

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name & Address of Company

Sailfish Royalty Corp. (the "**Company**" or "**Sailfish**")
Sea Meadow House, PO Box 116
Read Town, Tortola, British Virgin Islands VG1110

Item 2. Date of Material Change

May 24, 2023

Item 3. News Release

A press release describing the material change was disseminated through Newsfile on May 25, 2023 and subsequently filed on SEDAR.

Item 4. Summary of Material Change

On May 24, 2023, the Company and Mako Mining Corp. ("**Mako**") closed its previously announced 24-month silver stream (the "**Silver Stream**") for US\$6 million in cash pursuant to a silver stream agreement dated May 24, 2023 (the "**Silver Stream Agreement**").

Concurrently with the closing of the Silver Stream, the company closed the previously announced non-brokered private placement (the "**Offering**") of unsecured convertible debentures (each, a "**Convertible Debenture**") at a price of US\$1,000 per Convertible Debenture for gross proceeds of US\$4.1 million.

Item 5.1 Full Description of Material Change

See Schedule "A" attached.

Related Party Disclosure

As Mako and Sailfish have a common control person, the Silver Stream was a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"); however, Sailfish was exempt from the formal valuation requirements of MI 61-101 by virtue of the exemption contained in section 5.5(a) and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 as the fair market value of the consideration did not exceed 25% of the Company's market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of the Silver Stream, which the Company deems reasonable. Mako and Sailfish are also non-arm's length parties (as defined in TSXV Policy 1.1) given that they share a common director and control person.

Wexford Catalyst Trading Limited and Wexford Spectrum Trading Limited (the "**Interested Parties**") purchased an aggregate of US\$4.0 million of the Convertible Debentures. The placement to those persons constitutes a "related party transaction" within the meaning of MI 61-101. Notwithstanding the foregoing, the directors of the Company have determined that the Interested Parties' participation in the Offering will be exempt from the formal valuation requirements of MI 61-101 by virtue of the exemption contained in section 5.5(a) and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 as the fair market value of the securities issued to the Interested Parties did not exceed 25% of the Company's market capitalization.

The Company did not file a material change report 21 days prior to the closing of the Offering as the details of the participation of Interested Parties had not been confirmed at that time.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Contact: Paolo Lostritto, Chief Executive Officer
Phone: (416) 602-2645

Item 9. Date of Report

June 1, 2023

SCHEDULE "A"
NEWS RELEASE

[See attached]

Sailfish Closes Silver Stream with Mako Mining; Announces Closing of Private Placement of Convertible Debentures

Tortola, British Virgin Islands--(Newsfile Corp. - May 25, 2023) - Sailfish Royalty Corp. (TSXV: FISH) (OTCQX: SROYF) (the "**Company**" or "**Sailfish**") is pleased to announce that the Company has closed its previously announced 24-month silver stream (the "**Silver Stream**") from Mako Mining Corp. ("**Mako**") for US\$6 million in cash pursuant to a silver stream agreement dated May 24, 2023 (the "**Silver Stream Agreement**"). The Silver Stream Agreement includes an option to purchase, after 12 of the 24-month term of the Silver Stream has passed, upon payment of US\$1 million, all subsequent silver produced from the San Albino mine or from concessions currently owned by Mako and processed through Mako's San Albino processing facility. For more details on the Silver Stream, please refer to the Company's news release dated March 1, 2023.

As Mako and Sailfish have a common control person, the Silver Stream was a "related party transaction" under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"); however, Sailfish was exempt from the formal valuation requirements of MI 61-101 by virtue of the exemption contained in section 5.5(a) and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 as the fair market value of the consideration did not exceed 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Silver Stream, which the Company deems reasonable. Mako and Sailfish are also non-arm's length parties (as defined in TSXV Policy 1.1) given that they share a common director and control person.

Convertible Debenture Private Placement

The Company is also pleased to announce that it has closed the previously announced non-brokered private placement (the "**Offering**") of unsecured convertible debentures (each a "**Convertible Debenture**") at a price of US\$1,000 per Convertible Debenture for gross proceeds of US\$4.1 million. The Offering was upsized from US\$4.0 million to US\$4.1 million.

Each Convertible Debenture bears interest at 10% per annum, from the date of issuance, payable semi-annually in arrears. The Convertible Debentures mature on the date that is 60-months from the date of issuance (the "**Maturity Date**"). The Convertible Debentures are convertible, at the option of the holder, into common shares of the Company (each a "**Share**") at a conversion price of CAD\$1.35 per Share (the "**Conversion Price**"), at any time prior to the Maturity Date, subject to adjustment.

If at any time prior to the Maturity Date, the closing price of the Shares is greater than CAD\$1.60 per Share for a period of twenty consecutive trading days on the TSX Venture Exchange ("**TSXV**"), the outstanding principal amount may be converted, at the option of the Company, into Shares at the Conversion Price upon providing thirty days written notice to the applicable holder. On the Maturity Date, the holders may elect to be repaid the principal amount in cash or Shares at the Conversion Price, and in the absence of any such election, in Shares.

Accrued interest will be paid, at the election of the Company, either: (i) in cash; or (ii) subject to the approval of the TSXV, through the issuance of Shares at a price per Share equal to the greater of: (A) the twenty day average closing price of the Shares on the TSXV immediately before the date the Shares are issued in satisfaction of accrued interest; and (B) the closing price of the Shares on the TSXV on the date immediately before the date the Shares are issued in satisfaction of accrued interest.

The Offering was integral to the Silver Stream, and therefore the Company relied on the 'part and parcel pricing' exemption allowed by the TSXV. The Offering is subject to final approval of the TSXV. All

securities issued in connection with the Offering, including the Shares underlying the Convertible Debentures, will be subject to a statutory four-month hold period.

Wexford Catalyst Trading Limited and Wexford Spectrum Trading Limited (the "**Interested Parties**") purchased an aggregate of US\$4.0 million of the Convertible Debentures. The placement to those persons constitutes a "related party transaction" within the meaning of MI 61-101. Notwithstanding the foregoing, the directors of the Company have determined that the Interested Parties' participation in the Offering will be exempt from the formal valuation requirements of MI 61-101 by virtue of the exemption contained in section 5.5(a) and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 as the fair market value of the securities issued to the Interested Parties did not exceed 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to the closing of the Offering as the details of the participation of Interested Parties had not been confirmed at that time.

The securities offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons (as such term is defined in Regulation S promulgated under the U.S. Securities Act), absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities to, or for the account or benefit of, persons in the United States or U.S. persons, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Sailfish

Sailfish is a precious metals royalty and streaming company. Within Sailfish's portfolio are three main assets in the Americas: a gold stream equivalent to a 3% NSR on the San Albino gold mine (~3.5 sq. km) and a 2% NSR on the rest of the area (~134.5 sq. km) surrounding San Albino in northern Nicaragua; an up to 3% NSR on the multi-million ounce Spring Valley gold project in Pershing County, Nevada; and a 100% interest in the Gavilanes Silver Project located in Durango State, Mexico.

Sailfish is listed on the TSXV under the symbol "FISH" and on the OTCQX under the symbol "SROYF". Please visit the Company's website at www.sailfishroyalty.com for additional information.

For further information: Paolo Lostritto, CEO, tel. 416-602-2645 or Akiba Leisman, Executive Chairman, tel. 917-558-5289.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Notes Regarding Forward-Looking Statements:

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, are forward-looking statements, including statements regarding the expectation that the Company will receive all necessary approvals for the completion of the Silver Stream Agreement and Offering, including the final approval of the TSXV. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that the Company will receive all necessary approvals for the completion of the Silver Stream Agreement and Offering, including the final approval of the TSXV. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially

different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation that the Company will not receive all necessary approvals for the completion of the Silver Stream Agreement or the Offering, including the final approval of the TSXV. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement or forward-looking information contained herein, except in accordance with applicable securities laws.



To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/167426>