



EMPRESS ROYALTY CORP.

Management's Discussion and Analysis
For the six months ended June 30, 2026

Management's discussion and analysis ("MD&A") for Empress Royalty Corp. ("Empress" or the "Company") is 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 six months ended June 30, 2026 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, 2025, and the accompanying unaudited condensed interim consolidated financial statements for the six months ended June 30, 2026 ("Financial Report"), and the notes thereto, and the accompanying MD&A for the prior fiscal year. The information contained within this MD&A is as of August 10, 2026.

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 Company's registered and records office is located at Suite 1700, 666 Burrard Street, Vancouver, BC, Canada, V6C 2X8, and the corporate head 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 entitle the holder to either a percentage of the gross revenue from metals produced from the project or a percentage of that revenue 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 but may consider earlier stage opportunities, as appropriate.

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. Advanced-stage projects where technical studies support a pathway to production within a 12 to 18-month timeline (such as the Company's Pinos investment). Geological risk is substantially reduced compared to exploration projects, with primary risks centered around funding and development timelines to meet forecasted production levels.
3. Early-Stage and Exploration Pipeline Projects: Pre-production royalty positions acquired at an early stage to build a deep pipeline of future growth opportunities. These assets offer exposure to high-potential exploration and expansion upside managed by third-party operators across key mining jurisdictions, providing long-term optionality without ongoing capital expenditure requirements.

Empress' strategy is to continue expanding its portfolio with globally diversified assets by evaluating projects that meet its investment criteria, including appropriate investment size for risk mitigation, jurisdiction, and stage of development.

Empress' management team and strategic advisors have a global network and have identified multiple investment opportunities. To fund the execution of such royalty and streaming investments, Empress has undertaken and may continue to undertake, debt financings, equity financings or other forms of financing.

As the portfolio and revenue base grow, Empress expects to increasingly fund future investments through operating cash flow.

HIGHLIGHTS

During the six months ended June 30, 2026, the Company earned a total stream and royalty revenue of \$17,258,521 (2025 - \$6,548,461) and recorded cost of sales of \$3,228,381 (2025 - \$1,065,801), excluding depletion. The following provides further breakdown by investment:

- During the period ended June 30, 2026, the Company earned stream revenue of \$12,741,284 (2025 – \$3,788,624) and recorded cost of sales of \$2,548,257 (2025 – \$757,725) from the silver stream agreement on the Tahuehueto mine in Mexico.
- During the period ended June 30, 2026, the Company earned stream revenue of \$1,654,928 (2025 – \$1,043,796) and recorded cost of sales of \$330,986 (2025 – \$208,759) from the gold stream agreement on the Sierra Antapite mine in Peru.
- During the period ended June 30, 2026, the Company earned royalty revenue of \$1,116,620 (2025 - \$1,219,460) from the royalty agreement on gold from the Manica gold project in Mozambique.
- During the period ended June 30, 2026, the Company earned stream revenue of \$1,745,689 (2025 – \$496,581) and recorded cost of sales of \$349,138 (2025 – \$99,317) from the gold stream agreement on the Galaxy mine in South Africa. Revenue for the period includes additional 200 ounces received by Empress to catch-up on a prior year's delivery shortfall representing \$885,970 of the period's Galaxy revenue at prevailing spot prices; the underlying run-rate contribution excluding the catch-up was \$859,719.

Corporate Matters:

- During the six months ended June 30, 2026, the Company issued 5,052,083 shares on exercise of 5,833,333 options with a value of \$1,309,926 and exercisable at a price of C\$0.50 per share and received gross proceeds of \$1,568,977.
- During the six months ended June 30, 2026, the Company issued 218,571 shares at a price of C\$0.60 for gross proceeds of \$95,617 on the exercise of 218,571 warrants.
- During the six months ended June 30, 2026, the Company issued 841,668 common shares related to the settlement of certain RSUs and reallocated \$440,096 from share-based reserve to share capital.
- On May 5, 2026, the Company granted 1,575,000 stock options to officers, directors and consultants at a price of C\$0.87 until May 5, 2031. The options vest one-third on date of grant, one-third 12 months from grant date, and one-third 24 months from grant date.
- On May 5, 2026, the Company granted 625,000 RSUs and 500,000 DSUs to directors of the Company. The RSUs will vest equally over a two-year period, with the first vesting date occurring May 5, 2027.
- On July 7, 2026, the Company granted 250,000 stock options to a consultant at a price of C\$0.83 until July 7, 2031. These options vested on grant date.
- On July 23, 2026, the Company issued 133,334 shares on exercise of 133,334 options with a value exercisable at a price of C\$0.68 per share and received gross proceeds of \$90,667.
- On August 5, 2026 the Company completed a Royalty Purchase Agreement with Almadex Minerals Ltd. ("Almadex") for the acquisition of a portfolio of fourteen pre-production NSR royalties from Almadex. The portfolio includes royalty interests on mineral properties in Canada, the United States and Mexico. Under the terms of the Agreement, total consideration for the royalty portfolio was \$1,000,000 paid in cash the issuance of 2,562,802 common shares of the Company.

ROYALTY AND STREAM INTERESTS

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. As of June 30, 2026, 581,076 silver ounces have been delivered to Empress leaving an uncredited balance of 668,923 ounces before stepdown from 100% to 20% of silver production.

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 ounces have been delivered, thereafter dropping to 1% for the life of mine. As of June 30, 2026, a cumulative 3,326 gold ounces have been streamed to the Company leaving an uncredited balance of 7,674 ounces of gold.

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 ounces 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. As of June 30, 2026, 82,699 gold ounces have been produced representing total royalty payments to Empress of \$7,156,125, leaving 12,301 ounces before the royalty steps down from 3.375% to 1.125%.

On September 30, 2025, the Mozambican government enacted a global suspension of all mining licenses in Manica Province in response to critical regional river pollution. Official environmental inspections have since verified that MMP remains fully compliant with state environmental guidelines, confirming that the company's operations do not involve the heavy metals, such as mercury, driving the regional crisis. MMP continues to cooperate closely with the Interministerial Commission during its review of the provincial framework and is awaiting formal administrative clearance to safely resume full operations. As at June 30, 2026, management has assessed the carrying value of the Manica royalty interest for indicators of impairment in accordance with the Company's accounting policies and has determined that no impairment indicators exist.

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. As of June 30, 2026, 867 gold ounces were streamed to Empress leaving an Uncredited Balance of 19,133 ounces with 7,133 ounces due before stepdown from 3.5% to 2.0%.

Pinos Royalty, Mexico

In November 2020, the Company executed a structured transaction to acquire an aggregate 1.0% Net Smelter Return ("NSR") royalty on the Pinos project in Mexico, held by TSX Venture Exchange ("TSX-V") listed Candelaria Mining Corp. (TSX-V: CAND), for total cash consideration of \$1,500,000. This investment comprised the creation of a new 0.5% NSR royalty for \$750,000 and the concurrent acquisition of an existing 0.5% NSR royalty for \$750,000.

Subsequent corporate re-organizations by the project operators have shifted asset ownership. On July 3, 2025, Candelaria transferred 100% of the outstanding shares of its wholly owned subsidiary, Minera Apolo S.A. de C.V. ("Minera Apolo"), the corporate entity holding the Pinos project, to Goldgroup Mining Corp. (TSX-V: GGA) ("Goldgroup"). Concurrently, on December 31, 2025, Goldgroup announced it had entered into a definitive agreement to divest Minera Apolo, and consequently the Pinos project, to an arm's-length, private British Columbia corporate entity. The Company's royalty interest remains registered against the underlying property.

Further information can be found on these royalty and streaming interests in the technical reports filed on [sedarplus.ca](https://www.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 \$50,000,000 of potential investment opportunities.

QUALIFIED PERSON

Grant Carlson, P.Geo, a Qualified Person as defined by 43-101, has read and approved all technical and scientific information.

GENERAL OVERVIEW OF MARKET CONDITIONS

Political developments in various countries, as well as broader global disruptions, have contributed to volatility in commodity prices. While the extent and duration of any resulting business or financial impacts remain uncertain, such events may affect mining operations and development activities worldwide. The related financial impacts can therefore not be reasonably estimated.

Mining projects in which the Company holds a royalty or stream interest may experience operational delays, temporary slowdown of operations, or other mitigation measures that could impact production levels. If operations or development at one or more of the properties are disrupted or suspended due to political instability, pandemics, or other significant external events, the Company's profitability, results of operations, financial condition, and the trading price of its common shares on the TSX Venture Exchange could be materially adversely affected.

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.

The mineral exploration and mining industry is highly competitive with a limited supply of attractive opportunities, and many companies seeking to acquire mineral interests. Empress competes with large, well-established companies with substantial financial resources, operational capabilities, and longer operating histories.

To address this competitive environment, Empress focusses on sourcing and creating royalty and streaming opportunities on small to mid-sized companies, leveraging its global network and industry relationships to its advantage. However, there can be no assurance that Empress will be able to acquire royalties or other interests on acceptable terms or valuations, which could have a material adverse effect on Empress' profitability, results of operations and financial condition and trading price of its securities.

RESULTS OF OPERATIONS

The net income for the six months ended June 30, 2026, was \$3,867,634 (2025 – \$1,583,669).

Revenue for the six months ended June 30, 2026, totaled \$17,258,521 (2025 - \$6,548,461). Revenue comprised of \$12,741,284 relating to Tahuehueto silver stream, (2025 - \$3,788,624), \$ 1,654,928 relating to the Sierra Antapite gold stream (2025 - \$1,043,796), \$1,116,620 relating to Manica gold royalty (2025 - \$1,219,460) and \$1,745,689 relating to the Galaxy Stream (2025 - \$496,581).

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 six months ended June 30, 2026, the Company recorded cost of sales (excluding depletion) of \$3,228,381 (2025 - \$1,065,801) and depletion of \$1,224,614 (2025 - \$1,006,486).

General and administrative expenses for the six months ended June 30, 2026, totaled \$1,357,827 compared to \$1,386,602 in the six months ended June 30, 2025. General and administrative expenses are summarized as follows:

- Consulting fees and salaries for the six months ended June 30, 2026, totaled \$538,552 compared to \$456,335 in the prior period. The increase is attributable to changes made to strengthen the executive team in connection with the Company's growth strategy.
- Director fees for the six months ended June 30, 2026, decreased to \$138,906 from \$155,926 in the prior period. The decrease reflects a reduction in board members, following the appointment of one new director and resignation of two directors, all of which occurred during the second half of fiscal 2025.

- Investor communication and shareholder information expenses for the six months ended June 30, 2026, decreased to \$259,816 from \$304,412 in the prior period. The decrease was primarily due to lower spending on investor awareness programs and conference attendance in the current period.
- Office expenses for the six months ended June 30, 2026, increased to \$87,102 from \$78,625 in the prior period. The net increase reflects a full six months of office lease expenses in the current period compared to a partial period in fiscal 2025, partially offset by non-recurring office equipment and IT purchases incurred in the prior period.
- Professional fees for the six months ended June 30, 2026, totaled \$162,879 compared to \$224,301 in the prior period. The decrease was mainly due to lower corporate legal fees incurred during the current period.
- Regulatory fees for the six months ended June 30, 2026, remained relatively consistent at \$77,881 compared to \$70,019 in the prior period.
- Travel for the six months ended June 30, 2026, remained relatively consistent at \$92,691 compared to \$96,984 in the prior period. These expenses relate primarily to business development activities, including attendance at industry conferences, as well as site visits related to the evaluation of potential investment opportunities.

Project evaluation expenses totaled \$661,384 for the six months ended June 30, 2026, compared to \$196,398 in the prior period. Included in these expenses are consulting, legal, accounting, and travel expenditures related to evaluating new royalty and streaming opportunities and monitoring existing assets. The variance mainly reflects increased evaluation activity during the period, including the Almadex transaction, combined with fee reimbursements received in the prior period that reduced comparative costs.

Share-based compensation for the six months ended June 30, 2026, totaled \$745,310 compared to \$301,522 in the comparative period.

Loss on change in value of metals and derivative receivable assets of \$4,665,278 (2025 – Gain of \$361,480) relates primarily to the unrealized fair value remeasurement of metals on hand and derivative receivables at period end, which fluctuate with commodity prices and the timing of sales/deliveries. The current period loss reflects lower prevailing gold and silver prices as of June 30, 2026.

Finance costs for the six months ended June 30, 2026, totaled \$446,094 (2025 - \$617,148), comprising interest and accretion of transaction costs related to the Company's loan facility.

Net income for the three months ended June 30, 2026, was \$572,321 (2025 – \$1,140,381).

Revenue for the three months ended June 30, 2026, totaled \$8,195,637 (2025 - \$3,810,746). Revenue comprised of \$6,316,168 (2025 - \$2,245,389) related to the Tahuehueto silver stream \$892,780 (2025 - \$584,274) relating to the Sierra Antapite gold stream, \$545,643 (2025 - \$701,854) relating to Manica gold royalty, and \$441,046 (2025 - \$279,222) relating to the Galaxy Stream.

Pursuant to the agreements with Tahuehueto, Sierra Antapite and Galaxy, 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 three months ended June 30, 2026, the Company recorded cost of sales (excluding depletion) of \$1,529,999 (2025 - \$621,779) and depletion of \$607,254 (2025 - \$561,857).

General and administrative expenses for the three months ended June 30, 2026, totaled \$586,389 compared to \$655,798 in the three months ended June 30, 2025. General and administrative expenses are summarized as follows:

- Consulting fees and salaries for the three months ended June 30, 2026, totaled \$244,032 compared to \$175,402 in the prior period. The increase is attributable to changes made to strengthen the executive team in connection with the Company's growth strategy.
- Director fees for the three months ended June 30, 2026, decreased to \$62,351 from \$79,271 in the prior period. The decrease reflects a reduction in board members, following the appointment of one new director and resignation of two directors, all of which occurred during the second half of fiscal 2025.
- Investor communication and shareholder information expenses for the three months ended June 30, 2026, decreased to \$98,148 from \$166,471 in the prior period. The decrease was primarily due to lower spending on investor awareness programs and conference attendance in the current period.
- Office expenses for the three months ended June 30, 2026, decreased to \$53,409 from \$61,794 in the prior period. With lease costs remaining consistent quarter-over-quarter, the decrease was primarily driven by non-recurring office equipment and IT setup costs incurred in the comparative period.
- Professional fees for the three months ended June 30, 2026, totaled \$70,568 compared to \$110,705 in the prior period. The decrease was mainly due to lower corporate legal fees incurred during the current period.
- Regulatory fees for the three months ended June 30, 2026, remained relatively consistent at \$30,668 compared to \$38,452 in the prior period.
- Travel expenses for the three months ended June 30, 2026 totaled \$27,213, compared to \$23,703 in the corresponding prior-year period. These expenses relate primarily to business development activities, including attendance at industry conferences, as well as site visits related to the evaluation of potential investment opportunities.

Project evaluation expenses for the three months ended June 30, 2026, totaled \$490,860 compared to \$24,547 in the comparative period. Included in these expenses are consulting, legal, accounting, and travel expenditures related to evaluating new royalty and streaming opportunities and monitoring existing assets. The variance mainly reflects increased evaluation activity during the period, including the Almadex transaction, combined with fee reimbursements received in the prior period that reduced comparative costs.

Share-based compensation for the three months ended June 30, 2026, totaled \$508,646 compared to \$225,054 in the comparative period.

Loss on change in value of metals and derivative receivable assets of \$4,484,901 (2025 – Gain of \$120,696) relates primarily to the unrealized fair value remeasurement of metals on hand and derivative receivables at period end, which fluctuate with commodity prices and the timing of sales/deliveries. The current period loss reflects lower prevailing gold and silver prices as of June 30, 2026.

Finance costs for the three months ended June 30, 2026, totaled \$207,735 (2025 - \$298,297), comprising interest and accretion of transaction costs related to the Company's loan facility.

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 \$	Net income (loss) \$	Basic earnings (loss) per common share \$
Q3/24	September 30, 2024	3,453,256	1,934,722	1,549,233	0.01
Q4/24	December 31, 2024	2,554,669	775,709	455,709	0.00
Q1/25	March 31, 2025	2,737,715	869,941	443,288	0.00
Q2/25	June 30, 2025	3,810,746	1,721,711	1,140,381	0.01
Q3/25	September 30, 2025	4,232,679	1,885,152	1,374,088	0.01
Q4/25	December 31, 2025	6,378,844	2,706,137	4,478,917	0.04
Q1/26	March 31, 2026	9,062,884	5,568,516	3,295,313	0.03
Q2/26	June 30, 2026	8,195,637	4,472,487	572,321	0.00

Analysis of Quarterly Results

The Company's financial performance over the past eight quarters demonstrates consistent growth, with quarterly revenue increasing from \$2,554,669 for the quarter ended December 31, 2024, to \$8,195,637 for the quarter ended June 30, 2026. This revenue growth resulted in an increase in income from operations, which peaked at \$5,568,516 for the quarter ended March 31, 2026, compared to \$775,709 for the quarter ended December 31, 2024.

The quarterly variations in revenue and net income were primarily due to the following factors:

- **Production and Commodity Pricing:** Revenue expansion throughout fiscal 2025 and into fiscal 2026 was primarily driven by higher production volumes from the Luca stream combined with favorable gold and silver prices. Revenue for the quarter ended March 31, 2026, also benefited from the delivery of an additional 200 ounces of gold from Galaxy to satisfy minimum production requirements under the stream agreement. Growth during the quarter ended December 31, 2025, was partially offset by a minor revenue reduction at Manica due to a temporary government-mandated shutdown

- **Catch-Up Deliveries:** During the quarter ended March 31, 2026, Galaxy delivered 200 catch-up ounces of gold to partially address accumulated delivery shortfalls under the stream agreement. Additionally, the revenue increase during the quarter ended September 30, 2024, reflected the recognition of overdue Luca silver stream deliveries from October 2023 through June 2024, which had not been previously recognized while the Company negotiated an updated payment schedule.
- **Quarterly Adjustments:** The revenue decrease during the quarter ended December 31, 2024, compared to the quarter ended September 30, 2024, reflects the normalization of silver deliveries following the September 30, 2024 catch-up ounces from Luca, along with deferred tax adjustments.
- **Net Income Fluctuations:** Net income for the quarter ended June 30, 2026, decreased significantly to \$572,321, primarily driven by an unrealized mark-to-market loss on metals held of \$4,484,901 due to lower prevailing spot prices at period end. In contrast, net income for the quarter ended December 31, 2025, benefited from rising commodity prices, resulting in a mark-to-market gain of \$2,738,390.

LIQUIDITY AND CAPITAL RESOURCES

The Company began the fiscal year with \$3,222,953 in cash and cash equivalents. During the six months ended June 30, 2026, cash generated from operating activities was \$1,885,159 (2025 – \$4,547,712), which includes working capital changes and metal deposits acquired of \$12,135,397. Cash provided by financing activities was \$26,946 (2025 – cash used of \$1,288,230), reflecting payments to Nebari of \$1,637,648 offset by proceeds of \$1,664,594 from the exercise of options and warrants. Foreign exchange had a positive impact on cash of \$11,982 (2025 – loss of \$54,734), resulting in an ending cash balance of \$5,147,040 as at June 30, 2026.

As at June 30, 2026, the Company had net working capital of \$20,018,760, compared to \$13,414,376 as at December 31, 2025. This increase was primarily driven by higher metal deposits and physical inventory at period end. During the period, the Company adopted a strategy to retain a portion of its delivered physical metals, specifically gold and silver, rather than immediately converting them to cash, in order to maintain direct exposure to commodity prices.

The Company's continued operations and ability to meet its commitments depend on royalty and stream operators delivering physical metals or cash according to forecasts (which remain outside management's control), the timely monetization of held metal inventories, and the ability to secure ongoing debt or equity financing. While the Company has successfully secured financing in the past, there can be no assurance that future equity or debt alternatives will be available on acceptable terms, or at all. Management believes the Company will have sufficient financial resources to satisfy its obligations and fund operations for at least the next twelve months from the date of this MD&A.

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 six months ended June 30, 2026 and 2025 are as follows:

		Six months ended June 30, 2026	Six months ended June 30, 2025
Consulting fees and management salaries	\$	311,821 ⁽¹⁾	\$ 277,716 ⁽¹⁾
Director fees and consulting fees paid to directors related to project evaluation	\$	138,822 ⁽²⁾	\$ 156,080 ⁽²⁾
Share-based compensation	\$	440,645	\$ 136,160
Total	\$	891,288	\$ 569,956

⁽¹⁾ Includes \$232,556 (2025 - \$200,244) paid to the Chief Executive Officer, \$79,265 (2025 - \$77,472) to a company for which the the Chief Financial Officer works.

⁽²⁾ Includes \$74,401 (2025 - \$72,719) paid to Endeavour Financial Ltd. (Cayman) with which the company has directors in common, \$53,533 (2025 - \$37,246) paid to Natascha Kiernan (director), \$nil (2025 - \$31,925) paid to Jeremy Bond (former director), \$10,888 accrued to Daniel Burns (director)(2025 - \$nil) and \$nil (2025 - \$14,189) paid to Wes Roberts (former director).

Amounts due to related parties

As at June 30, 2026, the Company had trade and other payables of \$71,506 (December 31, 2025 - \$60,193) owing to related parties, \$13,448 (December 31, 2025 - \$nil) owing to a Company for which the CFO works and \$58,058 (2025 - \$49,249) to Daniel Burns, 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	
	August 10, 2026	June 30, 2026
Common shares issued and outstanding	137,051,362	134,355,226
Options	4,408,333	4,291,667
Warrants	8,448,095	8,448,095
Deferred Share Units	2,900,000	2,900,000
Restricted Share Units	1,550,000	1,550,000
Fully diluted common shares	154,357,790	151,544,988

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 and debt opportunities for the Company.

MATERIAL 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 year December 31, 2025. Refer to the audited consolidated financial statements for the year ended December 31, 2025 for additional information.

New Accounting Standards Adopted and 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. 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:

		June 30, 2026	December 31, 2025
Cash and cash equivalents	Amortized cost	\$ 5,147,040	\$ 3,222,953
Metal deposits	Fair value through profit and loss	15,972,991	8,502,872
Receivables	Amortized cost	987,687	459,264
Derivative receivables	Fair value through profit and loss	1,895,397	4,561,731
Trade and other payables	Amortized cost	(1,004,509)	(1,114,176)
Loan	Amortized cost	(1,563,240)	(2,754,794)

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.

At June 30, 2026, the Company held significant metal deposits, physical gold and silver bullion, and recorded derivative receivables that are subject to market price fluctuations. As part of the Company's strategy to retain direct exposure to commodity prices, the Company deliberately holds portions of its delivered physical metals rather than converting them immediately to cash.

As a result, the Company is exposed to changes in gold and silver prices, and reported results and financial position may fluctuate from period to period as changes in the fair value or carrying value of these assets are recognized until the metals are sold or the receivables are settled. Management monitors this exposure on an ongoing basis, including the level of physical metals held, expected near-term deliveries, and prevailing commodity prices, and incorporates these factors into liquidity planning and decisions regarding the timing

of metal sales to fund corporate expenditures, debt service, and other obligations. The Company does not generally enter into commodity hedging arrangements; accordingly, the primary means of managing exposure is through disciplined liquidity management, strategic timing and periodic monetization of metal holdings when appropriate, and continued portfolio diversification across assets and counterparties

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 "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). All statements in this MD&A, other than statements of historical fact, are forward-looking statements. Forward-looking statements are often identified by words such as "anticipate", "believe", "expect", "intend", "plan", "estimate", "may", "will", "project", "potential", "target" and similar expressions, including negative variations thereof.

Forward-looking statements in this MD&A include, without limitation, statements regarding the Company's anticipated future growth, financial performance and results of operations; expected revenues and cash flows; capital requirements; the Company's ability to identify, evaluate and complete additional royalty, stream or similar transactions; expectations regarding the development, construction, expansion or operation of projects underlying the Company's interests; estimates of mineral resources and mineral reserves, production levels and mine life relating to such projects; future demand for and prices of gold, silver and other commodities; and the Company's business strategy, objectives and opportunities.

Forward-looking statements are based on management's current expectations and assumptions as of the date of this MD&A. Such assumptions include, among others, that the properties underlying the Company's interests will continue to be operated in a manner consistent with past practice and available information; that operators will continue to advance such properties in accordance with their publicly stated or internally communicated plans; that commodity prices and foreign exchange rates will not materially deteriorate; that the Company will be able to obtain financing on reasonable terms, if required; and that applicable laws, tax regimes and regulatory requirements will not materially change.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such statements. These risks include, without limitation, fluctuations in commodity prices and foreign exchange rates; risks related to the operators of the properties underlying the Company's interests, including operational performance, financial condition, changes in ownership or control, technical challenges, permitting delays or project abandonment; risks inherent in the exploration, development and operation of mining projects; uncertainty in mineral resource and mineral reserve estimates and related production estimates; political, regulatory and economic risks in the jurisdictions in which underlying properties are located; risks associated with acquisitions and the integration of acquired interests; and the other risks described in the Company's Annual Information Form and other documents filed under the Company's profile on SEDAR+.

Disclosure regarding properties in which the Company holds royalty, stream or other interests is based on information provided by the applicable operators or obtained from publicly available sources, including technical reports prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, where available. Certain operators of the properties underlying the Company's interests are privately held and are not subject to continuous public disclosure obligations. The Company generally has limited access to the underlying properties and limited ability to independently verify information provided by operators. While the Company is not aware of any material inaccuracies in such information, there can be no assurance that it is complete or accurate. Technical reports and other disclosure may relate to a larger property area than the portion subject to the Company's interest.

Although the Company believes the assumptions underlying the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated. Readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this MD&A and the Company does not undertake any obligation to update or revise them except as required by applicable Canadian securities laws.

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.