



Empress Royalty Corp.

Management's Discussion and Analysis

**For the period from incorporation on March 2, 2020
to June 30, 2020**

(Expressed in Canadian dollars)

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Empress Royalty Corp. (the "Company") for the period from incorporation on March 2, 2020 to June 30, 2020 and up to the date of this MD&A, and should be read in conjunction with the accompanying financial statements for the period from incorporation on March 2, 2020 to June 30, 2020, together with the notes thereto (the "Financial Report").

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

The effective date of this MD&A is August 26, 2020.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of British Columbia, Canada on March 2, 2020. The corporate office and registered and records office of the Company is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

Empress Resources / Alto Arrangement

On July 7, 2020, the Company completed an arrangement with Empress Resources Corp. ("Empress Resources") and Alto Ventures Ltd. ("Alto") in which:

- the Company issued Empress Resources 5,000,000 common shares for gross proceeds of \$250,000; and
- the Company issued Alto 4,615,384 common shares valued at \$230,769 for 13 net smelter return ("NSR") royalties (as outlined below) and certain marketable securities.

Subsequent to completing the arrangement Empress Resources distributed all of its shares of the Company to its shareholders, and Alto distributed all of its shares of the Company to its shareholders, so that at the time of closing the shareholders of Empress Resources held 52% of the shares of the Company and the shareholders of Alto held 48% of the shares of the Company.

Accendo Alliance

On August 25, 2020, the Company announced it has entered into a strategic alliance agreement (the "Alliance Agreement") with Accendo Banco, S.A. ("Accendo") to collaborate in respect to the acquisition by the Company of royalties and streams and potentially other investments in the Mexican mining sector. The Company currently has an existing portfolio with 13 North American gold royalties and the Alliance Agreement is part of the Company's diversification into Latin America utilizing the strong and well-connected relationship of Accendo.

Accendo is an active investor and lender in the mining industry in Mexico and provides the Company with a strong partner in a country which is one of the top ten gold producers in the world. During the course of its business and through its extensive connections, Accendo becomes aware of opportunities to acquire royalties or streams in Mexican mining projects. Pursuant to the Alliance Agreement, Accendo will notify the

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

Company of any Mexican royalty and stream opportunities of which it becomes aware, and if requested by the Company, assist in investigating and potentially acquiring such royalties or streams by making introductions, assisting the Company in undertaking due diligence and negotiating agreements to acquire such royalties or streams. Accendo's obligations under the Alliance Agreement are exclusive to the Company in respect of precious metal projects and mines.

Financing

In August 2020, the Company closed a private placement for gross proceeds of \$1.5 million by the issue of 30,000,000 common shares. Concurrent with the execution of the Alliance Agreement, Accendo and its affiliates subscribed for 26.3%, Endeavour Financial subscribed for 24.09%, and Terra Capital subscribed for 23.5% of the private placement, with the result that each of them holds 19.9% of the Company's common shares post-closing. Insiders and key investors subscribed for the balance of the private placement.

NSR ROYALTIES

The 13 NSR royalties acquired from Alto are summarized in the following table:

Project	Description/Summary	Property Name	Royalty
Windfall East Existing Quebec	The Windfall East property lies adjacent to Osisko Mining's Windfall project in the Urban Township. Recent drilling by Osisko Mining indicates that if the trend of their high-grade Lynx Zone extends to the northeast, it may pass onto the northwest corner of Alto's former Windfall East project.	Windfall East	1% NSR due from Osisko Mining - adjacent to Osisko Mining's Lynx Zone. Osisko Mining has a buyback right of 0.5% for \$1 million.
Coldstream Existing Ontario	Located in northwestern Ontario in the Shebandowan greenstone belt. The claims cover the East Coldstream gold deposit with NI43-101 compliant resources of 2.25 Mt Indicated at an average grade of 1.05 g/t Au (76,000 contained ounces) and 16.97 Mt Inferred at an average grade of 1.01 g/t Au (549,000 contained ounces), using a 0.6 g/t Au cut-off grade. The property adjoins Wesdome's Moss Lake gold deposit and Alto interprets that the northwestern extension of Moss extends onto the Coldstream project claims.	Coldstream	Several claims subject to 0.5% - 1.5% NSR from Wesdome.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

Empress Existing Ontario	The Empress property lies within the Archean Hemlo-Schreiber Greenstone Belt in the Wawa sub-province in the Superior Province of Ontario. The property covers approximately 3 km segment of a mineralized shear zone with quartz veins locally carrying high-grade gold values.	Empress	1% NSR on all claims from Sanatana Resources.
Three Towers New Ontario	The property lies in the Beardmore-Geraldton greenstone belt, within the southern Wabigoon lithotectonic domain of the Superior Province.	Three Towers	0.5% NSR on all claims.
Miner Lakes & Greenoaks New Ontario	The Miner Lake and Greenoaks Properties are contiguous claims situated in the Eastern Wabigoon Subprovince of the Superior Province of Ontario, within the Elmhirst-Castlewood-Koltz greenstone belt north of the Beardmore-Geraldton greenstone belt. The Miner Lake property hosts numerous surface and in drill core gold occurrences that have geological similarities to the Cote gold deposit being developed by Iamgold approximately 100 km southwest of Timmins.	Miner Lake - With NSR	0.5% NSR on claims which already have a 3.0% NSR.
		Miner Lake - No NSR	1.0% NSR on claims which have no NSR.
		Greenoaks	0.5% NSR on all claims.
Brookbank East New Ontario	The Brookbank East gold property is situated in the Beardmore-Geraldton greenstone belt south of the Pain Lake Fault.	Brookbank East	1.0 % NSR on all claims.
Golden Heart New Ontario	The property lies in the Beardmore-Geraldton gold belt and is located approximately 10 km west of Beardmore, covers over 5 km segment of a sheared package of intercalated clastic meta-sediments and banded iron formation (BIF). The property adjoins the southern property line of the former producing Leitch gold mine which produced almost 850,000 ounces of gold. The average head grade of the Leitch was over 31 g/t Au.	Golden Heart	1.0% NSR on all claims.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

Mud Lake New Ontario	The Mud Lake Property is in the Onaman-Tashota greenstone belt (OTGB) in the southern Wabigoon Subprovince of the Superior Province, of Ontario. The property hosts at least 12 shear hosted gold occurrences along a six kilometer segment of the Mud Lake Shear Zone.	Mud Lake - With NSR	0.5% NSR on claims which already have a 2.5% NSR.
		Mud Lake - No NSR	1.0% NSR on claims which have no NSR.
Destiny New Quebec	The Destiny Property covers a 12 kilometer-long, gold endowed segment of the Amos-Barraute section of the southeastern portion of the Abitibi Greenstone Belt along the Despinassy Shear (a splay off the regionally extensive Chicobi Fault Zone). The Destiny property hosts the DAC gold deposit, one of several significant gold occurrences on the property. The DAC deposit host NI43-101 compliant resources of 10.8 Mt Indicated at an average grade of 1.05 g/t Au (364,000 contained ounces) and 8.3 Mt Inferred at an average grade of 0.92 g/t Au (247,000 contained ounces) using a 0.5 g/t Au cut-off grade. The mineralization is open on strike to the east and west and to depth.	Destiny – A Claims	No royalty due to existing royalties of 3.5% but right of first refusal if New Alto does any future royalty or stream financings in relation to these claims.
		Destiny – B Claims	0.5% NSR on all claims which have an NSR Royalty of <3.5%.
		Destiny – C Claims	0.5% NSR on all C Claims.
		Destiny – D Claims	1.0% NSR.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

Oxford Lake New Manitoba	The Oxford Lake property lies in the southwest portion of the Archean Oxford-Knee Lake greenstone belt in the Oxford-Stull Domain of the western Superior Province of Manitoba. The principal target model for Oxford Lake is Banded Iron Formation (BIF) and there already is a historical deposit, the Rusty Gold Deposit that was discovered in the late 1980's. The Rusty deposit has reported historical resources of 800,000 tonnes averaging 6 g/t Au. The deposit is open on strike and to depth. Another significant area of mineralization is the Blue Jay zone, located approximately 2 km east of Rusty; gold mineralization here is also associated with BIF. To the west, a large target area, extending for over 10 km is interpreted to be BIF but it has been tested by only two drill holes, one of which returned almost 1 g/t over 3 m intercept in BIF.	Oxford Lake – Mineral Exploration Licenses	1.0% NSR.
		Oxford Lake – Disposition Number W46695	0.5% NSR.
		Oxford Lake – All Other Disposition Number	No royalty due to existing royalties of 3.5% on the claims but right of first refusal if New Alto does any future royalty or stream financing.
Fisher New Saskatchewan	The property is located in the Glennie Lake Domain, approximately 80 km northwest of Flin Flon. The property hosts a historical deposit containing 650,000 tons grading 3.5% Zn, 0.5% Cu. Main target is VMS style zinc mineralization.	Fisher	0.5% NSR on claims which already have NSR, 1% NSR on Alto staked claims.
Dog Lake New Ontario	The property is located in the Wawa area, approximately 14 km south of Missinabie. Historical work was limited, dating back to the 1960's and resulted in the discovery of a gold bearing shear that was traced for over 1.5 km along strike and returned up to 25 g/t Au in grab samples.	Dog Lake	1% NSR on all claims.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise funds.

RESULTS OF OPERATIONS

For the period ended June 30, 2020, the Company had administration expenses of \$350 related to its incorporation.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had share capital of \$1 and no working capital.

On July 7, 2020, the Company completed an arrangement with Empress Resources and Alto in which the Company, among other things, issued Empress Resources 5,000,000 common shares for gross proceeds of \$250,000.

On August 12, 2020, the Company completed the first tranche of a non-brokered private placement through the issuance of 20,116,538 common shares at a price of \$0.05 per share for gross proceeds of \$1,005,827.

On August 25, 2020, the Company completed the second and final tranche of the non-brokered private placement through the issuance of 9,883,462 common shares at a price of \$0.05 per share for gross proceeds of \$494,173.

Management estimates that these funds may not provide the Company with sufficient financial resources to carry out future operations through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

For the period ended June 30, 2020, Empress Resources paid the incorporation costs of the Company which amounts are not repayable by the Company to Empress Resources.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value

	Common Shares Issued and Outstanding
Balance as at June 30, 2020	1
Private placement	5,000,000
Issuance of shares for NSR royalties and marketable securities	4,615,384
Private placements	30,000,000
Balance as at the date of this MD&A	39,615,385

OFF-BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash. Cash is recorded at fair value using Level 1 of the fair value hierarchy.

The Company is a royalty company. Further, the Company intends on listing its common shares on the TSX Venture Exchange. Once completed, the principal risks and uncertainties faced by the Company will centre on realizing the NSR royalties held, resource and commodity prices and market sentiment.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that the Company or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by the Company and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Empress Royalty Corp.

Management's Discussion and Analysis

For the period from incorporation on March 2, 2020 to June 30, 2020

Although the Company believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of the Company is subject to a number of risks and uncertainties, including those risk factors discussed elsewhere in the MD&A and the Annual MD&A. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, the Company may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.empressroyalty.com.