

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Source Rock Royalties Ltd. (the "**Company**" or "**Source Rock**")
30th Floor, 421 - 7th Ave S.W.
Calgary, Alberta T2P 4K9

2. Date of Material Change

December 4, 2023

3. News Release

A news release dated December 4, 2023 was disseminated through the facilities of Cision and subsequently filed on SEDAR+ at www.sedarplus.ca.

4. Summary of Material Change

On December 4, 2023 the Company acquired a gross overriding royalty (the "**GORR**") in 60,800 net acres of land in central Alberta for a purchase price of \$8.0 million.

5. Full Description of Material Change

On December 4, 2023, the Company closed the acquisition of the GORR in 60,800 net acres (95 sections) of largely contiguous land in the Figure Lake area of central Alberta (the "**GORR Lands**") for a purchase price of \$8.0 million (the "**Purchase Price**"). The Purchase Price is subject to financial adjustments effective October 1, 2023 and was funded with cash on hand.

The GORR has a 1.5% royalty rate until cumulative royalty revenue received by the Company equals the Purchase Price, at which time the royalty rate reduces to 1.0%.

Rubellite Energy Inc. ("**Rubellite**") (TSX: RBY) is the operator of the GORR Lands. The GORR Lands comprise a portion of Rubellite's lands in the Figure Lake area and certain adjacent acreage. Production from the GORR Lands is entirely from the Clearwater formation and would have generated 43 bbl/d of heavy oil royalty production in October 2023. The GORR Lands are 80% undeveloped and there were 36 horizontal wells contributing to production in October. Rubellite has been actively drilling the GORR Lands during Q4 2023.

Material Drill Commitment

The Company has received a drill commitment for 59 additional horizontal wells (each a "**Drill Commitment Well**") to be drilled on the GORR Lands prior to June 30, 2026 (the "**Drill Commitment Deadline**"). The Company is entitled to non-performance damages for each Drill Commitment Well not drilled before the Drill Commitment Deadline. The Drill Commitment Deadline is subject to specific extension provisions if the NYMEX West Texas Intermediate crude oil futures contract price declines materially for extended periods.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For additional information, please contact Brad Docherty, President and Chief Executive Officer of the Company at (403) 472-5767 or brad@sourcerockroyalties.com.

9. Date of Report

December 11, 2023

Forward-Looking Statements

This Material Change Report includes forward-looking statements and forward-looking information within the meaning of Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative and grammatical variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this Material Change Report include statements regarding Source Rock's dividend strategy and the amount and timing of future dividends (and the sustainability thereof), the potential for future drilling on Source Rock's royalty lands (and in particular the Drill Commitment Wells being drilled prior to the Drill Commitment Deadline, if at all), expectations for results from the drilling on Source Rock's royalty lands, expectations regarding commodity prices, expectations regarding the timing of completion of the Trans Mountain pipeline expansion and its effect on the volatility and differential of Western Canadian Select oil pricing, expectations regarding future operational expenses, Source Rock's growth strategy and expectations with respect to future royalty acquisition and partnership opportunities, and the ability to complete such acquisitions and establish such partnerships. Such statements and information are based on the current expectations of Source Rock's management and are based on assumptions and subject to risks and uncertainties. Although Source Rock's management believes that the assumptions underlying these statements and information are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this Material Change Report may not occur by certain dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting Source Rock. Although Source Rock has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement or information can be guaranteed. Except as required by applicable securities laws, forward-looking statements and information speak only as of the date on which they are made and Source Rock undertakes no obligation to publicly update or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise.