

**SILVER CROWN
ROYALTIES INC**



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2024**

Introduction

This Management's Discussion and Analysis ("MD&A") of Silver Crown Royalties Inc. is the responsibility of management and covers the three and six months ended June 30, 2024, and 2023. The MD&A considers information available up to, and is dated August 15, 2024, and should be read together with the audited annual financial statements for the year ended December 31, 2023, and interim condensed consolidated financial statements for the three and six months ended June 30, 2024.

Throughout this document, the terms "we", "us", "our", the "Company", "SCRI", "Silver Crown" and "Silver Crown Royalties" refer to Silver Crown Royalties Inc. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements" of this MD&A.

DESCRIPTION OF BUSINESS

Silver Crown is a public company listed on Cboe Canada Inc. stock exchange under the ticker symbol of "SCRI". It was incorporated on August 23, 2021, under the laws of the Province of Ontario. Silver Crown is a revenue-generating silver-only royalty company focused on silver as by-product credits. Its ongoing objective is to minimize the economic impact on mining projects and simultaneously maximize returns for its shareholders.

Silver Crown operates a unique business model within the royalty space, which it believes offers it a competitive advantage. Of these advantages, some are inherent to the Company's business model, such as providing capital to a mining entity that is then applied to a certain aspect of the Company's operation, such as exploration, mine development, or facility construction, in exchange for receiving a percentage of the miner's silver production. Silver Crown is continuing to build on this foundation, targeting additional operational silver-producing projects, and is focused on generating consistent and growing income sources through an expanding portfolio of mining royalty interests. Silver Crown is looking worldwide for projects with silver as a byproduct and with the goal of monetizing the silver value of those operations.

The Company's current royalty interests are located in Canada and Brazil.

CORPORATE DEVELOPMENTS

Assets acquisitions

The Company currently holds the following royalty assets:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Elk Gold Project	90% Net Smelter Return ("NSR") Silver Royalty	Silver	British Columbia, Canada	Production	Gold Mountain Mining Corp.
PDGM Complex	90% NSR Silver Royalty	Silver	Goiias, Brazil	Production	Pilar Gold

Additionally, the Company has a definitive agreement in place to acquire the following royalty asset:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Tucano	90% NSR Silver Royalty	Silver	Amapa, Brazil	Restart	Tucano Gold

1. Elk Gold Project

Silver Crown acquired the Gold Mountain Royalty pursuant to the Gold Mountain Royalty Agreement with Elk Gold. Pursuant to the Gold Mountain Royalty Agreement, Silver Crown holds a net smelter return royalty for 90% of the cash equivalent of the aggregate net proceeds of silver produced, but no less than the cash equivalent of 6,000 ounces of silver quarterly priced at the London Bullion Market Association's daily average price for such quarter in U.S. dollars, from the Gold Mountain Project. The Gold Mountain Royalty is paid quarterly.

At the time of signing the Gold Mountain Royalty Agreement, Silver Crown was required to pay Elk Gold up to eight contingent production bonus payments of \$500,000 each (the "**Production Bonuses**"), for a total of up to \$4,000,000, upon Elk Gold achieving the following production milestones measured on a trailing annualized basis for six consecutive calendar months (an "**Annualized Basis**"):

- the sale of 6,666 contained ounces of silver;
- the sale of 8,888 contained ounces of silver;
- the sale of 11,110 contained ounces of silver;
- the sale of 13,332 contained ounces of silver;
- the sale of 15,554 contained ounces of silver;
- the sale of 17,776 contained ounces of silver;
- the sale of 19,998 contained ounces of silver; and
- the sale of 22,220 contained ounces of silver.

The Production Bonuses are due within sixty (60) days of Elk Gold providing notice that it achieved the applicable production target to Silver Crown for the first Production Bonus and then within thirty (30) days of notice for the remaining Production Bonuses. The Production Bonuses are payable in cash while Silver Crown is private, and in the event the securities of Silver Crown are listed for trading on an exchange, Silver Crown shall have the option to pay the Production Bonuses in cash or in common shares of Silver Crown. On July 24, 2023, Silver Crown, which was a private company at the time, paid Elk Gold, the first Production Bonus payment in the amount of \$500,000 as Elk Gold achieved a sale of 6,666 contained ounces of silver on an Annualized Basis.

In addition to Production Bonuses, Silver Crown is required to pay additional bonuses (the "**Resource Bonus**") in the event Elk Gold files a technical report disclosing aggregate measured, indicated and inferred silver ounces contained in the Gold Mountain Project in excess of the 2,210,000 ounces (the total number of in-situ silver ounces as disclosed in the Gold Mountain Technical Report), Silver Crown will, within thirty (30) days of the filing of such a technical report, pay Elk Gold the lesser of (i) \$1.00; and (ii) 20% of the then average silver price, in respect of each ounce of silver contained in the Gold Mountain Project disclosed in any such technical report that is in excess of the number of silver ounces disclosed in the latest available Gold Mountain Technical Report.

Elk Gold retains the right to repurchase fifty percent (50%) of the Gold Mountain Royalty at any time by making a payment in the amount of the purchase price and any bonuses paid to Elk Gold at the time of such election.

2. *Pilar Royalty Agreement*

On August 21, 2023, Silver Crown announced its entry into a definitive agreement with Pilar Gold Inc. (the "**Pilar Royalty Agreement**") providing for the creation and purchase of a net smelter return royalty on up to 90% of the aggregate net proceeds of silver sold as a result of processing of ores extracted from the PGDM Complex for a total cash consideration of US\$2,000,000. The Pilar Royalty is expected to close in tranches, with payments made by Silver Crown in exchange for net smelter return royalties, up to 90% of the aggregate net proceeds of silver sold from the PGDM Complex. Under the Pilar Royalty Agreement, Pilar Brazil is also required to maintain a maximum segregated cash account balance of \$100,000 under the joint control of Pilar Brazil and Silver Crown.

On November 28, 2023, Silver Crown announced the closing of the first tranche of the Pilar Royalty. To complete the first tranche, Silver Crown paid US\$500,000 (less transaction expenses and required proportionate balance of segregated cash account) in cash in exchange for a net smelter return royalty for the cash equivalent of 22.50% of the silver produced from the PGDM Complex.

On April 26, 2024, Silver Crown and Pilar agreed to amend and restate the Pilar Royalty Agreement to upsize from 22.50% to 31.05% of the silver production from the PGDM Complex by paying US\$190,000 (less royalty payment due to be paid by Pilar to Silver Crown at the time).

On August 12, 2024, Silver Crown announced closing of the third and final tranche and upsized from 31.05% to full 90.00% of the silver production from the PGDM Complex by paying US\$1,310,000 (less transaction expenses, royalty payment due to be paid by Pilar to Silver Crown and the remaining segregated cash account balance). As a result, Silver Crown currently holds a net smelter return royalty for 90.00% of the cash equivalent of the aggregate net proceeds of silver sold as a result of processing of ores extracted from Pilar Gold Inc.'s PGDM Complex, but no less than the cash equivalent of 4,000 ounces of silver quarterly, priced at the London Bullion Market Association's daily average price for such quarter in U.S. dollars, from the PGDM Complex. The Pilar Royalty is paid quarterly.

Pilar may, through successful mill optimization, increase the minimum payments under the Pilar Royalty Agreement to the cash equivalent of 32,000 ounces of silver per year by achieving such an annualized level of silver production on a 6-month trailing basis. Pilar is to receive a bonus payment of US\$1,500,000, payable in Silver Crown common shares or cash in Silver Crown's sole discretion. Any Silver Crown common shares issuable will be priced at: i) a deemed price of C\$0.50 per Silver Crown common share if Silver Crown is a private company at the time of such issuance; or ii) a 5-day trailing VWAP if Silver Crown is a publicly listed company at the time of such issuance.

3. *Tucano Royalty Agreement*

On January 18, 2024, Silver Crown announced its entry into a definitive agreement with Tucano Gold Inc. ("**Tucano**") (the "**Tucano Royalty Agreement**"), which has yet to close, providing for the creation and purchase of a net smelter return royalty (the "**Tucano Royalty**"), whereby Tucano will deliver 90% of the payable silver produced, but no less than 7,000 ounces annually (the "**minimum delivery**"), from Tucano's Mina Tucano Project. Minimum silver equivalent deliveries start on January 1, 2025 and continue for up to ten years.

The purchase price payable by Silver Crown to Tucano is \$1,000,000 that will be paid in units of Silver Crown at a price of \$0.40 per unit, with each unit consisting of one common share in the capital of Silver Crown, and one-half of one common share purchase warrant that entitles the holder to purchase one common share at a price of \$0.80. A bonus payment of \$500,000 will be issued in Silver Crown equity to Tucano if the minimum deliveries are increased to 10,000 ounces per year.

PRIVATE PLACEMENTS AND USE OF PROCEEDS

As outlined in the interim condensed consolidated financial statement for the three and six months ended June 30, 2024, a twenty-to-one share consolidation was affected. The number of issued and outstanding shares, share purchase warrants, broker warrants, and per share amounts have been retrospectively restated in this MD&A for all periods presented unless otherwise stated.

1. Private placement at \$1 per share (\$0.05 per share, pre- consolidation)

During the year ended December 31, 2022, Silver Crown completed a non-brokered private placement issuing a total of 165,000 founder shares at a nominal price of \$1 per share for aggregate gross proceeds of \$165,000.

2. Private placement at \$4 per unit (\$0.20 per unit, pre- consolidation)

During the period from May 5, 2023 to June 15, 2023, Silver Crown completed a non-brokered private placement in four tranches, collectively consisting of 826,025 units at a unit price of \$4 per unit for aggregate gross proceeds of \$3,304,100. Each unit consisted of one common share and one-half of one common share purchase warrant at an exercise price of \$8 for a period of two years following the closing. In connection with this private placement, where applicable, Silver Crown paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$8 for a period of two years from the closing. The use of proceeds of this tranche was to acquire Elk Gold Royalty for cash payment of \$2,500,000 and general corporate purposes.

3. Private placement at \$8 per unit (\$0.40 per unit, pre- consolidation)

During the period from July 21, 2023 to May 14, 2024, Silver Crown completed a non-brokered private placement in five tranches, collectively consisting of 296,286 units at a unit price of \$8 per unit for aggregate gross proceeds of \$2,370,291. Each such warrant entitles the holder thereof to acquire an additional common share at a price of \$0.80 per common share for a period of 36 months from the date Silver Crown becomes a reporting issuer in any jurisdiction of Canada. In connection with this private placement, where applicable, Silver Crown paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$8 for a period of two years from the closing. The use of proceeds of this financing round was a \$500,000 bonus payment to Elk Gold as a Production Bonus, US\$500,000 for an initial acquisition of Pilar Brazil, US\$190,000 for the additional acquisition of Pilar Brazil royalty, as well as general corporate purposes.

4. Private placement at \$10 per unit (\$0.50 per unit, pre- consolidation)

Effective June 27, 2024, the Company completed a private placement concurrent to RTO, consisting of 370,430 units at a unit price of \$10 per unit for aggregate gross proceeds of \$3,704,300. Each unit consisted of one common share and one common share purchase warrant at an exercise price of \$16 for a period of three years from the date the Company becomes a reporting issuer in any jurisdiction of Canada. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$16 for a period of three years from the closing.

SIGNIFICANT PORTFOLIO UPDATES

Elk Gold Mine

Gold Mountain Mining Corp. (“Gold Mountain”) (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) continued ore mining operations at Elk Gold during the fourth quarter until the mining operations were paused starting the last week of December 2023. On March 25, 2024, Gold Mountain announced the entering into of certain agreements with two secured creditors for the settlement and postponement of certain secured debts. The secured creditors accepted Gold Mountain’s common shares issued at CAD\$0.0075 per share as repayment of CAD\$2.49 million to their secured debt with the remaining amount of certain secured debt to be repaid in equal cash payments over 24 months commencing in April 2024.

Silver Crown entered into an agreement with GMTN, to amend the payment terms of its Gold Mountain Royalty Agreement dated May 11, 2023 for the fourth quarter of 2023 and the first and second quarters of 2024. Pursuant to the terms of this agreement, Elk Gold paid an initial \$10,000 cash payment to Silver Crown on July 25, 2024. Additionally, Elk Gold and GMTN have agreed to pay Silver Crown the remaining \$121,484 that will be payable to SCRI pursuant to the terms of the Royalty Agreement as of July 30, 2024, in cash on or before September 30, 2024. SCRI expects regular quarterly royalty payments to resume on October 30, 2024.

CORPORATE STRATEGY

The Company is focused on originating royalties and streams with the intent of minimizing the impact to counterparty economics while allowing Silver Crown to achieve returns in excess of its cost of capital. The company’s unique approach of sequential capital deployment further reduces risk of over-exposure to any given project. SCRI is focussed on cash-generating assets. Once free cash flow positive, SCRI will target 50% exposure to immediately cash-generating projects, 30% to development (near-term) assets, and 20% to exploration targets).

When acquiring royalties and streams, the Company considers technical and economic merit, jurisdiction risk, upside from exploration and expansion, as well as operator quality. The Company aims to collaborate with competent operators in premier jurisdictions to maximize its risk-adjusted returns, adhering to a corporate strategy that prioritizes value and quality over quantity. The Company’s focus on minimum cash-equivalent deliveries opens the playing field to projects otherwise inaccessible to competitors – specifically projects, assets, or infrastructure that don’t report silver production.

REVIEW OF FINANCIAL PERFORMANCE

1. Three months ended June 30, 2024 and 2023

The following table provides a breakdown of key items in the statement of net loss for three months ended June 30, 2024 and 2023:

	2024	2023
	\$	\$
Revenue	107,785	29,169
Operating expenses	2,209,004	552,435
Other income	387	2,822
Net loss	2,100,832	520,444

Revenue

Revenue for the three months ended June 30, 2024, was \$107,785, an increase of \$78,616, compared to \$29,169 for a comparable period in 2023. Royalty income from Elk Gold Mine was increased from \$29,169 in 2023 to \$53,303 in 2024 because there was only two months of revenue in 2023 compared to full three months revenue in 2024 along with general price increase in silver prices from year over year. Another reason for increase in revenue was due to new royalty income from Pilar Brazil which only started in December 2023. Revenue from Pilar Brazil in Q2 2024 was \$54,482 whereas there was no revenue in Q2 2023.

Operating expenses

The following table provides a breakdown of total operating expenses incurred for three months ended June 30, 2024, and 2023:

	2024	2023
	\$	\$
Personnel costs	297,255	444,858
Marketing and business development	48,305	69,773
Legal and professional fees	21,225	32,500
Depletion	7,478	4,303
General and administrative expenses	3,222	1,001
Listing expenses	1,831,518	-
	<u>2,209,004</u>	<u>552,435</u>

Total operating expenses for the quarter ended June 30, 2024 were increased by \$1,656,569 compared to 2023 due to an increase in listing expenses, depletion, and general and administrative expenses offset by a decrease in marketing and business development expenses and legal and professional fees.

Personnel costs

Personnel costs, which primarily comprise management and board compensation, decreased by \$147,603 in 2024 compared to 2023 due to a decrease in non-cash portion of management compensation which decreased by \$186,250. This was offset by small variance in cash portion of management compensation and directors' compensation.

Marketing and business development

Marketing and business development expenses decreased by 31%, from \$69,773 in 2023 to \$48,305 which was result of less business development activities in 2024 compared to 2023.

Legal and professional fees

Legal and professional fees decreased from \$32,500 in 2023 which in addition to accrual for audit fees included an analyst coverage fees, compared to \$21,225 in 2024 which only included amounts related to audit fee.

Depletion

Silver Crown's royalty interests that generate economic benefits are considered depletable and are depleted on a unit-of-production basis over the units of production that are expected to generate the cash flows that will be attributable to Silver Crown. The first royalty interest at the Elk Gold project was acquired in May 2023 and the second royalty interest at Pilar Brazil was acquired at the end of November 2023. Therefore,

the only depletion in the three months ended June 30, 2023 was for Elk Gold for two months, whereas the full three months depletion on both royalty interests was charged in Q2 of 2024.

General and administrative expenses

General and administrative expenses were negligible during the three months ended June 30, 2024, and 2023.

Other income

Other income comprised of interest income which was not a significant balance in the three months ended June 30, 2024, and 2023.

Listing expense

Effective May 15, 2024, and as further amended on May 27, 2024, Silver Crown entered into an amalgamation agreement with 1287412 B.C. Ltd. which was a reporting issuer in the Provinces of British Columbia and Alberta which resulted in the Resulting Issuer now carrying on the business of Silver Crown under the name "Silver Crown Royalties Inc." The combined entity resulting from the transaction has its common shares listed on the Cboe Canada Inc. (the "Exchange") by way of a listing statement in the form of a non-offering prospectus.

For accounting purposes, the transaction was accounted for as a reverse takeover, as the security holders of SCR acquired control of the consolidated entity upon the completion of the acquisition. The reverse takeover did not constitute a business combination under IFRS 3, and instead was accounted for under IFRS 2 Share-Based Payments, as 128 did not meet the definition of a business. On closing of the acquisition, SCR is treated as the accounting parent (legal subsidiary), and 128 is treated as the accounting subsidiary (legal parent).

As a result of this acquisition, an amount of \$1,544,427 has been recorded as listing expense in Silver Crown books. This reflects the difference between the estimated fair value of consideration given less the fair value of net assets acquired.

During the three months ended, June 30, 2024, the Company also incurred cash listing expenses of \$287,091 for aggregate listing expenses of \$1,831,518.

Net loss

Net loss increased by \$ 1,580,388, from \$520,444 in 2023 to \$2,100,832 in 2024, primarily due to an increase in operating expenses by \$1,656,569 offset by an increase in revenue by \$78,616. The significant increase in net loss is due to listing expense of \$1,831,518 incurred for public listing of the company in 2024.

2. Six-months ended June 30, 2024 and 2023

The following table provides a breakdown of key items in the statement of net loss for six months ended June 30, 2024 and 2023:

	2024	2023
	\$	\$
Revenue	182,210	29,169
Operating expenses	2,580,323	735,567
Other income	712	3,326
Net loss	2,397,401	703,072

Revenue

Revenue for the six months ended June 30, 2024, was \$182,210, an increase of \$153,041, compared to \$29,169 for a comparable period in 2023. Royalty income from Elk Gold project was increased from \$29,169 in 2023 to \$95,801 in 2024 because there was only two months of revenue in 2023 compared to full six months revenue in 2024 along with general price increase in silver prices from year over year. Another reason for increase in revenue was due to new royalty income from Pilar Brazil which only started in December 2023. Revenue from Pilar Brazil in six months of 2024 was \$86,409 whereas there was no revenue in the first six months of 2023.

Operating expenses

The following table provides a breakdown of total operating expenses incurred for six months ended June 30, 2024, and 2023:

	2024	2023
	\$	\$
Personnel costs	595,087	569,556
Marketing and business development	89,600	120,345
Legal and professional fees	43,336	40,000
Depletion	14,585	4,303
General and administrative expenses	6,197	1,363
Listing expenses	1,831,518	-
	<u>2,580,323</u>	<u>735,567</u>

Total operating expenses for six months ended June 30, 2024 were increased by \$1,844,756 compared to 2023 due to an increase in listing expenses, personnel costs, legal and professional fees, depletion, and general and administrative expenses offset by a decrease in marketing and business development expenses.

Personnel costs

Personnel costs, which primarily comprise management and board compensation, increased by \$25,531 in 2024 compared to 2023 which is a nominal increase of 4.48% and is considered non-significant.

Marketing and business development

Marketing and business development expenses decreased by 25.55% from \$120,345 in 2023 to \$89,600 which was result of less business development activities in 2024 compared to 2023.

Legal and professional fees

Legal and professional fees only increased from \$40,000 in 2023 compared to \$43,336 in 2024 which is considered a nominal increase of 7.70%.

Depletion

The first royalty interest at Elk Gold project was acquired in May 2023 and the second royalty interest at Pilar Brazil was acquired at the end of November 2023. Therefore, the only depletion in the six months ended June 30, 2023 was for Elk Gold for two months, whereas the full six months depletion on both royalty interests was charged in 2024.

General and administrative expenses

General and administrative expenses were negligible during the six months ended June 30, 2024, and 2023.

Other income

Other income comprised of interest income which was not a significant balance in the six months ended June 30, 2024, and 2023.

Listing expense

Effective May 15, 2024, and as further amended on May 27, 2024, Silver Crown entered into an amalgamation agreement with 1287412 B.C. Ltd. which was a reporting issuer in the Provinces of British Columbia and Alberta which resulted in the Resulting Issuer now carrying on the business of Silver Crown under the name "Silver Crown Royalties Inc." The combined entity resulting from the transaction has its common shares listed on the Cboe Canada Inc. (the "Exchange") by way of a listing statement in the form of a non-offering prospectus.

For accounting purposes, the transaction was accounted for as a reverse takeover, as the security holders of SCR acquired control of the consolidated entity upon the completion of the acquisition. The reverse takeover did not constitute a business combination under IFRS 3, and instead was accounted for under IFRS 2 Share-Based Payments, as 128 did not meet the definition of a business. On closing of the acquisition, SCR is treated as the accounting parent (legal subsidiary), and 128 is treated as the accounting subsidiary (legal parent).

As a result of this acquisition, an amount of \$1,544,427 has been recorded as listing expense in Silver Crown books. This reflects the difference between the estimated fair value of consideration given less the fair value of net assets acquired.

During the six months ended, June 30, 2024, the Company also incurred cash listing expenses of \$287,091 for aggregate listing expenses of \$1,831,518.

Net loss

Net loss increased by \$ 1,694,329, from \$703,072 in 2023 to \$2,397,401 in 2024, primarily due to an increase in operating expenses by \$1,844,755 offset by an increase in revenue by \$153,041. The significant increase in net loss is due to listing expense of \$1,831,518 incurred for public listing of the company in 2024.

3. Summarized Quarterly Financial Information

The following table presents a summary of the Company's quarterly results of operations for each of its last eight quarters.

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Total revenue	107,785	74,425	52,976	42,627
Net loss	(2,100,832)	(296,569)	(425,704)	(354,767)
Basic and diluted loss per share	(1.26)	(0.19)	(0.27)	(0.25)
Total assets	8,727,882	4,372,295	4,344,421	3,369,279
Cashflow from operating activities	(284,533)	(48,906)	(467,342)	(209,085)
Cashflow from investing activities	(273,022)	(35,126)	(716,376)	(519,743)
Cashflow from financing activities	4,172,977	10,610	1,176,844	478,413

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	\$	\$	\$	\$
Total revenue	29,169	-	-	-
Net loss	(520,444)	(182,628)	(93,569)	(77,981)
Basic and diluted loss per share	(0.58)	(0.47)	(0.56)	(0.47)
Total assets	3,073,019	71,035	150,891	165,710
Cashflow from operating activities	(222,281)	(98,345)	(15,666)	(18)
Cashflow from investing activities	(2,502,637)	75,464	329	270
Cashflow from financing activities	3,087,759	15,000	-	-

Revenue

There was no revenue until the Q2 of 2023 as the Company acquired its first revenue-generating asset in May 2023. As a result, the Company earned a minimum guaranteed royalty income for Q2 2023 amounting to \$29,169. Revenue increased in Q3 2023 due to an increase in minimum guaranteed royalty payment by 50% because of Elk Gold meeting higher production milestones and earning a production bonus of \$500,000 in July 2023. As the second revenue-generating asset, Pilar Brazil, was acquired at the end of November 2023, there was a prorated one month of minimum guaranteed royalty income earned from Pilar Brazil which was the main reason for the increase in revenue from Q3 to Q4 2023. Further, there was increase in Q2 compared to Q1 2024 due to the closing of tranche 2 of Pilar Brazil for an additional 380 ounces of silver plus the increase in silver prices from quarter over quarter.

Net loss

The Company commenced its operations in May 2022, hence had limited operations in 2022. Most of the costs in 2022 were non-cash consulting fees paid to management and the board of directors. Net loss for all the quarters in 2024 compared to quarters in 2023 fluctuated primarily due to fluctuation in non-cash personnel costs and listing expense of the company in Q2 2024, offset by the increase in revenue quarter over quarter.

Basic and diluted per shares

Basic and diluted loss per share is a small amount and has changed quarter over quarter due to changes in net loss and the weighted average no. of shares outstanding at the end of each quarter.

Total assets

Prior to acquiring its first royalty interest in Elk Gold project in May 2023, total asset amount was in the range of \$150k to \$165k comprising of cash including term deposit with the bank after the Company raised \$165,000 from the Founders' round in May 2022. Since Q2 2023, Silver Crown acquired Elk Gold royalty interest for approximately \$3 million which resulted in an increase of total assets in Q2, 2023 followed by Q3 2023 when additional \$500,000 was added to Elk Gold project due to production bonus. All other increases after Q3 2023 are the result of Pilar Brazil's acquisition by Silver Crown, in tranches.

Cashflow from operating activities

Net cash used in operating activities in all the quarters prior to Q2 2023 was nominal for the most part which consistently increased quarter over quarter in 2023 in line with the increase in operations quarter over quarter.

Cashflow from investing Activities

Prior to acquiring its first royalty interest in Elk Gold project in May 2023, net cash used in investing activities was negligible and represented an investment of approximately \$100k of cash into a term deposit and its subsequent encashment to settle certain liabilities. The significant amount of cash used since Q2 2023 the purchase of Elk Gold royalty asset, payment of production bonus to Elk Gold, and purchase of multiple tranches of Pilar Gold, respectively.

Cashflow from financing activities

Cashflow from financing activities fluctuated from quarter over quarter in line with timing of closing of various private placements of \$1, \$4, \$8 and \$10 during 2022, 2023 and 2024 offset by share issuance costs associated with these private placements. Refer to "Private Placements and Use of Proceeds" section of the MD&A for further details of these private placements.

BALANCE SHEET REVIEW

Following is the selected balance sheet information as at June 30, 2024 and December 31, 2023:

	2024	2023
	\$	\$
Total assets	8,727,882	4,344,421
Total liabilities	1,442,606	404,957
Working capital ¹	3,181,969	130,432
Shareholder's equity	7,285,276	3,939,464

¹ Working capital is a non-IFRS measure and is calculated as current assets minus current liabilities as disclosed in the consolidated statements of financial position.

Total assets

Total assets were \$8,727,882 at June 30, 2024 compared to \$4,344,421 at December 31, 2023. A net increase of \$4,383,461 was associated with an increase of \$294,275 in non-current assets and an increase of \$4,089,186 in the current assets. The increase in non-current assets represented closing of the second tranche of Pilar Brazil in 2024 offset by increase in depletion expense. Increase in current assets is primarily in cash at bank which is the result of timing of closing of the concurrent financing round just before the end of June 2024.

Total liabilities

Total liabilities at June 30, 2024 increased by \$1,037,649, from \$404,957 at December 31, 2023 to \$1,442,606 at June 30, 2024. This increase was associated primarily with an increase of \$367,500 in accrued liabilities which are to be settled in RSUs (non-cash), an increase of \$671,557 in accounts payables, offset by a small variance in other liabilities and accruals. The increase in accrued liabilities to be settled in RSUs is the non-cash compensation of key management personnel for the period from January 1, 2024 to June 30, 2024. Increase in accounts payable is directly linked to increase in operations and utilization of credit terms wherever possible to better manage working capital.

Shareholders' equity

Shareholders' equity increased by \$3,345,812 at June 30, 2024, compared to December 31, 2023. This increase was primarily due to a net loss of \$2,397,401 for the period, offset by increase of \$1,332,413 in contributed surplus and \$4,410,800 in share capital.

LIQUIDITY AND CAPITAL RESOURCES

Silver Crown's objectives when managing its liquidity and capital resources are to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans while maintaining healthy liquidity reserves and access to capital for at least the next twelve months. To address its financing requirements, management has been able to raise sufficient new equity to finance its operations and will need to continue to do so to fund operations in the future as well as to generate revenue from its royalties' interests.

The table below sets out the cash and working capital position as at June 30, 2024 and December 31, 2023:

	2024	2023
	\$	\$
Cash at bank	3,684,398	142,399
Working capital excluding cash at bank	(502,429)	(11,967)
	3,181,969	130,432

Cash balance was increased by \$3,541,999 from December 31, 2023 to June 30, 2024. This movement was the result of cash used in operating activities of \$333,439, cash used in investing activities of \$308,149 offset by cash generated by financing activities of \$4,183,587, during the period. The working capital balance excluding cash was negatively impacted by \$490,462 primarily due to an increase in accrued liabilities to be settled in RSU by \$652,500 offset by movements in other working capital accounts.

The table below sets out the cash flows for the six months ended June 30, 2024, and 2023 divided into operating, investing, and financing activities:

	2024	2023
	\$	\$
Cash used in operating activities	(333,439)	(320,627)
Cash used in investing activities	(308,148)	(2,427,172)
Cash generated from financing activities	4,183,586	3,102,759
	3,541,999	354,960

Material increases or decreases in the Company's liquidity are largely influenced by the performance of its royalty interests. Another major risk factor is the overall market condition for smaller resource companies. The Company is not aware of any seasonality in the precious metals-focused royalty and streaming sector that could have a material impact on its financial condition.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates into both short-term operating and longer-term strategic decisions. Strong equity and commodity markets provide favorable conditions for completing financings, as well as for executing public mergers or acquisitions.

Operating activities

Net cash used in operating activities in 2024 was \$333,439, compared to \$320,627 in the comparable period in 2023, a nominal increase of 4%. The increase in net loss adjusted for non-cash items was offset by improvement in non-cash working capital movement during each period.

Investing activities

Net cash used in investing activities was decreased from \$2,427,172 in 2023 to \$308,148 in 2024. The primary reason for this decrease was less spending on royalty interests in 2024 compared to 2023. During the six months period ended June 30, 2023, Elk Gold royalty interest was acquired for a cash payment of \$2,500,000 whereas in the same period of 2024, only US\$190,000 was spent to acquire a portion of royalty interest on Pilar Brazil. There was also an inflow of \$101,163 for cashing a term deposit in 2023 which did not occur in 2024.

Financing activities

Net cash generated from financing activities was increased from \$3,102,759 in 2023 to \$4,183,586 in 2024 which was primarily due to cash raised from private placements within both periods.

Although the Company has not generated substantial income and has accumulated a deficit during both periods, we believe that the Company will be able to raise enough capital to fund the operations and commitments as required.

To maintain liquidity in the future, the Company continues to investigate additional royalty and stream interests and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares and warrants. While the Company has been successful in obtaining the necessary financing for its operations and contractual commitments in the past, there is no assurance that such financing will be available in the future or be available on terms acceptable to the Company.

Capital Resources

The Company will continue to seek capital. In the past, the Company has raised capital through the issuance of common shares pursuant to private placements. The Company manages its capital structure to maximize its financial flexibility, making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Related party transactions, including compensation to key management personnel, are presented in Note 10 of the 2023 audited annual consolidated financial statements and Note 9 of the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2024. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

NON-IFRS FINANCIAL MEASURES

The Company used certain non-IFRS performance measures, such as free cash flow per share and working capital, throughout this MD&A.

Free cash flow per share is defined as cash flow from operating activities less capital expenditures divided by the total number of common shares outstanding. Working capital is defined as current assets less current liabilities.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Outstanding Share Data

As of the date of this MD&A, there were 2,340,576 common shares of the Company issued and outstanding, 474,863 share purchase warrants outstanding with an exercise price of \$8, 757,108 share purchase warrants outstanding with an exercise price of \$16, and 66,250 RSUs outstanding.

Off-Balance Sheet Arrangements

As at June 30, 2024, and December 31, 2023, the Company had no off-balance sheet arrangements other than those related to royalty interests as disclosed in the respective notes of the 2023 audited annual consolidated financial statements and unaudited interim condensed consolidated financial statements for three and six months ended June 30, 2024.

Critical Accounting Judgements and Estimates

The Company applied the critical accounting judgments and estimates as disclosed in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2023.

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Group's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are deemed to be critical accounting estimates by management for the year ended December 31, 2023 and the three and six months ended June 30, 2024, as these require a high level of subjectivity and judgement and could have a material impact on Silver Crown's financial statements.

- (a) Accounting for royalty interests
- (b) Impairment of royalty interests
- (c) Estimation of depletion
- (d) Deferred tax assets
- (e) Going concern
- (f) Provisions

Change in Accounting Policies

Accounting policies as disclosed in Note 2 of the audited annual consolidated financial statements for the years ended December 31, 2023 have been applied consistently, and there have been no changes.

Financial Instruments

The Company does not currently utilize complex financial instruments for hedging commodity prices and foreign exchange exposures. Information relating to the Company's financial instruments is disclosed in Note 11 of the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2024.

Note Regarding Scientific and Technical Information

Except where otherwise stated, the disclosure in this MD&A relating to properties and operations on the properties in respect of which Silver Crown holds royalty or stream interests is based, in respect of the Elk Gold Project, on the following technical reports listed below and on additional publicly disclosed information relating to these assets after the date of the technical reports.

- “NI 43-101 Technical Report, Updated Preliminary Economic Assessment on the Elk Gold Project” with an effective date of May 14, 2021 and a report date of June 21, 2021, this technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp. and filed under Gold Mountain's SEDAR profile on June 22, 2021.
- “NI 43-101 Technical Report and Resource Update of the Elk Gold Project, Merritt, British Columbia, Canada” with an effective date of December 7, 2021, and a report date of January 21, 2022. This technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp., and filed under Gold Mountain's SEDAR profile on January 21, 2022.

The technical and scientific information contained in this MD&A has been reviewed and approved in accordance with NI 43-101 by Mitchell E. Lavery, P.Geo., who is a qualified person for the purposes of NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this Filing Statement.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the condensed interim and annual consolidated financial statements and notes thereto, the MD&A, and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the board of directors (“Directors”), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the audited consolidated annual financial statements and MD&A. Responsibility for the review and approval of the Company's annual consolidated financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of 3 directors, who are independent of management.

Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The external auditors are appointed annually by the shareholders to conduct an annual audit of the financial statements in accordance with Canadian Auditing Standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting, and related matters resulting from the annual audit, as well as assist the members of the Audit Committee in discharging its corporate governance responsibilities.

Note Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements may include statements regarding: perceived merit of royalty and stream interests; statements relating to the economic viability of a royalty and stream interests; operational, strategic, and supply chain timelines; strategic plans; future financial position; targeted cash flow positions; access to capital; the ability to raise additional capital and complete future financings; completion of the royalty interests; completion of private placements; market prices for metals; or other statements that are not statements of fact. These statements relate to analyses and other information that is based on forecasts of future results, estimates of amounts not yet determinable, and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. The forward-looking information included in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. These assumptions include, but are not limited to, the following:

- our estimates of near-, medium-, and long-term commodity prices;
- for the properties in respect of which Silver Crown holds a royalty interest, the operation continues as a going concern;
- the accuracy of public statements and disclosures made by the owners or operators of such underlying properties, including with respect to Mineral Resources, Mineral Reserves, construction timelines, production estimates, and other related matters, as applicable;
- that each counterparty will satisfy its obligations in accordance with the royalty contracts to which it is a party with Silver Crown, and that each such contract will be enforceable in accordance with its terms;
- no adverse development relating to any property in respect of which Silver Crown holds a royalty;
- that projects not yet in production or in development included in Silver Crown's asset portfolio will be developed, transitioned into production or development, and successfully achieve production and commercial ramp-up, in each case, in accordance with Silver Crown's expectations;
- the impact of the conflict between Russia and Ukraine, any escalation thereto and its impacts on the global economy or on the Company's business;
- no material changes will occur with respect to Silver Crown's existing tax treatment; and

- the absence of any other factors that could cause actions, events, or results to differ from those anticipated, estimated, intended, or implied.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- limited operating history and uncertainty of future revenues;
- changes in commodity prices will affect the revenues generated from our portfolio and the profitability of Silver Crown;
- Silver Crown has no or limited control over the operation of the properties in respect of which it holds a royalty interest, and the operators' failure to perform or decision to cease or suspend operations will affect the revenues of Silver Crown;
- increased competition for royalties, streams and other interests could adversely affect Silver Crown's ability to acquire additional royalties, streams and other interests in mineral properties;
- some of the properties in respect of which Silver Crown holds an interest may never achieve commercial production, and Silver Crown may lose its entire investment;
- sales of assets in respect of which Silver Crown holds an interest may result in a new operator and any failure of such operator to perform could affect the revenues of Silver Crown;
- Silver Crown may acquire royalties, streams or other interests in respect of properties that are speculative and there can be no guarantee that mineable deposits will be discovered, developed or mined;
- Silver Crown has limited access to data and disclosure regarding the operation of properties in respect of which it holds interests, which will affect its ability to assess and predict the performance of its royalties or streams;
- Silver Crown depends on its operators for the calculation of certain payments, and it may not be possible to detect errors in payment calculations;
- Silver Crown is dependent on the payment or delivery by the owners and operators of the properties in respect of which it has a royalty or stream, and any delay in or failure of such payments will affect the revenues generated by the asset portfolio;
- global financial conditions may destabilize;
- royalties or streaming interests may not be honored by operators of a project;
- not all of Silver Crown's royalties or streams are secured, Silver Crown's security interests, if any, may be subordinated, and security interests may be difficult to enforce;
- Silver Crown's profitability, results of operations and financial condition are subject to variations in foreign exchange rates;
- operators of mines may not be able to replace depleted Mineral Reserves and Mineral Resources, which would reduce Silver Crown's revenue from royalties or streams;
- Silver Crown can provide no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be on terms acceptable to the Company;
- Silver Crown may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business;
- certain of Silver Crown's directors serve in similar positions with other public companies, which could put them in a conflict position from time to time;
- changes in the interpretation of tax legislation or accounting rules could affect the profitability of Silver Crown;
- changes in governmental and environmental regulation that results in increased costs;
- Silver Crown has a history of losses and it may be unable to achieve profitability;
- Silver Crown is indirectly exposed to many of the same risk factors as the owners and operators of properties in respect of which it holds a royalty or stream interest;

- production at mines and projects in respect of which Silver Crown holds royalty or stream interests is dependent on operators' employees;
- production forecasts may not prove to be accurate;
- the exploration and development of Mineral Resource properties is inherently dangerous and subject to risks beyond the control of Silver Crown;
- defects in title to properties underlying Silver Crown's royalty or stream interests may result in a loss of entitlement by the operator and a loss of Silver Crown's interest;
- future litigation affecting the properties in respect of which Silver Crown holds its royalty or stream interests could have an adverse effect on Silver Crown;
- the operations in respect of which Silver Crown holds a royalty or stream require various property rights, permits and licenses to be held by the operator in order to conduct current and future operations, and delays or a failure to obtain or maintain such property rights, permits and licenses, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations or exploration on the properties;
- Silver Crown is exposed to risks related to the construction, development, expansion, and/or exploration in relation to the mines, projects and properties in respect of which it holds a royalty or stream interest;
- additional costs may be incurred by mineral property operators as a result of international climate change initiatives and may affect the availability of resources and cause business disruptions, which could reduce Silver Crown's revenues;
- certain operators are subject to risks relating to foreign jurisdictions which could negatively impact Silver Crown;
- Silver Crown is subject to risks related to certain operations in developing economies; and
- the forward-looking statements contained in this MD&A or incorporated by reference may prove to be incorrect.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date of this MD&A, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

More information about the Company including its recent financial reports is available under the Company's profile on SEDAR at www.sedar.com.