

## MATERIAL CHANGE REPORT

### 1. Name and Address of Company:

**Empress Royalty Corp.** (“**Empress Royalty**” or the “**Company**”)  
Unit 1 – 15782 Marine Drive  
White Rock, British Columbia  
V4B 1E6

### 2. Date of Material Change

December 22, December 23, and December 24, 2021

### 3. Press Release

Issued December 22, December 23, and December 24, 2021 distributed through ACCESSWIRE and through various other approved public media.

### 4. Summary of Material Change(s):

Empress Royalty announced that it has executed an agreement with Nebari Natural Resources Credit Fund I LP for a US\$15M Accordion Credit Facility. The Company’s initial draw is a US\$4.5M loan is now funded. The Company may apply to Nebari to draw down additional loans as the Company identifies investments it wishes to fund under the Accordion Facility. The proceeds of the Initial Loan will be used to fund investments and for working capital purposes.

On December 24, 2021, Empress Royalty announced it paid the final US\$2.5 million tranche of the US\$10 million gold stream agreement on the Sierra Antapite mine in Peru owned by Sierra Sun Group.

### 5. Full Description of Material Change

On December 22, 2021, Empress Royalty executed an agreement with Nebari Natural Resources Credit Fund I LP (“**Nebari**”) for a US\$15M Accordion Credit Facility (the “**Accordion Facility**”). The Company’s initial draw is a US\$4.5M loan (“**Initial Loan**”) is funded. The Company may apply to Nebari to draw down additional loans as the Company identifies investments it wishes to fund under the Accordion Facility. The proceeds of the Initial Loan will be used to fund investments and for working capital purposes.

The Company issued 7,500,000 share purchase warrants (the “**Warrants**”) to Nebari on closing the Initial Loan. Each Warrant is exercisable into one common share for two years at an exercise price of \$0.27, subject to a four-month and a day hold period.

The US\$15M Accordion Facility has an initial term of two years from the date of the Initial Loan and is secured against the existing investment assets of the Company. The Accordion Facility shall bear interest at Libor (1% floor) plus 10% per annum. An arrangement fee of 2.0% of each loan made under the Accordion Facility is payable on closing together with reimbursement of Nebari’s costs for each loan made. In addition, an original issue discount (the “**OID**”) of 6% is applicable to all loans made under the Accordion Facility resulting in the Initial Loan being US\$4,787,234 inclusive of transaction costs. If the Company wishes to prepay any loan or defaults on any loan made under the Accordion Facility additional interest of up to 9% could apply.

Endeavour Financial acted as Empress Royalty’s financial advisor and investment manager.

On December 24, 2021, the Company paid the final US\$2.5 million tranche of the US\$10 million gold stream agreement (the “**Stream**”) on the Sierra Antapite mine in Peru owned by Sierra Sun Group (“**Sierra Sun**”). As previously announced, the US\$10M gold stream agreement on the Sierra Antapite mine was funded in three tranches: US\$5M on July 28, 2021, US\$2.5M on September 30, 2021, and the final tranche of US\$2.5M funded on December 24, 2021. The Stream is on 4.5% of the payable gold production for the first 11,000 gold ounces and 1% thereafter for life of mine at 20% of the gold spot price. The Stream is registered and

secured against the mine, plant and concessions. Sierra Sun will use Empress Royalty's investment to increase its processing capacity from 750 to 1,000 tonnes-per-day.

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

Not Applicable

**7. Omitted Information**

Not Applicable

**8. Executive Officer**

The following senior officer of the Company is knowledgeable about the material change and may be contacted by the Commission at the following address and telephone number:

Doris Meyer, Corporate Secretary  
Unit 1- 15782 Marine Drive  
White Rock, British Columbia  
V4B 1E6  
PHONE: (604) 536-2711 x 3

**9. Date of Report**

DATED at White Rock, British Columbia this 24<sup>th</sup> day of December 2021.

*"Doris Meyer"*  
Doris Meyer, Corporate Secretary