



EMPRESS ROYALTY CORP.

Management's Discussion and Analysis – Quarterly Highlights
For the Year Ended December 31, 2024

Management's discussion and analysis, quarterly highlights ("MD&A") for Empress Royalty Corp. ("Empress" or the "Company") are intended to provide the reader with a review of the factors that affected our performance during the periods presented, including matters that have affected reported operations, and matters that are reasonably likely based on management's assessment to have a material impact on future operations and results.

The information contained in this MD&A for the year ended December 31, 2024 and up to the date of this MD&A should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2024 and 2023, and the notes thereto, and the accompanying MD&A for the prior fiscal year. The information contained within this MD&A is as of February 27, 2025.

All financial information in this MD&A is derived from the Company's Financial Report prepared in accordance with IFRS Accounting Standards and all dollar amounts are expressed in United States ("US") dollars unless otherwise indicated.

BUSINESS OVERVIEW

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

BUSINESS STRATEGY

Empress is an investment company focused on creating gold and silver metal purchase agreements ("**Streams**"), net smelter return ("**NSR**") royalties, gross value return royalties, net profit interests, gross proceeds royalties, and acquiring non-operating interests in mining projects that provide the right to the holder of a percentage of the gross revenue from metals produced from the project or a percentage of the gross revenue from metals produced from the project after deducting specified costs, respectively.

Empress focuses the majority of its resources on investing in the creation of precious metals royalty or streaming opportunities with small to mid-tier producing or development stage mining companies, where immediate or near-term revenue can be generated. In very limited cases, Empress may invest in new grass roots royalties.

In summary, the Company holds investments in certain phases of mining projects, including:

1. **Producing mines:** Producing mines are already in operation and historic data is available to provide a high level of confidence on the forward-looking projections for the mine. The Company's Sierra Antapite, Galaxy, Tahuehueto, and Manica investments (as defined below) fit into this category.

2. Development or near-term production projects: In near-term production projects, the geologic risk has been reduced and studies have been completed confirming the viability of the project to be a profitable producing mine within the next 24 months. The risk for near-term production projects is substantially reduced compared to grassroots projects, however, risks with respect to near-term production projects include uncertainty of funding to meet forecasted production levels. The Company's Pinos investment (as defined below) fits into this category.

The Company's focus is near-term and producing mines and target investments ranging in size from \$500,000 to \$25,000,000. Empress' strategy is to continue expanding the portfolio with globally diversified assets and is evaluating projects with aligned investment criteria including appropriate target sizes for risk mitigation, jurisdiction, and company stage. The Empress management team and strategic advisors have a global reach and have identified multiple investment opportunities. To finance the execution of such royalty and streaming investments, Empress has undertaken and may undertake future financings through debt financing, equity financing or other means. As the Company grows its portfolio and revenue stream, it expects to fund future investments by cash flow and generate free cashflow to pay dividends.

HIGHLIGHTS

During the year ended December 31, 2024, the Company earned a total stream and royalty revenue of \$8,015,168 (2023 - \$3,522,262) and recorded cost of sales of \$1,175,658 (2023 - \$353,841), excluding depletion. The following provides further breakdown by investment:

- During the year ended December 31, 2024, the Company earned stream revenue of \$1,603,005 (2023 – \$1,544,861) and recorded cost of sales of \$320,601 (2023 – \$308,976) from the gold stream agreement on the Sierra Antapite mine in Peru.
- During the year ended December 31, 2024, the Company earned stream revenue of \$3,823,510 (2023 – \$223,912) and recorded cost of sales of \$764,702 (2023 – \$44,865) from the silver stream agreement on the Tahuehueto mine in Mexico.
- During the year ended December 31, 2024, the Company earned royalty revenue of \$2,136,880 (2023 - \$1,753,489) from the royalty agreement on gold from the Manica gold project in Mozambique.
- During the year ended December 31, 2024, the Company earned stream revenue of \$451,773 (2023 – \$nil) and recorded cost of sales of \$90,355 (2023 – \$nil) from the gold stream agreement on the Galaxy mine in South Africa.
- On December 5, 2023, the Company entered into a \$28,500,000 Accordion Credit Facility (the "Credit Facility") with Nebari Gold Fund 1, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "Nebari"), an arm's length party. The Credit Facility replaced the previous \$15,000,000 Nebari Facility. The Credit Facility bears interest at a rate of 7.5% per annum plus 3-month Term SOFR (3.5% floor). An arrangement fee of 2.0% of each draw made under the Credit Facility is payable on closing, of such draw, together with reimbursement of Nebari's costs for each draw made. In addition, an original issue discount (the "OID") of 4.25% is applicable to all loans made under the Credit Facility. The Credit Facility is secured against the existing investment assets of the Company. The Initial Loan has a term of three years, and any additional draws under the Accordion Feature will have a term of three years from that date of drawdown.

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

- On February 27, 2024 the Company closed a US\$5,000,000 metal purchase and sale agreement with Galaxy Gold Reefs (Pty) Ltd., a subsidiary of Golconda, and Golconda and certain of its affiliates, for payable gold production from the Galaxy mine in South Africa. The investment is based on 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first payment was made. The purchase price for the payable gold delivered pursuant to the agreement is 20% of the gold spot price.
- The investment was funded by the Company's Accordion Credit Facility with Nebari. The Company drew \$5,000,000 from the accordion facility. An OID of 4.25% applicable to all loans made under the Credit Facility resulted in the principal being \$5,221,932. In accordance with the terms of the Credit Facility, the Company issued 5,000,000 common share purchase bonus warrants to Nebari. Each bonus warrant exercisable at \$0.31 and is exercisable into one common share of the Company for a period of three years from the drawdown date.
- On August 13, 2024, the Company reached an agreement with Luca and certain of its affiliates to amend the April 14, 2021 streaming agreement and the first amended agreement from May 1, 2023. The second amendment introduced a revised payment schedule which will bring Luca fully up-to-date with its payment obligations under the agreement. Regular deliveries of silver ounces as provided for under the agreement are deemed to have recommenced effectively July 1, 2024.

Corporate Matters:

- On January 15, 2024, the Company granted 500,000 stock options to the Vice President of Corporate Development of the Company exercisable at a price of C\$0.35 until January 15, 2029. The options granted vest one-third on date of grant, one-third 12 months from grant date, and one-third 24 months from grant date.
- On May 1, 2024 the Company granted 200,000 stock options to the former Vice President of Investor Relations of the Company exercisable at a price of C\$0.35 until May 1, 2029. As of the day of this MD&A the vested options expired unexercised and the balance were cancelled.
- During the period ended December 31, 2024, 375,000 shares were issued on settlement of vested Restricted Share Units ("RSUs").

ROYALTY AND STREAM INTERESTS

Sierra Antapite Stream, Peru

Empress structured and entered into a stream agreement with Sierra Sun Group (“Sierra Sun”), a private corporation, in respect of its Sierra Antapite producing gold mine located in Peru in July 2021. The Company purchased an amount of gold equal to 2.25% of the payable gold production in return for upfront cash consideration of \$5,000,000 plus an additional amount for each ounce delivered equal to 20% of the prevailing market price. Subsequently, in both October 2021 and December 2021, the Company agreed to purchase an additional 1.125% of the payable gold production in exchange for upfront cash of \$2,500,000 each time. As such, the Company receives a total of 4.5% of payable gold production until 11,000 oz have been delivered, thereafter dropping to 1% for the life of mine. As of December 31, 2024, Sierra Antapite has delivered 2,306 oz of gold to Empress since the inception of the stream in July 2021.

The Sierra Antapite mine is located in Huaytara province, department Huancavelica, Peru. It is classified as a vein-hosted low sulphidization epithermal deposit and has been operated by Peruvian management and shareholders since December 2016 when the mine was purchased from Buenaventura. Based on Sierra Antapite management's internal assessment and long-term planning, the mine has more than a five-year mine life at a rate of 1,000 tonnes per day.

On May 2, 2023, the Company announced based on recent reports provided by Sierra Sun that gross mine production, before the Empress stream, averaged 1,050 oz per month during the first half of 2021 and since the full stream has been in place, they have increased their production and produced in average 1,250 oz per month during the year ended December 31, 2024. This increase from July 2021 to September 2024 is in large part due to the stream proceeds to optimize the plant and increase underground mine development. Since the investment in July 2021, the mill feed tonnage per month has increased by 14%, the gold grades by 16% and metallurgical recovery has increased by 5% as reported by Sierra Sun

Tahuehueto Stream, Mexico

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

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

On August 13, 2024, the Company reached an agreement with Luca and certain of their affiliates to amend the April 14, 2021 agreement and the first amended agreement from May 1, 2023. The second amendment

introduced a revised payment schedule which will bring Luca fully up-to-date with its payment obligations under the agreement. Regular silver ounces deliveries as provided for under the agreement are deemed to have recommenced effectively July 1, 2024.

The following are the key terms under the agreement:

- The delivery by Luca to Empress of refined silver valued at US\$150,000 by August 16, 2024, (received) plus an additional US\$300,000 worth of refined silver no later than August 31, 2024 (received);
- Within fourteen business days from the earlier of August 31, 2024 or the date on which Luca completes its next equity financing, the issuance to Empress of the equivalent of US\$150,000 in common shares of Luca or payment in cash (payment was received in cash); and
- Commencing October 31, 2024, and continuing monthly in 12 equal instalments, the delivery by Luca to Empress of the number of ounces of refined silver as is equal to 45,085 ounces of refined silver. As at December 31, 2024 the Company has received 7,514 ounces of refined silver.

On February 5, 2025, Luca announced target throughput at Tahuehueto. Luca reported the commissioning of the mine has been progressing well and is nearing completion. Throughput at the Tahuehueto mill has started to stabilize at the 1,000 tpd level. In the month of January 2025, even with a planned shutdown of greater than one week (consisting of testing and commiserate adjustments), the mill processed over 24,700 tonnes of ore. In preparation for commercial production, the Company is working to ensure sufficient parts and commodity supply redundancy is in place for its operations through purchasing and stocking a new warehouse now under construction on site.

Manica Royalty, Mozambique

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

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

Manica is located in the Odzi-Mutare-Manica Greenstone Belt of Mozambique and comprises several deposits on Xtract Resources Plc’s (“Xtract”) mining concession licence 3990C which includes four main deposits being Fair Bride, Guy Fawkes, Boa Esperanza, and Dots Luck. MMP and Xtract have entered into a collaboration and profit-share arrangement whereby MMP will build, finance, and operate a carbon-in-leach plant to process ore mined from Xtract’s concession. As reported in the Company’s news release on July 13, 2023, ore throughput has grown by 11% per month, grades have averaged 1.6 g/t, metallurgical recovery has risen to ~90%, and gold recovered has increased by 17% per month since production started in July 2022.

Galaxy Stream, South Africa

In November 2023, Empress completed the execution of a gold stream agreement on the Galaxy gold mine (“Galaxy”) in South Africa owned and operated by Golconda Gold Ltd (TSXV:GG) (“Golconda”). The Company purchased an amount of gold equal to 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first payment was made. The initial upfront cash consideration paid by Empress was \$5,000,000 and the ongoing purchase price for the payable gold delivered pursuant to the agreement is 20% of the gold spot price.

The stream is registered and secured against the mine. The stream was closed and funded on February 26, 2024. The mine will use Empress’ investment to purchase underground equipment and carry out development to maximise mill throughput and drive production ounces higher with an expected commensurate reduction in AISC.

Golconda acquired the Galaxy mine in November 2015. Galaxy is situated 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit in the Mpumalanga Province of South Africa. The property covers 58.6 km² and is part of the prolific Barberton Greenstone Belt.

Galaxy consists of 22 orebodies of which two main orebodies, the Galaxy and Princeton are being mined using a mechanised cut and fill mining method.

Pinos Royalty, Mexico

Empress structured and entered into a 1% NSR agreement with Candelaria Mining Corp., a publicly traded company (TSX.V: CAND), in respect of its Pinos project located in Mexico for cash consideration of \$1,500,000 in November 2020. The transaction was a combination of a newly created 0.5% NSR royalty on the Pinos project for consideration of \$750,000 and the purchase of an existing 0.5% NSR royalty for consideration of \$750,000.

The Pinos project is located in the high-grade historical gold and silver district of the Zacatecas mining belt in north-central Mexico, just 67 kilometres northwest of San Luis Potosi, Zacatecas state, the second largest gold producing district in the country after Sonora. Zacatecas state is a stable, mining-friendly state that includes Newmont Mining’s Peñasquito mine and Capstone Mining’s Cozamin mine. Pinos has excellent infrastructure with paved roads to the mine and electricity supplied from the Mexican power grid.

During the year ended December 31, 2023, the Company re-evaluated the carrying value of the Pinos Project royalty after review of delayed estimated production commencement, as a result the Company recorded an impairment charge of \$729,598.

Further information can be found on these royalty and streaming interests in the technical reports filed on sedarplus.ca.

Investment Pipeline

In addition to the above investments, Empress is aggressively looking to expand the portfolio and currently has an active pipeline in potential producing and near-term producing precious metals investment opportunities currently evaluating over \$50M of potential investment opportunities.

QUALIFIED PERSON

Richard Mazur, P.Geol, a Qualified Person as defined by 43-101, has read and approved all technical and scientific information.

CORPORATE MATTERS

Public Listings

On January 11, 2023, Empress' common shares graduated from the OTCQB Venture Market to the OTCQX Venture Market in the United States. This up listing is a continuation of the Company's investor relations strategy to increase Empress' public profile, expand global awareness and improve share liquidity by trading on a platform that is more accessible to a broader range of investors.

GENERAL OVERVIEW OF MARKET CONDITIONS

The political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated.

Many mining projects, including some of the properties in which the Company holds a royalty or stream interest, could be impacted by these events resulting in the slowdown of operations and other mitigation measures that impact production. If the operation or development of one or more of the properties in which the Company holds a royalty from which it receives or expects to receive significant revenue is slowed down or suspended as a result of these events, future pandemics or political upheavals, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's common shares on the TSX-V.

TRENDS

The level of the Company's investments in royalties and streams is largely determined by the strength of resource capital and commodity markets and its ability to obtain investor support for its investments.

Many companies are engaged in the search for and the acquisition of mineral interests, including royalties and other interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities, and long earnings records. Empress may be at a competitive disadvantage in acquiring those interests, and as such is focussed on identifying and creating royalties or streams on small to mid-sized



companies, where it can use its global network to its advantage in sourcing potential opportunities. There can be no assurance that Empress may be able to source royalties or other interests at acceptable valuations which may result in a material adverse effect on Empress' profitability, results of operations and financial condition and trading price of its securities.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2024		Year ended December 31, 2023		Year ended December 31, 2022	
Royalty and stream interests	\$	20,487,486	\$	17,102,456	\$	19,016,202
Total assets	\$	23,687,723	\$	19,114,330	\$	19,934,102
Total non-current liabilities	\$	2,549,222	\$	1,713,339	\$	-
Revenues	\$	8,015,168	\$	3,522,262	\$	1,825,049
Income (loss) for the year	\$	1,012,871	\$	(2,934,562)	\$	(3,379,960)
Comprehensive income (loss) for the year	\$	991,258	\$	(2,919,983)	\$	(3,361,559)
Basic and diluted earnings (loss) per share	\$	0.01	\$	(0.03)	\$	(0.03)

RESULTS OF OPERATIONS

The income for the year ended December 31, 2024, was \$1,012,871 (2023 – loss \$2,934,562).

Revenue for the year ended December 31, 2024, totaled \$8,015,168 (2023 - \$3,522,262). Revenue comprised of \$1,603,005 (2023 - \$1,544,861) relating to the Sierra Antapite gold stream, \$2,136,880 (2023 - \$1,753,489) relating to Manica gold royalty, \$3,823,510 (2023 - \$223,912) related to the Tahuehueto silver stream and \$451,773 (2023 - \$nil) relating to the Galaxy Stream.

Pursuant to the agreements with Sierra Antapite, Galaxy and Tahuehueto, the Company's cost of purchasing streaming gold is 20% of the prevailing gold spot price for Sierra Antapite and Galaxy, and the cost of purchasing streaming silver is 20% of the prevailing silver spot price for Tahuehueto. During the year ended December 31, 2024, the Company recorded cost of sales (excluding depletion) of \$1,175,658 (2023 - \$353,841) and depletion of \$1,614,970 (2023 - \$1,184,148).

General and administrative expenses for the year ended December 31, 2024 totaled \$2,088,992 compared to \$2,109,402 in the year ended December 31, 2023. General and administrative expenses are summarized as follows:

- Consulting fees and salaries for the year ended December 31, 2024 of \$798,667 remained relatively consistent when compared to \$779,805 in the comparative period.
- Director fees for the year ended December 31, 2024 of \$288,376 remained relatively consistent when compared to \$292,796 in the comparative period.
- Investor communication and shareholder information for the year ended December 31, 2024, of \$445,281 increased during the current period when compared to \$310,154 in the comparative period as the Company increased shareholder communications and outreach.
- Office expenses for the year ended December 31, 2023 totaled \$100,197 compared to \$76,827 in the comparative period. These include insurance, computer and IT products and services, subscriptions and other office expenses. The increase was due to a general increase in prices as well as IT maintenances and requirements for new staff.
- Professional fees for the year ended December 31, 2024 totaled \$296,676 compared to \$407,502 in the comparative period. A significant portion of these fees relate to legal fees incurred as part of the Company's corporate growth as well as negotiations related to stream and royalty agreements and will vary from year to year.
- Regulatory fees for the year ended December 31, 2024, of \$67,514 (2023 - \$44,853) the increase mostly due to the exchange approvals and regulatory filings related to the Nebari Facility.
- Travel for the year ended December 31, 2024 of \$92,280 decreased from \$197,465 in the comparative period. The decrease was due to the Company having concentrated its efforts during the current year on the amending agreement with Luca as well as closing the transaction with Galaxy, reviewing new opportunities as well as refocusing its traveling efforts.

Project evaluation expenses for the year ended December 31, 2024, totaled \$117,156 compared to \$252,288 in the comparative period. Included in project evaluation expenses are consulting fees, legal and accounting fees, and travel expenditures all related to evaluating future royalty and streaming opportunities. The decrease was due mostly to the fees reimbursement amount received in the current period relating to evaluation of projects in the Company's pipeline.

Share-based compensation for the year ended December 31, 2024, totaled \$421,445 compared to \$623,121 in the comparative period.

Gain on change in value of metals and derivative receivable assets of \$146,033 (2023 - \$nil) relate to the change in value of silver receivable related to the Tahuehueto settlement agreement.

Finance cost for the year ended December 31, 2024 finance cost totaled 1,412,494 (2023 - \$1,353,996) this amount comprises of interest and accretion of transaction cost on the Company's loan facility of the loan facility.

During the year ended December 31, 2023, the Company re-evaluated the carrying value of the Pinos Project royalty after review of delayed estimated production commencement, as a result the Company recorded an impairment charge of \$729,598.

The income for the three months ended December 31, 2024, was \$775,709 (2023 – loss \$1,155,939).

Revenue for the three months ended December 31, 2024, totaled \$2,554,669 (2023 - \$954,022). Revenue comprised of \$331,922 (2023 - \$327,945) relating to the Sierra Antapite gold stream, \$562,711 (2023 - \$626,077) relating to Manica gold royalty, \$1,483,740 (2023 - \$nil) related to the Tahuehueto silver stream and \$176,588 (2023 - \$nil) relating to the Galaxy Stream. Revenues from Tahuehueto reflect the recognition of production from October 2023 to September 2023 as the Company and Luca entered into the amending agreement which provided the new repayment schedule which, as a result, met the recognition criteria required to recognize revenue from the silver owed to date from Luca.

Pursuant to the agreements with Sierra Antapite, Galaxy and Tahuehueto, the Company's cost of purchasing streaming gold is 20% of the prevailing gold spot price, and the price of streaming silver is 20% of the prevailing silver spot price, respectively. During the three months ended December 31, 2024, the Company recorded cost of sales (excluding depletion) of \$398,392 (2023 - \$65,673) and depletion of \$440,925 (2023 - \$319,477).

General and administrative expenses for the three months ended December 31, 2024 totaled \$793,958 compared to \$547,259 in the three months ended December 31, 2023. General and administrative expenses are summarized as follows:

- Consulting fees and salaries for the three months ended December 31, 2024 of \$200,959 increased when compared to \$157,493 in the comparative period due to certain changes to the executive team during both periods which resulted in the variance year to year.
- Director fees for the three months ended December 31, 2024 of \$70,461 remained relatively consistent when compared to \$72,565 in the comparative period.
- Investor communication and shareholder information for the three months ended December 31, 2024, of \$105,919 increased during the current period when compared to \$62,452 in the comparative period as the Company increased shareholder communications and outreach.
- Professional fees for the three months ended December 31, 2023, totaled \$81,227 compared to \$113,555 in the comparative period. A significant portion of these fees relate to legal fees incurred as part of the Company's corporate growth as well as negotiations related to stream and royalty agreements and will vary from year to year.
- Regulatory fees for the three months ended December 31, 2024, totaled \$6,106 remained relatively consistent when compared to \$8,245 in the comparative period.
- Travel expenses for the three months ended December 31, 2024 of \$19,715 decreased when compared to \$93,603 in the comparative period. The decrease was due to the Company having concentrated its efforts during the current period reviewing new opportunities as well as refocusing its traveling efforts.

Project evaluation expenses for the three months ended December 31, 2024, totaled a net reimbursement of \$33,062 compared to recovery of \$70,823 in the comparative period. Included in project evaluation expenses are consulting fees, legal and accounting fees, and travel expenditures all related to evaluating future royalty and streaming opportunities. In the current period, the Company received \$125,000 related to reimbursement of due diligence cost.

During the year ended December 31, 2023 and 2024, the Company granted certain stock options and granted RSUs and DSUs, of which the company recorded a recovery of \$35,053 (2023 – expense of \$197,823) of share-based compensation during the three months ended December 31, 2024. The recovery during the current period relates to forfeiture of options.

Gain on change in value of metals and derivative receivable assets of \$146,033 (2023 – nil) relate to the change in value of silver receivable related to the Tahuehueto settlement agreement.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected information from the Company's unaudited consolidated financial statements, prepared in accordance with IFRS, for the last eight quarters.

Quarter ended	Revenue \$	Income (loss) from operations \$	Total income (loss) \$	Basic earnings (loss) per common share \$
Q4/24 December 31, 2024	2,554,669	775,709	455,709	0.00
Q3/24 September 30, 2024	3,453,256	1,934,722	1,549,233	0.01
Q2/24 June 30, 2024	1,051,188	(58,995)	(465,944)	(0.00)
Q1/24 March 31, 2024	956,055	(265,514)	(526,126)	(0.00)
Q4/23 December 31, 2023	954,022	(105,387)	(1,155,939)	(0.01)
Q3/23 September 30, 2023	1,012,940	(410,200)	(743,648)	(0.01)
Q2/23 June 30, 2023	814,058	(218,975)	(412,819)	(0.01)
Q1/23 March 31, 2023	741,242	(265,976)	(622,156)	(0.01)

Variations in the Company's net income and loss for the periods above resulted primarily from the following factors:

- The increase in revenue in the quarter ended June 30, 2023 was due to increased production from the Manica Royalty.
- The increase in revenue in the quarter ended September 30, 2023 was due to the fact that the Company started receiving the Tahuehueto silver stream.
- Decrease in revenue in December 31, 2023 and March 31, 2024 is due to Tahuehueto not having delivered silver to the Company.
- Increase in total loss for the period ended December 2023 was due to an impairment charge to the Pinos royalty of \$729,598.
- The increase in revenue during the quarter ended June 30, 2024 was due to the Company now receiving revenue from the Galaxy stream.
- The increase in revenue in the quarter ended December 31, 2024 was due to the fact that the Company recognized revenue from Tahuehueto silver stream that was owed to the Company from the period October 2023 to June 2024 but had not previously recognized it as it was in negotiations with Luca on an updated payment schedule as well as due to the highest ever recorded gold prices.

- The decrease in revenue in the quarter ended December 31, 2024 was due to the revenue for the catch-up ounces recognized for Luca during the quarter ended September 30, 2024. Also impacting revenue for the quarter was the impact related to the recognition of deferred tax recognized in the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company began the fiscal year with \$1,171,687 cash and cash equivalents. During the year ended December 31, 2024, the Company received \$3,542,889 (2023 - \$212,716) from operating activities, net of working capital changes, incurred \$5,000,000 (2023 - \$ nil) on investing activities as it closed the Galaxy stream agreement, and obtained \$1,230,397 (2023 - \$266,489) on financing activities from the Nebari loan facility, net of repayments of \$3,455,723, to fund the acquisition of the Galaxy stream agreement, the Company had a positive effect of foreign exchange on cash of \$8,658 (2023 - loss of \$14,528) ending with a cash balance of \$953,631 to end of December 31, 2024.

As at December 31, 2024, the Company had a net working capital deficit of \$407,747 (2023 - working capital of \$243,885). The decrease is mostly due to the current portion of debt facility. The Company’s continued operations and the ability of the Company to meet commitments are dependent upon royalty and stream interests delivering cash or cash equivalents according to forecasts, which are outside the control of management, and the ability of the Company to continue to raise additional equity or debt financing. While the Company has been successful in obtaining financing to date, there can be no assurances that future equity financing, debt or debt refinancing alternatives will be available on acceptable terms to the Company or at all.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the year ended December 31, 2024 and 2023 are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Consulting fees and management salaries ⁽¹⁾	\$	340,552	\$	419,287
Financing fees included in transaction cost ⁽²⁾	\$	100,000	\$	68,880
Director fees and consulting fees paid to directors related to project evaluation ⁽³⁾	\$	288,376	\$	292,703
Share-based compensation	\$	397,133	\$	468,826
Total	\$	1,126,061	\$	1,249,696

⁽¹⁾ Includes \$249,440 (2023 - \$222,306) paid to the Chief Executive Officer, and \$68,331 (2023 - \$46,240) to a company for which the to the Chief Financial Officer works and \$nil (2023 - \$150,742) to former Chief Financial Officers and Corporate Secretary of the Company.



- (2) Includes \$100,000 (2023 – 68,880) paid to Endeavour Financial Ltd. (Cayman) with which the company has directors in common related to success fee related to the Nebari financing facility.
- (3) Includes \$149,664 (2023 - \$151,909) paid to Endeavour Financial Ltd. (Cayman) with which the company has directors in common and \$138,713 (2023 - \$140,794) paid to directors.

Amounts due to related parties

As at December 31, 2024, the Company had trade and other payables of \$73,656 (December 31, 2023 - \$130,676) owing to related parties, being, \$50,430 (December 31, 2023 - \$122,420) owing to Endeavour Financial Limited (Cayman) (“Endeavour”) a Company that has a director in common and \$7,589 (December 31, 2023 - \$8,256) owing to a Company for which the CFO works and \$15,637 (December 31, 2023 - nil) to a director. All amounts owed are unsecured and non-interest bearing.

DISCLOSURE OF OUTSTANDING SHARE DATA

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

	Number Outstanding as of	
	February 27, 2025	December 31, 2024
Common shares issued and outstanding	118,580,418	118,580,418
Options	7,616,666	7,683,333
Warrants	16,770,819	16,770,819
Deferred Share Units	1,750,000	1,750,000
Restricted Share Units	1,125,000	1,125,000
Fully diluted common shares	145,842,903	145,909,570

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Other than previously disclosed, the Company has no proposed transactions.

CONTRACTUAL OBLIGATIONS

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

SIGNIFICANT ACCOUNTING POLICIES

The Company’s condensed interim consolidated financial statements have been prepared using accounting policies, judgments and estimates consistent with those used in the consolidated financial statements for the years ended December 31, 2024 and 2023. Refer to the audited consolidated financial statements for the years ended December 31, 2024 and 2023 for additional information.

New Accounting Standards Adopted and Effective

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions. These amendments are effective for annual periods beginning on or after January 1, 2024, adoption of these amendments did not have a material impact on the Company’s financial statements.

New standards, interpretations and amendments not yet effective IFRS 18 – Presentation and Disclosure in Financial Statements

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

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

		December 31, 2024	December 31, 2023
Cash and cash equivalents	Amortized cost	\$ 953,631	\$ 1,171,687
Receivables	Amortized cost	401,053	602,611
Derivative receivables	Fair value through profit and loss	1,726,717	90,811
Trade and other payables	Amortized cost	(668,392)	(539,473)
Loan	Amortized cost	(5,168,816)	(2,941,855)

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

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

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

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

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

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

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company in the Annual AIF.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains or incorporates by reference "forward-looking statements" and "forward looking information" as defined under applicable Canadian securities laws ("forward-looking statements"). Forward-looking statements and information can generally be identified by the use of terms such as "may", "will", "should", "expect", "intend", "estimate", "continue", "believe", "plans", "anticipate" or similar terms.

Forward-looking information and statements include, but are not limited to, statements with respect to the activities, events or developments that Empress expects or anticipates will or may occur in the future, including those regarding future growth and ability to create new streams or royalties, the development and focus of the Company, its acquisition strategy, the plans and expectations of the operators of the projects underlying its interests, including the proposed advancement and expansion of such projects; the results of exploration, development and production activities of the operators of such projects; and the Company's expectations regarding future revenues.

Forward-looking information and statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about Empress's business and the industry and markets in which it operates. Forward-looking information and statements are made based upon numerous assumptions and although the assumptions made by the Company in providing forward-looking information and statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate. Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual results, performances and achievements of Empress to differ materially from any projections of results, performances and achievements of Empress including, without limitation, any inability of the operators of the properties underlying the Company's royalty and stream interests to execute proposed plans for such properties or to achieve planned development and production estimates and goals, risks related to the operators of the projects in which the Company holds interests, including the successful continuation of operations at such projects by those

operators, risks related to exploration, development, permitting, infrastructure, operating or technical difficulties on any such projects, risks related to international operations, government relations and environmental regulation, uncertainty relating to the availability and costs of financing needed in the future and the Company's ability to carry out its growth plans and other related risks and uncertainties. For a discussion of important factors which could cause actual results to differ from forward-looking statements, refer to the Annual Information Form of Empress Royalty Corp. for the year ended December 31, 2024, and its other publicly filed documents under its profile at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information and statements. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws. Disclosure relating to properties in which Empress holds royalty or other interests is based on information publicly disclosed by the owners or operators of such properties. The Company generally has limited or no access to the properties underlying its interests and is largely dependent on the disclosure of the operators of its interests and other publicly available information. The Company generally has limited or no ability to verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. In addition, certain information publicly reported by operators may relate to a larger property than the area covered by the Company's interest, which often may only apply to a portion of the overall project area or applicable mineral resources or reserves.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for viewing on SEDAR at www.sedarplus.ca and at the Company's website www.empressroyalty.com.