



EMPRESS ROYALTY CORP.
(the “Company”)

CHARTER OF THE INVESTMENT COMMITTEE

1. COMMITTEE STRUCTURE

1. The Investment Committee of the Board of Directors (“**Committee**”) shall consist of not less than three members two of whom shall be directors, including a Chairman. Nominees for the Committee shall be recommended by the Board of Directors (“**Board**”).
2. The members of the Committee shall be appointed annually by the Board at the first Board meeting after the Annual Meeting of Shareholders or on such other date as the Board shall determine. Members of the Committee may be removed or replaced by the Board.
3. Each member of the Committee shall be financially literate.
4. Any Committee member may resign at any time by providing notice in writing or by electronic transmission to the Company Secretary. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
5. A director who is also the Chief Executive Officer (“**CEO**”) is not eligible to be appointed Chairman of the Committee.
6. Subject to the above, officers of the Company may be members of the Committee.
7. A majority of the members of the Committee shall constitute a quorum. The business of the Committee shall be transacted at meetings at which a quorum is present, either in person or by telephone. A resolution consented to in writing, whether by document or any method of transmitting legibly recorded messages, by all of the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the members of the Committee duly called and held.

2. OPERATION OF THE COMMITTEE

1. The Committee is responsible for:
 - a. Reviewing those proposed investment opportunities either identified by or formally submitted to the Investment Committee for consideration to ensure investment opportunities, meet the investment criteria established by the Board (see Appendix “**A**”);
 - b. Assisting and advising on the terms of any investment;
 - c. Review and recommend funding for the investment opportunities;
 - d. Oversee legal, technical and KYC due diligence on investment opportunities;
 - e. Identifying and managing potential conflicts of interest;
 - f. Making recommendations to the Board; and
 - g. Reviewing the performance and outlook of the portfolio.
2. The Committee shall meet regularly as required (in person or via teleconference) on a best effort’s basis. Committee members are expected to attend Committee meetings as frequently as required. The Chairperson may invite corporate officers and other advisors as appropriate to attend the meetings.



3. The Committee has no power to bind the Company to any potential transaction, and the Company is not bound to follow any advice or recommendation of the Investment Committee. Every proposed investment will be decided by the Board.
4. The Board has delegated the following powers to the Committee:
 - a. To approve the issuance of non-binding term sheets, non-binding letters of intent, non-binding indications of stream value and similar non-binding documents that set out the high level of terms of potential investments by the Company providing that the potential investments are in line with the Company's investment strategy as set out in Appendix A.
 - b. To approve the Company hiring of legal counsel and independent technical consultants (together "ITCs") to provide the Company with due diligence on potential investments for the benefit of the Company providing that;
 - i. the Investment Committee is unanimous that an ITC is required for any particular investment opportunity
 - ii. the cost of hiring any ITC has been approved by the Board and is in line with amounts allocated generally for property investigations in the Board Approved Budget
 - iii. The Committee has asked and received confirmation from the ITCs that they have no conflicts of interest in providing the services contemplated.

To sign engagement letters, appointment letters or similar agreements with the (ITCs) providing the items listed in 4b have been complied with and any out of ordinary clauses have been reviewed by the Company Secretary.

Notwithstanding paragraph 4(a), for potential investments outside of the Precious Metals Sector the Committee shall consult with the Board prior to issuing any non-binding documentation as set out in II 4 (a)

Precious Metals Sector is defined as investments that provide the Company with exposure to gold, silver and platinum group metal prices and includes, for the avoidance of doubt, investments linked to by-product Precious Metals of base metal or other mining projects.

5. The Committee shall ensure that the Company has adopted and enforces a policy that requires that the Committee be notified of all material business investments in circumstances where any of its directors, officers or employees has a direct or indirect interest in an investment opportunity.
6. The Committee agrees to adhere to the Code of Conduct and Corporate Disclosure Policy.
7. In the event a Committee member considers that the investment criteria established by the Board (Appendix "A") or the Code of Conduct and Corporate Disclosure Policy, are not being adhered to, the member shall call a meeting of the Investment Committee to review the matter. The conclusions and recommendations of the Committee after its review shall be reported to the Board for appropriate action and decision.
8. The Committee shall be responsible for making recommendations to the Board regarding potential investments and/or transactions and summarizing the key terms of any binding documentation (with the assistance of legal counsel as appropriate) prior to approval of such documentation by the Board.
9. The Committee shall be responsible for conducting an annual self-evaluation. The Board shall be responsible for monitoring the processes and evaluation criteria established by the Committee.



3. AMENDMENT, MODIFICATION AND WAIVER

1. These guidelines may be amended or modified by the Board, subject to disclosure and other provisions of the British Columbia Securities Act and the rules of the TSX Venture Exchange, or such other securities regulatory bodies where the Company reports or where the Company's shares are listed for trading.



APPENDIX “A”

1) INVESTMENT OBJECTIVES

- A. The Company’s objective is to seek high return investment opportunities in the resource sector.
- B. The Company will identify streaming and royalty opportunities primarily in lower mid-market precious and base metal mining projects, specifically those in production or development stage with attractive risk/reward ratios.
- C. The Company will prioritize target investments that provide the Company with exposure to the Precious Metals Sector. Subject to Board Approval, other sectors will be considered on an ad-hoc basis (subject to Board approval).

2) INVESTMENT STRATEGY

- A. In pursuit of investment opportunities, the Company, when appropriate, shall employ the following disciplines:
 - (i) Investments shall focus on the precious metals natural resources industries, concentrating on production and development stage projects.
 - (ii) The Company will maintain a flexible position with respect to the form of investment taken. The Company will focus on streams and royalties but may employ other investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, net profit interests and other hybrid instruments.
 - (iii) Counterparties may be either private or public companies.
- B. The Company will target a minimum Internal Rate of Return (“**IRR**”) of 10% for investments in the Precious Metals Sector.
- C. For ad-hoc investments being considered outside of the Precious Metals Sector the Board shall approve a specific IRR target prior to making any investment.
- D. In addition, to IRR investments will be considered on the basis of their ability to potentially be accretive to the Company’s valuation by considering the amount and timing of the investments potential cashflow or net asset impact on the Company.
- E. Target IRR, pay-back of initial investment and other valuation metrics considered by the Committee and presented to the Board, will be based on prudent assumptions regarding metals pricing and with more emphasis on the use of the then spot price; the average historic price over the last 5 years; and downside sensitivity testing (as opposed to being reliant on forward looking analysts’ estimates to achieve targeted returns). Should the board approve investments in non-exchange traded commodities, or commodities where pricing is opaque, the Company may seek guidance from independent metal marketing consultants.
- F. Should the form of investment be a loan, stream or royalty, cashflow coverage and the ability of the investee company to ‘carry’ the proposed investment shall also be a key consideration.
- G. After US\$25 million of capital has been deployed, in the event an investment in any one issuer exceeds 20% of the investment capital base of the Company at the time of the investment, the Committee shall notify the Board for discussion and ongoing evaluation.



- H. After US\$25 million capital deployed, in the event an investment would result in 20% of the investment capital base of the Company being exposed to a particular geopolitical region, the Committee shall notify the Board for discussion and ongoing evaluation.
- I. The Company may take equity holdings in companies within the framework of the above guidelines, and which from time to time may result in the Company holding a control position in a target company. If the Company holds a control position in any issuer additional governance criteria will be established at that time, including board representation, anti-dilution provisions and trading restrictions among other things.
- J. The Company will utilize the services of both independent technical organizations and securities dealers to gain additional information on target investments where appropriate.
- K. Notwithstanding the foregoing, from time to time, the Board may authorize such investments outside of these disciplines as it sees fit for the benefit of the Company and its shareholders.