

**SILVER CROWN  
ROYALTIES INC**



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 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 nine months ended September 30, 2024, and 2023. The MD&A considers information available up to, and is dated November 8, 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 nine months ended September 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 and continued into British Columbia through a Certificate of Continuation effective June 26, 2024. 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.

## 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	Goias, Brazil	Production	Pilar Gold

Additionally, the Company has definitive agreements in place to acquire the following royalty assets:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Tucano	90% NSR Silver Royalty	Silver	Amapa, Brazil	Restart	Tucano Gold
BacTech	90% NSR Silver Royalty	Silver	Tenguel, Ecuadore	Development	BacTech Environmental

## 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 was closed 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 \$10 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 \$8 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 \$16. 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.

### **4. BacTech Royalty Agreement**

During October 2024, the Company entered into a royalty purchase agreement with BacTech Environmental Corporation ("**BacTech**"), purchasing a royalty on 90% of the aggregate gross proceeds of silver processed at the future bioleaching facility in Tenguel, Ecuador for a consideration of \$4,000,000 payable in 400,000 units at a deemed value of \$10 per unit based on certain milestones. Each unit issued will consist of one common share and one common share purchase warrant with an exercise price of \$16 for a period of thirty-six months from the issue date of each unit. This transaction is not closed as of the reporting date and the units required to be issued are not yet recognised in these financial statements.

## PRIVATE PLACEMENTS AND USE OF PROCEEDS

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

### ***1. Private placement at \$4 per unit***

During the period from May 5, 2023, to June 15, 2023, Silver Crown completed a non-brokered private placement in four tranches, issuing a total 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 a cash payment of \$2,500,000 and general corporate purposes.

### ***2. Private placement at \$8 per unit***

During the period from July 21, 2023, to May 14, 2024, Silver Crown completed a non-brokered private placement in five tranches, issuing a total of 296,285 units at a unit price of \$8 per unit for aggregate gross proceeds of \$2,370,292. Each unit consisted of one common share and one-half of one common share purchase warrant at an exercise price of \$16 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 cash payment to Elk Gold as a Production Bonus, US\$690,000 to Pilar Brazil for the first and second tranche of Pilar Brazil Royalty, and general corporate purposes.

### ***3. Private placement at \$10 per unit***

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.

### ***4. Private placement at \$10 per unit***

Effective July 31, 2024, the Company completed a non-brokered private placement, issuing 115,912 units at a unit price of \$10 per unit for aggregate gross proceeds of \$1,159,120. Each unit consisted of one common share and one common share purchase warrant at an exercise price of \$16 until June 28, 2027. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8%.

## 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 related to the fourth quarter of 2023 and the first two 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 and the remaining of \$121,484 on September 30, 2024. SCRi is now current in all its royalty payments from Elk Gold as of the date of this MD&A.

## 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 September 30, 2024 and 2023*

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

	2024	2023
	\$	\$
Revenue	164,425	42,627
Operating expenses	(805,135)	(399,449)
Listing expenses	(276,260)	-
Other income	22,566	2,055
Net loss	(894,404)	(354,767)

*Revenue*

Revenue for the three months ended September 30, 2024, was \$164,425, an increase of \$121,798, compared to \$42,627 for the same period in 2023. Royalty income from Elk Gold Mine increased from \$42,627 in 2023 to \$54,193 in 2024 solely due to an average increase of 27% in silver prices. Another reason for increase in revenue was royalty income from a new project, Pilar Brazil, which started in December 2023. Revenue from Pilar Brazil in Q3 2024 was \$110,232 whereas there was no comparable revenue in 2023.

*Operating expenses*

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

	2024	2023
	\$	\$
Personnel costs	321,608	145,990
Share-based compensation	281,417	115,000
Marketing and business development	154,944	106,765
Legal and professional fees	23,913	24,174
Depletion	17,739	4,720
General and administrative expenses	5,514	2,800
	805,135	399,449

Total operating expenses for the quarter ended September 30, 2024, were increased by \$405,686 compared to 2023 due to increase in personnel costs, share-based compensation, marketing and business development, depletion, and general and administrative expenses offset by a nominal decrease in legal and professional fees.

Personnel costs

Personnel costs, which mainly comprise cash compensation of management, increased by \$175,618 in 2024 compared to 2023, primarily because of \$185,000 transaction bonus paid related to 'Going Public' transaction in Q3 2024 with no such expense in 2023.

Share-based compensation

Share-based compensation, which mainly comprise of non-cash compensation of board of directors, management and other consultants increased by \$166,417 in 2024 compared to 2023, primarily because of \$90,000 transaction bonus, paid in shares, related to 'Going Public' transaction in Q3 2024 with no such expense in 2023. The remaining difference was allocated to additional consultants' costs quarter over quarter.

Marketing and business development

Marketing and business development expenses increased by approximately 45%, from \$106,765 in 2023 to \$154,944, because of increase in marketing and business development activities in 2024 compared to 2023.

Legal and professional fees

Legal and professional fees remained relatively consistent quarter over quarter between 2023 and 2024.

Depletion

Depletion expense increased by \$13,019 from \$4,720 in 2023 to \$17,739 in 2024. Major variance was due to the number of months each royalty was depleted which is dependent on when respective royalty was acquired. Elk Gold royalty was acquired in May 2023 and the Pilar Brazil royalty was acquired at the end of November 2023. Therefore, the only depletion in Q3 2023 was for Elk Gold for full three months, whereas the depletion in Q3 2024 was on both royalty interests for full three months.

General and administrative expenses

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

*Listing expense*

As the Company was listed on July 25, 2024, the Company incurred both non-cash and cash listing expenses within the Q2 and Q3 of 2024. The listing expenses incurred in Q3 2024 were related to cash expenses incurred on listing common shares and common share purchase warrants on Cboe Canada and OTCQX and for dual listing on the Frankfurt Stock Exchange. There were no such costs in 2023.

*Other income*

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

*Net loss*

Net loss increased by \$539,637 from \$354,767 in 2023 to \$894,404 in 2024, due to an increase in operating expenses by \$405,686, increase in listing expenses by \$276,260, offset by an increase in revenue by \$121,798 and increase in interest income by \$20,511.

**2. *Nine-months ended September 30, 2024 and 2023***

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

	2024	2023
	\$	\$
Revenue	346,635	71,796
Operating expenses	(1,553,940)	(1,135,016)
Listing expenses	(2,107,778)	-
Other income	23,278	5,381
Net loss	(3,291,805)	(1,057,839)

*Revenue*

Revenue for the nine months ended September 30, 2024, was \$346,635, an increase of \$274,839, compared to \$71,796 for the same period in 2023. Royalty income from Elk Gold project increased from \$71,796 in 2023 to \$149,994 in 2024 because there was only five months of revenue in 2023 compared to full nine months of revenue in 2024 along with silver price increase. Another reason for increase in revenue was due to royalty income from the new project, Pilar Brazil, which started producing royalty income effective December 2023. Revenue from Pilar Brazil in nine months of 2024 was \$196,641 whereas there was no revenue in the first nine months of 2023.



*Operating expenses*

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

	2024	2023
	\$	\$
Personnel costs	549,195	290,546
Share-based compensation	656,450	540,000
Marketing and business development	237,011	227,110
Legal and professional fees	67,249	64,174
Depletion	32,324	9,023
General and administrative expenses	11,711	4,163
	<u>1,553,940</u>	<u>1,135,016</u>

Total operating expenses for nine months ended September 30, 2024, were increased by \$418,924 compared to 2023 due to increase in all categories including personnel costs, share-based compensation, marketing and business development expenses, legal and professional fees, depletion, and general and administrative expenses.

Personnel costs

Personnel costs, which mainly include cash compensation of management, increased by \$258,649 in 2024 compared to 2023, primarily because of transaction bonus of \$185,000 related to 'Going Public' transaction in Q3 2024 with no such expense in 2023. Another major increase of \$35,000 was due to hiring of a new consultant in August 2023 which resulted in only two months of expense in 2023 compared to full nine months expense in 2024.

Share-based compensation

Share-based compensation, which mainly comprise of non-cash compensation of board of directors, management and other consultants, increased by \$116,450 in 2024 compared to 2023, primarily because of transaction bonus of \$90,000 related to 'Going Public' transaction, paid in common shares, in Q3 2024 with no such expense in 2023. The remaining difference was allocated to additional consultants' costs quarter over quarter.

Marketing and business development

There was no significant variance in marketing and business development for the nine months ended September 30, 2024, compared to 2023.

Legal and professional fees

There was no significant variance in legal and professional fees for the nine months ended September 30, 2024, compared to 2023.

Depletion

Depletion expense increased by \$24,301 from \$9,023 in 2023 to \$33,324 in 2024. Major variance was due to the number of months each royalty was depleted which is dependent on when the respective royalty was acquired. Elk Gold royalty was acquired in May 2023 and the Pilar Brazil royalty was acquired at the end of November 2023. Therefore, the depletion expense of 2023 comprised of five months of depletion of Elk Gold and no depletion of Pilar Brazil. Whereas in 2024, both assets were depleted for full nine months.

General and administrative expenses

General and administrative expenses were negligible during the nine months ended September 30, 2024, and 2023.

*Listing expense*

On May 15, 2024, as further amended on May 27, 2024, the Company entered into an amalgamation agreement with 1287412 B.C. Ltd. which was a reporting issuer in the Provinces of British Columbia and Alberta. Effective June 28, 2024, the transaction was completed by way of amalgamation pursuant to which Silver Crown amalgamated with 128 and, in exchange for their securities of Silver Crown and 128, the security holders of Silver Crown and 128 received securities of the Resulting Issuer based on their respective exchange ratios. 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. As a result of this transaction, a listing expense of \$1,544,427 was recorded which reflects the fair value of consideration given in the form of common shares and warrants.

Additionally, the Company also incurred cash expenses of \$563,351 which were primarily related to legal and professional fees, listing fee and other expenses incurred on listing common shares and common share purchase warrants on the Exchange and OTCQX and for dual listing on the Frankfurt Stock Exchange. There was no such expense in 2023.

*Other income*

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

*Net loss*

Net loss increased by \$2,233,966, from \$1,057,839 in 2023 to \$3,291,805 in 2024, due to an increase in operating expenses by \$418,924, increase in listing expense by \$2,107,778, offset by an increase in revenue by \$274,839 and increase in interest income by \$17,897.

**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.

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	\$	\$	\$	\$
Total revenue	164,425	107,785	74,425	52,976
Net loss	(894,404)	(2,100,832)	(296,569)	(425,704)
Basic and diluted loss per share	(0.39)	(1.26)	(0.19)	(0.27)
Total assets	8,767,693	8,727,882	4,370,345	4,344,421
Cashflow from operating activities	(1,180,150)	(284,533)	(48,906)	(467,342)
Cashflow from investing activities	(1,739,706)	(273,022)	(35,126)	(716,376)
Cashflow from financing activities	1,053,961	4,172,977	10,610	1,176,844

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	\$	\$	\$	\$
Total revenue	42,627	29,169	-	-
Net loss	(354,767)	(520,444)	(182,628)	(93,569)
Basic and diluted loss per share	(0.25)	(0.58)	(0.47)	(0.56)
Total assets	3,369,279	3,073,019	71,035	150,890
Cashflow from operating activities	(209,085)	(237,382)	(98,345)	(15,666)
Cashflow from investing activities	(519,744)	(2,492,636)	75,464	330
Cashflow from financing activities	478,413	3,092,859	15,000	-

### Revenue

There was no revenue until the Company acquired its first revenue-generating asset in May 2023. As a result, the Company earned its first royalty income in Q2 2023 for an amount of \$29,169. Revenue increase in Q3 2023 was due to increase in royalty income from Elk Gold 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 in tranches, there was a gradual increase in royalty income from Pilar Brazil in line with additional royalties purchased under each tranche.

Following is the number of ounces of silver earned under both Elk Gold and Pilar Gold during the last eight quarters:

	Elk Gold	Pilar Gold	Total
Q4 2022	-	-	-
Q1 2023	-	-	-
Q2 2023	1,000	-	1,000
Q3 2023	1,500	-	1,500
Q4 2023	1,500	337	1,837
Q1 2024	1,500	1,000	2,500
Q2 2024	1,500	1,380	2,880
Q3 2024	1,500	2,745	4,245

### Net loss

As the Company commenced its operations in May 2022, there was limited activity in 2022. Most of the costs in 2022 were related to share-based compensation for management and the board of directors. Net loss for all three quarters in 2024 compared to 2023 fluctuated primarily due to fluctuation in personnel costs, share-based compensation, and listing expenses, offset by the increase in revenue quarter over quarter.

### Basic and diluted per shares

Basic and diluted loss per share 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 in May 2023, the total asset amount was not significant. Silver Crown acquired Elk Gold royalty interest for approximately \$3 million which resulted in a significant increase in total assets beginning 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 due to 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 in 2023 and 2024 in line with the increase in operations.

*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 not material. The significant amount of cash used since Q2 2023 were the purchase of Elk Gold royalty asset, production bonus payment to Elk Gold, and purchase of three 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 \$4, \$8 and \$10 a unit, during 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 September 30, 2024 and December 31, 2023:

	2024	2023
	\$	\$
Total assets	8,767,693	4,344,421
Total liabilities	1,138,860	404,957
Working capital <sup>1</sup>	1,686,993	130,432
Shareholder's equity	7,534,833	3,939,464

<sup>1</sup> 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 as at September 30, 2024 were \$8,767,693 compared to \$4,344,421 as at December 31, 2023. A net increase of \$4,423,272 was associated with an increase of \$2,038,808 in non-current assets and the remaining increase of \$2,290,464 in the current assets. The increase in non-current assets was primarily due to the second and third tranche of Pilar Brazil acquisition for a cash consideration of US\$1,500,000. Increase in current assets of \$1,676,104 relates to cash at bank which is the result of timing of closing the private placements. Another major increase in current assets is caused by increase in accounts receivable of \$334,139 which is due to increase in royalties interest receivable in line with royalty income and sales taxes recoverable.

***Total liabilities***

Total liabilities at September 30, 2024 increased by \$733,903, from \$404,957 at December 31, 2023 to \$1,138,860 at September 30, 2024. This increase was associated primarily with an increase of \$551,250 in accrued liabilities which are to be settled in RSUs (non-cash), and an increase of \$114,940 in accounts payable. The increase in accrued liabilities to be settled in RSUs is the non-cash compensation of directors, key management personnel and consultants for the period from January 1, 2024, to September 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 \$3,595,369 at September 30, 2024, compared to December 31, 2023. This increase was primarily due to a net loss of \$3,291,805 for the period, offset by increase of \$1,647,353 in contributed surplus and \$5,245,821 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 September 30, 2024 and December 31, 2023:

	2024	2023
	\$	\$
Cash at bank	1,818,503	142,399
Working capital excluding cash at bank	(131,510)	(11,967)
	1,686,993	130,432

Cash balance was increased by \$1,676,104 from December 31, 2023 to September 30, 2024. This movement was the result of cash used in operating activities of \$1,513,589, cash used in investing activities of \$2,047,854 offset by cash generated by financing activities of \$5,237,547, during the period. The working capital balance excluding cash was negatively impacted by \$119,543 primarily due to an increase in accrued liabilities to be settled in RSU by \$551,250 offset by an increase in accounts receivable by \$334,139, increase in prepaid expenses by \$280,221 and small movements in other working capital accounts.

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

	2024	2023
	\$	\$
Cash used in operating activities	(1,513,589)	(544,811)
Cash used in investing activities	(2,047,854)	(2,936,916)
Cash generated from financing activities	5,237,547	3,586,272
	1,676,104	104,545

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 \$1,513,589, compared to \$544,811 in the comparable period in 2023, an increase of approximately 278%. Net loss and non-cash working capital items movement both adversely affected the operating cash balance.

**Investing activities**

Net cash used in investing activities was decreased by \$889,062 from \$2,936,916 in 2023 to \$2,047,854 in 2024. The main reason for this decrease was less spending on royalty interests in 2024 compared to 2023. During the nine months period ended September 30, 2023, Elk Gold royalty interest was acquired for a cash payment of \$2,500,000 plus a payment of production bonus of \$500,000 to Elk Gold whereas in the same period of 2024, only US\$1,500,000 was spent to acquire royalty interest in 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 \$3,586,272 in 2023 to \$5,237,547 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, the Company has been 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 nine months ended September 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 2,389,948 common shares of the Company issued and outstanding, a total of 419,263 share purchase warrants outstanding with an exercise price of \$8, a total of 716,484 share purchase warrants outstanding with an exercise price of \$16, a total of 55,600 broker warrants outstanding with an exercise price of \$8, a total of 7,140 broker warrants outstanding with an exercise price of \$16, and a total of 67,552 RSUs outstanding.

### Off-Balance Sheet Arrangements

As at September 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 nine months ended September 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 nine months ended September 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 nine months ended September 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 annual and interim financial statements and MD&A. Responsibility for the review and approval of the Company's annual and interim 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' royalty or stream interests may result in a loss of entitlement by the operator and a loss of Silver Crown' 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' 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.sedarplus.ca](http://www.sedarplus.ca).