

URANIUM ROYALTY CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2020

URANIUM ROYALTY CORP.

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Uranium Royalty Corp. (the "Company") have been prepared by the Company's management and have not been reviewed by the Company's independent auditors. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2020.

Uranium Royalty Corp.**URANIUM ROYALTY CORP**

Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in Canadian dollars unless otherwise stated)

	Notes	As at October 31, 2020 (\$)	As at April 30, 2020 (\$)
Assets			
Current Assets			
Cash and cash equivalents	3	11,243,034	11,837,162
Restricted cash	3	721,050	752,250
Short-term investments	4	25,971,838	30,456,461
Prepays and other receivables		72,430	351,396
		38,008,352	43,397,269
Non-current Assets			
Royalties and royalty options	5	26,624,360	27,256,357
		26,624,360	27,256,357
		64,632,712	70,653,626
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	10	307,711	399,558
		307,711	399,558
Non-current Liability			
Government loan payable	6	40,000	40,000
		347,711	439,558
Equity			
Issued Capital	7	66,845,949	66,845,949
Warrant Reserves	7	7,076,311	7,076,311
Accumulated deficit		(7,865,384)	(6,842,984)
Accumulated other comprehensive income (loss)		(1,771,875)	3,134,792
		64,285,001	70,214,068
		64,632,712	70,653,626

Commitments (Note 12)

Subsequent events (Note 13)

Approved by the Board of Directors:

/s/ "Amir Adnani"

Amir Adnani

Director

/s/ "Vina Patel"

Vina Patel

Director

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

Uranium Royalty Corp.
URANIUM ROYALTY CORP
Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss

(Unaudited, expressed in Canadian dollars unless otherwise stated)

	Notes	For the three months ended		For the six months ended	
		2020	2019	2020	2019
		(\$)	(\$)	(\$)	(\$)
Expenses					
Consulting fees		56,865	49,825	117,047	73,825
General and administrative		104,510	93,247	174,939	143,575
Management and directors' fees	10	83,679	111,431	162,472	321,602
Professional fees		38,252	367,484	101,109	422,764
Project expenditures		-	33,560	-	101,941
Operating loss		(283,306)	(655,547)	(555,567)	(1,063,707)
Other items					
Interest expense		-	(513,892)	-	(1,002,218)
Interest income		17,675	32,892	37,954	32,892
Gain on modification of loan payable		-	-	-	346,676
Net foreign exchange gain (loss)		(17,967)	23,744	(126,302)	221,925
Loss before taxes		(283,598)	(1,112,803)	(643,915)	(1,464,432)
Deferred income tax expense		(356,538)	-	(378,485)	(250,358)
Net loss for the period		(640,136)	(1,112,803)	(1,022,400)	(1,714,790)
Other comprehensive loss					
Items that will not subsequently be re-classified to net income:					
Unrealized loss on revaluation of short-term investments	4	(4,489,887)	(1,732,750)	(4,652,459)	(4,399,608)
Deferred tax recovery on short-term investments	4	356,538	-	378,485	250,358
Item that may subsequently be re-classified to net income:					
Foreign currency translation differences		(92,281)	(47,731)	(632,693)	(227,262)
Total other comprehensive loss for the period		(4,225,630)	(1,780,481)	(4,906,667)	(4,376,512)
Total comprehensive loss for the period		(4,865,766)	(2,893,284)	(5,929,067)	(6,091,302)
Net loss per share, basic and diluted		(0.01)	(0.03)	(0.01)	(0.04)
Weighted average number of shares, outstanding, basic and diluted		71,835,238	43,004,903	71,835,238	42,387,932

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

Uranium Royalty Corp.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, expressed in Canadian dollars unless otherwise stated)

	Notes	Number of Common Shares	Issued Capital (\$)	Warrant Reserves (\$)	Accumulated Deficit (\$)	Accumulated Other Comprehensive Income (Loss) (\$)	Total (\$)
Balance at April 30, 2019		41,594,938	30,052,484	2,024,255	(4,141,626)	1,720,523	29,655,636
Common shares issued upon exercise of special warrants	7	3,203,670	4,805,506	(4,805,506)	-	-	-
Private placement of special warrants for cash	7	-	-	3,350,001	-	-	3,350,001
Special warrants issued to acquire royalties	5	-	-	2,031,251	-	-	2,031,251
Net loss for the period		-	-	-	(1,714,790)	-	(1,714,790)
Total other comprehensive loss		-	-	-	-	(4,376,512)	(4,376,512)
Balance at October 31, 2019		44,798,608	34,857,990	2,600,001	(5,856,416)	(2,655,989)	28,945,586
Initial public offering:							
Common shares and common share purchase warrants issued for cash	7	20,000,000	24,755,245	5,244,755	-	-	30,000,000
Common shares and common share purchase warrants issued on automatic exercise of qualifying special warrants	7	1,733,334	2,145,455	(2,145,455)	-	-	-
Common share purchase warrants issued on exercise of over-allotment option	7	-	-	215,250	-	-	215,250
Agents' fees and issuance costs	7	-	(1,321,690)	(292,935)	-	-	(1,614,625)
Common shares and common share purchase warrants issued to settle other payable	7	500,000	463,611	195,089	-	-	658,700
Common shares and common share purchase warrants issued to acquire royalties	5	4,803,296	5,945,338	1,259,606	-	-	7,204,944
Net loss for the period		-	-	-	(986,568)	-	(986,568)
Total other comprehensive income		-	-	-	-	5,790,781	5,790,781
Balance at April 30, 2020		71,835,238	66,845,949	7,076,311	(6,842,984)	3,134,792	70,214,068
Net loss for the period		-	-	-	(1,022,400)	-	(1,022,400)
Total other comprehensive loss		-	-	-	-	(4,906,667)	(4,906,667)
Balance at October 31, 2020		71,835,238	66,845,949	7,076,311	(7,865,384)	(1,771,875)	64,285,001

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

Uranium Royalty Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in Canadian dollars unless otherwise stated)

URANIUM ROYALTY CORP

	For the six months ended October 31,	
	2020 (\$)	2019 (\$)
Operating activities		
Net loss before tax for the period	(643,915)	(1,464,432)
Items not involving cash		
Interest expense	-	1,002,218
Interest income	(37,954)	(32,892)
Gain on modification on loan payable	-	(346,676)
Net foreign exchange (gain) loss	124,800	(232,097)
Net changes in non-cash working capital items:		
Prepays and other receivables	278,836	80,728
Accounts payable and accrued liabilities	(91,847)	343,084
Cash used in operating activities	(370,080)	(650,067)
Investing activities		
Investment in royalties and royalty options	-	(382,903)
Acquisition of promissory note	-	(2,662,200)
Interest received	38,084	32,998
Investment in short-term investments	(167,836)	-
Cash used in investing activities	(129,752)	(3,012,105)
Financing activities		
Transaction costs on modification of loan payable	-	(194,887)
Repayment of loan payable	-	(734,767)
Proceeds from private placement, net of issuance costs	-	3,350,001
Interest paid	-	(528,178)
Cash generated from financing activities	-	1,892,169
Effect of exchange rate changes on cash and cash equivalents	(94,296)	-
Net decrease in cash and cash equivalents	(594,128)	(1,770,003)
Cash and cash equivalents		
Beginning of period	11,837,162	2,230,690
End of period	11,243,034	460,687

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

1. Corporate Information

Uranium Royalty Corp. ("URC" or "the Company") is a company incorporated in Canada on April 21, 2017 and domiciled in Canada. URC is principally engaged in acquiring and assembling a portfolio of royalties and investing in companies with direct exposure to uranium. The registered office of the Company is located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada. The principal address of the Company is located at 1030 West Georgia Street, Suite 1830, Vancouver, British Columbia, V6E 2Y3, Canada.

On December 6, 2019, the Company completed its initial public offering (the "IPO"). The Company's common shares and its common share purchase warrants, each of which is exercisable into one common share at an exercise price of \$2.00 per share until December 6, 2024 (the "Listed Warrants"), are listed on the TSX Venture Exchange (the "TSX-V") under the symbols "URC" and "URC.WT", respectively.

2. Basis of Preparation**2.1 Statement of compliance**

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended April 30, 2020.

These condensed interim consolidated financial statements were authorized for issue by the Company's board of directors on December 16, 2020.

2.2 Basis of presentation

The Company's condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. The Company's condensed interim consolidated financial statements are presented in Canadian dollars ("\$" or "dollars"), which is the Company's reporting currency and functional currency. All values are rounded to the nearest dollar except where otherwise indicated.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's annual consolidated financial statements for the year ended April 30, 2020. The Company's interim results are not necessarily indicative of its results for a full year.

2.3 Basis of consolidation

The condensed interim consolidated financial statements include the financial statements of Uranium Royalty Corp. and Uranium Royalty (USA) Corp., a wholly owned subsidiary of the Company. Subsidiaries are consolidated from the date the Company obtains control, and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

The accounts of Uranium Royalty (USA) Corp. are prepared for the same reporting period as the parent company, using consistent accounting policies. The functional currency of Uranium Royalty (USA) Corp. is the United States dollar. Foreign operations are translated into Canadian dollar using period end exchange rate as to assets and liabilities and average exchange rate as to income and expenses. All resulting exchange differences are recognized in other comprehensive income.

3. Cash and cash equivalents

	As at October 31, 2020 (\$)	As at April 30, 2020 (\$)
Cash at bank	244,884	245,412
Guaranteed Investment Certificates	10,998,150	11,591,750
Cash and cash equivalents	11,243,034	11,837,162

Restricted cash of \$721,050 (2020: \$752,250) includes \$55,000 (2020: \$55,000) held by the bank as security for a corporate credit card and \$666,050 (US\$500,000) (2020: \$697,250 (US\$500,000)) held by the bank as security for a foreign exchange facility. The Company has not utilized the foreign exchange facility as at October 31, 2020 and April 30, 2020.

4. Short-term Investments

	As at October 31, 2020 (\$)	As at April 30, 2020 (\$)
Investment in ordinary shares of Yellow Cake plc		
Fair value, at the beginning of the period	30,456,461	28,508,793
Additions	167,836	998,583
Fair value adjustment due to foreign exchange rate change	(547,422)	193,272
Fair value adjustment due to share price change	(4,105,037)	755,813
Fair value, at the end of the period	25,971,838	30,456,461

Pursuant to an agreement between Yellow Cake plc ("Yellow Cake") and the Company, Yellow Cake granted the Company an option to acquire at market between US\$2.5 million and US\$10 million of tri-uranium octoxide ("U₃O₈") per year between January 1, 2019 and January 1, 2028, up to a maximum aggregate amount of US\$31.25 million worth of U₃O₈. Yellow Cake has also agreed to inform the Company of any opportunities for royalties, streams or similar interests identified by Yellow Cake with respect to uranium and the Company has an irrevocable option to elect to acquire up to 50% of any such opportunity alongside Yellow Cake, in which case the parties shall work together in good faith to pursue any such opportunities jointly. Further, the Company has agreed to inform Yellow Cake of potential opportunities that it identifies in relation to the purchase and taking delivery of physical U₃O₈ by the Company. Furthermore, the Company and Yellow Cake have agreed to, so far as it is commercially reasonable to do so, cooperate to identify potential opportunities to work together on other uranium related joint participation endeavors.

The ordinary shares of Yellow Cake are listed on Alternative Investment Market of the London Stock Exchange. During the three and six months ended October 31, 2020, the Company recognized a change in fair value of Yellow Cake's ordinary shares in an aggregate amount of \$4,489,887 and \$4,652,459 (2020: \$1,732,750 and \$4,399,608) and deferred income tax recovery of \$356,538 and \$378,485 (2020: \$Nil and \$250,358) in other comprehensive income, respectively.

Subsequent to October 31, 2020, the Company purchased additional Yellow Cake's ordinary shares for approximately \$560,000 (Note 13).

5. Royalties and Royalty Options

	Royalties (\$)	Royalty Options (\$)	Total (\$)
Balance, as at April 30, 2019	12,153,132	885,138	13,038,270
Additions	3,921,138	(760,138)	3,161,000
Foreign currency translation	(215,476)	-	(215,476)
Balance, as at October 31, 2019	15,858,794	125,000	15,983,794
Additions	10,483,038	-	10,483,038
Foreign currency translation	789,525	-	789,525
Balance, as at April 30, 2020	27,131,357	125,000	27,256,357
Foreign currency translation	(631,997)	-	(631,997)
Balance, as at October 31, 2020	26,499,360	125,000	26,624,360

	October 31, 2020 (\$)	April 30, 2020 (\$)
Diabase project	125,000	125,000
Langer Heinrich project	2,822,267	2,822,267
Anderson project	7,618,156	7,975,016
Slick Rock project	3,023,078	3,164,689
Workman Creek project	1,451,078	1,519,051
Church Rock project	778,461	814,926
Dewey-Burdock project	78,453	82,128
Lance project	78,366	82,037
Roca Honda project	164,414	172,116
Reno Creek project	299,723	313,763
Roughrider project	5,923,135	5,923,135
Michelin project	4,262,229	4,262,229
Total	26,624,360	27,256,357

The Company's royalties and royalty options are detailed below:

Diabase Project

On January 31, 2018, the Company entered into an agreement (the "Diabase Agreement") with Uranium Energy Corp. ("UEC"), Nuinsco Resources Limited ("Nuinsco") and Mrs. Isabelle Clark ("Mrs. Clark"), in which UEC acquired 100% of the Diabase property located in Saskatchewan, Canada from Nuinsco. UEC is a shareholder of the Company and has the ability to exercise significant influence over the Company.

Pursuant to the Diabase Agreement, the Company was granted an exclusive right to acquire 100% of the royalty held by Mrs. Clark in respect of the Diabase property (the "Diabase Option"). The Diabase Option, being an option to purchase a 3% gross revenues royalty on a portion of the Diabase property, may be exercised by the Company in its sole and absolute discretion by paying to Mrs. Clark:

- (i) \$125,000 at closing of the transaction (paid on February 7, 2018); and
- (ii) \$1,750,000 on or before the date that is four years after the closing of the transaction.

5. Royalties and Royalty Options (continued)

Anderson, Slick Rock and Workman Creek Projects

On August 20, 2018, the Company entered into a royalty purchase agreement with UEC in connection with the purchase of a one percent (1%) net smelter return royalty for uranium on UEC's Anderson project, Slick Rock project, and Workman Creek project. Pursuant to the royalty purchase agreement, the wholly owned subsidiary of the Company purchased the royalties by issuing 12,000,000 common shares of the Company (the "Consideration Shares") to UEC. The transaction was closed on December 4, 2018.

The Consideration Shares are subject to escrow provisions pursuant to the escrow agreements (Note 7.3) and contractual hold periods as set out in the royalty purchase agreement. As at October 31, 2020, the contractual hold periods will expire as follows:

- a) 4,000,000 common shares on December 11, 2020, and
- b) 4,000,000 common shares on June 11, 2021.

Langer Heinrich Project

On November 23, 2018, the Company entered into an agreement (the "Langer Heinrich Agreement") with Mega Uranium Ltd., a shareholder of the Company, and Mega Royalty Holdings Pty Ltd Acn 166 287 261 (collectively referred to as "Mega"), in which Mega granted an option (the "Langer Heinrich Option") to the Company to purchase a production royalty of Australian \$0.12 per kilogram of yellow cake produced from the Langer Heinrich uranium project in Namibia. The Company issued 750,000 common shares (the "Option Shares") to Mega in payment of the Langer Heinrich Option.

The Option Shares are subject to escrow provisions pursuant to the escrow agreements (Note 7.3) and contractual hold periods as set out in the Langer Heinrich Agreement. As at October 31, 2020, the contractual hold periods will expire as follows:

- a) 250,000 common shares on December 11, 2020, and
- b) 250,000 common shares on June 11, 2021.

During the year ended April 30, 2020, the Company exercised the Langer Heinrich Option by issuing 1,354,167 special warrants (the "Option SW") to Mega. On October 28, 2019, the Company issued 1,354,167 common shares as a result of the exercise of the Option SW. The common shares are subject to escrow provisions pursuant to the escrow agreements (Note 7.3).

Church Rock, Dewey-Burdock, Lance and Roca Honda Projects

On August 30, 2019, upon completion of an asset purchase agreement with Westwater Resources Inc. ("Westwater") the Company acquired a 4% net smelter return royalty on the Church Rock property, a 30% net proceeds royalty on a portion of the Dewey-Burdock property, a 4% gross revenues royalty on a portion of the Lance property, a 4% gross revenues royalty on a portion of the Roca Honda property and a convertible promissory note (the "Laramide Promissory Note") issued by Laramide Resources Ltd. to Westwater. The Laramide Promissory Note was fully settled on January 16, 2020.

Reno Creek Project

On December 10, 2019, the Company acquired a 0.5% net profit interest royalty on a portion of the Reno Creek property from a group of third parties. The Reno Creek property is wholly owned by UEC.

5. Royalties and Royalty Options (continued)

Roughrider Project

On December 10, 2019, the Company acquired a 1.97% net smelter return royalty for a total consideration of \$5.9 million, of which 50% was paid in cash and 50% was satisfied by the issuance of units of the Company (the "Units"), with each unit comprised of one common share and one Listed Warrant of the Company, at a price per Unit equal to the price offered in the IPO. The Company made a cash payment of \$2,955,150 and issued 1,969,964 Units at a price of \$1.50 per Unit for \$2,954,946. As at October 31, 2020, the Units which are subject to contractual hold periods will expire as follows:

- a) 492,491 common shares and 492,491 Listed Warrants on December 11, 2020,
- b) 492,491 common shares and 492,491 Listed Warrants on June 11, 2021, and
- c) 492,491 common shares and 492,491 Listed Warrants on December 11, 2021.

Michelin Project

On December 10, 2019, the Company acquired a 2% gross revenues royalty on the Michelin property for a total consideration of \$4.3 million from Altius Minerals Corporation and Altius Royalty Corp. (collectively referred to as "Altius"). The purchase consideration was satisfied by the issuance of Units of the Company at a price per Unit equal to the price offered in the IPO. The Company issued 2,833,332 Units at a price of \$1.50 per Unit for \$4,249,998. As at October 31, 2020, the Units which are subject to contractual hold periods will expire as follows:

- a) 708,333 common shares and 708,333 Listed Warrants on December 11, 2020,
- b) 708,333 common shares and 708,333 Listed Warrants on June 11, 2021, and
- c) 708,333 common shares and 708,333 Listed Warrants on December 11, 2021.

6. Government Loan Payable

On April 23, 2020, the Company received a loan of \$40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian businesses during the COVID-19 pandemic. The CEBA Loan has a maturity date on December 31, 2022 and may be extended to December 31, 2025. The CEBA Loan is unsecured, non-revolving and non-interest bearing prior to December 31, 2022. The CEBA Loan is subject to an interest rate of 5% per annum during any extended term, and is repayable at any time without penalty. If at least 75% of the CEBA Loan is repaid prior to December 31, 2022, the remaining balance of the CEBA Loan will be forgiven.

Uranium Royalty Corp.**URANIUM ROYALTY CORP**

Notes to Condensed Interim Consolidated Financial Statements
(Unaudited, expressed in Canadian dollars unless otherwise stated)

7. Issued Capital**7.1 Common Shares**

The authorized share capital of the Company is comprised of an unlimited number of common shares and unlimited number of preferred shares issuable in series without par value. The following outlines the movements of the Company's issued capital:

	Issued Capital	
	Number of Common Shares	Amount (\$)
Balance, as at April 30, 2019	41,594,938	30,052,484
Common shares issued upon exercise of special warrants	3,203,670	4,805,506
Balance, as at October 31, 2019	44,798,608	34,857,990
Initial public offering:		
Common shares issued for cash	20,000,000	24,755,245
Common shares issued on automatic exercise of qualifying special warrants	1,733,334	2,145,455
Agents' fees and issuance costs	-	(1,321,690)
Common shares issued to settle other payable	500,000	463,611
Common shares issued to acquire royalties (Note 5)	4,803,296	5,945,338
Balance, as at April 30, 2020 and October 31, 2020	71,835,238	66,845,949

Common shares subject to certain hold periods as at October 31, 2020 are set out as follows:

	Number of Common Shares
Common shares issued at \$0.10 per share	9,000,000
Common shares issued at \$0.25 per share	2,333,345
Common shares issued to acquire royalties and royalty options (Note 5)	12,102,472

The common shares issued pursuant to the subscription agreements at \$0.10 per share are subject to contractual hold periods as at October 31, 2020, which will expire as follows:

- a) one-third (1/3) on December 11, 2021,
- b) one-third (1/3) on June 11, 2022, and
- c) one-third (1/3) on December 11, 2022.

The common shares issued pursuant to the subscription agreements at \$0.25 per share are subject to contractual hold periods as at October 31, 2020, which will expire as follows:

- a) 1,166,655 common shares on December 11, 2020, and
- b) 1,166,690 common shares on June 11, 2021.

Common shares subject to escrow provisions (Note 7.3) as at October 31, 2020 are set out as follows:

	Number of Common Shares
Common shares issued in private placements	1,805,000
Common shares issued to UEC to acquire royalties	6,000,000
Common shares issued to Mega to acquire royalty option and upon exercise of Option SW	1,052,085

Uranium Royalty Corp.**URANIUM ROYALTY CORP**

Notes to Condensed Interim Consolidated Financial Statements
(Unaudited, expressed in Canadian dollars unless otherwise stated)

7. Issued Capital (continued)**7.2 Warrant Reserves**

The following outlines the movements of the Company's warrants and special warrants:

	Warrant Reserves		
	Number of Warrants	Number of Special Warrants	Amount (\$)
Balance, as at April 30, 2019	-	1,349,503	2,024,255
Special warrants issued at fair value of \$1.50 per warrant	-	2,233,334	3,350,001
Special warrants issued to acquire royalties	-	1,354,167	2,031,251
Common shares issued upon exercise of special warrants	-	(3,203,670)	(4,805,506)
Balance, as at October 31, 2019	-	1,733,334	2,600,001
Initial public offering:			
Listed warrants issued for cash	20,000,000	-	5,244,755
Listed warrants issued on automatic exercise of qualifying special warrants	1,733,334	(1,733,334)	(2,145,455)
Listed Warrants issued on exercise of over-allotment option	861,000	-	215,250
Agents' fees and issuance costs	-	-	(292,935)
Common share purchase warrants issued to settle other payable	500,000	-	195,089
Listed Warrants issued to acquire royalties (Note 5)	4,803,296	-	1,259,606
Balance, as at April 30, 2020 and October 31, 2020	27,897,630	-	7,076,311

Common share purchase warrants subject to certain hold periods are set out as follows:

	Number of Warrants
Listed Warrants issued to acquire royalties (Note 5)	3,602,472

7.3 Escrow Agreements

In connection with the completion of the IPO, the Company entered into escrow agreements (the "Escrow Agreements") with several directors and senior officers of the Company, Mega and UEC pursuant to the National Policy and the TSX-V Policy. As at October 31, 2020, the total number of common shares which remain subject to escrow provisions as set out in the Escrow Agreements is 8,857,085 common shares. Such common shares will be released from escrow as follows:

- a) 4,428,541 common shares on December 11, 2020, and
- b) 4,428,544 common shares on June 11, 2021.

7. Issued Capital (continued)**7.4 Long Term Incentive Plan**

The Company has adopted the long term incentive plan (the "LTIP") which provides that the Board of Directors may, from time to time, in its discretion, grant awards of restricted share units, performance share units, deferred share units, options and stock appreciation rights to directors, key employees and consultants. The LTIP is available to directors, key employees and consultants of the Company, as determined by the Board of Directors. The aggregate number of common shares issuable under the LTIP in respect of awards is equal to 15% of the common shares issued and outstanding.

So long as it may be required by the rules and policies of the TSX-V: (a) the total number of common shares issuable to any participant under the LTIP, at any time, together with common shares reserved for issuance to such participant under any other security-based compensation arrangements of the Company, shall not exceed 5% of the issued and outstanding common shares; (b) the total number of common shares issuable to insiders within any one-year period and at any given time under the LTIP, together with any other security-based compensation arrangement of the Company, shall not exceed 10% of the issued and outstanding common shares; and (c) the total number of common shares issuable to non-executive directors (excluding the Chair of the Board, if any) under the LTIP shall not exceed 3% of the issued and outstanding common shares.

The number of options to be granted, the exercise price(s) and the time(s) at which an option may be exercised shall be determined by the Board, in its sole discretion, provided that the exercise price of options shall not be lower than the exercise price permitted by the TSX-V, and further provided that the term of any option shall not exceed ten years. So long as it may be required by the rules and policies of the TSX-V: (a) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares in any twelve-month period to any one consultant or to persons conducting investor relations activities; and (b) the grant value of common shares issued or reserved for issuance pursuant to options granted under the LTIP to any one non-executive director (excluding the Chair of the Board, if any) plus the number of common shares that are reserved at that time for issue or are issuable to such non-executive director pursuant to any other security-based compensation agreement shall not exceed \$100,000 in any fiscal year, calculated by the Company as of the grant date. All options granted under the LTIP to persons providing investor relations activities will vest and become exercisable over a period of not less than twelve months, with no more than one quarter of such options vesting and becoming exercisable in any three month period.

No share-based awards have been granted by the Company during the three and six months ended October 31, 2020 and 2019.

8. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements and future acquisitions of royalties and royalty options, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, debt, acquire or dispose of assets or adjust the amount of cash.

At October 31, 2020, the Company's capital structure consists of the equity of the Company (Note 7). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

9. Financial Instruments

At October 31, 2020, the Company's financial assets include cash and cash equivalents, restricted cash and short-term investments. The Company's financial liabilities include accounts payable and accrued liabilities and government loan payable. The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table sets forth the fair value measurement hierarchy of the Company's financial assets and liabilities. Those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement. The carrying amounts of the Company's financial assets and liabilities equal to their fair values at the end of the reporting period.

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
October 31, 2020				
Financial Assets				
Cash and cash equivalents	11,243,034	-	-	11,243,034
Restricted cash	721,050	-	-	721,050
Short-term investments	25,971,838	-	-	25,971,838
Financial Liabilities				
Government loan payable	-	40,000	-	40,000
April 30, 2020				
Financial Assets				
Cash and cash equivalents	11,837,162	-	-	11,837,162
Restricted cash	752,250	-	-	752,250
Short-term investments	30,456,461	-	-	30,456,461
Financial Liabilities				
Government loan payable	-	40,000	-	40,000

9.1 Financial risk management objectives and policies

The financial risk arising from the Company's operations are credit risk, liquidity risk, commodity price risk, interest rate risk, currency risk and other price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

9.2 Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances. The Company mitigates credit risk associated with its bank balance by holding cash and cash equivalents and restricted cash with large, reputable financial institutions.

9. Financial Instruments (continued)**9.3 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The directors of the Company are of the opinion that, taking into account the Company's current cash reserves, it has sufficient working capital for its present obligations for at least the next twelve months commencing from October 31, 2020. The Company's working capital as at October 31, 2020 was \$37,700,641. The Company's accounts payable and accrued liabilities are expected to be realized or settled, respectively, within a one-year period.

9.4 Commodity price risk

The Company's future profitability will be dependent on the royalty income to be received from mine operators. Royalties are based on a percentage of the minerals or the products produced, or revenue or profits generated from the property which is typically dependent on the prices of the minerals the property operators are able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and demand.

9.5 Interest rate risk

The Company's exposure to interest rate risk arises from the impact of interest rates on its cash and guaranteed investment certificates, which bear interest at fixed or variable rates. The interest rate risks on the Company's cash and cash equivalents and restricted cash balances are minimal.

9.6 Currency risk

Financial instruments that impact the Company's net loss or other comprehensive income due to currency fluctuations include short-term investments denominated in UK pound sterling and cash and cash equivalents and restricted cash denominated in U.S. dollars. The impact of a Canadian dollar change against UK pound sterling on short-term investments by 10% at October 31, 2020 would have an impact, net of tax, of approximately \$2,247,000 on other comprehensive income. The impact of a Canadian dollar change against U.S. dollars on cash and cash equivalents and restricted cash by 10% would have an impact of approximately \$270,000 on net loss for the six months ended October 31, 2020.

9.7 Other price risk

The Company is exposed to equity price risk as a result of holding investments in other mining companies. The Company does not actively trade these investments. The equity prices of these investments are impacted by various underlying factors including commodity prices. Based on the Company's short-term investments held as at October 31, 2020, a 10% change in the equity prices of these investments would have an impact, net of tax, of approximately \$2,247,000 on other comprehensive income.

10. Related Party Transactions**10.1 Related Party Transactions**

During the three and six months ended October 31, 2020, the Company incurred \$1,140 and \$2,280 (2020: \$9,775 and \$9,775) in general and administrative expenses related to website design and website hosting services provided by a company controlled by a direct family member of the Company's Chairman. The amount payable to such related party of \$Nil (April 30, 2020: \$1,319) is included in accounts payable and accrued liabilities as at October 31, 2020.

Related party transactions are based on the amounts agreed to by the parties. During the three and six months ended October 31, 2020 and 2019, the Company did not enter into any contracts or undertake any commitment or obligation with any related parties other than as described herein and in Note 5.

10.2 Transactions with Key Management Personnel

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity. The remuneration of directors and key management, for the three and six months ended October 31, 2020 and 2019, comprised of:

	For the three months ended October 31,		For the six months ended October 31,	
	2020	2019	2020	2019
	(\$)	(\$)	(\$)	(\$)
Scott Melbye - Chief Executive Officer ⁽¹⁾	33,780	19,746	64,948	19,746
Scott Melbye - Former Chairman ⁽²⁾	-	19,956	-	59,904
Philip Williams - Former Chief Executive Officer ⁽³⁾	-	39,962	-	157,494
Josephine Man - Chief Financial Officer ⁽⁴⁾	19,125	31,767	36,000	84,458
Amir Adnani - Chairman ⁽⁵⁾	22,500	-	42,000	-
Independent directors ⁽⁶⁾	8,274	-	19,524	-
Total	83,679	111,431	162,472	321,602

⁽¹⁾ Management fee of \$33,780 and \$64,948 (2020: \$19,746 and \$19,746) for the three and six months ended October 31, 2020 represented salaries and other expenses incurred for services provided by a company controlled by Scott Melbye, who is the President, Chief Executive Officer and a director of the Company, respectively.

⁽²⁾ Chair fee of \$Nil and \$Nil (2020: \$19,956 and \$59,904) for the three and six months ended October 31, 2020 was charged by a company controlled by Scott Melbye, in his capacity at such time as the Chairman and as a member of the Company's Advisory Committee, respectively.

⁽³⁾ Management fee of \$Nil and \$Nil (2020: \$39,962 and \$157,494) for the three and six months ended October 31, 2020 represented salaries and other expenses incurred for services provided by a company controlled by Philip Williams, who was the President, Chief Executive Officer and a director of the Company until October 2019, respectively.

⁽⁴⁾ Management fee of \$19,125 and \$36,000 (2020: \$31,767 and \$84,458) for the three and six months ended October 31, 2020 represented salaries and other expenses for services provided by a company controlled by Josephine Man, the Company's Chief Financial Officer, respectively.

⁽⁵⁾ Chair fee of \$22,500 and \$42,000 (2020: \$Nil and \$Nil) for the three and six months ended October 31, 2020 was charged by a company controlled by Amir Adnani, the Chairman of the Company, respectively.

⁽⁶⁾ Consisted of independent directors' fees. The amount payable to independent directors of \$774 (April 30, 2020: \$30,000) is included in the accounts payable and accrued liabilities as at October 31, 2020.

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Notes to Condensed Interim Consolidated Financial Statements
(Unaudited, expressed in Canadian dollars unless otherwise stated)

11. Operating Segments

The Company conducts its business as a single operating segment, being the acquiring and assembling a portfolio of royalties and investing in companies with direct exposure to uranium. Except for the short-term investments in Yellow Cake which is located in the United Kingdom, the royalties on uranium projects located in the United States and Namibia, substantially all of the Company's assets and liabilities are held within Canada.

12. Commitments

The Company has no material commitments as at October 31, 2020.

13. Subsequent Events

There were no material subsequent events after October 31, 2020 other than those disclosed in Note 4.