other than 138) after the date of this Agreement relating to:
- (i) any direct or indirect sale or disposition (or any leasing or other arrangement having the same economic effect as a sale) of 20% or more of the consolidated assets or assets contributing 20% or more of the consolidated revenues of Eagle Royalties (following completion of the Arrangement) taken as a whole or 20% or more of any voting or equity securities of Eagle Royalties;
  - (ii) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (or securities convertible into or exchangeable for such voting or equity securities) of Eagle Royalties; or
  - (iii) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Eagle Royalties; or
  - (iv) any other similar transaction or series of transactions involving Eagle Royalties;
- (m) **"Action"** means, with respect to any Person, any litigation, legal action, lawsuit, claim, judgment, investigation, complaint, grievance, audit, arbitration or other proceeding (whether civil, administrative, quasi- criminal or criminal) before any Governmental Authority against such Person or its business or affecting any of its assets;
- (n) **"Agreement"** means this amalgamation agreement (including the exhibits hereto) as supplemented, modified or amended;
- (o) **"Amalco"** means the amalgamated corporation continuing from the Amalgamation;
- (p) **"Amalco Shares"** means the Common Shares in the capital of Amalco;
- (q) **"Amalgamation"** has the meaning assigned to that term in the recitals of this Agreement;
- (r) **"Amalgamation Application"** means the amalgamation materials to be sent to the Registrar, as contemplated by the ABCA, including the Articles;
- (s) **"Applicable Canadian Securities Laws"** means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;

- (t) **"Applicable Laws"** means, in the context that refers to one or more Persons, any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (u) **"Arrangement"** means the arrangement pursuant to Section 193 of the ABCA, as contemplated by the Arrangement Agreement and the plan of arrangement thereunder;
- (v) **"Arrangement Agreement"** means the arrangement agreement between Eagle Plains and Eagle Royalties dated as of February 28, 2023, as amended;
- (w) **"Articles"** means the Articles of Amalco to be in substantially the form set out in the Amalgamation Application;
- (x) **"BCBCA"** means the *Business Corporations Act* (British Columbia), as amended;
- (y) **"Business"** means the business and activities to be carried on by Eagle Royalties following completion of the Arrangement;
- (z) **"Business Day"** means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia or the City of Calgary, Alberta, are not generally open for business;
- (aa) **"Certificate of Amalgamation"** means the certificate of amalgamation issued by the Registrar to Amalco pursuant to Section 267 of the ABCA in connection with the Amalgamation;
- (bb) **"Change in Recommendation"** means the occurrence of any of the following, prior to the receipt of the required Eagle Plains Securityholder approval of the Eagle Plains Resolution and the required Eagle Royalties Shareholder approval of the Eagle Royalties Resolution:
- (i) the board of directors of Eagle Plains and Eagle Royalties failing to recommend or withdrawing, amending, modifying, or qualifying in a manner that has substantially the same effect as failing to recommend the Eagle Plains Resolution and the Eagle Royalties Resolution, respectively, or publicly proposing or stating an intention to do the foregoing;
  - (ii) the board of directors of Eagle Plains or Eagle Royalties accepting or approving or publicly proposing to accept or approve an Acquisition Proposal or taking no position or remaining neutral with respect to any Acquisition Proposal for more than five (5) Business Days (or

beyond the fifth Business Day prior to the date of the Eagle Plains Meeting, if sooner); or

- (iii) the board of directors of Eagle Plains and Eagle Royalties failing to publicly recommend or reaffirm the recommendation of the board of directors of Eagle Plains and Eagle Royalties, respectively, within five (5) Business Days after having been requested in writing by 138 to do so (or in the event the Eagle Plains Meeting is scheduled to occur within such five Business Day period, prior to the second Business Day prior to the date of the Eagle Plains Meeting).
- (cc) "**Claims**" means any and all debts, costs, expenses, liabilities, obligations, losses and damages, penalties, proceedings, investigations, judgments, injunctions, actions, suits, assessments, reassessments or claims of whatsoever nature or kind including regulatory or administrative (whether or not under common law, on the basis of contract, negligence, strict or absolute liability or liability in tort, or arising out of requirements of Applicable Laws), imposed on, incurred by, suffered by, or asserted against any Person or any property, absolute or contingent, and, except as otherwise expressly provided herein, includes all reasonable out-of-pocket costs, disbursements and expenses paid or incurred by such Person in pursuing, investigating, or defending any action;
- (dd) "**Closing**" means the closing of the Proposed Transaction;
- (ee) "**Confidential Information**" has the meaning assigned to that term in Section 9.8;
- (ff) "**Constituting Documents**" of a Party, means its certificate of incorporation, notice of articles, articles and by-laws, shareholders' agreements (or similar agreements) as applicable, as in effect as of the date of this Agreement;
- (gg) "**Continuance**" has the meaning assigned to that term in Section 2.1;
- (hh) "**Corporate Records**" of a Party, means its corporate records, including its Constituting Documents, share registers, registers of directors and officers, list of bank accounts and signing authorities and minutes of shareholders' and directors' meetings;
- (ii) "**Disclosing Party**" has the meaning assigned to that term in Section 9.7;
- (jj) "**Dissenting Shareholder**" means a registered holder of 138 Shares, who has validly exercised their Dissent Rights;
- (kk) "**Dissent Rights**" means the right of 138 Shareholders to dissent under the applicable provisions of the BCBCA in respect of the Continuance, and the right of Eagle Plains, as the sole shareholder of Eagle Royalties, and 138 Shareholders to dissent under the applicable provisions of the ABCA in respect of the Amalgamation;
- (ll) "**Eagle Plains**" has the meaning assigned to that term in the preamble of this Agreement;

- (mm) **"Eagle Plains Meeting"** has the meaning assigned to that term in Section 5.1(a);
- (nn) **"Eagle Plains Options"** means, collectively, the outstanding options of Eagle Plains entitling (pursuant to its own terms or the terms of the Arrangement Agreement) the holders thereof to acquire Eagle Royalties Shares on certain terms and conditions;
- (oo) **"Eagle Plains Resolution"** means the special resolution to be considered and, if thought fit, passed by Eagle Plains Securityholders at the Eagle Plains Meeting to approve the Arrangement;
- (pp) **"Eagle Plains Securityholders"** means, collectively, the Eagle Plains Shareholders and the holders of Eagle Plains Options and Eagle Plains Warrants;
- (qq) **"Eagle Plains Shares"** means the Common Shares in the capital of Eagle Royalties;
- (rr) **"Eagle Plains Shareholders"** means the holders of Eagle Plains Shares;
- (ss) **"Eagle Plains Warrants"** means, collectively, the outstanding warrants of Eagle Plains entitling (pursuant to its own terms or the terms of the Arrangement Agreement) the holders thereof to acquire Eagle Royalties Shares on certain terms and conditions;
- (tt) **"Eagle Royalties"** has the meaning assigned to that term in the preamble of this Agreement;
- (uu) **"Eagle Royalties Financial Statements"** means the audited financial statements of Eagle Royalties for the fiscal year ended December 31, 2022;
- (vv) **"Eagle Royalties Insurance"** has the meaning assigned to that term in Section 3.2(r);
- (ww) **"Eagle Royalties Resolution"** means the unanimous written consent resolution of Eagle Plains, as the sole shareholder of Eagle Royalties, to authorize, approve and adopt the Amalgamation and all related matters, in the form set out in Exhibit "E";
- (xx) **"Eagle Royalties Share Exchange Ratio"** means the number of Amalco Shares to be received for each Eagle Royalties Share as determined in Section 2.11(a);
- (yy) **"Eagle Royalties Shareholders"** means, collectively, the holders of Eagle Royalties Shares following completion of the Arrangement, and **"Eagle Royalties Shareholder"** means any one of them;
- (zz) **"Eagle Royalties Shares"** means the Common Shares in the capital of Eagle Royalties;

- (aaa) **"Effective Date"** means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco, which, for greater certainty, shall not occur prior to the Listing Date;
- (bbb) **"Effective Time"** means the effective time of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (ccc) **"Encumbrances"** means any encumbrance of any kind whatsoever, whether contingent or absolute, and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim or encumbrance of any kind or character whatsoever or howsoever arising, and any right or privilege capable of becoming any of the foregoing;
- (ddd) **"Escrowed Securityholder"** has the meaning assigned to that term in Section 2.17;
- (eee) **"Exchange"** means the Canadian Securities Exchange;
- (fff) **"Governmental Authority"** means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;
- (ggg) **"IFRS"** means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;
- (hhh) **"Information Circular"** means the management information circular of Eagle Plains to be sent to Eagle Plains Securityholders in connection with the Eagle Plains Meeting;
- (iii) **"Letter of Intent"** means the indication of interest letter agreement issued by 138, accepted and agreed to by Eagle Plains and Eagle Royalties on January 3, 2022, as amended;
- (jjj) **"Listing Application"** means the application (including all applicable forms), submitted to the Exchange for the listing of Amalco Shares on the Exchange;
- (kkk) **"Listing Date"** means the date of the listing of the Amalco Shares on the Exchange;
- (lll) **"Matching Period"** has the meaning assigned to that term in Section 4.10(d);
- (mmm) **"Material Adverse Change"** or **"Material Adverse Effect"** means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and

its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from:

- (i) the public announcement of the execution of this Agreement or the Arrangement Agreement or any transactions contemplated therein, or communication by any Party of its plans or intentions with respect to the other Parties;
- (ii) any change in general economic, business, regulatory, political, financial, capital or credit market conditions in Canada;
- (iii) any change that generally affects any industry in which the Person or any of its subsidiaries operates;
- (iv) any change arising in connection with earthquakes, natural disasters, epidemics and pandemics, or material worsening of any such epidemics and pandemics, hostilities, acts of war, sabotage or terrorism, or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage, or terrorism or military actions existing as of the date hereof; and
- (v) any changes in IFRS or applicable accounting rules,

except in the case of the foregoing clauses (i), (ii), (iii), (iv) and (v) for any such change, event, occurrence, effect, state of facts or circumstance that materially and disproportionately affects either Eagle Royalties, Eagle Plains or 138 and their respective subsidiaries taken as a whole as compared to other participants in the industry in which Eagle Royalties, Eagle Plains, or 138 participates.

(nnn) **"Material Change"** and **"Material Fact"** has the meanings assigned to that term under the Applicable Canadian Securities Laws;

(ooo) **"Material Contract"** means those contracts, agreements, understandings or arrangements entered into or assumed by Eagle Royalties or 138, or any of their respective affiliated entities which are material to their respective businesses, including, but not limited to:

- (i) employment, severance, personal services, consulting, non-competition or indemnification agreements;
- (ii) contracts granting a right of first refusal or offer;
- (iii) contracts for the acquisition or disposition of assets;
- (iv) agreements regarding the Properties;
- (v) loan or credit agreements or instruments evidencing indebtedness for borrowed funds by Eagle Royalties or 138, as the case may be or any agreement pursuant to which indebtedness for borrowed monies may be incurred; or
- (vi) commitments and agreements to enter into any of the foregoing;

- (ppp) "**New Slate**" has the meaning assigned to that term in Section 2.9;
- (qqq) "**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;
- (rrr) "**Outside Date**" means July 15, 2023 or such other date as agreed to by the Parties in writing, acting reasonably;
- (sss) "**Parties**" means, collectively, the parties to this Agreement, and "**Party**" means any one of them;
- (ttt) "**Person**" is to be broadly interpreted and means any individual, partnership, limited partnership, limited liability partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (uuu) "**Pre-Amalgamation Reorganization**" has the meaning assigned to that term in Section 4.17;
- (vvv) "**Properties**" means the royalty interests to be held by Eagle Royalties following completion of the Arrangement as more particularly set out in Exhibit "A";
- (www) "**Proposed Transaction**" means the proposed Amalgamation of Eagle Royalties and 138 to form the Resulting Issuer;
- (xxx) "**Public Record**" means all information filed by Eagle Royalties and 138, or on their behalf, with any securities commission or similar regulatory authority which are available through the SEDAR website;
- (yyy) "**Receiving Party**" has the meaning assigned to that term in Section 9.7;
- (zzz) "**Registrar**" means the Registrar of Corporations appointed under section 263 of the ABCA;
- (aaaa) "**Representative**" means, with respect to any Person, any officer, director, employee, representative (including financial, legal, or other advisor), or agent of such Person or any of its subsidiaries;
- (bbbb) "**Resulting Issuer**" means Amalco upon completion of the Amalgamation and the listing of the Amalco Shares on the Exchange;
- (cccc) "**Securities Act**" means the *Securities Act* (Alberta), as amended;
- (dddd) "**Securities Regulatory Authority**" has the meaning assigned to that term in Section 3.1(p);
- (eeee) "**Statutory Escrow**" has the meaning assigned to that term in Section 2.16;
- (ffff) "**subsidiary**" has the meaning assigned to that term in the Securities Act;

- (gggg) "**Superior Proposal**" means any bona fide written Acquisition Proposal after the date of this Agreement: (i) to acquire not less than all of the outstanding Eagle Royalties Shares or all or substantially all of the assets of Eagle Royalties, following completion of the Arrangement, on a consolidated basis; (ii) that complies with Applicable Laws; (iii) to the extent it offers cash consideration, for which the financing has been demonstrated to be available to the reasonable satisfaction of the board of directors of Eagle Royalties; (iv) that is not subject to any due diligence and/or access condition; and (v) that the board of directors of Eagle Royalties determines in good faith (after receiving the advice of its outside legal counsel with respect to the board of directors of Eagle Royalties fiduciary duties and its financial advisors), taking into account all legal, financial, regulatory (including with respect to the *Competition Act* (Canada), as amended,, to the extent applicable) and other aspects of such proposal considered appropriate by the board of directors of Eagle Royalties:
- (i) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; and
  - (ii) would, if consummated in accordance with its terms and taking into account the completion risks as referred to in clause (a) above, result in a transaction that is more favourable from a financial point of view to Eagle Plains Securityholders and the Eagle Royalties Shareholder than the transaction contemplated by this Agreement (including any amendments to the transaction contemplated by this Agreement proposed by 138 pursuant to Sections 4.10 through 4.14 of this Agreement);
- (hhhh) "**Superior Proposal Notice**" has the meaning assigned to that term in Section 4.10(c);
- (iiii) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;
- (jjjj) "**Termination Date**" has the meaning assigned to that term in Section 7.2;
- (kkkk) "**Termination Notice**" has the meaning assigned to that term in Section 4.19;
- (llll) "**Transaction Consents**" has the meaning assigned to that term in Section 3.2(dd);
- (mmmm) "**U.S. Person**" means a "**U.S. person**" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and
- (nnnn) "**U.S. Securities Act**" means the United States Securities Act of 1933 and the rules, regulations and orders promulgated thereunder, as amended.

## Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:



- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereto", "herein" and "hereunder" and similar expressions refer to this Agreement (including exhibits) and not to any particular article, section or other portion of this Agreement and include any agreement or instrument supplementary or ancillary to this Agreement;
- (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day in such place;
- (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
- (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;
- (g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable to them under IFRS and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;
- (h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);
- (i) in this Agreement the phrase "in the ordinary course of business" shall mean and refer to those activities that are normally conducted by management of corporations engaged in the businesses of 138 or Eagle Royalties, as applicable, without any need for the approval of the board of directors thereof;

- (j) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it shall mean the actual knowledge of any director or officer of the applicable Party, after due inquiry; and
- (k) the Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

### **Exhibits**

- 1.3 The following exhibits are incorporated into and form an integral part of this Agreement:

Exhibit "A" – Description of Royalty Interests  
 Exhibit "B" – Transaction Consents  
 Exhibit "C" – Form of 138 Voting and Support Agreement  
 Exhibit "D" – 138 Resolution  
 Exhibit "E" – Eagle Royalties Resolution

## **PART 2 THE AMALGAMATION**

### **Agreement to Amalgamate**

- 2.1 The Parties agree that 138 shall continue as a corporation under the ABCA (the "**Continuance**").
- 2.2 Following the satisfactory completion of the Continuance, the Parties agree that 138 and Eagle Royalties shall amalgamate pursuant to the provisions of the ABCA as of the Effective Date and continue as one corporation on the terms and conditions set out in this Agreement.

### **Effect of Amalgamation**

- 2.3 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:
- (a) Eagle Royalties and 138 shall be amalgamated and continue as one corporation (*i.e.*, Amalco);
  - (b) each of Eagle Royalties and 138 shall cease to exist as entities separate from Amalco;
  - (c) the property of each of Eagle Royalties and 138 shall continue to be the property of Amalco;
  - (d) Amalco shall continue to be liable for the obligations of each of Eagle Royalties and 138;
  - (e) the Articles shall be the articles of Amalco; and

(f) the by-laws of Amalco shall be the existing by-laws of Eagle Royalties.

### **Name**

2.4 The name of Amalco shall be "**Eagle Royalties Ltd.**" or such other name as determined by the directors of Eagle Royalties.

### **Registered Office**

2.5 The registered office of Amalco shall be Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

### **Authorized Capital**

2.6 The authorized capital of Amalco shall consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series which shall have the rights, privileges, restrictions and conditions as set out in the Articles and as would be standard for a corporation listed on a recognized Canadian stock exchange.

### **Fiscal Year**

2.7 The fiscal year end of Amalco shall be December 31 of each calendar year.

### **Business**

2.8 There shall be no restriction on the business which Amalco is authorized to carry on.

### **Initial Directors of Amalco**

2.9 The first directors of Amalco shall be the persons whose name and address appear below:

<b>Name</b>	<b>Address</b>
Timothy J. Termuende	2770 17th Street South, Cranbrook, BC V1C 6Y6
Charles C. Downie	716 Summit Place, Cranbrook, BC V1C 5L4
Jesse Campbell	512 12th Avenue South, Cranbrook, BC V1C 2S9
Paul Reynolds	3345 14th Avenue West, Vancouver, BC V6R 2V9

Such directors (the "**New Slate**") shall hold office until the first annual meeting of shareholders of Amalco or until their successor is elected or appointed. Eagle Royalties may, in its sole discretion, add additional directors to form the New Slate and/or change the list of directors comprising the New Slate, in any case, prior to Closing.

### **Initial Officers of Amalco**

2.10 The first officers of Amalco shall be the persons whose name and position appear below:

<b>Name</b>	<b>Position</b>
Timothy J. Termuende	President & Chief Executive Officer

Name	Position
Charles C. Downie	Vice President
Norm Jordan	Controller

### **Eagle Royalties Share Exchange Ratio and 138 Share Exchange Ratio**

- 2.11 The Eagle Royalties Share Exchange Ratio and the 138 Exchange Ratio shall be as follows:
- (a) in the case of the Eagle Royalties Share Exchange Ratio, Eagle Royalties Shareholders shall receive one (1) Amalco Share for each Eagle Royalties Share so held; and
  - (b) in the case of the 138 Exchange Ratio, 138 Shareholders shall receive one (1) Amalco Share for each 138 Share so held.

### **Exchange of 138 Shares and Eagle Royalties Shares for Amalco Shares**

- 2.12 Upon the terms and subject to the conditions set forth in this Agreement (including Section 2.13), at the Effective Time:
- (a) all of the Eagle Royalties Shares outstanding immediately prior to the Effective Time shall be cancelled, and holders of Eagle Royalties Shares immediately prior to the Effective Time, shall receive, subject to Section 2.20 that number of Amalco Shares equal to the product of: (i) the number of Eagle Royalties Shares so cancelled; and (ii) the Eagle Royalties Share Exchange Ratio;
  - (b) all of the 138 Shares outstanding immediately prior to the Effective Time shall be cancelled, and holders of 138 Shares immediately prior to the Effective, shall receive, subject to Section 2.20, that number of Amalco Shares equal to the product of: (i) the number of 138 Shares so cancelled; and (ii) the 138 Share Exchange Ratio.

### **Convertible Securities**

- 2.13 The Parties acknowledge that, as at the Effective Time,
- (a) the Eagle Plains Options shall become exercisable into Amalco Shares in accordance with their terms and the terms of this Agreement and the Arrangement Agreement having regard to the Eagle Royalties Share Exchange Ratio;
  - (b) the Eagle Plains Warrants shall become exercisable in Amalco Shares in accordance with their terms and the terms of this Agreement and the Arrangement Agreement having regard to the Eagle Royalties Exchange Ratio; and
  - (c) the 138 Warrants shall become exercisable in Amalco Shares in accordance with their terms and the terms of this Agreement having regard to the 138 Exchange Ratio.

## Completion of the Amalgamation and Effective Date

- 2.14 Upon the satisfaction or waiver of the conditions contained in this Agreement in favour of each Party, Eagle Royalties and 138 shall deliver to the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Effective Time.

## U.S. Securities Law Matters

- 2.15 The Parties intend that the issuances and exchanges of shares contemplated in this Agreement shall be exempt from the registration requirements of applicable United States federal securities laws pursuant to Rule 802 under the U.S. Securities Act and applicable state securities laws. Accordingly, each Party agrees to take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to obtaining and maintaining such exemptions.

## Escrow and Resale Restrictions

- 2.16 Each of Eagle Royalties and 138 acknowledges and agrees that in accordance with the policies of the Exchange, the Amalco Shares issued to certain Eagle Plains Securityholders and 138 Shareholders, who meet the definition of "principal", as defined in NP 46-201, will be subject to escrow under the policies of the Exchange or Applicable Laws (the "**Statutory Escrow**").
- 2.17 In addition to the Statutory Escrow, all Amalco Shares (excluding those Amalco Shares issued in exchange for 138 Seed Shares) held by each former Eagle Plains Securityholder and former 138 Shareholder (each, "**Escrowed Securityholder**") shall be held in escrow and releasable to each such Escrowed Securityholder in increments of 20% of the Amalco Shares so escrowed immediately prior to the Listing Date, on each of the following dates:
- (a) Listing Date;
  - (b) 90 days from the Listing Date;
  - (c) 180 days from the Listing Date;
  - (d) 270 days from the Listing Date; and
  - (e) 360 days from the Listing Date.
- 2.18 In addition to any other resale restrictions that may be imposed, any Eagle Royalties Shareholders or 138 Shareholder who is a U.S. Person will receive Amalco Shares in exchange for Eagle Royalties Shares or upon the exercise of Eagle Plains Options or Eagle Plains Warrants, as applicable, which will bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY HOLDING SUCH SECURITIES,

AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A, THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

### **Share Certificates**

- 2.19 As soon as practicable after the Effective Date and in accordance with normal commercial practice, Amalco shall issue or cause to be issued certificates or direct registration statements representing the appropriate number of Amalco Shares to the former Eagle Royalties Shareholder and 138 Shareholder. Notwithstanding the foregoing, no share certificates shall be issued to former Eagle Royalties Shareholders or former 138 Shareholders in respect of Amalco Shares that are subject to escrow pursuant to Sections 2.16 or 2.17 and such share certificates shall be held for delivery until the expiry of such escrow.

### **Fractional Shares**

- 2.20 No fractional Amalco Shares will be delivered to any Eagle Royalties Shareholder or 138 Shareholder otherwise entitled thereto, and any such fractions will be rounded down to the nearest whole number and no cash amount will be payable in lieu thereof. In calculating such fractional interests, all securities registered in the name of or beneficially held by such securityholder or their nominee shall be aggregated.

### **Withholding**

- 2.21 Each of Eagle Royalties and 138 shall be entitled to deduct and withhold from the Amalco Shares deliverable to any former 138 Shareholder or former Eagle Royalties Shareholder such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other Applicable Laws. Any amount so deducted and withheld will be deemed for all purposes under this Agreement to be paid, issued, transferred or distributed to the Person entitled thereto under this Agreement, provided such amount is remitted to the appropriate Governmental Authority. Without limiting the generality of the foregoing, any Amalco Shares so deducted and withheld may be sold on behalf of the Person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy

all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance shall be paid to the Person forthwith.

### **PART 3 REPRESENTATIONS AND WARRANTIES**

#### **Representations and Warranties of 138**

- 3.1 138 represents and warrants to Eagle Plains and Eagle Royalties as follows, and acknowledges that Eagle Plains and Eagle Royalties are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:
- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
  - (b) it is duly incorporated under the BCBCA, is currently in good standing, has all corporate powers required to carry on its business as now conducted and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
  - (c) it is authorized to issue an unlimited number of 138 Shares and, immediately prior to Closing, and before accounting for any 138 Shares issuable as part of the 138 Concurrent Financing, there are and will be 5,000,000 138 Shares issued and outstanding and no other 138 Shares issued or outstanding. All 138 Shares have been and will be duly issued in compliance with all Applicable Laws including, without limitation, Applicable Canadian Securities Laws;
  - (d) other than: (a) the securities which may be issued in connection with the 138 Concurrent Financing; and (b) the 138 Shares, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of 138 (as that term is defined in the Securities Act) and 138 has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by 138 of any 138 Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any 138 Shares;
  - (e) there are no outstanding Actions of any kind whatsoever, including appeals and applications for review, in progress, against or affecting 138 at law or in equity or before or by any court, arbitration panel or Governmental Authority which, if determined, would materially and adversely affect 138, nor are there, to its knowledge, any Actions pending or threatened;
  - (f) this Agreement is a binding agreement on 138, enforceable against it in accordance with its terms and conditions, subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of

equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by Applicable Laws;

- (g) all Material Contracts relating to 138 have been previously provided to Eagle Royalties or its Representatives. Each of the Material Contracts constitutes a valid and legally binding obligation of 138, enforceable against it in accordance with its terms and conditions (subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by Applicable Laws);
- (h) it is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by 138, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and 138 is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. 138 has not received any notice of a default nor is there a dispute pending or, to its knowledge, threatened by any other party in respect of any Material Contract;
- (i) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, any of the Material Contracts or the Constatng Documents of 138, any agreement or instrument to which 138 is a party or by which 138 is bound, or any order, decree, statute, regulation, covenant or restriction applicable to 138, in each case which would, individually or in the aggregate, have a Material Adverse Effect on 138;
- (j) except for any obligations arising as a result of the 138 Concurrent Financing, 138 has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against 138 of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities to be disclosed or reflected in the 138 Financial Statements, incurred in the ordinary course of business following the dates of the most recent financial statements of 138 or for professional fees accrued but not yet invoiced, and 138 has not granted general security over its assets or security in any particular asset;
- (k) the 138 Financial Statements will be prepared in accordance with IFRS and present fairly, in all material respects, the financial position of 138 as at such date, and will not omit to state any material fact that is required by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;



- (l) it has no loan or other indebtedness outstanding which has been made to or from any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at "arm's length" (as such term is defined in the Tax Act);
- (m) 138 has never had any employees and it is a party to no written or verbal contracts of employment;
- (n) the documents and materials comprising the Public Record of 138 are, to 138's knowledge, in all material respects accurate and up to date and contain no misrepresentation, nor omit any facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;
- (o) the information in the Information Circular and the Listing Application relating to 138 will be true, correct and complete in all material respects and not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (p) it is not subject to any cease trade or other order of any applicable securities commissions and/or other securities regulators in Canada and the United States and any stock exchanges or other self-regulatory agencies having authority over 138, including the Exchange (each a "**Securities Regulatory Authority**") and, to the knowledge of 138, no investigation or other proceedings involving 138 that may operate to prevent or restrict trading of any securities of 138 are currently in progress or pending before any applicable Securities Regulatory Authority;
- (q) it has no outstanding taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of tax that could have a Material Adverse Effect;
- (r) it has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. 138 has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns. Complete and correct copies of all such returns and other documents filed in respect of the last fiscal year ending prior to the date hereof, if any, have been provided to Eagle Royalties prior to the date hereof;
- (s) the Corporate Records of 138 are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of 138. Without limiting the generality of the foregoing, in respect of the Corporate Records of 138: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held; (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such

resolutions were properly passed; (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

- (t) there are currently no plans for retirements, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by 138 for the benefit of any current or former director, officer, employee or consultant of 138;
- (u) it has no subsidiaries, and it is not a partner, co-tenant, joint venture or otherwise in any partnership, co-tenancy or other similarly joint owned business;
- (v) no proceedings have been taken, are pending or authorized by 138 or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of 138;
- (w) as at the date hereof, there are no reasonable grounds for believing that any creditor of 138 will be prejudiced by the Amalgamation;
- (x) it is not a "reporting issuer" nor an associate of a "reporting issuer" (as such term is defined in the Securities Act) and 138 Shares do not trade on any exchange;
- (y) other than as disclosed in 138 Financial Statements, or in connection with the transactions contemplated by the Arrangement Agreement or the transaction contemplated by this Agreement, 138 does not have any responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any Person;
- (z) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of 138 or any instruments binding on it or its assets:
  - (i) which would preclude it from entering into this Agreement;
  - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon 138;
  - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any Material Contract to which 138 is a party or to purchase any of 138's or Amalco's assets; or
  - (iv) which would impose restrictions on the ability of Amalco:

- (A) to carry on any business which it might choose to carry on within any geographical area;
  - (B) to acquire property or dispose of its property and assets as an entirety;
  - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
  - (D) to borrow money or to mortgage and pledge its property as security therefore; or
  - (E) to change its corporate status;
- (aa) it is not a party to any agreement, nor is 138 aware of any agreement, which in any manner affects the voting control of any of the 138 Shares or other securities of 138;
  - (bb) as of the date hereof: (i) 138 is a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act; (ii) 138 is not registered, and is not required to be registered under the United States *Investment Company Act of 1940*, as amended; and (iii) the issuance and exchange of 138 Shares for Amalco Shares as contemplated by this Agreement is exempt from the registration requirements of any applicable United States federal and state federal securities laws, and neither 138 nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption; and
  - (cc) all information supplied by 138 or its representatives to Eagle Royalties in the course of Eagle Royalties' due diligence review (including documents uploaded in a virtual data room maintained by Eagle Royalties) is accurate and correct in all material respects, except as would not reasonably be expected to have a Material Adverse Effect.

### **Representations and Warranties of Eagle Royalties**

- 3.2 Eagle Royalties represents and warrants to 138 as follows, and acknowledges that 138 is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:
- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
  - (b) it is duly incorporated under the ABCA, is currently in good standing, has all corporate powers required to carry on its business as now conducted and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
  - (c) the documents and materials comprising the Public Record of Eagle Royalties are, to Eagle Royalties' knowledge, in all material respects accurate and up to date and contain no misrepresentation, nor omit any facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

- (d) it has full corporate power, capacity and authority and is duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Government Authority to undertake and conduct its Business as now conducted by it, and as proposed to be conducted following the Arrangement, in all jurisdictions in which the nature of Eagle Royalties' assets or Business makes such qualification necessary, and it conducts its Business in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings related to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the Business, operations, financial condition or income of Eagle Royalties;
- (e) it is authorized to issue an unlimited number of Eagle Royalties Shares and, immediately following the Arrangement and prior to the Effective Time, there will be approximately 42,000,000 Eagle Royalties Shares issued and outstanding and no other Eagle Royalties Shares issued or outstanding. All Eagle Royalties Shares will be duly issued in compliance with all Applicable Laws including, without limitation, Applicable Canadian Securities Laws;
- (f) other than as more particularly described in the Arrangement Agreement and the Eagle Royalties Shares described in Section 3.2(e), as of the date of this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Eagle Royalties (as that term is defined in the Securities Act) and Eagle Royalties has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Eagle Royalties of any Eagle Royalties Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Eagle Royalties Shares;
- (g) it has no subsidiaries, and Eagle Royalties is not a partner, co-tenant, joint venture or otherwise in any partnership, co-tenancy or other similarly joint owned business;
- (h) it is not a "reporting issuer" (as such term is defined in the Securities Act) and Eagle Royalties Shares do not trade on any stock exchange or public markets;
- (i) there are no outstanding Actions of any kind whatsoever, including appeals and applications for review, in progress, against or affecting Eagle Royalties at law or in equity or before or by any court, arbitration panel or Governmental Authority which, if determined, would have a material adverse effect on Eagle Royalties, nor are there, to its knowledge, any Actions pending or threatened;
- (j) this Agreement is a binding agreement on Eagle Royalties, enforceable against it in accordance with its terms and conditions, subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and

regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by Applicable Laws;

- (k) all Material Contracts relating to Eagle Royalties have been previously provided to 138 or its Representatives. Each of the Material Contracts constitutes a valid and legally binding obligation of Eagle Royalties, enforceable against it in accordance with its terms and conditions (subject to such limitations and prohibitions as may exist or may be enacted in Applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by Applicable Laws);
- (l) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constatng Documents of Eagle Royalties, any agreement or instrument to which Eagle Royalties is a party or by which Eagle Royalties is bound, or any order, decree, statute, regulation, covenant or restriction application to Eagle Royalties, in each case which would, individually or in the aggregate, have a Material Adverse Effect on Eagle Royalties;
- (m) it is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Eagle Royalties, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and Eagle Royalties is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Eagle Royalties has not received any notice of a default nor is there a dispute pending or, to its knowledge, threatened by any other party in respect of any Material Contract;
- (n) except as set out in the Arrangement Agreement, Eagle Royalties has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Eagle Royalties of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities to be disclosed or reflected in or provided for in Eagle Royalties Financial Statements or incurred in the ordinary course of business following the dates of Eagle Royalties Financial Statements;
- (o) Eagle Royalties Financial Statements will be prepared in accordance with IFRS and present fairly, in all material respects, the financial position of Eagle Royalties as at such date, and will not omit to state any material fact that is required by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

- (p) since the date of the most recent Eagle Royalties Financial Statements, Eagle Royalties has carried on its Business and conducted its operations and affairs only in the ordinary course;
- (q) there are currently no plans for retirements, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by Eagle Royalties for the benefit of any current or former director, officer, employee or consultant of Eagle Royalties;
- (r) it either currently has in place or will use commercially reasonable efforts to ensure that policies of insurance will be put in place shortly after Closing naming Eagle Royalties as an insured that adequately cover all risks as are customarily covered in the industry in which Eagle Royalties operates. Eagle Royalties' assets will be insured in such amounts and against such risks to adequately cover all risks as are customarily covered by companies in the industry in which Eagle Royalties operates. Eagle Royalties will use commercially reasonable efforts to ensure that there is adequate insurance coverage as may be required by any Material Contract (collectively the "**Eagle Royalties Insurance**");
- (s) other than as set out in the Arrangement Agreement, Eagle Royalties has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there to the knowledge of Eagle Royalties there is no basis for assertion against Eagle Royalties of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in Eagle Royalties Financial Statements, incurred in the ordinary course of business following the dates of the most recent Eagle Royalties Financial Statements or for professional fees accrued but not yet invoiced and Eagle Royalties has not granted general security over its assets or security in any particular asset;
- (t) the information in the Information Circular and Listing Application relating to Eagle Royalties will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (u) it has no outstanding taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of tax that could have a Material Adverse Effect;
- (v) it has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. Eagle Royalties has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns. Complete and

correct copies of all such returns and other documents filed in respect of the last fiscal year ending prior to the date hereof, if any, have been provided to 138 prior to the date hereof;

- (w) the Corporate Records of Eagle Royalties are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Eagle Royalties. Without limiting the generality of the foregoing, in respect of the Corporate Records of Eagle Royalties: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held; (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed; (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;
- (x) no proceedings have been taken, are pending or authorized by Eagle Royalties or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Eagle Royalties;
- (y) as at the date hereof there are no reasonable grounds for believing that any creditor of Eagle Royalties will be prejudiced by the Amalgamation;
- (z) except as noted in the Arrangement Agreement, Eagle Royalties does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at "arm's length" (as such term is defined in the Tax Act);
- (aa) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Eagle Royalties or any instruments binding on their assets:
  - (i) which would preclude Eagle Royalties from entering into this Agreement;
  - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Eagle Royalties;
  - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any Material Contract to which Eagle Royalties is a party or to purchase any of Eagle Royalties' or Amalco's assets; or
  - (iv) which would impose restrictions on the ability of Amalco:

- (A) to carry on any business which it might choose to carry on within any geographical area except pursuant to area of interest restrictions in existing contracts;
  - (B) to acquire property or dispose of its property and assets as an entirety except pursuant to area of interest restrictions in existing contracts;
  - (C) to pay any dividends, redeem shares or make other distributions to its shareholders;
  - (D) to borrow money or to mortgage and pledge its property as security therefor; or
  - (E) to change its corporate status;
- (bb) it has not received written notice, correspondence or warning of any alleged violation, offence or breach of, and to the knowledge of Eagle Royalties, is not under investigation or subject to any Action or complaint with respect to and has not been threatened to be charged with or notified of any alleged violation, offence or breach of, any Applicable Law, or any other applicable licences and permits issued by any applicable Governmental Authority, any Applicable Laws relating in whole or in part to information privacy, personal information, employment, employment practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and/or environmental laws, laws relating to bribery of the foreign public officials (including the *Corruption of Foreign Public Officials Act* (Canada)) and anti-money laundering and proceeds of crime legislation (including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada)), in each case except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Eagle Royalties;
- (cc) Exhibit "A" sets forth a true and complete list of the royalty interests forming the Properties and, to the knowledge of Eagle Plains and Eagle Royalties, following the completion of the Arrangement, Eagle Royalties will own good and marketable title to all royalty interests set forth in Exhibit "A" in compliance with all Applicable Laws, pursuant to valid, subsisting and enforceable title documents or other recognized and enforceable agreements, instruments or legal doctrines. Neither Eagle Royalties nor Eagle Plains has entered into any net smelter return royalty, overriding royalty, net profit interest, gross proceeds royalty, production payment, streaming transaction, share of mineral production, back-in rights, rights of first refusal, rights of first offer, options, privileges or similar arrangement or agreement related to such royalty interests. Neither Eagle Royalties nor Eagle Plains has received communication alleging that it does not have good and marketable title to any of its royalty interests and, to the knowledge of Eagle Plains and Eagle Royalties, there is no adverse claim against or challenge to the royalty interests forming the Properties. Eagle Plains in not in default, in any material respect, under any documents, agreements or instruments by which Eagle Plains claims title to the Properties and, to the knowledge of Eagle Plains and Eagle Royalties, there exists no condition or event that, with or without notice or lapse of time or both, would constitute



a default under any of such documents, agreements or instruments. None of the Properties are subject to a partnership, joint venture or other analogous arrangement or to any contract;

- (dd) Except as set forth in Exhibit "B" (the "**Transaction Consents**") and to the knowledge of Eagle Plains and Eagle Royalties, no consent, approval, order or authorization of, or declaration of filing with, any Governmental Authority or other Person is required to be obtained by Eagle Royalties in connection with the consummation of the transactions contemplated herein, including the transfer of the Properties to Eagle Royalties as contemplated under the Arrangement, other than the Eagle Plains Securityholders' approval, Exchange approval, approval of the court as set forth in the Arrangement Agreement, filings required under the ABCA and with the Exchange, or consents, approvals, orders, authorizations, declarations or filings which if not obtained would not individually or in the aggregate have a Material Adverse Effect on the Business;
- (ee) other than as disclosed in Eagle Royalties Financial Statements, or in connection with the transactions contemplated by the Arrangement Agreement or the transaction contemplated by this Agreement, Eagle Royalties does not have any responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any Person;
- (ff) it is not a party to any agreement, nor is Eagle Royalties aware of any agreement, which in any manner affects the voting control of any of Eagle Royalties Shares or other securities of Eagle Royalties;
- (gg) it is not subject to any cease trade or other order of any Securities Regulatory Authority and, to the knowledge of Eagle Royalties, no investigation or other proceedings involving Eagle Royalties that may operate to prevent or restrict trading of any securities of Eagle Royalties are currently in progress or pending before any applicable Securities Regulatory Authority;
- (hh) as of the date hereof: (i) Eagle Royalties is a "foreign private issuer", as defined in Rule 405 under the U.S. Securities Act; (ii) Eagle Royalties is not registered, and is not required to be registered under the United States *Investment Company Act of 1940*, as amended; and (iii) the issuance and exchange of Eagle Royalties Shares for Amalco Shares as contemplated by this Agreement is exempt from the registration requirements of any applicable United States federal and state federal securities Laws, and neither Eagle Royalties nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption; and
- (ii) all information supplied by Eagle Royalties or its representatives to 138 in the course of 138's due diligence review (including documents uploaded in a virtual data room maintained by 138) is accurate and correct in all material respects, except as would not reasonably be expected to have a Material Adverse Effect.

### **Survival of Representation and Warranties**

- 3.3 The representations and warranties as set out under Sections 3.1 and 3.2 shall survive execution and delivery of this Agreement and shall expire and be terminated and extinguished at the Effective Time.

## **PART 4 COVENANTS**

### **Mutual Covenants**

- 4.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement, except as otherwise expressly permitted or specifically contemplated by this Agreement, or as required by Applicable Laws, the Parties shall:
- (a) cause the Amalco Shares to be issued pursuant to the Proposed Transaction to be issuable as fully paid and non-assessable shares in the capital of Amalco, free and clear of any Encumbrance other than escrow as applicable pursuant to the policies of the Exchange and/or Applicable Canadian Securities Laws;
  - (b) except in the case of Eagle Plains, carry on its business in a prudent and business-like manner in the ordinary course and in a manner consistent with its past practice;
  - (c) except in the case of Eagle Plains, not incur any indebtedness other than in the ordinary course of business consistent with its past practice, or as required in connection with the transactions contemplated by this Agreement;
  - (d) except in the case of Eagle Plains, not alter or amend its Constatng Documents (except as may be required pursuant to the terms of the Arrangement Agreement) as the same exist at the date of this Agreement;
  - (e) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Amalgamation, including using reasonable commercial efforts:
    - (i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements, including the Transaction Consents, and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
    - (ii) to effect all necessary registrations, filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Amalgamation;
    - (iii) to obtain Exchange acceptance of the Proposed Transaction and the Listing Application;
    - (iv) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to

consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement, or the consummation of the transactions contemplated hereby; and

- (v) to reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;
- (f) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue;
- (g) obtain and maintain the third-party approvals applicable to them and provide the same to the other Parties on or prior to the Effective Date;
- (h) cooperate in the preparation of the Information Circular and the Listing Application, in a form mutually acceptable to the Parties, acting reasonably, and each Party shall provide the other Parties with the necessary information in respect of it to ensure that the Information Circular and the Listing Application provides information in compliance in all material respects with Applicable Laws, including Applicable Canadian Securities Laws and Exchange policies on the date of filing thereof and does not contain any misrepresentation of a Party's information and within the Information Circular include, the unanimous recommendation of the board of directors of Eagle Plains, that the Eagle Plains Securityholders vote in favour of the Eagle Plains Resolution;
- (i) complete the Amalgamation as soon as reasonably practicable, but in any event no later than the Outside Date;
- (j) except as provided in this Agreement or the Arrangement Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or Person or perform any act or enter into any transaction or negotiation which, in the opinion of Eagle Royalties or 138 acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby. Without limiting the foregoing, except as provided in this Agreement or the Arrangement Agreement, none of the Parties shall: (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders; (ii) subdivide, consolidate or reclassify their share capital; or (iii) issue any of its shares or other securities convertible into shares or enter into any commitment or agreement (other than on the exercise of convertible securities) except pursuant to the consent of the other Party or pursuant to the 138 Concurrent Financing;
- (k) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party,

which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;

- (l) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to this Section 4.1(l);
- (m) promptly notify the other Parties if at any time before the Effective Date a Party becomes aware that the Information Circular contains a misrepresentation, or that otherwise requires an amendment or supplement to the Information Circular and the Parties shall co-operate in the preparation of any amendment or supplement as required or appropriate, and 138 and Eagle Plains shall promptly mail or otherwise publicly disseminate any amendment or supplement to the 138 Shareholders and Eagle Plains Securityholders, as applicable, and, if required by Applicable Canadian Securities Laws, file the same with any Securities Regulatory Authority;
- (n) the issuance of the Amalco Shares will be exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 802 thereof, provided that Eagle Plains and 138 will not be entitled to rely on the provisions of this Section 4.1(n) in failing to complete the Amalgamation in compliance with Rule 802 under the U.S. Securities Act; and
- (o) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement.

#### **Additional Covenants of 138**

- 4.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, 138 covenants and agrees that:
- (a) it shall use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 6.1 and Section 6.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of 138;
  - (b) it shall use reasonable commercial efforts to cause certain 138 Shareholders, as determined by 138, or as requested by Eagle Royalties, acting reasonably, to enter into 138 Voting and Support Agreements;

- (c) it shall use reasonable commercial efforts to seek shareholder approval of the 138 Resolution, together with such matters as are required to effect the 138 Resolution, and complete the transactions contemplated therein;
- (d) it shall not take any action contrary to or in opposition to the Proposed Transaction;
- (e) it shall have completed the 138 Concurrent Financing and, if deemed necessary, deliver to Eagle Plains and Eagle Royalties a certificate from a senior officer of 138 certifying that the net proceeds from the 138 Concurrent Financing will be available to Eagle Royalties on the Effective Date;
- (f) it shall not have incurred or otherwise accepted liability for any contractual obligation, liability or expense out of the ordinary course of its business, other than a contractual obligation, liability or expense of 138 directly related to the Proposed Transaction or the 138 Concurrent Financing;
- (g) it shall not, directly or indirectly, issue, sell, grant, lease, dispose of, encumber or create any Encumbrance, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber, or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire 138 Shares other than in connection with the 138 Concurrent Financing, and shall not amend the terms of any convertible security;
- (h) the latest available financial statements of 138 shall meet the requirements for listing on the Exchange and as may be required under Applicable Canadian Securities Laws;
- (i) it shall use reasonable commercial efforts to cause 138 Shareholders to enter into escrow or lock-up agreements if so required by the Exchange policies and/or as otherwise agreed to by the Parties; and
- (j) it shall cooperate with Eagle Royalties to complete the Proposed Transaction.

#### **Additional Covenants of Eagle Royalties and Eagle Plains**

4.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, Eagle Royalties and Eagle Plains covenants and agrees that:

- (a) they shall have completed the transactions contemplated in the Arrangement Agreement and, if deemed necessary, deliver to 138 a certificate from a senior officer of Eagle Royalties certifying that all of the transactions contemplated in the Arrangement Agreement have been completed immediately prior to giving effect to the transactions contemplated in this Agreement;
- (b) they shall not take any action contrary to or in opposition to the Proposed Transaction;
- (c) they shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 6.1 and Section 6.2 as soon

as reasonably practicable, to the extent the fulfillment of the same is within the control of Eagle Royalties or Eagle Plains;

- (d) Eagle Plains shall use reasonable commercial efforts to seek securityholder approval of the Eagle Plains Resolution, together with such matters as are required to effect the Eagle Plains Resolution, and complete the transactions contemplated therein;
- (e) Eagle Royalties shall not have incurred or otherwise accepted liability for any contractual obligation, liability or expense out of the ordinary course of its business, other than a contractual obligation, liability or expense of Eagle Royalties directly related to the Proposed Transaction or the Arrangement Agreement;
- (f) Eagle Royalties shall hold, or maintain valid options to acquire, all of the rights and interest in and to the Properties;
- (g) Eagle Royalties shall not, directly or indirectly, issue, sell, grant, lease, dispose of, encumber or create any Encumbrance, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber, or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire Eagle Royalties Shares other than in connection with the Arrangement Agreement;
- (h) Eagle Plains shall not, directly or indirectly, issue, sell, grant, lease, dispose of, encumber or create any Encumbrance, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber, or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire Eagle Plains Shares other than in connection with the Arrangement Agreement and Eagle Plains shall not amend the terms of any convertible security, other than as contemplated by the Arrangement Agreement;
- (i) the latest available financial statements of Eagle Royalties shall meet the requirements for listing on the Exchange and as may be required under Applicable Canadian Securities Laws;
- (j) they shall have received consents from Eagle Royalties nominees to act as directors of Amalco with effect as of the Effective Date and take all other necessary action to cause the board of directors to be comprised of the New Slate;
- (k) they shall use reasonable commercial efforts to cause Eagle Royalties Shareholders to enter into escrow or lock-up agreements if so required by the Exchange policies and/or as otherwise agreed to by the Parties; and
- (l) it shall cooperate with 138 to complete the Proposed Transaction.

#### **Covenants Regarding Non-Solicitation**

- 4.4 Except as expressly permitted in Sections 4.4 through 4.14, neither Eagle Royalties nor Eagle Plains shall, directly or indirectly, through any of its Representatives:

- (a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information of Eagle Plains or Eagle Royalties or entering into any form of contract) any inquiries, submissions, proposals or offers that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
  - (b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than 138) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
  - (c) make a Change in Recommendation; or
  - (d) accept, approve, endorse or enter into any Contract in respect of any Acquisition Proposal (other than a confidentiality agreement permitted by Section 4.9) or publicly propose to accept or enter into any agreement, understanding, or arrangement in respect of an Acquisition Proposal.
- 4.5 Eagle Royalties and Eagle Plains shall, and shall cause their Representatives to, immediately cease and terminate any solicitation, encouragement, discussion or negotiations with any Person (other than 138) commenced prior to the date of this Agreement with respect to any inquiry, proposal or offer that may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall:
- (a) immediately discontinue access to and disclosure of all confidential information regarding Eagle Royalties or any of its affiliates or the Properties; and
  - (b) to the extent that such information has not been previously returned or destroyed promptly request, and exercise all rights it has to require the return or destruction of, all copies of any confidential information regarding Eagle Royalties or any of its affiliates or the Properties provided to any Person other than 138 and its Representatives and use its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.
- 4.6 Eagle Royalties and Eagle Plains hereby represent and warrant that, in the last 12 months, they have not waived any confidentiality, standstill, non-disclosure, non-solicitation or similar agreement to which Eagle Royalties is, or its affiliates or the Properties are, the subject of or a party in connection with any transaction that would constitute an Acquisition Proposal if made after the date hereof, and further covenants and agrees (i) that Eagle Royalties shall and shall cause any affiliate to seek to take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation or similar agreement or covenant to which Eagle Royalties or any affiliate is a party as of the date hereof; and (ii) Eagle Royalties shall and shall cause any of its affiliates not to release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting Eagle Royalties, or any of its affiliates, under any confidentiality, standstill, non-disclosure, non-solicitation, or similar agreement or covenant to which Eagle Royalties or any affiliate is a party, without the prior written consent of 138, it being acknowledged by 138 that the automatic termination or release of any such restrictions of any such agreements as a result of

entering into and announcing this Agreement shall not be a violation of this Section 4.6.

- 4.7 Nothing contained in this Agreement, including Sections 4.4 through 4.7, shall prohibit the board of directors of Eagle Royalties or Eagle Plains from taking any action to fulfill its disclosure or legal obligations to Eagle Royalties Shareholders or Eagle Plains Shareholders or from making a Change in Recommendation prior to the Effective Date if, in the good faith judgement of the board of directors of Eagle Royalties or Eagle Plains, after consultation with outside legal counsel, failure to take such action or make such disclosure would reasonably be expected to be inconsistent with Eagle Royalties board of directors' exercise of its fiduciary duties or such action or disclosure is otherwise required under Applicable Laws; provided Eagle Royalties and its affiliates are not otherwise in breach of Sections 4.4 through 4.7.

### **Notification of Acquisition Proposals**

- 4.8 If Eagle Royalties or any of its affiliates or any of their respective Representatives, receives a bona fide Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to Eagle Royalties or any affiliate or the Properties in connection with an Acquisition Proposal, Eagle Royalties shall promptly notify 138, at first orally, and then as soon as practicable and in any event within 48 hours in writing, of such Acquisition Proposal, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal. Eagle Royalties shall keep 138 reasonably informed on a current basis of the status of material developments and (to the extent permitted by Section 4.9) negotiations with respect to such Acquisition Proposal.

### **Responding to an Acquisition Proposal**

- 4.9 Notwithstanding Sections 4.4 through 4.7, or any other agreement between the Parties, if at any time prior to obtaining the required approval of the Eagle Royalties Resolution, Eagle Royalties or Eagle Plains receives a written Acquisition Proposal, Eagle Royalties or Eagle Plains may: (i) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal so as to determine whether such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal; and (ii) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of or furnish access to confidential information of Eagle Royalties or its affiliates, if and only if, in the case of this Section 4.9:
- (a) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure or similar restriction with Eagle Royalties or any of its affiliates;
  - (b) the board of directors of Eagle Royalties or Eagle Plains shall have determined in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute, a Superior Proposal;
  - (c) Eagle Royalties has been, and continues to be, in compliance with its obligations under Sections 4.4 through 4.14;



- (d) prior to providing any such copies or access, Eagle Royalties enters into a confidentiality agreement with such Person that contains standstill, confidentiality and other terms that are no less favourable to Eagle Royalties than those found in any other agreement between the Parties, and such copies, access, or disclosure provided to such Person shall have already been (or simultaneously be) provided to 138; and
- (e) prior to providing any such copies, access, or disclosure, Eagle Royalties provides 138 with a true, complete, and final executed copy of the confidentiality and standstill agreement referred to in Section 4.9(d).

### **Right to Match**

- 4.10 If Eagle Royalties or Eagle Plains receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Eagle Plains Resolution, the board of directors of Eagle Royalties or Eagle Plains (or any committee thereof) may, subject to compliance with Part 7, make a Change in Recommendation and enter into a definitive agreement with respect to such Superior Proposal, if and only if:
- (a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure or similar restriction with Eagle Royalties or any of its affiliates;
  - (b) Eagle Royalties and Eagle Plains, as applicable, has been, and continues to be, in compliance with its obligations under Sections 4.4 through 4.14;
  - (c) Eagle Royalties or Eagle Plains, as applicable, has delivered to 138 a written notice of the determination of the board of directors of Eagle Royalties or Eagle Plains, as applicable, that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the board of directors of Eagle Royalties or Eagle Plains, as applicable, to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the board of directors of Eagle Royalties or Eagle Plains, as applicable, regarding the value and financial terms as well as a copy of any draft agreement in respect thereof that the board of directors of Eagle Royalties or Eagle Plains, as applicable, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");
  - (d) at least five Business Days (the "**Matching Period**") have elapsed from the date on which 138 received the Superior Proposal Notice;
  - (e) during any Matching Period, 138 has had the opportunity (but not the obligation), in accordance with Section 4.11, to offer to amend this Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal; and
  - (f) after the Matching Period, the board of directors of Eagle Royalties or Eagle Plains, as the case may be, has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared

to the terms of this Agreement as proposed to be amended by 138 under Section 4.11).

- 4.11 During the Matching Period: (a) the board of directors of Eagle Royalties or Eagle Plains, as applicable, shall review any offer made by 138 under Section 4.10(e) to amend the terms of this Agreement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) Eagle Royalties or Eagle Plains, as applicable, shall negotiate in good faith with 138 to make such amendments to the terms of this Agreement as would enable 138 to proceed with the transactions contemplated by this Agreement on such amended terms. If the board of directors of Eagle Royalties or Eagle Plains, as applicable, determines that such Acquisition Proposal would cease to be a Superior Proposal, Eagle Royalties or Eagle Plains, as applicable, shall promptly so advise 138 and Eagle Royalties, Eagle Plains and 138 shall amend this Agreement to reflect such offer made by 138, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.
- 4.12 Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Eagle Plains Securityholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of Sections 4.10 through 4.14, and 138 shall be afforded a new five Business Day Matching Period from the date on which 138 received the Superior Proposal Notice.
- 4.13 If Eagle Royalties or Eagle Plains provides a Superior Proposal Notice to 138 on a date that is less than 10 Business Days before the Eagle Plains Meeting, Eagle Plains shall be entitled to and shall, upon written request of 138 acting reasonably, postpone the Eagle Plains Meeting to a date that is not more than 15 Business Days after the scheduled date of the Eagle Plains Meeting.
- 4.14 Nothing contained in this Agreement shall prevent the board of directors of Eagle Royalties or Eagle Plains from: (i) responding through a directors' circular or otherwise as required by Applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal; (ii) calling or holding a meeting of Eagle Plains Shareholders requisitioned by Eagle Plains Shareholders in accordance with the ABCA or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Applicable Laws.

#### **Access to Information; Confidentiality**

- 4.15 From the date hereof until the earlier of the Effective Date and the termination of this Agreement, Eagle Plains and Eagle Royalties shall, and shall cause their affiliates and Representatives, subject to all Applicable Laws and in accordance with confidentiality provisions contained in this Agreement, to give to 138 and its Representatives, upon reasonable notice, full access to its and its affiliates' officers, employees, agents, books and records, contracts, financial and operating data, information relating to Actions or Claims or other information with respect to the assets or business of Eagle Royalties and its affiliates, assuming completion of the Arrangement, as 138 or its Representatives may from time to time reasonably request in connection with strategic and integration planning and for any other reasons reasonably relating to the transactions contemplated herein, so long as the access does not unduly interfere with the ordinary course conduct of the business of Eagle Royalties.

- 4.16 Sections 4.15 and 4.16 shall not require Eagle Plains, Eagle Royalties or any of their affiliates to permit any access, or to disclose any information that in the reasonable good faith judgment of Eagle Plains or Eagle Royalties, after consultation with outside legal counsel, is likely to result in the breach of any contract, any violation of any Applicable Laws or cause any privilege (including attorney-client privilege) that Eagle Royalties, Eagle Plains or their affiliates would be entitled to assert to be undermined with respect to such information.

#### **Pre-Amalgamation Reorganization**

- 4.17 The Parties acknowledge and agree that, Eagle Plains and Eagle Royalties shall use their commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as 138 may request, acting reasonably (each, a "**Pre-Amalgamation Reorganization**"); (ii) cooperate with 138 and its advisors to determine the manner in which any such Pre-Amalgamation Reorganizations might most effectively be undertaken; and (iii) cooperate with 138 and its advisors to seek to obtain consents or waivers which might be required from third parties to transfer certain Properties under its existing agreements in connection with the Pre-Amalgamation Reorganizations, if any; provided that any Pre-Amalgamation Reorganization shall not become effective unless 138 has irrevocably waived or confirmed in writing the satisfaction of all conditions in its favour under this Agreement.

#### **Public Communications**

- 4.18 The Parties shall cooperate in the preparation of presentations, if any, to the Eagle Plains Securityholders regarding the Amalgamation. A Party shall not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Amalgamation without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), and neither Eagle Plains nor Eagle Royalties must make any filing with any Governmental Authority (subject in each case to Eagle Royalties' and Eagle Plains' overriding obligations to make any disclosure or filing required by Applicable Laws) with respect to this Agreement or the Amalgamation without the consent of 138 (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that is required to make disclosure by Law shall use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. For greater certainty, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with Eagle Plains Securityholders or 138 Shareholders, as the case may be, and financial analysts and other stakeholders so long as such statements and announcements are consistent with the most recent press releases, public disclosures or public statements made by the Party. Notwithstanding anything to the contrary in this Agreement, neither Eagle Plains nor Eagle Royalties shall have an obligation to consult with 138 prior to making any disclosure related to any Acquisition Proposal or a Change in Recommendation in compliance with the terms hereof.

## Notice and Cure Provisions

- 4.19 Eagle Royalties and Eagle Plains, on the one hand, and 138, on the other hand, will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Time, of any event or state of facts which occurrence or failure would, or would be likely to:
- (a) constitute any of its representations or warranties contained herein to be untrue or incorrect in any material respect on the Effective Date; or
  - (b) result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Date.

Neither 138 nor Eagle Plains and Eagle Royalties may elect to exercise their right to terminate this Agreement pursuant to Sections 7.2(c) or 7.2(d), unless forthwith and in any event prior to the filing of the Articles with the Registrar, Eagle Royalties, Eagle Plains, or 138, as the case may be, has delivered a written notice (a "**Termination Notice**") to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which Eagle Royalties, Eagle Plains, or 138, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that Eagle Plains, Eagle Royalties or 138, as the case may be, is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the other Parties may not terminate this Agreement until the later of the Outside Date or the expiration of a period of 15 Business Days from the date of such Termination Notice, whichever is later. If a Party delivers a bona fide Termination Notice within 15 Business Days prior to the date of the Eagle Plains Meeting and the date of the 138 Shareholders Meeting, unless the Parties agree otherwise, Eagle Plains shall postpone or adjourn the Eagle Plains Meeting to the earlier of: (i) five Business Days prior to the Outside Date; and (ii) the date that is 16 Business Days following receipt of such Termination Notice by the breaching Party (without causing any breach of any other provision contained herein).

## PART 5 AGREEMENTS

### Eagle Plains Resolution and Eagle Royalties Resolution

- 5.1 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), Eagle Plains shall:
- (a) take all actions necessary to call and properly hold a meeting of Eagle Plains Securityholders (the "**Eagle Plains Meeting**") as promptly as practical to consider the Eagle Plains Resolution;
  - (b) prepare the Information Circular in the form and containing the information required by all Applicable Laws, including the Applicable Canadian Securities Laws, and not containing any "misrepresentation" (as such term is defined in Applicable Canadian Securities Laws) with respect thereto, other than with respect to any information relating to and provided by 138;

- (c) provide 138 with adequate time to review and comment on the Information Circular to be sent to Eagle Plains Securityholders in connection with the Eagle Plains Meeting;
- (d) promptly provide 138 with any information 138 may reasonably request in connection with the 138 Resolution to be provided to 138 Shareholders;
- (e) take all commercially reasonable lawful action to solicit proxies in favour of the Arrangement; and
- (f) Eagle Plains shall, in its capacity as the sole shareholder of Eagle Royalties, approve and execute the Eagle Royalties Resolution prior to the Effective Date and shall not exercise Dissent Rights in respect of the Amalgamation.

### **138 Resolution**

- 5.2 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), 138 shall:
- (a) take all actions necessary to obtain unanimous consent from the 138 Shareholders for the 138 Resolution;
  - (b) promptly provide Eagle Plains with any information Eagle Plains may reasonably request in connection with the Information Circular to be sent to Eagle Plains Securityholders in connection with the Eagle Plains Meeting;
  - (c) take all commercially reasonable lawful action to solicit proxies in favour of the Continuance and Amalgamation; and
  - (d) promptly advise Eagle Plains of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Dissenting Shareholder in opposition to the Continuance or the Amalgamation.

### **Listing Application, Exchange Matters, and Related Filings**

- 5.3 As soon as practicable following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws) and the policies of the Exchange, Eagle Plains, Eagle Royalties and 138, as applicable, shall:
- (a) cooperate in the preparation of the Listing Application, in a form mutually acceptable to the Parties, acting reasonably, and each Party shall provide the other Party with the necessary information in respect of it to ensure that the Listing Application provides information in compliance in all material respects with Exchange policies on the date of filing thereof;
  - (b) as soon as practicable, apply to the Exchange and diligently seek the approval of the Exchange for the Proposed Transaction and the listing of the Amalco Shares;
  - (c) as soon as practicable, deliver to the Exchange the Listing Application as contemplated by this Agreement;

- (d) use their reasonable commercial efforts to consummate the transactions contemplated by this Agreement;
- (e) cooperate in the taking of all such action as may be required under the BCBCA, the ABCA, Applicable Canadian Securities Laws, Exchange policies and other Applicable Laws in connection with the transactions contemplated by this Agreement; and
- (f) promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement.

### **138 Concurrent Financing**

- 5.4 138 will complete the 138 Concurrent Financing prior to the Effective Date. Pursuant to the 138 Concurrent Financing, 138 will issue 138 Shares and 138 Warrants which will automatically convert into Amalco Shares and warrants exercisable for Amalco Shares at the Effective Time in accordance with their terms having regard to the 138 Share Exchange Ratio. Subject to Section 5.6, the subscription price for the 138 Concurrent Financing shall be determined by 138 in its sole discretion.
- 5.5 In connection with the 138 Concurrent Financing, 138 may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised by the 138 Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the 138 Shares sold through the 138 Concurrent Financing.
- 5.6 138 shall structure and complete the 138 Concurrent Financing in such a manner to ensure that the Resulting Issuer meets the Exchange's listing requirements on the Listing Date.

## **PART 6 CONDITIONS PRECEDENT**

### **Mutual Conditions Precedent**

- 6.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:
  - (a) the transactions contemplated by the Arrangement Agreement shall have been consummated;
  - (b) the 138 Shareholders shall have approved the 138 Resolution in accordance with the provisions of the BCBCA as it relates to the Continuance, and in accordance with the provisions of the ABCA as it relates to the Amalgamation;
  - (c) no holders of the issued and outstanding 138 Shares shall have exercised their Dissent Rights (and shall not have lost or withdrawn such rights as of the Effective Date) in respect of the Continuance or the Amalgamation;
  - (d) Eagle Royalties and 138 shall have executed and delivered a copy of the Listing Application to the Exchange and such Listing Application shall have

been conditionally accepted by the Exchange for trading of the Amalco Shares subject only to customary conditions of closing (provided that if the Amalgamation is rejected by the Exchange): (i) all recourse or rights of appeal as contemplated hereby will have been exhausted; and (ii) the Party wishing to terminate this Agreement on this basis will have first used commercially reasonable efforts to negotiate the terms of the Proposed Transaction objectionable to the Exchange on terms acceptable to the Parties, acting reasonably;

- (e) the Resulting Issuer will meet the requirements of the Exchange, including, but not limited to, the minimum shareholder distribution requirements and net tangible assets requirements;
- (f) the distribution of the securities of the Resulting Issuer issued in connection with the Proposed Transaction shall be exempt from the prospectus and registration requirements of Applicable Canadian Securities Laws either by virtue of exemptive relief from the Securities Regulatory Authorities of each of the provinces of Canada or by virtue of applicable exemptions under Applicable Canadian Securities Laws;
- (g) receipt of all governmental, court, regulatory and Exchange approvals, consents, waivers, orders, or exemptions, including the Transaction Consents, which either Party requires in connection with the Proposed Transaction and not otherwise specifically described in this Agreement and in form satisfactory to the Parties, each acting reasonably, if required;
- (h) the Exchange shall have approved the listing on the Exchange of the Amalco Shares on terms and conditions acceptable to each of the Parties, acting reasonably;
- (i) no action, suit or proceeding will have been taken or threatened under any Applicable Laws or by any government or governmental or regulatory authority which makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Proposed Transaction by either Party, or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages directly or indirectly, relating to the Proposed Transaction which is, or could be, materially adverse to Eagle Royalties or 138, respectively, on a consolidated basis; and
- (j) this Agreement shall not have been terminated under Part 7.

Each of Eagle Plains, Eagle Royalties and 138 will use its respective commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the Proposed Transaction and will use its respective commercially reasonable efforts to apply for and obtain, and will cooperate with each other in applying for and obtaining, such consents, orders and approvals necessary for Eagle Plains, Eagle Royalties or 138, respectively, or their subsidiaries, as the case may be, to complete the Proposed Transaction.

The foregoing conditions are for the mutual benefit of 138 on the one hand and Eagle Royalties and Eagle Plains on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement

by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

### **Additional Conditions to Obligations of 138**

6.2 The obligations of 138 to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Eagle Royalties and Eagle Plains shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Date pursuant to the terms of this Agreement and that the representations and warranties of Eagle Royalties made in this Agreement shall be true and correct in all material respects as at the Effective Date with the same force and effect as if such representations and warranties had been made on and as of such date;
- (b) Eagle Plains and Eagle Royalties shall have furnished 138 with:
  - (i) certified copies of the resolutions duly passed by the board of directors of each of Eagle Plains and Eagle Royalties approving this Agreement and the consummation of the transactions contemplated hereby;
  - (ii) certified copy of the Eagle Royalties Resolution duly approved by Eagle Plains as the sole shareholder of Eagle Royalties;
  - (iii) certified copies of Eagle Royalties' Constatting Documents;
  - (iv) a certificate of good standing of Eagle Royalties, dated within one day of the Effective Date;
  - (v) if applicable, accredited investor certificates, for any Eagle Royalties Shareholder resident in the United States, in a form satisfactory to 138 and its counsel, acting reasonably; and
  - (vi) a certificate of Eagle Royalties addressed to 138 and dated the Effective Date, signed on behalf of Eagle Royalties by two senior officers of Eagle Royalties, confirming that the conditions in Section 6.2(a) and 6.2(d) have been satisfied;
- (c) Eagle Royalties Shareholders shall have entered into any escrow or lock-up agreements required if so by the Exchange and as mutually agreed to by the Parties;
- (d) no Action shall have been taken against or affecting Eagle Royalties before or by any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the



sole judgment of 138, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Eagle Royalties taken as a whole or would materially impede the ability of the Parties to complete the Amalgamation; and

- (e) there shall not have occurred any Material Adverse Change of Eagle Royalties taken as a whole.

The conditions in this Section 6.2 are for the exclusive benefit of 138 and may be asserted by 138 regardless of the circumstances or may be waived by 138 in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which 138 may have. If any of the foregoing conditions in this Section 7.2 are not satisfied or waived on or before the Effective Date then 138 may terminate this Agreement by written notice to Eagle Royalties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of 138's breach of this Agreement.

### **Additional Conditions to Obligations of Eagle Royalties**

6.3 The obligations of Eagle Royalties to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) 138 shall have completed the 138 Concurrent Financing, and all conditions to the conversion of the 138 Shares into Amalco Shares shall be satisfied or waived;
- (b) 138 shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Date pursuant to the terms of this Agreement and that the representations and warranties of 138 made in this Agreement shall be true and correct in all material respects as at the Effective Date with the same force and effect as if such representations and warranties had been made on and as of such date;
- (c) 138 shall have furnished Eagle Royalties with:
  - (i) certified copies of the resolutions duly passed by the boards of directors of 138 approving this Agreement and the consummation of the transactions contemplated hereby;
  - (ii) certified copy of the 138 Resolution duly approved by the 138 Shareholders;
  - (iii) certified copies of 138's Constatting Documents;
  - (iv) certificates of good standing of 138 dated within one day of the Effective Date; and
  - (v) a certificate of 138 addressed to Eagle Royalties and dated the Effective Date, signed on behalf of 138 by a senior officer of 138, confirming that the conditions in Section 6.3(a) and (f) have been satisfied.

- (d) 138 Shareholders shall have entered into any escrow or lock-up agreements if so required by the Exchange policies and as mutually agreed to by the Parties;
- (e) there shall not have been any breach of the 138 Voting and Support Agreements by any party to such agreement;
- (f) no Action shall have been taken against or affecting 138 before or by any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Eagle Royalties, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting 138 or would materially impede the ability of the Parties to complete the Amalgamation; and
- (g) there shall not have occurred any Material Adverse Change of 138.

The conditions in this Section 6.3 are for the exclusive benefit of Eagle Royalties and may be asserted by Eagle Royalties regardless of the circumstances or may be waived by Eagle Royalties in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Eagle Royalties may have. If any of the foregoing conditions in this Section 7.3 are not satisfied or waived on or before the Effective Date then Eagle Royalties may terminate this Agreement by written notice to 138 in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of Eagle Royalties' breach of this Agreement.

#### **Notice and Effect of Failure to Comply with Conditions**

- 6.4 Each of Eagle Royalties, Eagle Plains, and 138 shall give prompt notice to the other Parties of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

#### **Satisfaction of Conditions**

- 6.5 The conditions set out in this Part 6 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the ABCA to give effect to the Amalgamation.

## **PART 7 TERMINATION**

### **Term**

- 7.1 This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

### **Termination**

- 7.2 This Agreement may be terminated at any time in each of the following circumstances (the date of the occurrence of such event, the "**Termination Date**"):
- (a) by written agreement executed and delivered by Eagle Royalties, Eagle Plains and 138;
  - (b) by any Party if the Effective Date shall not have occurred by the Outside Date unless the failure to complete the Proposed Transaction by such date is the result, directly or indirectly, of a breach of this Agreement by the Party seeking to terminate the Agreement, in which case this Agreement shall not be terminated pursuant to this Section 7.2;
  - (c) by any Party for failure to meet the conditions set out in Sections 6.1, 6.2 and 6.3 of this Agreement;
  - (d) by a non-breaching Party, in the event of a material breach of a material representation, warranty or covenant contained herein which is not cured within 10 Business Days of a non-breaching Party providing written notice of the breach to the breaching Party;
  - (e) by any Party, if the required 138 Shareholder approval is not obtained in respect of the 138 Resolution and/or the required Eagle Plains Securityholders approval is not obtained in respect of the Eagle Plains Resolution;
  - (f) by 138 on the occurrence of a Change in Recommendation; or
  - (g) by Eagle Royalties or Eagle Plains, as applicable, if, prior to the approval of the Eagle Plains Securityholders of the Eagle Plains Resolution, the board of directors of Eagle Royalties or Eagle Plains, as applicable, authorizes Eagle Royalties or Eagle Plains, as applicable, in strict compliance with the mechanisms contemplated by and subject to the restrictions contained in this Agreement, to enter a written agreement (other than a confidentiality agreement) concerning a Superior Proposal.
- 7.3 If this Agreement is terminated in accordance with the foregoing provisions, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Parties hereunder except for this Section 7.3 and Sections 9.5, 9.7, 9.8, 9.9, 9.10, 9.11 and 9.15 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 7.3 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties

and any non-performance by it of its covenants made herein, prior to the date of such termination.

## **PART 8 AMENDMENT**

### **Amendment**

- 8.1 This Agreement may at any time and from time to time on or before the Effective Date be amended by written agreement of the Parties.
- 8.2 This Agreement may, at any time and from time to time, before or after the receipt of the Eagle Royalties Shareholder approval or the 138 Shareholder approval, be amended by mutual written agreement of the Parties without, subject to Applicable Laws, further notice to or authorization on the part of the Eagle Plains Securityholders, Eagle Royalties Shareholders, 138 Shareholders, and any such amendment may, without limitation:
- (a) change the time for the performance of any of the obligations or acts of any of the Parties;
  - (b) waive any inaccuracies in, or modify, any representation or warranty contained herein or in any document delivered pursuant hereto;
  - (c) waive compliance with, or modify, any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the parties hereto; and
  - (d) waive compliance with, or modify, any condition herein contained,

provided, however, that, notwithstanding the foregoing, following the receipt of the Eagle Royalties Shareholder approval and/or 138 Shareholder approval, as applicable, the Eagle Royalties Share Exchange Ratio and/or the 138 Share Exchange Ratio shall not be amended without the approval of the Eagle Plains Securityholders or Eagle Royalties Shareholders, or 138 Shareholders, as applicable, given in the same manner as required for the approval of the Amalgamation.

## **PART 9 GENERAL**

### **Notices**

- 9.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by electronic transmission:
- (a) in the case of Eagle Plains and Eagle Royalties, to:

Eagle Royalties Ltd.  
Suite 200, 44 – 12th Ave. South  
Cranbrook, British Columbia V1C 2R7  
Attention: **Timothy J. Termuende, President & CEO**  
Email: [tjt@eagleplains.com](mailto:tjt@eagleplains.com)

with a copy to (which shall not constitute notice):

McLeod Law LLP  
500, 707 - 5 Street SW, Calgary, Alberta T2P 1V8  
**Attention: S (Rishi) Chakraborty, Partner**  
Email: schakraborty@mcleod-law.com

(b) in the case of 138, to:

1386884 B.C. Ltd.  
2080 - 777 Hornby Street  
Vancouver, British Columbia V6Z 1S4  
**Attention: James Pakulis, CEO**  
Email: jmpakulis@gmail.com

with a copy to (which shall not constitute notice):

Armstrong Simpson  
2080 - 777 Hornby Street,  
Vancouver, British Columbia V6Z 1S4  
**Attention: Shauna Hartman**  
Email: shartman@armlaw.com

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

### **Binding Effect**

9.2 This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

### **Assignment**

9.3 Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by a Party without the prior written consent of the other Party.

### **Entire Agreement**

9.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the Letter of Intent (except for the standstill provision as set out in the Letter of Intent).

### **Public Communications**

9.5 Each of Eagle Plains, Eagle Royalties and 138 agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority

with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure. The Parties agree to issue a press release upon execution of this Agreement and in accordance with this Section 9.5.

### **Costs and Expenses**

- 9.6 All expenses or costs, including without limitation, financial, advisory, accounting and legal fees, incurred to give effect to the transactions as contemplated in this Agreement shall be initially borne by Eagle Plains on the condition that all applicable expenses and costs shall be reimbursed by Amalco following the Closing, if it occurs.

### **Confidentiality**

- 9.7 Each Party acknowledges that all information to be disclosed by the other Party in connection with the Proposed Transaction is highly sensitive, confidential and proprietary in nature. Except as and to the extent required by Applicable Laws, each Party and its affiliates and representatives (as applicable, the "**Receiving Party**") shall not disclose or use, and it shall cause its affiliates and representatives not to disclose or use, any Confidential Information (as defined below) with respect to the other Party, its affiliates or representatives (the "**Disclosing Party**") furnished, or to be furnished, by the Disclosing Party to the Receiving Party in connection herewith at any time or in any manner, other than in connection with the evaluation of the Proposed Transaction and in accordance with this Agreement.
- 9.8 "**Confidential Information**" means all information of a Party that a prudent business person would deem to be of such sensitive nature that its unauthorized dissemination would cause material harm, including, without limitation: information concerning or relating to the Disclosing Party's business, affairs, financial position, assets, operations, activities, prospects, trade secrets, technology, technical, information, marketing information and marketing plans and strategies, customer and prospective customer lists, records, and information, together with all compilations, notes, or other documents prepared by or for the Disclosing Party containing or based upon such information, but shall not include:
- (a) information, which is or becomes available to the public, other than as a result of a breach of this Agreement by the Receiving Party;
  - (b) information which the Receiving Party can prove was, at the time of disclosure, already in the possession of the Receiving Party on a non-confidential and lawful basis; or
  - (c) has become available to the Receiving Party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Receiving Party or its representatives, otherwise bound by confidentiality

obligations to the provider of such information or otherwise prohibited from transmitting the information to the Receiving Party or its representatives.

- 9.9 Except with the prior written consent of the Disclosing Party, each Receiving Party will hold all Confidential Information in strictest confidence, except such information and documents that are required to be disclosed by Applicable Laws.
- 9.10 If this Agreement is terminated pursuant to Section 7.2: (a) each Receiving Party shall promptly upon request return to the Disclosing Party any Confidential Information in the Receiving Party's possession; and (b) the terms of Sections 9.7, 9.8, 9.9, 9.10 and this Section 9.10 shall survive termination of this Agreement for a period of three years from the date this Agreement was terminated.

### **Severability**

- 9.11 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

### **Further Assurances**

- 9.12 Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.
- 9.13 The Parties acknowledge that the Listing Application and the listing of the Amalco Shares will require the acceptance of the Exchange and the Parties intend, at the appropriate time, to use all reasonable commercial efforts to obtain such acceptance. Eagle Royalties and 138 will fully cooperate in the compilation and drafting of the Listing Application, to be submitted by 138 to the Exchange to list the Amalco Shares on the Exchange upon completion of the Proposed Transaction.

### **Time of Essence**

- 9.14 Time shall be of the essence of this Agreement.

### **Applicable Law and Enforcement**

- 9.15 This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Alberta and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

**Waiver**

- 9.16 Any Party may, on its own behalf only: (i) extend the time for the performance of any of the obligations or acts of the other Parties; (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein; or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

**Counterparts**

- 9.17 This Agreement and any amendments thereto (and any other agreements, notices or documents contemplated thereby) may be executed and delivered by facsimile transmission or other form of electronic recorded transmission (including via electronic mail via the Internet) and in any number of counterparts and all such facsimile or other electronically transmitted copies and counterparts shall be deemed to be an original hereof and for all purposes constitute one agreement, be binding on the Parties, provided each Party has executed and delivered at least one counterpart to the other Parties, and each may be relied upon by each Party as such for any and all purposes.

***[Remainder of page intentionally left blank; signature page follows]***



**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**1386884 B.C. LTD.**

**EAGLE ROYALTIES LTD.**

**(Signed) "James Pakulis"**

James Pakulis  
Chief Executive Officer

**(Signed) "Charles C. Downie"**

Charles C. Downie  
Vice President

**EAGLE PLAINS RESOURCES LTD.**

**(Signed) "Timothy J. Termuende"**

Timothy J. Termuende  
President & CEO

**EXHIBIT "A"**  
**DESCRIPTION OF ROYALTY INTERESTS**

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
<b><u>BC Royalties</u></b>			
Acacia	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Lead, Zinc, Copper
Adamant	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Niobium, Industrial Minerals, Silver, Tantalum
Beaven	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper, Molybdenum
Black Diamond	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Gold, Copper
Blackwater (Regional)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold
Coyote Creek	Eagle Plains Resources	\$1.50/tonne, Buy-back 50% for \$1M	Gypsum, Zinc, Vanadium, Nickel, Molybdenum
Eskay Creek	Skeena Resources Ltd.	2% NSR, Buydown 1% for \$1m	Gold
Haskins	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Molybdenum
Hot Punch	Green River Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold, Silver, Lead, Zinc
Hunter Basin	Standard Drilling and Engineering	2% NSR, Buydown 1% for \$1m, 0% for addtn'l \$5M	Gold

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
Ice River	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Industrial Minerals, Lead, Zinc, Gold
Jake	Eagle Plains Resources	1% NSR, underlying sale agreement	Gold
K9	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Copper, Cobalt
Kalum	Rex Resources	2% NSR, Buydown 1% for \$1m	Gold, Silver
LCR	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper
Lost Horse	Eagle Plains Resources	1.5% NSR, Buy-back 0.5% for \$500,000; underlying sale agreement	Gold, Copper
Mount Graves	ATAC Resources Ltd	2% NSR, Buydown 1% for \$500k	Copper, Gold
Mount Polley West (Jacobie)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Gold
Slocan Graphite	Eagle Plains Resources	2% NPR, Buydown 1% for \$1m	Graphite
Wildhorse	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper

**Saskatchewan Royalties**

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
Albert Lake (Tremblay-Olson)	Fathom Nickel Inc.	2% NSR, Buydown 1% for \$1m	Nickel, Copper, Cobalt, Palladium, Platinum
American North*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Axis Lake	ALX Resources Corp.	2% NSR, Buydown 1% for \$1m	Nickel, Cobalt, Copper
BC MAS	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold
Bell Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Brownell Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc, Gold
Cable Bay 2.0	Cosa Resources Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Cathro	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold
Cup Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	REE
Derksen (PLS Regional)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium
Dianne Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Copper
Flat Rock Island	92 Energy	2% NSR, Buydown 1% for \$1m	Uranium
Fort A la Corne	Eagle Plains Resources	2% GPR, Buy-back 1% for \$1m	Diamond
George Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Lead, Zinc
Knife Lake	Rockridge Resources Ltd	2% NSR, Buydown 1% for \$1m	Copper, Silver, Zinc, Gold, Cobalt

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
Larocque Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Lazy Edward Bay (include American North*)	Okapi Resources Canada Ltd.	2% NSR, Buy-back 1% for \$1m	Uranium
Manson Bay South	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold
North Hansen*	Brunswick Exploration Inc.	2% NSR, Buydown 1% for \$1m	Copper, lithium
Park Lake (part of American North agree.)*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium
Perpete Lake	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium
Pine Channel	Apogee Minerals Ltd./Tri Capital	2% NSR, Buydown 1% for \$1m	Gold, Silver, Nickel, Copper, Uranium
Pine Channel South	Pegasus Resources Inc.	2% NSR, Buydown 1% for \$1m	Uranium
PLS (Carter)	Cameco Corp.	2% NSR, Buydown 1% for \$1m	Uranium
PLS (Carter - Denison via ALX)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium
Preview/North Lake	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold
Puzzle Lake	CanterResources Corp.	2% NSR, Buydown 1% for \$1m	Gold
Shasko Bay	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium
Schott's Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc
Shea	Orano Canada/UEX Corp.	2% NSR, Buydown 1% for \$1m	Uranium

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>
Virgin River	Denison Mines Corp./Tarku Resources	2% NSR, Buydown 1% for \$1m	Uranium or Gold?

**Yukon Royalties**

McQuesten/AurMac	Alexco Resource Corp/Banyan Gold	0.5-2% NSR no buy-down	Gold, Silver
Rusty Springs	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc

\* The management of Eagle Royalties Ltd. expects these royalties to be transferred pursuant to the Arrangement Agreement. However, as of the date of the Arrangement Agreement, the required consents have not been received to effect such transfer.

**EXHIBIT "B"**  
**TRANSACTION CONSENTS**



Eagle Royalties Holdings	Operator / Option Partner	NSR Terms	Commodity	Consent Required		
				Y	N	NA
<b><u>BC Royalties</u></b>						
Acacia	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Lead, Zinc, Copper		X	
Adamant	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Niobium, Industrial Minerals, Silver, Tantalum		X	
Beaven	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper, Molybdenum		X	
Black Diamond	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Gold, Copper		X	
Blackwater (Regional)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold		X	
Coyote Creek	Eagle Plains Resources	\$1.50/tonne, Buy-back 50% for \$1M	Gypsum, Zinc, Vanadium, Nickel, Molybdenum		X	
Eskay Creek	Skeena Resources Ltd.	2% NSR, Buydown 1% for \$1m	Gold	X		
Haskins	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Molybdenum		X	
Hot Punch	Green River Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold, Silver, Lead, Zinc	X		
Hunter Basin	Standard Drilling and Engineering	2% NSR, Buydown 1% for \$1m, 0% for addtn'l \$5M	Gold	X		

Eagle Royalties Holdings	Operator / Option Partner	NSR Terms	Commodity	Consent Required		
				Y	N	NA
Ice River	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Rare Earths, Industrial Minerals, Lead, Zinc, Gold		X	
Jake	Eagle Plains Resources	1% NSR, underlying sale agreement	Gold		X	
K9	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc, Copper, Cobalt		X	
Kalum	Rex Resources	2% NSR, Buydown 1% for \$1m	Gold, Silver	X		
LCR	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper		X	
Lost Horse	Eagle Plains Resources	1.5% NSR, Buy-back 0.5% for \$500,000; underlying sale agreement	Gold, Copper		X	
Mount Graves	ATAC Resources Ltd.	2% NSR, Buydown 1% for \$500k	Copper, Gold	X		
Mount Polley West (Jacobie)	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Gold		X	
Slocan Graphite	Eagle Plains Resources	2% NPR, Buydown 1% for \$1m	Graphite		X	
Wildhorse	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Gold, Silver, Copper		X	

**Saskatchewan Royalties**

Eagle Royalties Holdings	Operator / Option Partner	NSR Terms	Commodity	Consent Required		
				Y	N	NA
Albert Lake (Tremblay-Olson)	Fathom Nickel Inc.	2% NSR, Buydown 1% for \$1m	Nickel, Copper, Cobalt, Palladium, Platinum	X		
American North*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Axis Lake	ALX Resources Corp.	2% NSR, Buydown 1% for \$1m	Nickel, Cobalt, Copper	X		
BC MAS	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold	X		
Bell Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Brownell Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc, Gold		X	
Cable Bay 2.0	Cosa Resources Ltd.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Cathro	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold	X		
Cup Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	REE		X	
Derksen (PLS Regional)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium	X		
Dianne Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Copper		X	
Flat Rock Island	92 Energy	2% NSR, Buydown 1% for \$1m	Uranium	X		
Fort A la Corne	Eagle Plains Resources	2% GPR, Buy-back 1% for \$1m	Diamond		X	
George Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Lead, Zinc		X	
Knife Lake	Rockridge Resources Ltd.	2% NSR, Buydown 1% for \$1m	Copper, Silver, Zinc, Gold, Cobalt	X		

Eagle Royalties Holdings	Operator / Option Partner	NSR Terms	Commodity	Consent Required		
				Y	N	NA
Larocque Lake	ISO Energy Ltd.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Lazy Edward Bay (include American North)*	Okapi Resources Canada Ltd.	2% NSR, Buy-back 1% for \$1m	Uranium	X		
Manson Bay South	SKRR Exploration	2% NSR, Buydown 1% for \$1m	Gold	X		
North Hansen*	Brunswick Exploration Inc.	2% NSR, Buydown 1% for \$1m	Copper, lithium	X		
Park Lake (part of American North agree.)*	Okapi Resources Canada Ltd.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Perpete Lake	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium		X	
Pine Channel	Apogee Minerals Ltd./Tri Capital	2% NSR, Buydown 1% for \$1m	Gold, Silver, Nickel, Copper, Uranium	X		
Pine Channel South	Pegasus Resources Inc.	2% NSR, Buydown 1% for \$1m	Uranium	X		
PLS (Carter)	Cameco Corp.	2% NSR, Buydown 1% for \$1m	Uranium	X		
PLS (Carter - Denison via ALX)	Denison Mines Corp.	2% NSR, Buydown 1% for \$850K	Uranium	X		
Preview/North Lake	Mas Gold Corp.	2% NSR, Buydown 1% for \$1m	Gold	X		
Puzzle Lake	CanterResources Corp.	2% NSR, Buydown 1% for \$1m	Gold	X		
Shasko Bay	Eagle Plains Resources	2% NSR, Buydown 1% for \$1m	Uranium		X	
Schott's Lake	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Copper, Zinc		X	

<b>Eagle Royalties Holdings</b>	<b>Operator / Option Partner</b>	<b>NSR Terms</b>	<b>Commodity</b>	<b>Consent Required</b>		
				<b>Y</b>	<b>N</b>	<b>NA</b>
Shea	Orano Canada/UEX Corp.	2% NSR, Buydown 1% for \$1m	Uranium	X		
Virgin River	Denison Mines Corp./Tarku Resources	2% NSR, Buydown 1% for \$1m	Uranium or Gold?	X		

**Yukon Royalties**

McQuesten/AurMac	Alexco Resource Corp/Banyan Gold	0.5-2% NSR no buy-down	Gold, Silver		X	
Rusty Springs	Eagle Plains Resources	2% NSR, Buy-back 1% for \$1m	Silver, Lead, Zinc	X		

\* The management of Eagle Royalties Ltd. expects these royalties to be transferred pursuant to the Arrangement Agreement. However, as of the date of the Arrangement Agreement, the required consents have not been received to effect such transfer.

**EXHIBIT "C"**

**FORM OF 138 VOTING AND SUPPORT AGREEMENT**

## VOTING AND SUPPORT AGREEMENT

This Voting and Support Agreement (this "**Agreement**"), dated as of \_\_\_\_\_, is entered into among the undersigned shareholder ("**Shareholder**") of 1386884 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia ("**Corporation**"), the Corporation, and Eagle Royalties Ltd., a corporation incorporated under the laws of the Province of Alberta ("**Eagle Royalties**").

### WHEREAS:

1. the Corporation has entered into an amalgamation agreement (the "**Amalgamation Agreement**") dated February 28, 2023 between the Corporation and Eagle Royalties in connection with an amalgamation under section 181 of the *Business Corporations Act* (Alberta) of the Corporation and Eagle Royalties, pursuant to which shareholders of the Corporation and Eagle Royalties will exchange shares of the Corporation and Eagle Royalties, respectively, for shares of Amalco (as defined in the Amalgamation Agreement); and
2. the Shareholder is the registered and/or direct or indirect beneficial owner of, or exercises control or direction over: (i) shares of the Corporation ("**Corporation Shares**") (such Corporation Shares, together with any Corporation Shares acquired by the Shareholder during the term of this Agreement, being referred to in this Agreement as the "**Subject Shares**") and (ii) the other securities ("**Subject Securities**") of the Corporation which are convertible into Corporation Shares, in each case, as set forth below the Shareholder's signature on the signature page of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

### PART II - DEFINITIONS AND INTERPRETIVE PROVISIONS.

In this Agreement:

1. all terms used and not defined in this Agreement that are defined in the Amalgamation Agreement shall have the respective meanings given to them in the Amalgamation Agreement;
2. the division of this Agreement into Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement;
3. any reference to gender includes all genders and words importing the singular number include the plural and vice versa;
4. if the date on which any action is required to be taken by a party to this Agreement is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place;
5. the words "**including**", "**includes**" and "**include**" mean including (or includes or include) without limitation;

6. the term "**Agreement**" and any reference thereof or of any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it; and
7. any reference to a particular statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, consolidated, replaced or re-enacted.

### **PART III - REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER.**

The Shareholder represents and warrants to the Corporation and Eagle Royalties as follows as at the date of this Agreement and immediately prior to the Effective Date, and acknowledges that Eagle Royalties is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

1. **Organization and Authority and Capacity.** If the Shareholder is not an individual: (i) the Shareholder is a corporation or entity incorporated or organized, as applicable, and existing under the laws of its jurisdiction of incorporation or organization; (ii) the execution and delivery of this Agreement by the Shareholder and the consummation by it of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of the Shareholder are necessary to authorize this Agreement or the transactions contemplated by this Agreement; and (iii) the Shareholder has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. If the Shareholder is an individual, the Shareholder is of the age of majority and has the capacity to enter into and perform its obligations under this Agreement.
2. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Shareholder and constitutes a legal, valid and binding agreement of the Shareholder enforceable against it in accordance with its terms subject only to any limitation on bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies, such as specific performance and injunction.
3. **Non-Contravention.** The execution and delivery of this Agreement by the Shareholder, the performance of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) contravene, conflict with, or result in the violation of: (i) the articles, by-laws or other constituting documents of the Shareholder (as applicable); (ii) any other agreement or instrument to which the Shareholder is a party or by which the Shareholder or any of the Shareholder's property or assets is bound; and (iii) any applicable laws.
4. **Ownership of Subject Shares and Subject Securities.** The Shareholder is the legal and beneficial owner of, or the beneficial owner exercising control or direction over, all of the Subject Shares and the Subject Securities, free and clear of any liens and encumbrances. The Subject Shares and the Subject Securities are the only securities of the Corporation owned, directly or indirectly, or over which control or direction is exercised by the Shareholder. The Shareholder has sole dispositive power and the sole power to agree to the matters set forth in this Agreement with respect to the Subject Shares and the Subject Securities. None of the Subject Shares are subject to any



agreement, arrangement or restriction with respect to the voting thereof, except as contemplated by this Agreement. Except for the Subject Securities, the Shareholder has no agreement or option or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition or transfer to the Shareholder of additional securities of the Corporation. No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual), capable of becoming an agreement or option for the purchase, acquisition or transfer from the Shareholder of any of the Subject Shares or the Subject Securities except pursuant to this Agreement and, in the case of the Subject Securities, as expressly provided in the terms of the Corporation's plans governing such securities.

5. **Proceedings.** There is no suit, claim, action, litigation, arbitration or other proceeding in progress, pending or ongoing or, to the knowledge of the Shareholder, threatened against or affecting the Shareholder that would reasonably be expected to have an adverse impact on the validity of this Agreement or any action taken or to be taken by the Shareholder in connection with this Agreement.

#### **PART IV - COVENANTS OF THE SHAREHOLDER.**

The Shareholder covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms, unless otherwise required or expressly permitted by this Agreement:

1. **Agreement to Vote in Favour.** At the 138 Shareholders Meeting, the Shareholder shall cause its Subject Shares and Subject Securities (which have a right to vote at such meeting) to be counted as present (in person or by proxy) for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Shares and Subject Securities (which have a right to vote at such meeting): (i) in favour of the approval of the Amalgamation and each of the other transactions contemplated by the Amalgamation Agreement (including the Amalgamation Resolution) and (ii) in favour of any other matter necessary for the consummation of the Amalgamation or any other transaction contemplated by the Amalgamation Agreement.
2. **Agreement to Vote Against.** At the 138 Shareholders Meeting, the Shareholder shall cause its Subject Shares and Subject Securities (which have a right to vote at such meeting) to be counted as present (in person or by proxy) for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Shares and Subject Securities (which have a right to vote at such meeting) against any action, proposal, transaction or agreement that could reasonably be expected to: (i) result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Corporation under the Amalgamation Agreement or of the Shareholder under this Agreement or (ii) impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Amalgamation or the fulfillment of Eagle Royalties' or the Corporation's conditions under the Amalgamation Agreement or change in any manner the voting rights of any class of shares of the Corporation (including any amendments to the Corporation's articles or by-laws).
3. **Restriction on Transfer.** The Shareholder agrees not to directly or indirectly: (i) sell, transfer, assign, gift-over, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Subject Shares or Subject Securities to any Person other

than pursuant to the Amalgamation Agreement or (ii) grant any proxies or power of attorney, deposit any of its Subject Shares or Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to any of its Subject Shares or Subject Securities.

4. **Additional Corporation Shares or Subject Securities.** The Shareholder: (i) agrees to notify the Corporation and Eagle Royalties promptly of any new Corporation Shares or Subject Securities acquired by the Shareholder after the execution of this Agreement and (ii) acknowledges that any such new Corporation Shares or Subject Securities will be subject to the terms of this Agreement as though owned by the Shareholder on the date of this Agreement.
5. **Delivery of Proxy.** The Shareholder agrees that it will, on or before the seventh Business Day prior to the 138 Shareholders Meeting: (i) deliver or cause to be delivered, in accordance with the instructions set out in the Information Circular and the form of proxy, a duly executed proxy or proxies directing the holder of such proxy or proxies to vote in favour of the approval of the Amalgamation and each of the other transactions contemplated by the Amalgamation Agreement (including the Amalgamation Resolution) and (ii) with respect to any Subject Shares (and any other Subject Securities entitled to vote) that are beneficially owned by the Shareholder but not registered in the name of the Shareholder, the Shareholder shall deliver or cause to be delivered voting instructions to the intermediary through which the Shareholder holds its beneficial interest in the Shareholder's Subject Shares (and any other Subject Securities entitled to vote) instructing that the Shareholder's Subject Shares (and any other Subject Securities entitled to vote) be voted in favour of the approval of the Amalgamation and each of the other transactions contemplated by the Amalgamation Agreement (including the Amalgamation Resolution). Such proxy or proxies shall name those individuals as may be designated by the Corporation in the Information Circular and such proxy or proxies or voting instructions shall not be revoked, withdrawn or modified without the prior written consent of Eagle Royalties and the Corporation.
6. **Other Covenants.** The Shareholder hereby:
  - (a) agrees not to exercise any Dissent Rights with respect to the Amalgamation;
  - (b) consents to: (A) details of, or a summary of, this Agreement being set out in any news release, information circular and court documents or other public disclosure produced by the Corporation or Eagle Royalties in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement and (B) this Agreement being made publicly available, including by filing on SEDAR; and
  - (c) acknowledges and agrees that a summary of the negotiations leading to the execution and delivery of this Agreement may appear in the Information Circular and in any other public disclosure document required by any applicable laws and further agrees that it will, as promptly as practicable, notify Eagle Royalties and the Corporation of any required corrections with respect to any written information supplied by it specifically for use in any such disclosure documents if and to the extent that the Shareholder becomes aware that any such information shall have become false or misleading in any material respect.

#### **PART V - TERMINATION.**

This Agreement shall terminate upon the earliest to occur of:

1. the written agreement of the parties to this Agreement;
2. notice being delivered to Eagle Royalties and the Corporation if, without the prior written consent of the Shareholder, there is a material change in the form or nature of, the consideration payable for the outstanding Corporation Shares as set out in the Amalgamation Agreement;
3. the Effective Time, subject to any amendments as contemplated in the Amalgamation Agreement; and
4. the termination of the Amalgamation Agreement in accordance with its terms.

#### **PART VI - NO AGREEMENT AS DIRECTOR OR OFFICER.**

Eagle Royalties and the Corporation acknowledge that the Shareholder is bound hereunder solely in its capacity as a security holder of the Corporation and, if the Shareholder is a director or officer of the Corporation, that the provisions hereof shall not be deemed or interpreted to bind the Shareholder in its capacity as a director or officer of the Corporation. Nothing in this Agreement shall: (a) limit or affect any actions or omissions taken by the Shareholder in its capacity as a director or officer of the Corporation, including in exercising rights under the Amalgamation Agreement and no such actions or omissions shall be deemed a breach of this Agreement or (b) be construed to prohibit, limit or restrict the Shareholder from fulfilling its fiduciary duties as a director or officer of the Corporation.

#### **PART VII - INJUNCTIVE RELIEF.**

The parties to this Agreement agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties to this Agreement shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedies to which the parties to this Agreement may be entitled at law or in equity.

#### **PART VIII - ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

#### **PART IX - AMENDMENT AND WAIVER.**

This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties. No waiver of any provisions by either party shall be deemed a waiver of any other provisions by such party, nor shall any such waiver be deemed a continuing waiver of any provision by such party.

**PART X - NOTICES.**

Any notice or other communication given regarding the matters contemplated in this Agreement will be sufficient if in writing and (a) hand delivered; (b) sent by certified or registered mail; (c) sent by express courier; or (d) if notice is also contemporaneously sent by one of the other methods, sent by email, and addressed as follows:

If to Eagle Royalties:

Eagle Royalties Ltd.  
Suite 200, 44 – 12th Ave. South  
Cranbrook, British Columbia V1C 2R7  
Attention: **Timothy J. Termuende, President**  
Email: [tjt@eagleplains.com](mailto:tjt@eagleplains.com)

with a copy to (which shall not constitute notice):

McLeod Law LLP  
500, 707 - 5 Street SW, Calgary, Alberta T2P 1V8  
**Attention: S (Rishi) Chakraborty**  
Email: [schakraborty@mcleod-law.com](mailto:schakraborty@mcleod-law.com)

If to the Corporation:

1386884 B.C. Ltd.  
2080 -777 Hornby Street  
Vancouver, British Columbia V6Z 1S4  
**Attention: James Pakulis, CEO**  
Email: [jmpakulis@gmail.com](mailto:jmpakulis@gmail.com)

with a copy to (which shall not constitute notice):

Armstrong Simpson  
2080 - 777 Hornby Street,  
Vancouver, British Columbia V6Z 1S4  
**Attention: Shauna Hartman**  
Email: [shartman@armlaw.com](mailto:shartman@armlaw.com)

If to the Shareholder, to the address or email address set forth for Shareholder on the signature page hereof.

Any notice or other communication is deemed to be given and received on the day on which it was delivered or, in the case of notices or other communications transmitted by facsimile or email, transmitted (or if such day is not a Business Day or if such notice or communication was delivered or transmitted after 5:00 p.m. (local time in the place of receipt) on the next following Business Day).

**PART XI - MISCELLANEOUS.**

1. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties irrevocably attorns and submits to the exclusive jurisdiction of the courts of

the Province of Alberta and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

2. If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any provision is illegal, invalid or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.
3. Subject to the provisions of this Agreement, the parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
4. Time is of the essence in this Agreement.
5. Each party will pay its own expenses (including the fees and disbursements of legal counsel and other advisers) incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.
6. This Agreement will be binding upon and enure to the benefit of the parties and their successors and permitted assigns. Neither party to this Agreement may assign its rights or obligations under this Agreement without the prior written consent of the other party. No assignment shall relieve the assigning party of any of its obligations hereunder.
7. The Shareholder acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that the Shareholder has either done so or waived its right to do so in connection with the entering into of this Agreement.
8. This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties to this Agreement shall be entitled to rely upon delivery of an executed PDF or similar executed electronic copy of this Agreement, and such PDF or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

***[Remainder of page intentionally left blank; signature page follows]***

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of the date first written above.

**EAGLE ROYALTIES LTD.**

\_\_\_\_\_  
Tim J. Termuende, President

**1386884 B.C. LTD.**

\_\_\_\_\_  
James Pakulis, CEO

\_\_\_\_\_  
(Print Name of Shareholder)

\_\_\_\_\_  
(Signature of Shareholder or Authorized Signatory)

\_\_\_\_\_  
(Name and Title of Authorized Signatory)

\_\_\_\_\_  
(Witness Signature for Individual Signatory)

Number of Corporation Shares  
Beneficially Owned as of the Date of this  
Agreement: \_\_\_\_\_

Number of Subject Securities Beneficially  
Owned as of the Date of this Agreement:  
\_\_\_\_\_

\_\_\_\_\_  
Address  
\_\_\_\_\_

\_\_\_\_\_  
Telephone  
\_\_\_\_\_

\_\_\_\_\_  
Email  
\_\_\_\_\_

**EXHIBIT "D"**  
**138 RESOLUTION**



**UNANIMOUS SHAREHOLDER CONSENT RESOLUTIONS OF**

**1386844 B.C. LTD.**

(the "Company")

The following resolutions were consented to and adopted in writing by the undersigned, being all of the shareholders of the Company effective as of \_\_\_\_\_, 2023.

**CONTINUATION**

**WHEREAS:**

- A. the Company has entered into an amalgamation agreement dated February 28, 2023, the "**Amalgamation Agreement**"), in the form attached hereto as Schedule "A", with Eagle Plains Resources Ltd. ("**Eagle Plains**") and Eagle Royalties Ltd., a wholly-owned subsidiary of Eagle Plains ("**Eagle Royalties**").
- B. Pursuant to the terms of the Amalgamation Agreement, following the completion of a plan of arrangement (the "**POA**") under the *Business Corporations Act* (Alberta) ("**ABCA**") involving Eagle Plains, Eagle Royalties and the securityholders of Eagle Plains, the Company will amalgamate with Eagle Royalties Ltd. pursuant to Section 181 of the ABCA to form an amalgamated company ("**Amalco**").
- C. It is intended that Amalco will hold certain royalty interests of Eagle Plains, as more particularly described in the Amalgamation Agreement, and will be listed on the Canadian Securities Exchange following completion of the POA and the transactions contemplated by the Amalgamation Agreement (the "**Transaction**").
- D. In order to effect the Transaction, the Company must continue from the Province of British Columbia and into the province of Alberta.

**BE IT RESOLVED THAT:**

1. the continuance of the Company from the Province of British Columbia to the Province of Alberta, pursuant to the *Business Corporations Act* (British Columbia) ("**BCBCA**") and ABCA is hereby authorized and approved;
2. the Company is hereby authorized to make an application to the Registrar of Companies, pursuant to Section 308 of the BCBCA, for authorization to continue out of British Columbia into Alberta;
3. the Company is hereby authorized to make an application pursuant to the ACA for registration as an Australian public company limited by shares pursuant to Part 5B.1 of the ACA, registration as an Australian public company limited by shares pursuant to Part 5B.1 of the ACA, continuing the Corporation into Australia under the ACA;
4. subject to ASIC approving the application for registration as an Australian company under the ACA and issuing a certificate under the ACA confirming the Corporation is registered as a company under the ACA (**Certificate of Registration**) and without affecting the validity of the Corporation and the existence of the Corporation by or under its Notice of Articles and Articles and any act done thereunder, effective upon

registration of the Corporation as a company under the ACA and issuance of the Certificate of Registration, the Corporation shall adopt the Constitution forming part of the said application for continuance in substitution for the Notice of Articles and Articles of the Corporation;

5. the directors of the Company are hereby authorized, without further approval of the shareholders of the Company, to abandon the application for continuance of the Company under the ABCA at any time prior to the registration of the Company as a company under the BACA; and
6. any director or officer of the Company is hereby authorized to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such continuance (including, without limitation, the execution and delivery of such articles of continuance and of certificates or other assurances that such continuance will not adversely affect creditors or shareholders of the Company), the execution of any such document or the doing of any such other actor thing by any director or officer of the Company being conclusive evidence of such determination.

### **AMALGAMATION**

**WHEREAS** following completion of the continuation outlined above, pursuant to the Amalgamation Agreement, among other things, on completion of the Transaction, each shareholder of the Company will receive one common share in the capital of Amalco in exchange for each one common share in the capital of the Company held by such shareholder, being the exchange ratio set out in Amalgamation Agreement, and all issued and outstanding common shares of the Company will be cancelled;

### **BE IT RESOLVED THAT:**

1. The entering into of the Amalgamation Agreement be and is hereby authorized, approved, ratified and confirmed.
2. The amalgamation ("Amalgamation") of the Company and Eagle Royalties under section 181 of the ABCA, on the terms set forth in the Amalgamation Agreement, is hereby confirmed, approved and authorized.
3. The Articles of Amalgamation in the form of Exhibit "A" to the Amalgamation Agreement be and are hereby adopted.
4. The directors of the Company be and hereby are authorized:
  - (a) to designate any officer or director of the Company to execute the Articles of Amalgamation, including the Notice of Address and Notice of Directors, the execution thereof by any such officer or director to be conclusive proof of such designation by the directors; and
  - (b) to designate any officer or director of the Company to execute the Amalgamation Agreement, the execution thereof by any such officer or director to be conclusive proof of such designation by the directors.

5. Notwithstanding that these consent resolutions have been duly passed by all the shareholders of the Company, the board of directors of the Company may, without further approval of, or notice to, the shareholders of the Company, (i) amend or terminate the Amalgamation Agreement to the extent permitted thereby, or (ii) not proceed with the Transaction, at any time prior to the issue of a certificate giving effect to the Amalgamation.
6. Any director or officer of the Company be and is hereby authorized to do any and all such other things and to execute and deliver any and all other documents on behalf of the Company as may be necessary in order to effect the foregoing resolutions.

**COUNTERPARTS**

These consent resolutions may be signed electronically and in as many counterparts as may be necessary, each of which so signed will be deemed to be an original, and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the effective date set forth herein.

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**[SHAREHOLDER NAME]**

**EXHIBIT "E"**  
**EAGLE ROYALTIES RESOLUTION**

**BE IT RESOLVED BY SPECIAL RESOLUTIONS THAT:**

1. the amalgamation ("**Amalgamation**"), whereby 1386884 B.C. Ltd. ("**138**") and Eagle Royalties Ltd. (the "**Corporation**") will amalgamate under section 181 of the *Business Corporations Act* (Alberta), the terms of which substantially as set forth in the amalgamation agreement ("**Amalgamation Agreement**") among 138, Eagle Plains Resources Ltd., and the Corporation, as amended, is hereby confirmed, approved and authorized;
2. the Articles of Amalgamation in the form of **Exhibit "A"** to the Amalgamation Agreement be and are hereby adopted;
3. the directors of the Corporation be and hereby are authorized:
  - (a) to designate any officer or director of the Corporation to execute the Articles of Amalgamation, including the Notice of Address and Notice of Directors, the execution thereof by any such officer or director to be conclusive proof of such designation by the directors; and
  - (b) to designate any officer or director of the Corporation to execute the Amalgamation Agreement, the execution thereof by any such officer or director to be conclusive proof of such designation by the directors;
4. notwithstanding that this resolution has been duly passed by the Corporation's sole shareholder, the board of directors of the Corporation may amend or decide not to proceed with the Amalgamation or revoke this resolution at any time prior to the issuance of the certificate giving effect to the Amalgamation without further approval of the Corporation's shareholder(s);
5. any director or officer of the Corporation be and is hereby authorized to do any and all such other things and to execute and deliver any and all other documents on behalf of the Corporation as may be necessary in order to effect the foregoing resolutions; and
6. these resolutions may be executed electronically and in counterparts, all of which taken together shall constitute one document.

**APPENDIX D**  
**INTERIM ORDER**

COURT FILE NUMBER 2203-\_\_\_\_  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
MATTER IN THE MATTER OF SECTION 193 OF THE  
*BUSINESS CORPORATIONS ACT, RSA 2000,*  
c B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED  
ARRANGEMENT INVOLVING EAGLE PLAINS  
RESOURCES LTD. AND THE  
SECURITYHOLDERS OF EAGLE PLAINS  
RESOURCES LTD., AND EAGLE ROYALTIES  
LTD.,

APPLICANT **EAGLE PLAINS RESOURCES LTD.**

RESPONDENT Not Applicable

DOCUMENT **INTERIM ORDER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **MCLEOD LAW LLP**  
Suite 500, 707 5th Street SW  
Calgary, Alberta T2P 1V8  
Telephone: 403-278-9411  
Facsimile: 403-271-1769  
Attention: Spencer Chimuk  
File No.: 11515-157513

**DATE ON WHICH ORDER WAS PRONOUNCED:** Wednesday, March 17, 2023

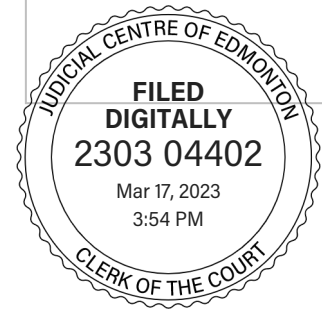
**LOCATION OF HEARING:** EDMONTON  
*via* WebEx

**NAME OF JUSTICE WHO GRANTED THIS ORDER:** Justice D.R.  
Mah

**UPON** the Originating Application (the "**Originating Application**") of Eagle Plains Resources Ltd. (the "**Applicant**") pursuant to Section 193 of the *Business Corporations Act* (Alberta), as amended (the "**ABCA**");

**AND UPON** reading the Originating Application, the affidavit of Timothy J. Termuende, President, Chief Executive Officer and director of the Applicant, sworn on March 13, 2023 (the "**Affidavit**") and the documents referred to therein;

Clerk's Stamp



**AND UPON** being advised that it is the intention of the Applicant and Eagle Royalties Ltd. ("**Eagle Royalties**") to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**1933 Act**") as a basis for the exemption from the registration requirements of the 1933 Act of the Eagle Plains New Shares, Eagle Plains Butterfly Shares, and Eagle Royalties Shares to be issued pursuant to the Arrangement, based on this Court's approval of the Arrangement;

**AND UPON** being advised that notice of the Originating Application has been given to the Registrar of Corporations appointed under Section 263 of the ABCA (the "**Registrar**");

**AND UPON** hearing counsel for the Applicant and for Eagle Royalties Ltd. ("**Eagle Royalties**");

**FOR THE PURPOSES OF THIS ORDER:**

- (a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft management information circular of the Applicant (the "**Information Circular**"), which is attached as Exhibit "A" to the Affidavit; and
- (b) all references to "Arrangement" used herein mean the arrangement as set forth in the plan of arrangement attached as Exhibit II to the arrangement agreement (the "**Arrangement Agreement**") between the Applicant and Eagle Royalties dated as of February 28, 2023, which is attached as Exhibit "B" to the Affidavit and which has been filed on the Applicant's profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

**IT IS HEREBY ORDERED THAT:**

**General**

1. Service of the within Application, the supporting Affidavit and draft Interim Order is hereby abridged and deemed good and sufficient.
2. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the Eagle Plains Shareholders, Eagle Plains Optionholders, and Eagle Plains Warrantholders (collectively, the "**Eagle Plains Securityholders**") in the manner set forth below.



## The Meeting

3. The Applicant shall call and conduct a special meeting (the "**Meeting**") of Eagle Plains Securityholders on or about April 26, 2023. At the Meeting, Eagle Plains Securityholders will consider and vote upon a special resolution to approve the Arrangement substantially in the form attached as Appendix A to the Information Circular (the "**Arrangement Resolution**") and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
4. A quorum for the transaction of business at the Meeting shall be at least one person present in person, each being a Eagle Plains Shareholder entitled to vote at the Meeting or a duly appointed proxy or representative for any absent Eagle Plains Shareholder so entitled, and representing in the aggregate not less than 5% of the Eagle Plains Shares entitled to be voted at the Meeting.
5. Each Eagle Plains Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting. If any new matter to be considered at the Meeting, as validly put forward at the Meeting, only Eagle Plains Shareholders shall be entitled to vote on such new matter at the Meeting.
6. Pursuant to the Arrangement, each Eagle Plains Warrant and Eagle Plains Option shall entitle the holder thereof to one vote at the Meeting in respect of the Arrangement Resolution.
7. The record date for the determination of the Eagle Plains Securityholders entitled to receive notice of and vote at the Meeting shall be March 17, 2023 (the "**Record Date**"). Only Eagle Plains Securityholders whose names have been entered on the register of Eagle Plains Shareholders, Eagle Plains Optionholders, or Eagle Plains Warrantholders, as the case may be, as at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting provided that, to the extent a Eagle Plains Securityholder transfers ownership of any Eagle Plains Shares, Eagle Plains Stock Options, or Eagle Plains Warrants (collectively, "**Eagle Plains Securities**") after the Record Date and the transferee of such Eagle Plains Securities establishes ownership of such Eagle Plains Securities and demands, not later than 10 days before the Meeting, to be included on the list of Eagle Plains Securityholders

entitled to vote at the Meeting, such transferee will be entitled to vote those Eagle Plains Securities at the Meeting. The Record Date shall not change in respect of or as a consequence of any adjournment or postponement of the Meeting, unless required by law or any further order of this Court.

8. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.

### **Conduct of the Meeting**

9. The only persons entitled to attend the Meeting shall be Eagle Plains Securityholders or their duly appointed proxyholders, the Applicant's directors and officers and its auditors, the Applicant's legal counsel and representatives, the Registrar and such other persons who may be permitted to attend by the Chair of the Meeting.
10. The number of votes required to pass the Arrangement Resolution shall be:
  - (a) not less than two-thirds of the votes cast by Eagle Plains Securityholders, voting as a single class, present in person or represented by proxy and entitled to vote at the Meeting; and
  - (b) a simple majority of the votes cast by Eagle Plains Securityholders, in each case voting separately as a class, present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes cast by those Eagle Plains Securityholders whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*.
11. To be valid, a proxy must be deposited with TSX Trust Company in the manner described in the Information Circular.
12. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting, including the Arrangement Resolution.

13. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Eagle Plains Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.

#### **Amendments to the Arrangement**

14. The Applicant and Eagle Royalties are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without the need to return to this Court to amend this Order.

#### **Amendments to Meeting Materials**

15. The Applicant is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, the form of proxy ("**Proxy**"), notice of the Meeting ("**Notice of Meeting**") and notice of Originating Application ("**Notice of Originating Application**") as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular would have been disclosed in the Information Circular, then:
  - (a) the Applicant shall advise the Eagle Plains Securityholders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the TSXV; and

- (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Eagle Plains Securityholders or otherwise give notice to the Eagle Plains Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

### **Dissent Rights**

16. The registered Eagle Plains Shareholders are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under Section 191 of the ABCA with respect to the Arrangement Resolution and the right be paid the fair value of their Eagle Plains Shares by the Applicant in respect of which such right to dissent was validly exercised.
17. In order for a registered Eagle Plains Shareholder (a "**Dissenting Shareholder**") to exercise such right to dissent under Section 191 of the ABCA:
- (a) the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by the Applicant, care of its legal counsel, McLeod Law LLP, Suite 500, 707 – 5th Street S.W., Calgary, Alberta, T2P 1V8, Attention: Spencer Chimuk, no later than 5:00 p.m. (Mountain Time) on April 24, 2023, the day that is two business days immediately preceding the date of the Meeting, or two business days immediately preceding the date of any adjournment or postponement of the Meeting;
  - (b) a vote against the Arrangement Resolution, whether in person or by proxy, or an abstention shall not constitute a written objection to the Arrangement Resolution as required under clause 17(a) herein;
  - (c) a Dissenting Shareholder shall not have voted his, her or its Eagle Plains Shares at the Meeting, either by proxy or present in person, in favour of the Arrangement Resolution;
  - (d) a Dissenting Shareholder may exercise the right to dissent only with respect to all of the Eagle Plains Shares held by such Dissenting Shareholder; and

- (e) the exercise of such right to dissent must otherwise comply with the requirements of Section 191 of the ABCA, as modified and supplemented by this Order and the Arrangement.
18. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Eagle Plains Securityholders and shall be paid to the Dissenting Shareholders by the Applicant as contemplated by the Arrangement and this Order.
19. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 17 and 18 above, and who:
- (a) are determined to be entitled to be paid the fair value of their Eagle Plains Shares shall be deemed to have transferred such Eagle Plains Shares as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to the Applicant for cancellation in exchange for the fair value of the Eagle Plains Shares; or
- (b) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Eagle Plains Shares shall be deemed to have participated in the Arrangement on the same basis as Eagle Plains Shareholders that did not exercise their rights to dissent and such Eagle Plains Shares will be deemed to be exchanged for the consideration to be received by Eagle Plains Shareholders that do not exercise dissent rights under the Arrangement,
- but in no event shall the Applicant, Eagle Royalties or any other person be required to recognize such Eagle Plains Shareholders as holders of Eagle Plains Shares after the Effective Time, and the names of such Eagle Plains Shareholders shall be removed from the register of Eagle Plains Shares.
20. Subject to further order of this Court, the rights available to Eagle Plains Shareholders under the ABCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Eagle Plains Shareholders with respect to the Arrangement Resolution.

21. Notice to the Eagle Plains Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA, this Order and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Eagle Plains Shareholders in accordance with paragraph 22 of this Order.

### **Notice**

22. The Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the "**Meeting Materials**"), shall be sent to those Eagle Plains Securityholders whose names have been entered in the register of holders of Eagle Plains Shares, Eagle Plains Stock Options, or Eagle Plains Warrants, as the case may be, on the close of business on the Record Date, the directors of the Applicant, and the auditors of the Applicant, and the Registrar by one or more of the following methods:
  - (a) in the case of registered Eagle Plains Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date not later than 21 days prior to the Meeting;
  - (b) in the case of non-registered Eagle Plains Securityholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
  - (c) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting; and

- (d) in the case of the Registrar, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the Registrar not later than 21 days prior to the date of the Meeting.
23. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Eagle Plains Securityholders and the directors and auditors of the Applicant and the Registrar of:
- (a) the Originating Application;
  - (b) this Order;
  - (c) the Notice of the Meeting; and
  - (d) the Notice of Originating Application.

### **Final Application**

24. Subject to further order of this Court, and provided that the Eagle Plains Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final order of the Court approving the Arrangement (the "**Final Order**"), for which a hearing before this Court shall be scheduled for Thursday, April 27, 2023 at 2:00 p.m. (Mountain Time), or the earliest available date thereafter. Subject to the Final Order and to the issuance of the Registration Statement by the Registrar under the ABCA, the Applicant, all Eagle Plains Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.
25. Any Eagle Plains Securityholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 4:00 p.m. (Mountain Time) on April 19, 2023 a notice of intention to appear ("**Notice of Intention to Appear**") including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this Notice of Intention to Appear on the Applicant shall be effected by service upon the

legal counsel for the Applicant, McLeod Law LLP, Suite 500, 707 – 5th Street S.W., Calgary, Alberta, T2P 1V8, Attention: Spencer Chimuk.

26. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 25 of this Order, shall have notice of the adjourned date.

**General**

27. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist this Court in carrying out the terms of this Order.



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Justice of the Court of King's Bench of Alberta



**APPENDIX E**  
**DISSENT RIGHTS**

## Shareholder's right to dissent

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- A. amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
  - B. amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
  - C. amalgamate with another corporation, otherwise than under section 184 or 187,
  - D. be continued under the laws of another jurisdiction under section 189, or
  - E. sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- A. at or before any meeting of shareholders at which the resolution is to be voted on, or
  - B. if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2),
- A. by the corporation, or
  - B. by a shareholder if the shareholder has sent an objection to the corporation under subsection (5), to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
  - A. at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
  - B. within 10 days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
  - A. be made on the same terms, and
  - B. contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
  - A. is not required to give security for costs in respect of an application under subsection (6), and
  - B. except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
  - A. joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
  - B. the trial of issues and interlocutory matters, including pleadings and examinations for discovery,
  - C. the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
  - D. the deposit of the share certificates with the Court or with the corporation or its transfer agent,
  - E. the appointment and payment of independent appraisers, and the procedures to be followed by them,
  - F. the service of documents, and

- G. the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order
- A. fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
  - B. giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders, and
  - C. fixing the time within which the corporation must pay that amount to a shareholder.
- (14) On
- A. the action approved by the resolution from which the shareholder dissents becoming effective,
  - B. the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
  - C. the pronouncement of an order under subsection (13), whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.
- (15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).
- (16) Until one of the events mentioned in subsection (14) occurs,
- A. the shareholder may withdraw the shareholder's dissent, or
  - B. the corporation may rescind the resolution, and in either event proceedings under this section shall be discontinued.
- (17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.
- (18) If subsection (20) applies, the corporation shall, within 10 days after
- A. the pronouncement of an order under subsection (13), or
  - B. the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares, notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

- (19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- A. the corporation is or would after the payment be unable to pay its liabilities as they become due, or
  - B. the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

## APPENDIX F

### **FINANCIAL STATEMENTS AND MD&A**

#### *Index to Financial Statements and Related MD&A*

**Eagle Royalties:**

Audited financial statements for the year ended December 31, 2022

Management's Discussion and Analysis for the year ended December 31, 2022

Carve-out financial statements for the year ended December 31, 2022

**138:**

Audited financial statements for the year ended December 31, 2022

Management's Discussion and Analysis for the year ended December 31, 2022

**Resulting Issuer:**

*Pro Forma* financial statements as of December 31, 2022

**EAGLE ROYALTIES LTD.**  
**AUDITED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)

For the period ended  
December 31, 2022

## Independent Auditor's Report

To the Board of Directors of Eagle Royalties Ltd

### Opinion

We have audited the financial statements of Eagle Royalties Ltd (the "Company"), which comprise the statement of financial position as at December 31, 2022 and the statements of comprehensive loss, changes in equity (deficit) and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, Canada  
March 17, 2023**

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**EAGLE ROYALTIES LTD.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

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As at December 31

**2022**

**Assets**

**Current**

Cash	\$ 94,460
Accounts receivable	5,892
Prepays	<u>8,362</u>
	<u>\$ 108,714</u>

**Liabilities and Shareholders' Equity (Deficit)**

**Current**

Accounts payable and accrued liabilities (Note 5)	\$ 17,445
Due to related company (Note 5)	<u>300,000</u>
	<u>317,445</u>

**Shareholders' equity (deficit)**

Share capital (Note 8)	10
Deficit	<u>(208,741)</u>
	<u>(208,731)</u>
	<u>\$ 108,714</u>

**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 6)

**Subsequent event** (Note 10)

**On behalf of the Board:**

"Timothy J Termuende" Director  
Mr. Timothy J. Termuende (Signed)

"Charles C. Downie" Director  
Mr. Charles C. Downie (Signed)

The accompanying notes are an integral part of these financial statements.

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**EAGLE ROYALTIES LTD.**  
**STATEMENT OF COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

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<b>For the period ended December 31</b>	<b>2022</b>
<b>Operating expenses</b>	
Administration costs (Note 5)	\$ 170,204
Professional fees (Note 5)	<u>38,537</u>
<b>Loss for the period</b>	<b>\$ 208,741</b>
<b>Loss per share – basic and diluted</b>	<b>\$(2,087.41)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>100</b>

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The accompanying notes are an integral part of these financial statements.

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**EAGLE ROYALTIES LTD.**  
**STATEMENT OF CASH FLOWS**  
(Expressed in Canadian dollars)

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**For the period ended December 31** **2022**

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**Cash flows from operating activities**

Loss for the period	\$ (208,741)
Changes in non-cash working capital items	
Increase in GST receivable	(5,892)
Increase in accounts payable and accrued liabilities	17,445
Increase in prepaids	(8,362)
	<u>(205,550)</u>

**Cash flows from financing activities**

Advances from related company	300,000
Cash from issuance of shares	10
	<u>300,010</u>

**Increase in cash** **94,460**

Cash, beginning of period -

**Cash, end of period** **\$ 94,460**

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The Company made no cash payments for interest or income taxes in the period.

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**EAGLE ROYALTIES LTD.**  
**STATEMENT OF CHANGES IN EQUITY (DEFICIT)**  
(Expressed in Canadian dollars)

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	Share Capital			
	Shares	Amount	Deficit	Total
Balance, January 21, 2022	-	\$ -	\$ -	\$ -
Shares issued on incorporation	100	10	-	10
Loss for the period	-	-	(208,741)	(208,741)
<b>Balance, December 31, 2022</b>	<b>100</b>	<b>\$ 10</b>	<b>\$ (208,741)</b>	<b>\$ (208,731)</b>

The accompanying notes are an integral part of these financial statements.

**December 31, 2022**

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## **1. Nature and Continuance of Operations**

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Eagle Royalties Ltd. ("Eagle Royalties" or the "Company" or "ER") was incorporated on January 21, 2022 under the laws of the province of Alberta as a wholly-owned subsidiary of Eagle Plains Resources Ltd. ("Eagle Plains" or "EPL").

The Company was incorporated to manage the net smelter royalties of Eagle Plains. On February 28, 2023, Eagle Plains has entered into an arrangement agreement with ER, and ER has entered into an amalgamation agreement with 1386884 BC Ltd. ("138") whereby, among other things EPL plans to transfer a majority of its portfolio of royalty interests (the "Royalties") to its wholly-owned subsidiary, Eagle Royalties in exchange for certain shares of Eagle Royalties (the "Spin-out Shares") and thereafter, ER and 138 will amalgamate, and apply to be listed on the Canadian Securities Exchange.

The Corporate office and principal place of business is Suite 200, 44-12<sup>th</sup> Avenue South, Cranbrook, British Columbia, Canada.

This is the first year of operation for Eagle Royalties so there are no comparative figures for the prior year.

These audited financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations. The Company currently relies on its parent company to fund its operations, therefore there is a material uncertainty with respect to its ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These circumstances could have a negative impact on the stock market, including the selling price of the concurrent financing contemplated in the amalgamation agreement. These factors, amongst others, could have a significant impact on the Company's operations. The Company has been able to continue with business with minimal impact, the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or future results of operations cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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## **2. Basis of Preparation**

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### **(a) Statement of Compliance**

The financial statements for the Company for the period ending December 31, 2022 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on March 17, 2023.

### **(b) Basis of Measurement**

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") which are stated at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

**December 31, 2022**

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## **2. Basis of Preparation - continued**

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### (c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and 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 further years if the revision affects both current and future years.

Areas of significant judgement include the going concern assessment (note 1).

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## **3. Significant Accounting Policies**

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The accounting policies set out below have been applied consistently to all years presented in these financial statements. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

### b) Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition:

- Those measured a fair value through profit and loss ("FVTPL");
- Those measured at fair value through other comprehensive income ("FVOCI"); and
- Those measured at amortized cost.

Cash is recorded at FVTPL and accounts receivables and accounts payable and accrued liabilities, initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

### c) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.



**December 31, 2022**

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### **3. Significant Accounting Policies - continued**

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c) Income taxes (continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

e) New accounting pronouncements

The following accounting standards and amendments are effective for future periods.

*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting years beginning on or after January 1, 2023. There will be no significant impact to the financial statements as a result of the future implementation of these amendments.

*Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. There will be no significant impact to the financial statements as a result of the future implementation of these amendments.

**December 31, 2022**

#### **4. Financial Instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

<b>December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
<b>Cash</b>	<b>\$ 94,460</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,460</b>

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk and commodity price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk

At December 31, 2022, substantially all of the Company's cash were held at one recognized Canadian national financial institution. As a result, the Company was exposed to all of the risks associated with that institution.

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with cash is their carrying values on the statement of financial position.

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is not exposed to significant currency risk.

d) 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 is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of December 31, 2022 equal \$17,445. All the liabilities presented as accounts payable and accrued liabilities are due within 30 days of December 31, 2022.

**December 31, 2022**

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## **5. Related Party Transactions**

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The Company was involved in the following related party transactions during the period:

- (a) The Company is related to Eagle Plains as a wholly-owned subsidiary. During the period the Company had the following transactions with the related company:

	<u>2022</u>
Administrative services provided by EPL	\$ 6,307
Costs reimbursed to EPL	\$ 6,534
Advance from EPL	<u>\$ 300,000</u>

At December 31, 2022, \$742 is included in accounts payable and accrued liabilities.

At December 31, 2022, \$300,000 is included in due to related company.

### Compensation to key management

Compensation to key management personnel in the period was as follows:

		<u>2022</u>
Consulting fees	to a company owned by a director and officer of ER	\$ 79,383
Professional fees	to an officer of ER	<u>37,000</u>
		<u>\$ 116,383</u>

- (b) Included in administration costs is \$79,383 paid or accrued for management services to a company owned by a director and officer of the Company.
- (c) Included in professional fees is \$37,000 paid or accrued for accounting services to an officer of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

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## **6. Commitments and Contingencies**

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The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of twenty-four (24) months' salary or a lump sum payment as disclosed in their contract should such an event occur.

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## **7. Capital Management**

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The Company includes cash and shareholders' equity, comprising of issued common shares and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and development of royalty interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

**December 31, 2022**

**8. Equity Instruments**

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of preference shares, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At December 31, 2022, there were 100 shares outstanding.

(c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under Canadian Securities Exchange policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

There were no stock option activities during the year ended December 31, 2022.

**9. Income Taxes**

As of December 31, 2022, the effective tax rate of income varies from the statutory rate as follows:

	<u>2022</u>
Loss before income taxes	\$ (208,741)
Statutory tax rates	<u>27%</u>
Tax recovery at statutory rate	(56,000)
Tax benefits unrecognized	<u>56,000</u>
Deferred income tax recovery	<u>\$ -</u>

The components of the Company's unrecognized deferred income tax asset are a result of the origination and reversal of temporary differences and are comprised of the following:

<u>Nature of deferred income tax asset</u>	<u>2022</u>
Non-capital tax losses	\$ 209,000
Deferred income tax assets	\$ 56,000
Unrecognized deferred tax assets	<u>(56,000)</u>
Deferred income tax liability	<u>\$ -</u>

As of December 31, 2022, non-capital tax losses subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future taxable income at rates prescribed by the Canadian Income Tax Act expiring:

	<u>2022</u>
2042	<u>\$ 209,000</u>

**December 31, 2022**

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## **10. Subsequent Event**

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On February 28, 2023, Eagle Royalties entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") with Eagle Plains pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") and cash of approximately \$104,000 to the Company (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among Eagle Plains, the Company and 138, pursuant to which 138 and the Company will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction".

Pursuant to the Spin-out Transaction, the Company plans to issue an aggregate of approximately 42 million common shares of the Company (the "Spinco Shares"). Of the total Spinco Shares so issued, it is expected that approximately 5.2 million Spinco Shares will be distributed to the Eagle Plains and the remaining Spinco Shares (i.e., approximately 36.8 million) will be distributed to shareholders of the Eagle Plains on a 1:3 basis.

Concurrent with the Transaction, 138 will complete a private placement financing (the "Concurrent Financing") raising gross proceeds of approximately \$3,000,000 through the issuance of common shares, units or subscription receipts, as the case may be at a price of \$0.30 per security. In connection with the Concurrent Financing, 138 may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the 138's securities sold through the Concurrent Financing.

Pursuant to the Combination Transaction, the Company and 138 will amalgamate, and its respective share capital will be completed on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer will make an application for the listing of its common shares on the Canadian Securities Exchange.

The Arrangement Agreement and the Amalgamation Agreement contain customary representations and warranties made by each of the parties to such agreements and also contain customary covenants.



**As at December 31, 2022**

**Management Discussion and Analysis**  
**Year-end and Fourth Quarter, 2022**

This Management's Discussion and Analysis ("MD&A") of Eagle Royalties Ltd. ("Eagle Royalties", "ER", or the "Company") is dated March 17, 2023 and provides a discussion of the Company's financial and operating results for the quarter and period ended December 31, 2022.

**Business Overview**

Eagle Royalties (EPL: TSX-V) is a wholly-owned subsidiary of Eagle Plains Resources Ltd. ("Eagle Plains" or "EPL"). The Company was incorporated January 21, 2023 and started operations on May 1, 2022. The Company was incorporated to manage the royalty assets of Eagle Plains. On February 28, 2023, Eagle Plains has entered into an arrangement agreement with ER, and ER has entered into an amalgamation agreement with 1386884 BC Ltd. ("138") whereby, among other things EPL plans to transfer a majority of its portfolio of royalty interests (the "Royalties") to its wholly-owned subsidiary, Eagle Royalties in exchange for certain shares of Eagle Royalties (the "Spin-out Shares") and thereafter, ER and 138 will amalgamate, and apply to be listed on the Canadian Securities Exchange.

**Selected Annual Information**

Selected annual information from the audited financial statements for the period ended December 31, 2022, the first year of operation, and is presented in the table below. The financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is reported in Canadian dollars.

December 31	2022
Operating revenues	\$ -
Profit (Loss) for the year	(208,741)
Net income (loss) per share - Basic	(2,087.41)
Diluted income (loss) per share	(2,087.41)
Total assets	108,714
Total long-term liabilities	-

**RESULTS OF OPERATIONS - ANNUAL**

**Expenditures**

For the year ended December 31, 2022, total operating expenses were \$208,741.

Administration costs were \$170,204 and represented consulting fees of \$78,870, wage costs of \$75,140 and office costs of \$16,194. Professional fees were \$38,537 representing accounting fees of \$37,000 and legal fees of \$1,537.

**Liquidity and Financial Resources**

At December 31, 2022, the Company had a working capital deficit of \$(208,731). The Company received advances from EPL to provide working capital during the period. The Company held cash of \$94,460.

The Company held receivables of \$20,058 representing a GST receivable of \$5,892 and a receivable from EPL of \$14,166.

The Company's continuing operations cannot be financed by cash on hand. Expanded operations would require financing, primarily through the public equity markets and the completion of the proposed plan of arrangement and amalgamation. Circumstances that could affect liquidity are significant exploration successes or lack thereof, new acquisitions, changes in metal prices and the general state of the equity markets for junior exploration companies.

**Eagle Plains' Royalty Portfolio**

Eagle Plains holds potentially valuable royalties on a large number of projects in western Canada covering a broad spectrum of metals and industrial mineral projects including gold, silver, base-metals, uranium, diamonds and gypsum. It is these royalties which are being transferred to Eagle Royalties. One royalty of particular interest on claims formerly known as "McQuesten", underlying the "AurMac" property, currently operated by Banyan Gold Corp. Beginning in 1997, Eagle Plains and predecessor company Miner River Resources Ltd. jointly acquired an interest in claims which are now the target of aggressive drilling and development activity by Banyan. Through a series of subsequent transactions Eagle Plains became the sole holder of royalty interests ranging from 0.5% to 2% on certain claims which comprise part of the AurMac property. On June 29, 2022 Banyan published a N.I. 43-101 compliant report which outlined an inferred mineral resource of 3.99 million ounces of gold, a portion of which appear to be situated on claims subject to EPL NSR's.

**December 31, 2022**

**Transactions with Related Parties**

The Company was involved in the following related party transactions during the period:

- (a) The Company is related to Eagle Plains as a wholly-owned subsidiary. During the period the Company had the following transactions with the related company:

	<u>2022</u>
Administrative services provided by EPL	\$ 6,307
Costs reimbursed to EPL	\$ 6,534
Advance from EPL	<u>\$ 300,000</u>

At December 31, 2022, \$742 is included in accounts payable and accrued liabilities.

At December 31, 2022, \$300,000 is included in due to related company.

**Compensation to key management**

Compensation to key management personnel in the period was as follows:

		<u>2022</u>
Consulting fees	to a company owned by a director and officer of ER	\$ 79,383
Professional fees	to an officer of ER	<u>37,000</u>
		<u>\$ 116,383</u>

- (b) Included in administration costs is \$79,383 paid or accrued for management services to a company owned by a director and officer of the Company.

- (c) Included in professional fees is \$37,000 paid or accrued for accounting services to an officer of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

**Disclosure of Management Compensation**

The Company has standard compensation agreements with certain Officers to pay for services as an officer of the Company. Payments, including bonuses, totaling \$116,383 were paid out in the period.

**Summary of Quarterly Results**

Year Quarter	2022 Dec 31	2022 Sep 30	2022 Jun 30	2022 Mar 31
Revenues <sup>1</sup>	\$ -	\$ -	\$ -	\$ -
Net Profit (Loss) <sup>3</sup>	(97,698)	(51,371)	(59,672)	-
Earnings (Loss) per Share - Basic	(976.98)	(513.71)	(596.72)	-
Diluted earnings (loss) per share	(976.98)	(513.71)	(596.72)	-
Assets	108,714	92,550	50,217	-

For the quarter ended December 31, 2022, the Company recorded net loss of \$97,698.

**Expenditures**

For the quarter ended December 31, 2022, total operating expenses were \$97,698. Administration costs were \$91,723 and represented consulting fees of \$38,230, wage costs of \$40,822 and office costs of \$12,671. Professional fees were \$5,975 representing accounting fee and legal fee.

**Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts



**December 31, 2022**

of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and 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 further periods if the revision affects both current and future periods.

### **Financial Instruments**

The Company holds cash and accounts receivable and it is management's opinion that the Company is not exposed to significant risks arising from these financial instruments. Substantially all of the Company's cash is held at one recognized Canadian national financial institution. As a result, the Company is exposed to all of the risks associated with this institution. See Note 4 in the financial statements.

### **Disclosure of Outstanding Share Data**

The Company has an unlimited number of common shares without nominal or par value authorized for issuance.

At December 31, 2022 and the date of this MD&A, the Company has 100 common shares issued and outstanding. There are no other classes of shares outstanding.

### **Accounting Policies**

The financial statements for the Company for the period ending December 31, 2022 are prepared in accordance with accounting policies which are consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). Refer to Note 3 to the financial statements for information pertaining to accounting standards and amendments effective for future years.

### **Risk Factors**

#### **Financial Capability and Additional Financing**

The Company has limited financial resources, with its only source of working capital being its parent company. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

#### **Mining Titles**

There is no guarantee that the Company's title to or interests in the Company's royalty interests will not be challenged or impugned. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's royalties. The Company's royalties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

#### **Management**

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

#### **Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

#### **History of Losses and No Assurance of Profitable Operations**

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

**December 31, 2022**

## **Risk Factors - continued**

### **Price Volatility of Publicly Traded Securities**

Following the completion of the amalgamation, the Company plans to apply to list its common shares on the Canadian Securities Exchange. In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

### **Coronavirus (COVID-19)**

During 2020-2022 there has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market and the Company's ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

### **Risks and Uncertainties**

Management's estimates of mineral prices, mineral resources and operating costs are subject to certain risks and uncertainties which may affect the Company's operation. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of operating requirements. The Company's success will be dependent upon the extent to which it can acquire additional royalties and the economic viability of developing its royalties. Substantially all of the Company's operating funding must be derived from external financing. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its future planning.

### **Forward Looking Statements**

"All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements."

### **Subsequent Events**

On February 28, 2023, Eagle Royalties entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") between Eagle Plains and its wholly owned subsidiary, the Company, pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") and cash of approximately \$104,000 to the Company (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among the Company and 138, pursuant to which 138 and the Company will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction".

Pursuant to the Spin-out Transaction, the Company plans to issue an aggregate of approximately 42 million common shares of the Company (the "Spinco Shares"). Of the total Spinco Shares so issued, it is expected that approximately 5.2 million Spinco Shares will be distributed to the Eagle Plains and the remaining Spinco Shares (i.e., approximately 36.8 million) will be distributed to shareholders of the Eagle Plains on a 1:3 basis.

Concurrent with the Transaction, 138 will complete a private placement financing (the "Concurrent Financing") raising gross proceeds of approximately \$3,000,000 through the issuance of common shares, units or subscription receipts, as the case may be at a price of \$0.30 per security. In connection with the Concurrent Financing, 138 may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the 138's securities sold through the Concurrent Financing.

Pursuant to the Combination Transaction, the Company and 138 will amalgamate, and its respective share capital will be completed on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer will make an application for the listing of its common shares on the Canadian Securities Exchange.

The Arrangement Agreement and the Amalgamation Agreement contain customary representations and warranties made by each of the parties to such agreements and also contain customary covenants

December 31, 2022

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**Outlook**

2022 and early 2023 have been an exciting and transformative period for Eagle Royalties. With the proposed spin-out of Eagle Royalties, subsequent amalgamation with a well-funded private company and plans for listing on the CSE, management has been busy completing the necessary legal, accounting and administrative steps toward completing this goal. On completion of the transaction, Eagle Royalty shares will be distributed to existing Eagle Plains shareholders on a 1:3 basis. Management is confident the proposed transaction will be beneficial to all shareholders and will serve to unlock the significant value of the various diverse royalty assets. We thank our shareholders for their continuing support and look optimistically to the future.

**On behalf of the Board of Directors**

***“Timothy J. Termuende”***

Timothy J. Termuende, P.Ge.  
President and CEO



**EAGLE ROYALTIES LTD.  
CARVE OUT FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)**

For the years ended  
to December 31, 2022 and 2021

## Independent Auditor's Report

To the Board of Directors of Eagle Royalties Ltd

### Opinion

We have audited the carve out financial statements of Eagle Royalties Ltd (the "Business"), which comprise the carve out statements of financial position as at December 31, 2022 and December 31, 2021 and the carve out statements of comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the carve out financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve out financial statements present fairly, in all material respects, the financial position of the Business as at December 31, 2022 and December 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with a reporting framework specified in subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for carve-out financial statements.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Carve Out Financial Statements* section of our report. We are independent of the Business in accordance with the ethical requirements that are relevant to our audit of the carve out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the carve out financial statements which describes the material uncertainty that may cast significant doubt on the Business' ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Carve Out Financial Statements

Management is responsible for the preparation and fair presentation of the carve out financial statements in accordance with a reporting framework specified in subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for carve-out financial statements, and for such internal control as management determines is necessary to enable the preparation of carve out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve out financial statements, management is responsible for assessing the Business' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Business or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Business' financial reporting process.

## **Auditor's Responsibilities for the Audit of the Carve Out Financial Statements**

Our objectives are to obtain reasonable assurance about whether the carve out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Business' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve out financial statements, including the disclosures, and whether the carve out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, Canada  
March 17, 2023**

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**EAGLE ROYALTIES LTD.**  
**CARVE OUT STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

As at December 31

**2022**

2021

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**Assets**

**Current**

Accounts receivable	\$ 10	\$ 10
Royalty assets (Note 5)	-	-
	<hr/> \$ 10	<hr/> \$ 10

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**Shareholders' equity (deficit)**

Share capital (Note 6)	10	10
Contributed surplus	551,182	271,870
Deficit	<hr/> (551,182)	<hr/> (271,870)
	\$ 10	\$ 10

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**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 8)

**On behalf of the Board:**

"Timothy J Termuende" Director  
Mr. Timothy J. Termuende (Signed)

"Charles C. Downie" Director  
Mr. Charles C. Downie (Signed)



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**EAGLE ROYALTIES LTD.**  
**CARVE OUT STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

<b>For the years ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Operating expenses</b>		
Administration costs (Note 7)	\$ 223,775	\$ 217,870
Professional fees (Note 7)	55,537	54,000
<b>Comprehensive loss for the year</b>	<b>\$ 279,312</b>	<b>\$ 271,870</b>
<b>Loss per share – basic and diluted</b>	<b>\$(0.00)</b>	<b>\$(0.00)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>	<b>35,466,646</b>	<b>33,302,072</b>

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The accompanying notes are an integral part of these carve out financial statements.

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**EAGLE ROYALTIES LTD.**  
**CARVE OUT STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

<b>For the years ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Loss for the year	<u>\$ (279,312)</u>	<u>\$ (271,870)</u>
	<u>(279,312)</u>	<u>(271,880)</u>
<b>Cash flows from financing activities</b>		
Funds provided by Eagle Plains	<u>279,312</u>	<u>271,870</u>
	<u>279,312</u>	<u>271,880</u>
<b>Increase in cash</b>	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
<b>Cash, end of year</b>	<u>\$ -</u>	<u>\$ -</u>

The Company made no cash payments for income taxes.

The accompanying notes are an integral part of these carve out financial statements.

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**EAGLE ROYALTIES LTD.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)**  
(Expressed in Canadian dollars)

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	Share Capital		Deficit	Contributed Surplus	Total
	Shares	Amount			
Balance, December 31, 2020	100	\$10	\$ -	\$ -	\$ 10
Funds provided by Eagle Plains	-	-	-	271,870	271,870
Loss for the year	-	-	(271,870)	-	(271,870)
Balance, December 31, 2021	100	10	(271,870)	271,870	10
Funds provided by Eagle Plains	-	-	-	279,312	279,312
Loss for the year	-	-	(279,312)	-	(279,312)
<b>Balance, December 31, 2022</b>	<b>100</b>	<b>\$10</b>	<b>\$(551,182)</b>	<b>\$551,182</b>	<b>\$10</b>

The accompanying notes are an integral part of these carve out financial statements.

**December 31, 2022 and 2021**

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## **1. Nature and Continuance of Operations**

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These carve-out financial statements reflect the financial position, results of operations, and cash flows for the Eagle Royalties business (the "Business"), a division of Eagle Plains Resources Ltd. ("Eagle Plains") which is to be transferred from Eagle Plains pursuant to the arrangement described in Note 2.

The corporate office and principal place of business is Suite 200, 44-12<sup>th</sup> Avenue South, Cranbrook, British Columbia, Canada.

These carve out financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations. The administrative and legal expense was estimated based on actual expenditures in 2022. There are no expenses reported prior to 2021 because the Company did not devote significant time on the Business until 2021. Management cautions readers of these carve-out financial statements that the allocation of expenses does not necessarily reflect an accurate presentation of operating expenses that the Company would have incurred in the afore-mentioned years or will incur in the future.

The Business' ability to continue as a going concern is dependent on Eagle Royalties Ltd. ("Eagle Royalties"), a new company incorporated on January 21, 2022 to receive the Business, the ability of Eagle Royalties to raise equity or debt financing or the attainment of profitable operations to settle liabilities as they become payable. These material uncertainties may cast significant doubt about the Business' ability to continue as a going concern. These carve out financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Business be unable to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. These factors, amongst others, could have a significant impact on the Company's operations. These carve out financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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## **2. Transfer of Business**

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Eagle Plains intends to proceed with a reorganization which will have the result of separating its present exploration and evaluation net smelter return royalty interests (the "Royalty Assets") into a separate public company. Upon implementation of the Plan of Arrangement (the "Arrangement"), Eagle Royalties will hold the Royalty Assets and Eagle Plains will continue to hold the remaining assets.

Each Eagle Plains Shareholder, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one new common share in the capital of Eagle Plains ("Eagle Plains New Share") and one-third of a common share in the capital of Eagle Royalties ("ER Share") for each Eagle Plains common share ("Eagle Plains Share") held immediately prior to the Arrangement, where the Eagle Plains New Shares will be identical in every respect to the present Eagle Plains Shares. Eagle Plains will own twelve-point three percent (12.3%) of the issued and outstanding ER Shares upon completion of the Arrangement.

Concurrently, Eagle Royalties will amalgamate with 1386884 BC Ltd. ("138") wherein 138 will complete a financing for 10,000,000 shares at \$0.30 per share.

**December 31, 2022 and 2021**

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### **3. Basis of Preparation**

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(a) Statement of Compliance

The carve out financial statements for the Company for the years ending December 31, 2022 and 2021 are prepared in accordance with a reporting framework specified in subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for carve-out financial statements. Subsection 3.11(b) of National Instrument 52-107 requires the financial statements be prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises (International Financial Reporting Standards).

These carve out financial statements were authorized for issue by the Board of Directors on March 17, 2023p.

(b) Basis of Measurement

These carve out financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") which are stated at their fair value. These carve out financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These carve out financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and 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 further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include the determination of the allocation of Eagle Plains' general and administrative expenses included in the carve-out statements of comprehensive loss.

Areas of significant judgment include the going concern assessment (note 1).

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### **4. Significant Accounting Policies**

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The accounting policies set out below have been applied consistently to all years presented in these carve out financial statements. The accounting policies have been applied consistently by the Company. The carve out financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 requires financial assets to be classified into one of the following three measurement categories on initial recognition:

- Those measured a fair value through profit and loss ("FVTPL");
- Those measured at fair value through other comprehensive income ("FVOCI"); and
- Those measured at amortized cost.

Accounts receivable initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method.

**December 31, 2022 and 2021**

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#### **4. Significant Accounting Policies - continued**

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a) Financial instruments - continued

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

b) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

c) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

d) Per share cost

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. The shareholders of Eagle Plains will receive 1 common share of Eagle Royalties for 3 common shares of Eagle Plains. Accordingly, the weighted average number of shares used is one-third of the weighted average number of shares of Eagle Plains for the respective periods.

The Business uses the treasury stock method of calculating fully diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. Diluted loss per share has not been presented separately as the outstanding options and warrants are anti-dilutive for each period presented.

e) Royalty assets

Royalty assets consist of net smelter return royalties on exploration stage mineral properties and are capitalized as intangible assets. They are initially recorded at cost and subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Depletion, using the units of production basis over the expected life of the related mineral property, commences when the mineral property enters the production stage. The expected life of the mineral property is determined using available estimates of future metal prices and future production. Proven and probable reserves and future production plans associated with the royalty assets as determined by the operators impact the measurement of the respective assets. These estimates affect the depletion of the royalty assets and the assessment of the recoverability of the carrying value of the royalty assets.

**December 31, 2022 and 2021**

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#### **4. Significant Accounting Policies - continued**

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e) Royalty assets - continued

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's royalty assets are impaired. External sources of information that management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its royalty interests. Internal sources of information that management considers include the indications of economic performance of the assets.

In determining the recoverable amounts of the Company's royalty assets, management makes estimates of the discounted net cash flows expected to be derived from the Company's royalty assets, costs of disposal, and the appropriate discount rates and discount multiples that apply to the specific asset. Reductions in metal price forecasts, increases in estimated future costs of production for the mine operators, reductions in the amount of recoverable mineral reserves, mineral resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's royalty assets.

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#### **5. Royalty Assets**

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Eagle Royalties holds royalties on a large number of projects in western Canada covering a broad spectrum of metals and industrial mineral projects including gold, silver, base-metals, uranium, diamonds and gypsum.

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#### **6. Equity Instruments**

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(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At December 31, 2022, there were 100 (2021 – 100) shares outstanding.

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#### **7. Related Party Transactions**

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The Company was involved in the following related party transactions during the year:

- (a) The Company is related to Eagle Plains through common directors. During the year the Company had the following transactions with the related company:

	<u>2022</u>	<u>2021</u>
Funds provided by Eagle Plains	<b>\$ 551,182</b>	\$ 271,870

- (b) Compensation to key management personnel in the year:

	<u>2022</u>	<u>2021</u>
Administration costs		
Management fees	<b>\$ 96,000</b>	\$ 96,000
Professional fees	<b>42,000</b>	42,000
	<b><u>\$ 138,000</u></b>	<b><u>\$ 138,000</u></b>

**December 31, 2022 and 2021**

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**7. Related Party Transactions - continued**

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- (c) Included in administration costs is \$96,000 (2021 - \$96,000) paid or accrued for management services to a company owned by a director and officer of the Company.
- (d) Included in professional fees is \$42,000 (2021 - \$42,000) paid or accrued for accounting services to a director and officer of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

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**8. Commitments and Contingencies**

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All expenses or costs, including without limitation, financial, advisory, accounting and legal fees, incurred to give effect to the transactions as contemplated in this Agreement shall be initially borne by Eagle Plains on the condition that all applicable expenses and costs shall be reimbursed by Eagle Royalties Ltd. following the closing date.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of approximately twenty-four (24) months' salary should such an event occur.

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**9. Capital Management**

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The Company includes cash, share capital and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2022 and 2021. The Company is not subject to externally imposed capital requirements.

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**10. Income Taxes**

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As of December 31, 2022 and 2021, the effective tax rate of income varies from the statutory rate as follows:

	2022	2022
Loss before income taxes	\$ (279,312)	\$ (271,870)
Statutory tax rates	27%	27%
Tax recovery at statutory rate	(75,000)	(73,000)
Tax benefits unrecognized	75,000	73,000
Deferred income tax recovery	\$ -	\$ -



**December 31, 2022 and 2021**

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**10. Income Taxes - continued**

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The components of the Company's unrecognized deferred income tax asset are a result of the origination and reversal of temporary differences and are comprised of the following:

	<u>2022</u>	<u>2021</u>
Non-capital tax losses	\$ 551,000	\$ 272,000

As of December 31, 2022, non-capital tax losses subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future taxable income at rates prescribed by the Canadian Income Tax Act expiring:

2041	\$ 272,000
2042	\$ 279,000



**1386884 B.C. LTD.**

**FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**

**FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 15, 2022**  
**TO DECEMBER 31, 2022**

## Independent Auditor's Report

To the Board of Directors of 1386884 B.C. Ltd.

### Opinion

We have audited the financial statements of 1386884 B.C. Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2022 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, Canada  
March 17, 2023**



**1386884 B.C. LTD.**  
**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	<b>Period from incorporation on November 15, 2022 to December 31, 2022</b>
<b>EXPENSES</b>	
Bank charges	\$ 78
Management fees (Note 5)	5,849
Professional fees	<u>7,354</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (13,281)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b><u>2,717,392</u></b>

The accompanying notes are an integral part of these financial statements.



**1386884 B.C. LTD.**  
**STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	<b>Period from incorporation on November 15, 2022 to December 31, 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period	\$ (13,281)
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	<u>7,354</u>
Net cash used in operating activities	<u>(5,927)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Private placement	<u>100,000</u>
Net cash provided by financing activities	<u>100,000</u>
<b>Change in cash for the period</b>	94,073
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ 94,073</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>	
Cash paid for taxes	\$ -
Cash paid for interest	\$ -

The accompanying notes are an integral part of these financial statements.

**1386884 B.C. LTD.****STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

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	<b>Common Shares</b>			
	<b>Number</b>	<b>Amounts</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, November 15, 2022 (incorporation)</b>	1	\$ 1	\$ -	1
Cancellation of incorporation share	(1)	(1)	-	(1)
Private placement	5,000,000	100,000	-	100,000
Net loss for the period	-	-	(13,281)	(13,281)
<b>Balance, December 31, 2022</b>	<b>5,000,000</b>	<b>\$ 100,000</b>	<b>\$ (13,281)</b>	<b>\$ 86,719</b>

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The accompanying notes are an integral part of these financial statements.

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

1386884 B.C. Ltd. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on November 15, 2022. The Company maintains its registered office at 2080-777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4. The head office and principal address of the Company is 2080-777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4. The Company was incorporated as financing vehicle for the target company for certain royalty interests to be spun out from Eagle Plains Resources Ltd.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. The Company has limited capital and will require completion of the proposed transaction (note 9) to continue operations for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**Basis of presentation**

The financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**1386884 B.C. LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 15 2022, TO DECEMBER 31, 2022

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments**

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss ("FVTPL"). The Company's cash is recorded at FVTPL as it meets the required criteria.

*Amortized cost*

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'.

*Fair value through other comprehensive income ("OCI")*

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. The Company does not have any financial assets designated as FVOCI.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Cash is measured at level 1 of the fair value hierarchy.

**1386884 B.C. LTD**  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 15 2022, TO DECEMBER 31, 2022

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Income taxes**

The Company uses the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**New accounting pronouncements**

The following accounting standards and amendments are effective for future periods.

*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting years beginning on or after January 1, 2023. There will be no significant impact to the financial statements as a result of the future implementation of these amendments.

*Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. There will be no significant impact to the financial statements as a result of the future implementation of these amendments.

**4. SHARE CAPITAL**

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

On December 6, 2022, the Company completed a private placement of 5,000,000 common shares at a price of \$0.02 per common share for gross proceeds of \$100,000.

**5. RELATED PARTY TRANSACTIONS**

Key management personnel includes the sole director and Chief Executive Officer (“CEO”) of the Company. In the period from incorporation on November 15, 2022 to December 31, 2022, the CEO was compensated \$5,849 for management services.

**6. INCOME TAXES**

	<b>Period from incorporation on November 15, 2022 to December 31, 2022</b>
Income before income tax	\$ (13,281)
Statutory income tax rate	<u>27.00%</u>
Expected income tax recovery	\$ (3,586)
Changes in benefits not recognized	<u>3,586</u>
Income tax expense (recovery)	<u>\$ -</u>

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company’s unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	<b>December 31, 2022</b>
Non-capital losses	<u>\$ 13,000</u>
Unrecognized deductible temporary differences	<u>\$ 13,000</u>

As at December 31, 2022, the Company has Canadian non-capital losses of \$13,000 that may be applied to reduce future taxable income. If these losses are not used to offset future income, they will expire through the year ended December 31, 2042.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS****Financial instruments**

Cash is carried at FVTPL and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS (cont'd...)**

**Financial risk factors**

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company considers credit risk with respect to these amounts to be low.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at December 31, 2022, the Company had working capital of \$86,719. The Company's financial obligations are limited to accounts payable and accrued liabilities, which have contractual maturities of less than a year.

**8. CAPITAL MANAGEMENT**

The Company's capital structure includes shareholders' equity of \$86,719 as at December 31, 2022. The Company's mandate is to execute on the proposed transaction (Note 9) which is the primary purpose of its capital resources. The Company is not subject to externally imposed capital requirements.

**9. PROPOSED TRANSACTIONS**

On February 28, 2023, Eagle Plains Resources Ltd. ("Eagle Plains") entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") between Eagle Plains and its wholly owned subsidiary, Eagle Royalties Ltd. ("Eagle Royalties"), pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") and cash of approximately \$104,000 to Eagle Royalties (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among the Company and Eagle Royalties, pursuant to which Eagle Royalties and the Company will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction".

Pursuant to the Spin-out Transaction, Eagle Royalties plans to issue an aggregate of approximately 42 million common shares of Eagle Royalties (the "Spinco Shares"). Of the total Spinco Shares so issued, it is expected that approximately 5.2 million Spinco Shares will be distributed to the Eagle Plains and the remaining Spinco Shares (i.e., approximately 36.8 million) will be distributed to shareholders of the Eagle Plains on a 1:3 basis.

Concurrent with the Transaction, the Company will complete a private placement financing (the "Concurrent Financing") raising gross proceeds of approximately \$3,000,000 through the issuance of common shares, units or subscription receipts, as the case may be at a price of \$0.30 per security. In connection with the Concurrent Financing, the Company may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the Company's securities sold through the Concurrent Financing.

**9. PROPOSED TRANSACTIONS (cont'd...)**

Pursuant to the Combination Transaction, the Company and Eagle Royalties will amalgamate, and its respective share capital will be completed on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer will make an application for the listing of its common shares on the Canadian Securities Exchange ("CSE").

The Arrangement Agreement and the Amalgamation Agreement contain customary representations and warranties made by each of the parties to such agreements and also contain customary covenants.

The Amalgamation Agreement includes customary provisions relating to non-solicitation, subject to customary "fiduciary out" provisions that entitle Eagle Royalties and Eagle Plains to consider any unsolicited bona fide written proposal, subject to compliance with certain covenants in the Amalgamation Agreement, that, having regard to all of the terms and conditions of such proposal, if consummated in accordance with its terms, constitutes or is reasonably expected to lead to a superior proposal in comparison to the Transaction. Subject to customary matching rights given to the Company, the board of directors of Eagle Royalties and Eagle Plains may terminate the Amalgamation Agreement to enter into a definitive agreement in respect of a superior proposal.





# 1386884 B.C. Ltd.

("the Company")

## FORM 51-102F1 MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 15, 2022 TO DECEMBER 31, 2022

### Introduction

This Management's Discussion and Analysis ("MD&A") of 1386884 B.C. Ltd. is the responsibility of management and covers the period from incorporation on November 15, 2022 to December 31, 2022. The MD&A takes into account information available up to and including March 17, 2023 and should be read together with the audited financial statements for the period from incorporation on November 15, 2022 to December 31, 2022.

The Company was incorporated as the target company for certain royalty interests that are to be spun out from Eagle Plains Resources Ltd. ("Eagle Plains"). Refer to the Proposed Transaction section below for a description of the transaction.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on November 15, 2022. The address of its head office is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4. The Company's registered and records office is Suite 2080-777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4.

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

### Description of Business

The Company was incorporated as a financing entity for the target company for certain royalty interests to be spun out from Eagle Plains Resources Ltd., a public company listed on the TSX Venture Exchange under the symbol "EPL".

### Proposed Transaction

On February 28, 2023, Eagle Plains Resources Ltd. ("Eagle Plains") entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") between Eagle Plains and its wholly owned subsidiary, Eagle Royalties Ltd. ("Eagle Royalties"), pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") to Eagle Royalties (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among the Company and Eagle Royalties, pursuant to which Eagle Royalties and the Company will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction".

Pursuant to the Spin-out Transaction, Eagle Royalties plans to issue an aggregate of approximately 42 million common shares of Eagle Royalties (the "Spinco Shares"). Of the total Spinco Shares so issued, it is expected that approximately 5.2 million

Spinco Shares will be distributed to the Eagle Plains and the remaining Spinco Shares (i.e., approximately 36.8 million) will be distributed to shareholders of the Eagle Plains on a 1:3 basis.

Concurrent with the Transaction, the Company will complete a private placement financing (the "Concurrent Financing") raising gross proceeds of approximately \$3,000,000 through the issuance of common shares, units or subscription receipts, as the case may be at a price of \$0.30 per security. In connection with the Concurrent Financing, the Company may: (i) pay agent commissions in cash of up to 7% of the gross proceed raised from the Concurrent Financing; and (ii) issue broker's warrants, equivalent to 7% of the Company's securities sold through the Concurrent Financing.

Pursuant to the Combination Transaction, the Company and Eagle Royalties will amalgamate, and its respective share capital will be completed on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer will make an application for the listing of its common shares on the Canadian Securities Exchange ("CSE").

The Arrangement Agreement and the Amalgamation Agreement contain customary representations and warranties made by each of the parties to such agreements and also contain customary covenants.

The Amalgamation Agreement includes customary provisions relating to non-solicitation, subject to customary "fiduciary out" provisions that entitle Eagle Royalties and Eagle Plains to consider any unsolicited bona fide written proposal, subject to compliance with certain covenants in the Amalgamation Agreement, that, having regard to all of the terms and conditions of such proposal, if consummated in accordance with its terms, constitutes or is reasonably expected to lead to a superior proposal in comparison to the Transaction. Subject to customary matching rights given to the Company, the board of directors of Eagle Royalties and Eagle Plains may terminate the Amalgamation Agreement to enter into a definitive agreement in respect of a superior proposal.

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to receipt of all requisite regulatory, TSXV, CSE, court or governmental authorizations and third party approvals or consents.

## **Performance Summary and Subsequent Events**

During the period from incorporation on November 15, 2022 to December 31, 2022 the Company:

- Appointed James Pakulis as sole director and Chief Executive Officer.
- Completed a private placement of 5,000,000 common shares at a price of \$0.02 per common share for gross proceeds of \$100,000.

Subsequent to December 31, 2022, the Company:

- Entered into the Amalgamation Agreement in order to pursue the Combination Transaction as proposed.

## **Outlook**

The Company intends to execute on the Combination Transaction as part of the Transaction led by Eagle Plains. The activities of the Resulting Issuer will centre on the activities contemplated by Eagle Royalties.

## Annual Operating Results and Results of Operations

	Period from incorporation on November 15, 2022 to December 31, 2022	
Working capital	\$	86,719
Net loss and comprehensive loss		(13,281)
Net loss per share - basic		(0.00)

The financial statements reflect the financial condition of the Company's business for the period from incorporation on November 15, 2022 to December 31, 2022 during which there were no significant financial transactions. During this period, the Company incurred a loss of \$13,281 which included management fees paid to the CEO of \$5,849 and professional fees of \$7,354 in order to incorporate and activate the Company.

### Summary and Discussion of Quarterly Results

As the Company is newly incorporated, the Company has no historic quarterly results.

### Liquidity

The Company, as at December 31, 2022, has positive working capital considered to be sufficient to execute on the Transaction.

### Related Party Transactions

In the period from incorporation on November 15, 2022 to December 31, 2022, the CEO was compensated \$5,849 for management services.

### Outstanding Share Data

#### Common Shares:

As at the date of this report the Company had 5,000,000 common shares issued and outstanding.

### Contractual Obligations

Except as described herein or in the Company's financial statements at for the period from November 15, 2022 to December 31, 2022, the Company had no material contractual obligations.

### Off-Balance Sheet Arrangements

At December 31, 2022, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

### Proposed Transactions

Please refer to the Proposed Transaction section above. Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

## **Capital Resources**

Except as elsewhere disclosed in this document, the Company has no commitments for capital expenditures at the date of this report.

The Company's capital structure includes shareholders' equity of \$86,719 as at December 31, 2022. The Company's mandate is to execute on the Transaction which is the primary purpose of its capital resources. The Company is not subject to externally imposed capital requirements.

## **Risk Factors**

The Company exists for the purpose of executing on the Transaction. The material risk facing the Company relates to the execution of the Transaction and the associated risks of completion including, but not limited to, approval for listing on the CSE, acquisition of all required court, regulatory and third party approvals, and execution of the respective parties' responsibilities and requirements to execute on the Transaction.

There is no assurance that the Transaction will be completed or that the Resulting Issuer's shares will be listed on any stock exchange. The value of the Company is dependent on the completion of the Transaction, and the ability to obtain a listing on the CSE of the Resulting Issuer's common shares. Accordingly, if any of these events do not occur, the value of the Company's shares and the ability to monetize the Company's shares will be materially and adversely affected.

## **Changes in Accounting Policies including Initial Adoption**

The accounting policies applied in preparation of the financial statements are disclosed in the Company's audited financial statements for the period from incorporation on November 15, 2022 to December 31, 2022.

## **Note Regarding Forward-Looking Statements**

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: general economic conditions; changes in financial markets; the impact of exchange rates; changes in regulatory requirements impacting the Company's operations; and the sufficiency of current working capital.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.



**EAGLE ROYALTIES LTD.**

**PRO FORMA FINANCIAL STATEMENTS**  
**(Unaudited - prepared by management)**

**As at December 31, 2022**

EAGLE ROYALTIES LTD.  
PRO FORMA STATEMENT OF FINANCIAL POSITION  
(Unaudited - prepared by management)  
(Expressed in Canadian dollars)

As at December 31, 2022

	Eagle Royalties Business	Eagle Royalties Ltd.	1386884 BC Ltd	Pro Forma Adjustments (Note 2)				Eagle Royalties Ltd.
<b>Assets</b>								
<b>Current</b>								
Cash	\$ -	\$ 94,460	\$94,073	3,000,000	2(b)	103,529	2(a)	\$3,082,062
				(210,000)	2(b)	-		
Accounts receivable	10	5,892	-	(10)	2(c)	-		5,892
Prepays	-	8,362	-	-		-		8,362
	10	108,714	94,073					3,096,316
Royalty assets	-	-	-	-		-		-
	\$ 10	\$ 108,714	\$94,073					\$3,096,316
<b>Liabilities and Shareholders' Equity</b>								
<b>Current</b>								
Accounts payable and accrued liabilities	\$ -	\$ 17,445	\$7,354	-		-		\$ 24,799
Due to related company	-	300,000	-	-		-		300,000
	551,182	317,445	7,354					324,799
<b>Shareholders' equity</b>								
Share capital	10	10	100,000	(10)	2(c)	103,529	2(a)	2,983,539
				(220,000)	2(b)	3,000,000	2(b)	
Contributed surplus	551,182	-	-	(208,741)	2(c)	-		342,441
Reserves	-	-	-	-		10,000	2(b)	10,000
Deficit	(551,182)	(208,741)	(13,281)	208,741	2(c)			(564,463)
	10	(208,731)	86,719					2,771,517
	\$ 10	\$ 108,714	\$94,073					\$3,096,316



EAGLE ROYALTIES LTD.

PRO FORMA STATEMENT OF COMPREHENSIVE LOSS

(Unaudited - prepared by management)

(Expressed in Canadian dollars)

For the year ended December 31,2022

	Eagle Royalties Business	Eagle Royalties Ltd.	1386884 BC Ltd	Pro Forma Adjustments (Note 2)	Eagle Royalties Ltd.
<b>Operating expenses</b>					
Administration costs	\$ 223,775	\$170,204	\$5,927	(170,204) 2(c)	\$ 229,702
Professional fees	55,537	38,537	7,354	(38,537) 2(c)	62,891
<b>Comprehensive loss for the year</b>	<u>\$(279,312)</u>	<u>\$(208,741)</u>	<u>\$(13,281)</u>		<u>\$(292,593)</u>

**EAGLE ROYALTIES LTD.**  
**NOTES TO PRO FORMA FINANCIAL STATEMENTS**  
**(Unaudited - prepared by management)**  
**(Expressed in Canadian dollars)**

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**1. Plan of Arrangement and Basis of Presentation**

These unaudited pro forma statements of financial position have been compiled for purposes of inclusion in the Management Information Circular of Eagle Plains Resources Ltd. ("Eagle Plains") dated March 17, 2023.

Eagle Royalties Ltd. ("Eagle Royalties") is a wholly-owned subsidiary of Eagle Plains Resources Ltd. ("Eagle Plains"). The Company was incorporated January 21, 2023 in the province of Alberta to manage the net smelter return ("NSR") royalties of Eagle Plains. On February 28, 2023, Eagle Plains entered into an arrangement agreement with Eagle Royalties, whereby among other things Eagle Plains plans to transfer a majority of its portfolio of royalty interests (the "Royalty Assets") to Eagle Royalties in exchange for certain shares of Eagle Royalties to be issued to Eagle Plains' shareholders (the "Plan of Arrangement"). Immediately following this Plan of Arrangement, Eagle Royalties would amalgamate with 1386884 BC Ltd. ("138") on a 1:1 basis (the "Amalgamation") pursuant to the amalgamation agreement dated February 28, 2023, effectively providing the necessary funding to Eagle Royalties to facilitate a listing application on the Canadian Securities Exchange ("CSE"). Prior to the Amalgamation, 138 will complete a financing for 10,000,000 shares at \$0.30 per share.

The unaudited pro forma statement of financial position and the unaudited pro forma statement of comprehensive loss have been derived from:

- the audited carve out statement of financial position and audited carve out statement of comprehensive loss of the Eagle Royalties Business as at December 31, 2022 and for the period then ended;
- the audited statement of financial position and audited statement of comprehensive loss of Eagle Royalties as at December 31, 2022 and for the period then ended;
- the audited statement of financial position and audited statement of loss and comprehensive loss of 138 as at December 31, 2022 and for the period then ended; and
- the adjustments and assumptions contained in Note 2.

The pro forma statement of financial position is prepared as if the Plan of Arrangement and the Amalgamation (collectively, the "Corporate Transactions") had taken place as of December 31, 2022. The pro forma statement of comprehensive loss is prepared as if the Corporate Transactions had taken place as of January 1, 2022. In the opinion of management, the pro forma financial statements contain all the necessary adjustments for a fair presentation in accordance with International Financial Reporting Standards.

These pro forma financial statements are not intended to reflect the financial position that would have occurred if the events reflected therein had been in effect at the dates indicated. Further, these pro forma financial statements are not necessarily indicative of the financial position that may be obtained in the future.

**2. Pro Forma Assumptions and Adjustments**

The unaudited pro forma statements of financial position give effect to the Corporate Transactions, as described in the Management Information Circular, as if it had occurred as at December 31, 2022 and based on the following assumptions:

**EAGLE ROYALTIES LTD.**

**NOTES TO PRO FORMA FINANCIAL STATEMENTS**

**(Unaudited - prepared by management)**

**(Expressed in Canadian dollars)**

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(a) Eagle Plains per the Plan of Arrangement will transfer the following assets to Eagle Royalties:

- Interest in NSR royalties, with a fair value of \$6,500,000 as determined by management, will be exchanged for 36,821,908 Eagle Royalties shares which will be distributed to current Eagle Plains shareholders.

The fair value for the royalty assets has used the following assumptions:

Valuation by third party valued one royalty at \$3.7M to \$4.7M.

There are 49+ other royalties being transferred which would increase the above value.

Management compared numerous similar market transactions.

Management determined \$6.5M is a reasonable and a fair valuation.

Cost of the royalty assets is \$nil.

Under IFRS 3 Business Combinations, the Plan of Arrangement between Eagle Plains and Eagle Royalties is considered to be a transaction between parties under common control. As the shareholders of Eagle Royalties continue to hold their respective interests in Eagle Royalties, there is no resultant change of control in either Eagle Royalties, or the Royalty Assets transferred. As such, the Plan of Arrangement is considered a capital reorganization and is excluded from the scope of IFRS 3. Accordingly the value of the Royalty Assets is recorded for accounting purposes at its historical carrying cost of nil.

Eagle Plains will also subscribe for 5,176,425 Eagle Royalties common shares for \$103,529 resulting in Eagle Plains owing 12.3% of the outstanding shares in Eagle Royalties.

- (b) 138 is expected to complete a financing for 10,000,000 shares at \$0.30 per share for proceeds of \$3,000,000 with associated share issue costs of \$210,000 in agent commissions and \$10,000 for the fair value of 700,000 broker warrants.
- (c) An adjustment of \$208,741 has been made to eliminate duplication of costs included in Eagle Royalties which are already reflected in the statement of financial position and statement of comprehensive loss of the Eagle Royalties Business.
- (d) Eagle Royalties and 138 per the amalgamation agreement will amalgamate to form Amalco:
- Eagle Royalties shareholders shall receive one Amalco share for each Eagle Royalties share so held; and
  - 138 shareholders shall receive one Amalco share for each 138 so held.

Under IFRS 3 Business Combinations, the Amalgamation between Eagle Royalties and 138 is considered to be a business combination achieved without the transfer of consideration. Eagle Royalties is considered the accounting acquirer as its owners as a group receive the largest portion of the voting rights in Amalco.

**EAGLE ROYALTIES LTD.**  
**NOTES TO PRO FORMA FINANCIAL STATEMENTS**  
**(Unaudited - prepared by management)**  
**(Expressed in Canadian dollars)**

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**3. Share capital and per share amounts**

Share capital in the unaudited pro forma financial statements is comprised of the following:

**Authorized**

Unlimited common shares without par value

	Share Capital	
	Number of	
	Shares	Amount
<b>Issued</b>		
On incorporation, January 21, 2022	100	\$ 10
Shares issued to Eagle Plains shareholders upon completion of Arrangement	36,821,908	-
Shares issued to Eagle Plains upon completion of Arrangement	5,176,425	103,529
Shares issued to 138 shareholders	5,000,000	100,000
Shares issued to 138 shareholders in concurrent financing	10,000,000	3,000,000
Share issue costs	-	(220,000)
	<u>56,998,433</u>	<u>\$2,983,539</u>

**4. Income Taxes**

No value has been ascribed to any acquired tax loss carry forwards obtained by Eagle Royalties as part of the Arrangement, as Eagle Royalties is an early stage company, and it is not known whether sufficient future taxable profits will be available to utilize these losses prior to expiry.

The effective tax rate applicable to the operations will be 27%.