Resource Company Report: LunR Royalties Corp.

Report Date	August 17, 2026	**Company Type**	Emerging Royalty & Streaming Company (Lundin-backed)
Company Name	LunR Royalties Corp.	**Stock Symbol**	LNRCF (OTC) / LUNR (TSX)
Core Assets	Fruta del Norte silver stream (Ecuador); 1.0% NSR Lunahuasi (Argentina); 1.38% NSR Los Helados (Chile)	**Market Cap (approx.)**	~US$1.5 – 1.7+ billion (varies by listing)
Q2 2026 Highlights	Inaugural revenue $4.6M (69,959 oz Ag); operating cash flow $2.9M	**FDN Stream**	100% payable Ag until 12.2 Moz; then dropdowns; life-of-mine
Origin	Spun out from NGEx Minerals (Oct 2025); FDN stream acquired May 2026 for shares	**Credit Facility**	Up to US$150 million established Aug 2026
Stage	Early-stage cash-flowing royalty/streaming company with high-quality copper-gold optionality	**CEO**	Adam Lundin

1. Company Overview & Investment Thesis

LunR Royalties Corp. (TSX: LUNR; OTC: LNRCF) is an emerging royalty and streaming company spun out from NGEx Minerals in October 2025 and backed by the Lundin Group. The company's portfolio is anchored by a life-of-mine silver stream on Lundin Gold's Fruta del Norte mine in Ecuador (acquired May 2026) and by NSR royalties on two of the most significant undeveloped copper-gold projects in the Vicuña District: a 1.00% NSR on Lunahuasi (Argentina) and a 1.38% NSR on Los Helados (Chile). In the second quarter of 2026 LunR recorded its inaugural revenue of US$4.6 million from the sale of 69,959 ounces of silver delivered under the Fruta del Norte stream and generated US$2.9 million of operating cash flow. Under the stream, LunR purchases 100% of Fruta del Norte's payable silver production until 12.2 million ounces have been delivered, then 50% until an additional 7.8 million ounces, and thereafter 7.5% for the remaining life of mine, at a purchase price of 10% of the silver spot price. Fruta del Norte 2026 silver production guidance is 500,000–600,000 ounces. In August 2026 the company established a credit facility of up to US$150 million. CEO is Adam Lundin. Market capitalization is in the approximate US$1.5–1.7+ billion range depending on listing and share count.

Investment Thesis: LunR offers exposure to a cash-flowing silver stream on a high-grade, low-cost operating gold mine (Fruta del Norte) plus long-dated optionality on two of the largest and highest-profile undeveloped copper-gold systems in the Andes (Lunahuasi and Los Helados). The royalty/streaming model provides top-line leverage to metal prices and exploration success without direct operating or capital-cost risk. Key risks include concentration of near-term cash flow in a single stream, the early stage of the company, jurisdictional risk in Ecuador/Argentina/Chile, and the multi-year timeline for the copper-gold royalties to generate material revenue. Relative to pure explorers, LNRCF ranks lower risk due to current cash flow from the FDN stream; residual scale, concentration and development-timing risks remain elevated compared with larger, diversified royalty peers.

2. Mining and Development Projects

LunR does not operate mines. Its value is derived from the Fruta del Norte silver stream and from NSR royalties on the Lunahuasi and Los Helados copper-gold projects.

2.1 Fruta del Norte Silver Stream (Ecuador)

Location / Ownership	Fruta del Norte mine, Ecuador – operated by Lundin Gold; LunR holds a life-of-mine silver stream covering the mining concessions (~5,566 ha)
Metals / Interest	Silver – 100% of payable silver production until 12.2 Moz delivered; then 50% until additional 7.8 Moz; thereafter 7.5% LOM. Purchase price = 10% of spot silver
Status	Producing / cash-flowing. Stream effective March 1, 2026; first deliveries and revenue recorded in Q2 2026 (69,959 oz Ag purchased and sold for US$4.6M). Operator 2026 silver production guidance 500–600 koz. Fruta del Norte is one of the highest-grade, lowest-cost underground gold mines globally
Key Metrics / Work	Stream is uncapped on a life-of-mine basis after the dropdown thresholds. 100% of LunR's current revenue is derived from silver. Cash flow from operating activities was US$2.9M in Q2 2026
Notes	Near-term cash-flow anchor that underpins the company's transition from a pure optionality vehicle to a cash-flowing royalty/streaming platform

Outlook / Catalysts	Continued silver deliveries in line with operator guidance; potential for higher silver production or grade; silver price leverage

2.2 Lunahuasi & Los Helados Royalties (Vicuña District)

Location / Ownership	Lunahuasi: San Juan Province, Argentina – 1.00% NSR royalty. Los Helados: Region III, Chile – 1.38% NSR royalty. Both in the Vicuña District near other major copper-gold systems (Caserones, Josemaria, Filo del Sol)
Metals / Interest	Copper, gold and silver – NSR royalties on large, high-potential undeveloped systems
Status	Exploration / development stage. Lunahuasi hosts high-grade copper-gold-silver epithermal and porphyry mineralization; construction of an exploration adit expected to begin in Q4 2026 to fast-track development. Los Helados is one of the world's largest undeveloped copper-gold projects, located ~17 km from Lundin Mining's Caserones operation
Key Metrics / Work	These royalties were the original assets of the NGEx spin-out. They provide multi-decade optionality to copper-gold discovery and development success in a district that has attracted major industry attention. No near-term production or cash flow is expected from these royalties
Notes	Long-term growth and optionality that differentiate LunR from pure precious-metals royalty companies and provide leverage to the copper-gold development pipeline in the Andes
Outlook / Catalysts	Lunahuasi adit construction and continued exploration results; advancement of Los Helados toward development; any future transactions or partnerships that crystallize value

The Fruta del Norte silver stream currently generates all of LunR's revenue and cash flow. The Lunahuasi and Los Helados NSR royalties provide the primary long-term copper-gold optionality that underpins the company's growth narrative and valuation upside.

3. Exploration & Development Activity

Near-term activity is focused on receiving and monetizing silver deliveries under the Fruta del Norte stream, managing liquidity (including the newly established US$150 million credit facility), and monitoring operator progress and exploration results at Lunahuasi and Los Helados. The company has stated an intention to grow into a larger royalty and streaming platform through additional high-quality acquisitions. Success metrics are consistent silver deliveries and cash flow from FDN, continued exploration success at the Vicuña royalties, and disciplined capital allocation for portfolio growth.

4. Management and Board of Directors

Management

Name	Title	Notes	Experience / Focus
Adam Lundin	President, CEO & Chair	Leadership	Overall strategy, portfolio construction, capital allocation and Lundin Group relationships
Finance / investment team	CFO / CIO / support	Support	Financial reporting, liquidity, credit facility and royalty acquisition evaluation
Board additions	Independent directors	Governance	Recent appointment of Scott Langley (effective Aug 2026) and other independent oversight

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of royalty/streaming strategy, capital allocation, acquisitions and risk
Independent directors	Oversight	Mining, finance and capital-markets experience (including recent appointments)

5. Financial Information

LunR is an early-stage royalty and streaming company that recorded its first revenue and positive operating cash flow in Q2 2026. Revenue of US$4.6 million was generated from the sale of 69,959 ounces of silver delivered under the Fruta del Norte stream; operating cash flow was US$2.9 million. The FDN stream was acquired in May 2026 for share consideration (50.5 million shares issued to Lundin Gold and distributed to its shareholders). In August 2026 the company established a credit facility of up to US$150 million. Market capitalization is in the approximate US$1.5–1.7+ billion range depending on listing. Exact current cash, debt and liquidity metrics should be confirmed from the latest financial statements. Capital allocation is expected to prioritize additional high-quality royalty and streaming acquisitions while maintaining a conservative balance sheet.

Project / Corporate Summary

Line Item	Amount / Notes
Market capitalization (approx.)	~US$1.5 – 1.7+ billion
Q2 2026 Revenue (FDN Stream)	US$4.6 million (69,959 oz Ag)
Q2 2026 Operating Cash Flow	US$2.9 million
FDN Stream Structure	100% Ag to 12.2 Moz; then 50% / 7.5% dropdowns; 10% of spot
Credit Facility	Up to US$150 million (Aug 2026)
Key Royalties	1.0% NSR Lunahuasi; 1.38% NSR Los Helados

Corporate Summary

Item	Value / Notes
Primary listings	TSX (LUNR) / OTC (LNRCF)
CEO	Adam Lundin
Strategy	Grow high-quality royalty/streaming portfolio; leverage FDN cash flow and Vicuña optionality; Lundin Group platform

6. Company Valuation

At a market capitalization of approximately US$1.5–1.7+ billion, LunR trades as an emerging mid-cap royalty and streaming company. Valuation is supported by the cash-flowing Fruta del Norte silver stream, the long-dated optionality of the Lunahuasi and Los Helados NSR royalties in the Vicuña District, the Lundin Group sponsorship, and a newly established credit facility that provides financial flexibility. Relative valuation should consider peer royalty/streaming companies and the prevailing silver and copper-gold price environment, while recognizing the early stage of the platform and the concentration of near-term cash flow.

Discounted NPV discussion: A practical framework values the expected cash flows from the Fruta del Norte silver stream (based on operator production guidance, stream terms and silver price) at risk-adjusted discount rates, then adds risk-adjusted option values for the Lunahuasi and Los Helados royalties (probability-weighted for exploration success, development timing and commodity prices), and adjusts for net cash/debt and corporate costs. Key sensitivities are the silver price, Fruta del Norte silver production and grade, the pace of advancement at Lunahuasi and Los Helados, and the company's ability to deploy capital into additional high-quality royalties or streams. Consistent FDN cash flow and positive exploration or development news from the Vicuña royalties are the primary near-term valuation catalysts.

Merger & Acquisition Activity

LunR's formation itself was a transformative transaction (NGEx spin-out followed by the acquisition of the Fruta del Norte silver stream for share consideration). The company has stated an intention to grow through additional high-quality royalty and streaming acquisitions, supported by the new credit facility. No formal public takeover offer for LunR has been announced. As a Lundin-backed platform with a cash-flowing stream and high-quality copper-gold optionality, the company could attract strategic interest over time from larger royalty/streaming peers, while management continues to build the portfolio independently.

7. Risks

- Concentration of near-term cash flow in a single silver stream (Fruta del Norte).
- Silver-price volatility and operator production/grade risk at Fruta del Norte.
- Multi-year timeline and development risk for material cash flow from Lunahuasi and Los Helados royalties.
- Jurisdictional and political risk in Ecuador, Argentina and Chile.
- Early-stage company risk (limited operating history as a standalone royalty vehicle).
- Dilution or capital-allocation risk from future equity-financed acquisitions.
- Counterparty risk with Lundin Gold and other operators.
- General royalty/streaming model risks (including contractual interpretation).

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior and intermediate mining companies, LunR Royalties is ranked **4**. The ranking reflects moderate relative risk: an emerging royalty and streaming company with inaugural cash flow from a life-of-mine silver stream on a high-quality operating mine (Fruta del Norte), long-dated optionality on two of the most significant undeveloped copper-gold systems in the Vicuña District, and Lundin Group sponsorship, offset by concentration of near-term revenue in a single stream, the early stage of the corporate platform, and the multi-year timeline for the copper-gold royalties to generate material cash flow. Positive factors include the high-margin streaming model (10% of spot purchase price), the quality of the FDN asset, the strategic location of the Vicuña royalties, and the newly established credit facility. Offsetting factors are the limited operating history as a standalone company, single-stream concentration risk in the near term, and jurisdictional exposure in Ecuador, Argentina and Chile. Relative to pure explorers or single-asset developers with no cash flow, LNRCF ranks lower risk; relative to larger, diversified senior royalty/streaming companies with multi-asset cash-flow bases, it ranks higher risk. The net result is a risk ranking of 4.

Sources: Company Q2 2026 results, FDN stream acquisition disclosures, corporate website and presentations, credit facility announcement, and market data as of mid-August 2026.