LunR Royalties to Acquire a Life-of-Mine Silver Stream on the Fruta Del Norte Mine for $670 Million

All dollar figures in US$ unless otherwise noted

VANCOUVER, BC, Feb. 22, 2026 /CNW/ - **LunR Royalties Corp. ("LunR", "LunR Royalties", or the "Company")**(TSXV: LUNR) is pleased to announce that it has entered into a binding term sheet (the "Term Sheet") dated February 22, 2026 with Lundin Gold Inc. ("Lundin Gold" or "LUG") (TSX: LUG) to acquire a life-of-mine ("LOM") silver stream (the "Stream" or the "Transaction") on the Fruta Del Norte gold mine ("FDN") in Ecuador, owned and operated by Lundin Gold.

The Stream will initially encompass 100% of FDN's payable silver production with staged reductions, once certain delivery thresholds have been met. As consideration, LunR will issue approximately 50.5 million shares (the "Consideration Shares") to Lundin Gold, having a value of approximately $670 million based on the 20-day volume weighted average price ("VWAP") of the Company's shares on the TSX Venture Exchange ("TSXV") of C$18.18 as of February 20, 2026. Upon closing of the Transaction, and subject to compliance with all applicable laws, Lundin Gold will distribute the Consideration Shares to its shareholders as a dividend in kind and will not hold any common shares of the Company following completion of such distribution.

President, CEO & Chair, Adam Lundin, commented:

"This is a transformational acquisition that will provide LunR with significant cash flow upon closing, and long-term exposure to a high-quality precious metals asset. Life-of-mine, uncapped streams on premier operations are rare and this transaction establishes LunR as a leading competitor in the space. FDN has significant exploration upside, and the Stream structure will allow LunR to surface value from Lundin Gold's continued success for years to come. Based on today's share prices, LunR is poised to become the sixth-largest precious metals royalty and streaming company globally upon closing. Adding this cornerstone silver stream to our existing portfolio strengthens our foundation to continue to grow in a disciplined manner."

The closing of the Transaction and issuance of the Consideration Shares are subject to, among other things, the execution of a definitive silver purchase agreement.

Upon closing, LunR will welcome Newmont Corporation ("Newmont") (NYSE: NEM), one of the world's largest gold miners, as a new major shareholder. Concurrently, LunR intends to appoint a representative from Newmont to its board of directors. Newmont holds an approximate 32% interest in Lundin Gold and is expected to have greater than 10% ownership in LunR following Lundin Gold's distribution of the Consideration Shares.

Transaction Highlights:

- **Adds Immediate Cash Flow and Exposure to a Third Tier 1 Asset to LunR's Portfolio:** FDN is one of the world's lowest cost major gold mines, forecasted to produce 475,000 to 525,000 ounces of gold[1] and 500,000 to 600,000 ounces of payable silver in 2026.[2]
- **Establishes LunR as an Intermediate Precious Metals Royalty & Streaming Company:** The Stream will transform LunR into a precious metals weighted company, while the added scale and cash flow of the pro-forma company will increase LunR's competitiveness as it pursues future growth.
- **Stream Benefits from a Long Reserve Life with History of Extension:** Lundin Gold has consistently delivered Mineral Reserve growth and replacement of depletion since FDN achieved commercial production in 2020.
- **Near-Term Mill Expansion Opportunity to Boost Silver Production:** Lundin Gold is evaluating the potential to increase the mill capacity beyond the current 5,500 tpd throughput, with a decision expected in H2 2026[3].
- **Successful Exploration Programs Delineate Higher Silver Grades:** The silver grade of FDN's Measured and Indicated Mineral Resources at year-end 2025 increased by 1.3% over the 2024 update, while the silver grade of Inferred Mineral Resources at year-end 2025 increased by 26.4% over the 2024 statement on the back of higher grades encountered in more recent drilling at FDN South[4].

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1 See Lundin Gold's February 19, 2026 press release
2 See Lundin Gold's February 22, 2026 press release
3 See Lundin Gold's February 19, 2026 press release.
4 See Lundin Gold's February 17, 2026 press release.

Key Terms of the Transaction:

- **Upfront Consideration:** LunR will issue 50,505,051 Consideration Shares to Lundin Gold on closing of the Transaction, having a value of approximately $670 million based on the 20-day VWAP of the Company's common shares on the TSXV as of February 20, 2026, subject to the satisfaction of certain conditions as described below.
- **Effective Date:** The Stream will be effective as of March 1, 2026, with the first delivery of silver to be made following the closing of the Transaction.
- **Streamed Metal:** LunR will purchase 100% of the payable silver production of FDN until 12,200,000 ounces have been delivered (the "First Dropdown Threshold"); LunR will then purchase 50% of FDN's payable silver until an additional 7,800,000 ounces have been delivered (the "Second Dropdown Threshold"); and thereafter, LunR will purchase 7.5% of the payable silver for the remaining LOM.
- **Ongoing Payments:** LunR will make payments equal to 10% of the spot price of silver at the time of each delivery for ounces delivered up to the First Dropdown Threshold; payments will then increase to 20% of the spot price for deliveries up to the Second Dropdown Threshold; and thereafter, payments will increase to 30% of the spot price for the remaining LOM.
- **Stream Area:** All mining concessions related to Fruta del Norte's operations, totalling approximately 5,566 ha, are subject to the Stream. The Stream Area contains all Mineral Reserves and Mineral Resources defined to date as well as the five copper-gold-silver porphyry discoveries that are in early stages of exploration.
- **Distribution of the Share Consideration:** Subject to satisfactory completion of the closing conditions, Lundin Gold will distribute the Consideration Shares to its shareholders as a dividend-in-kind upon closing of the Transaction (the "Distribution"). Lundin Gold will not hold any common shares of the Company following completion of the Distribution. Additional important detail is provided below.
- **Closing Conditions:** The Transaction is expected to close in Q2 2026 and remains conditional upon, among other things, completion of due diligence by the parties, execution of a definitive silver purchase agreement and other ancillary agreements in connection with the Transaction (including an agreement in respect of the Distribution), approval by the boards of the Company and Lundin Gold, approval of the TSXV, approval of the Company's shareholders in accordance with MI 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and the policies of the TSXV, the Company being issued a final receipt for a prospectus qualifying the distribution of the Consideration Shares to Lundin Gold, and other customary conditions for a transaction of this nature.

The Fruta Del Norte Gold Mine

The Fruta del Norte gold mine in southeast Ecuador is one of the highest-grade, lowest cost operating gold mines in the world. Lundin Gold acquired the asset in late 2014, began construction in July 2017, poured first gold in November 2019, and declared commercial production in February 2020, ahead of schedule.

FDN is an underground mine targeting high-grade intermediate sulphidation epithermal gold and silver mineralization. The mine uses longhole open stoping and drift-and-fill mining methods with paste backfill. The process plant has been expanded several times since production began in 2019 to reach the current 5,500 tpd throughput. The plant uses a conventional gravity-flotation-cyanidation process to produce gold and silver in doré and concentrate.

FDN's Proven & Probable Mineral Reserves total 25.7 million tonnes grading 7.09 grams per tonne ("g/t") gold and 10.77 g/t silver, containing 5.8 million ounces of gold and 8.9 million ounces of silver. Measured and Indicated Mineral Resources total 32.6 million tonnes grading 7.13 g/t gold and 11.18 g/t silver, containing 7.5 million ounces of gold and 11.7 million ounces of silver, inclusive of Mineral Reserves. Inferred Mineral Resources total 10.2 million tonnes grading 6.2 g/t gold and 15.4 g/t silver containing 2.0 million ounces of gold and 5.1 million ounces of silver. The 2014 CIM Definitions Standards on Mineral Resources and Reserves and the 2019 CIM Best Practice Guidelines were followed, and the Mineral Reserves and Mineral Resources have an effective date of December 31, 2025[5].

Significant near-mine exploration potential has been demonstrated by the expansion of the main FDN epithermal system and the discoveries of the FDN South, FDN East, and Bonza Sur epithermal systems within the same corridor. More recently, Lundin Gold has made discoveries of large-scale copper-gold-silver porphyry systems that surround the epithermal corridor to the north, east and south of Fruta del Norte. A major near-mine exploration program has been announced for 2026, targeting 100,000 m of drilling with a budget of US$56 million[6].

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5 See additional notes and disclosures in Lundin Gold's press release dated February 17, 2026.

6 See Lundin Gold's corporate presentation, available on its website at www.lundingold.com.

7 Based on Lundin Gold's annual reporting and supplementary information received from management.

For more information on FDN, visit Lundin Gold's website at www.lundingold.com.

LunR Board of Directors and Special Committee Recommendations

A special committee of independent directors of LunR (for purposes of MI 61-101) (the "Special Committee") unanimously

recommended that the Board of Directors of LunR (the "LunR Board") approve the Transaction on the terms set forth in the Term Sheet, including the issuance of the Consideration Shares to Lundin Gold, the entering into of the Term Sheet and the negotiation and settlement of definitive documentation.

The LunR Board has evaluated the Term Sheet with the Company's management and advisors and following the receipt and review of the unanimous recommendation from the Special Committee, the LunR Board unanimously approved the Transaction on the terms set forth in the Term Sheet, including the issuance of the Consideration Shares to Lundin Gold, the entering into of the Term Sheet and the negotiation and settlement of definitive documentation on terms materially consistent with the Term Sheet (subject to certain directors declaring a conflict and abstaining from voting on the matter).

BMO Capital Markets acted as financial advisor to the Special Committee and provided a fairness opinion that as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the Consideration to be paid by the Company pursuant to the Transaction is fair, from a financial point of view, to the Company.

The Transaction on the terms set forth in the Term Sheet and the entering into of the Term Sheet have also been unanimously approved by the Board of Directors of Lundin Gold (other than those declaring an interest and abstaining), upon the unanimous recommendation of Lundin Gold's special committee of independent directors.

Additional Detail on the Issuance of Consideration Shares

As Lundin Gold and LunR are "related parties" within the meaning of MI 61-101, the Transaction, including the issuance of the Consideration Shares to Lundin Gold, constitutes a "related party transaction" and requires the approval of a simple majority of votes cast by LunR shareholders, excluding votes from certain shareholders (the "MI 61-101 Approval") at a special meeting expected to be held to consider the Transaction (the "Special Meeting"). The Company and Lundin Gold are also considered non-arm's length parties in accordance with the policies of the TSXV.

In addition, the Transaction is subject to the approval of the TSXV, which such approval also requires the Company to obtain the approval of a simple majority of votes cast by disinterested shareholders of the Company at the Special Meeting in accordance with the policies of the TSXV (together with the MI 61-101 Approval, the "Shareholder Approval"). Additional details will be set forth in the Company's management information circular to be mailed to shareholders in connection with the Special Meeting. The Transaction is not subject to approval by Lundin Gold's shareholders.

The Company will file a short form prospectus (the "Prospectus"), subject to clearance by the British Columbia Securities Commission, to qualify the distribution of the Consideration Shares to Lundin Gold. Receipt of the requisite Shareholder Approval and the approval of the TSXV and the filing of, and being issued a final receipt for, the Prospectus are conditions precedent to the completion of the Transaction.

Distribution of Consideration Shares by Lundin Gold

Subject to satisfactory completion of the closing conditions of the Transaction, as soon as reasonably practicable following the issuance of the Consideration Shares to Lundin Gold on closing of the Transaction, Lundin Gold will distribute the Consideration Shares to its shareholders as a dividend in kind. The Consideration Shares will not be distributed to Lundin Gold shareholders in the United States or in any other jurisdiction where such distribution would be restricted or prohibited by applicable law or where the Distribution would require the filing of a prospectus, registration statement or similar document by either Lundin Gold or LunR. Instead, the Consideration Shares that would otherwise be distributed to such Lundin Gold shareholders will be sold on their behalf, and they will receive a cash payment equal to the net proceeds of such sale. Lundin Gold will not hold any common shares of the Company and will not be a "control person" of the Company in accordance with the policies of the TSXV, following completion of the Distribution.

In accordance with the Term Sheet, the Company will cooperate with, and assist Lundin Gold in effecting the Distribution in compliance with applicable laws.

Further details on the distribution structure, tax impacts, and timing will be provided as the Transaction terms advance and definitive agreements are negotiated.

Qualified Person

Connor Mackay, P.Eng., the Company's Chief Financial Officer, is a Qualified Person as defined by National Instrument 43-101, and has reviewed and approved the scientific and technical information in this news release.

About LunR Royalties Corp.

LunR Royalties is an emerging royalty and streaming company based in Canada, focused on building and managing a portfolio of high-quality mining royalty and stream interests to create meaningful and lasting value for stakeholders.

LunR was spun-out of NGEx Minerals Ltd. ("NGEx"), whose common shares trade on the TSX under the symbol "NGEX", with net smelter return ("NSR") royalties on the Lunahuasi and Los Helados projects, located in the Vicuña District of Argentina and

Chile. LunR holds a 1.00% NSR royalty on Lunahuasi and a 1.38% NSR royalty on Los Helados.

The spin-out was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*, which became effective on October 23, 2025.

Additional information relating to LunR or NGEx may be obtained or viewed on SEDAR+ at www.sedarplus.ca.

About Lundin Gold Inc.

Lundin Gold, headquartered in Vancouver, Canada, owns the Fruta del Norte gold mine in southeast Ecuador. Fruta del Norte is among the highest-grade operating gold mines in the world.

Lundin Gold's board and management team have extensive expertise and are dedicated to operating Fruta del Norte responsibly. The company operates with transparency and in accordance with international best practices. Lundin Gold is committed to delivering value to its shareholders through operational excellence and growth, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact. Furthermore, Lundin Gold is focused on continued exploration on its extensive and highly prospective land package to identify and develop new resource opportunities to ensure long-term sustainability and growth for the Company and its stakeholders.

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Additional Information

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The information contained in this news release was accurate at the time of dissemination but may be superseded by subsequent news release(s). The Company is under no obligation, nor does it intend to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

This news release does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction. The Consideration Shares will not be distributed in any jurisdiction, including the United States, if an offer, a solicitation of an offer to buy, an issuance or a sale of the Consideration Shares would be unlawful absent registration or qualification under the securities laws of any such jurisdiction. Any public offering of securities to be made in the United States can only be made pursuant to an effective registration statement. The Consideration Shares have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and Lundin Gold has no obligation or intention of filing such a registration statement in connection with the Distribution of the Consideration Shares. Lundin Gold shareholders who are resident in any jurisdiction where the issuance of the Consideration Shares would be unlawful absent registration or qualification under the securities laws of any such jurisdiction, including Lundin Gold shareholders who are resident in the United States, will not be entitled to participate in the Distribution of the Consideration Shares and will instead receive net cash proceeds from the sale of the Consideration Shares to which they would have otherwise been entitled.

Cautionary Note Regarding Forward-Looking Statements

Certain statements made and information contained herein in the news release constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information"). All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to, statements regarding: the expected benefits of the Transaction, the terms and conditions of the Transaction, the appointment of new directors to the board of directors of the Company following completion of the Transaction, the execution of definitive agreements in respect of the Transaction, the completion of the Transaction substantially on the terms of the Term Sheet or at all, the anticipated timing for completion of the Transaction, the issuance of the Consideration Shares to Lundin Gold, the receipt of all required approvals for the Transaction, including regulatory and shareholder approvals, the filing of, and issuance of a final receipt for, the Prospectus by the Company, the anticipated Distribution including the receipt of cash proceeds from the sale of the Consideration Shares which Lundin Gold shareholders would have otherwise been entitled to in the Distribution, the number of common shares of the Company to be received by Newmont following the Distribution, the satisfaction or waiver of all conditions precedent to the completion of the Transaction, forecasted production at FDN, Mineral Reserve and Mineral Resources estimates for FDN, including Mineral Reserve growth and replacement of

depletion, the contemplated mill expansion at FDN and exploration and development plans at FDN. Generally, this forward-looking information can frequently, but not always, be identified by use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "budgets", "assumes", "strategy", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof.

Forward-looking statements are subject to known and unknown risks and uncertainties, including risks related to the ability of the Company and Lundin Gold to execute definitive agreements in respect of the Transaction and complete the Transaction substantially on the terms offset forth in the Term Sheet or at all, the receipt of all requisite approvals in connection with the Transaction, including regulatory and shareholder approvals and the issuance of a final receipt for the Prospectus from the British Columbia Securities Commission, the ability of Lundin Gold to distribute the Consideration Shares to its shareholders, the ability of Lundin Gold to sell the Consideration Shares which Lundin Gold shareholders would have otherwise been entitled to in the Distribution for cash proceeds, the impact of general business and economic conditions, the absence of control over the mining operations at FDN from which the Company will purchase silver from, and risks related to those mining operations, including risks related to international operations, government and environmental regulation, actual results of current exploration and development activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, risks in the marketability of minerals, fluctuations in the price of silver and other commodities, fluctuation in foreign exchange rates and interest rates, stock market volatility and those described in the "Risk Factors" section of the Company's TSXV Form 2B – Listing Application dated December 16, 2025, which is available on SEDAR+ at www.sedarplus.ca under the Company's profile.

The forward-looking information contained in this news release is based on information available to the Company as at the date of this news release. Except as required under applicable securities legislation, the Company does not undertake any obligation to publicly update and/or revise any of the forward-looking information included, whether as a result of additional information, future events and/or otherwise. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

SOURCE LunR Royalties Corp.

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https://lunrroyalties.mediaroom.com/2026-02-22-LunR-Royalties-to-Acquire-a-Life-of-Mine-Silver-Stream-on-the-Fruta-Del-Norte-Mine-for-670-Million