

SILVER CROWN  
ROYALTIES INC.



**Silver Crown Royalties Inc.**

**ANNUAL INFORMATION FORM**

For The Year Ended December 31, 2024

Dated as of March 24, 2025

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## ANNUAL INFORMATION FORM

### ARTICLE 1 EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

#### 1.1 Explanatory Notes

The information in this Annual Information Form (“**AIF**”) is given as of December 31, 2024, except where otherwise noted. More current information may be available on our public website [www.silvercrownroyalties.com](http://www.silvercrownroyalties.com) or on our SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

In this AIF, unless the context requires otherwise, the “**Company**”, “**Silver Crown**”, “**its**”, “**our**” and “**we**”, or similar or related terms, refer to Silver Crown Royalties Inc. and its wholly-owned subsidiary.

Silver Crown’s financial statements incorporated herein are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards. In this AIF, unless otherwise indicated, references in this AIF to “**\$**” refer to Canadian dollars and references to “**US\$**” refer to United States dollars.

#### 1.2 About Forward-Looking Information

This AIF contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the growth, results of operations, performance and business prospects and opportunities of Silver Crown. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this AIF may contain forward-looking statements attributed to third party industry sources.

Forward-looking information and statements include, but are not limited to, statements with respect to the activities, events or developments that Silver Crown expects or anticipates will or may occur in the future, including those regarding future growth and ability to create new streams or royalties, the development and focus of the Company, its acquisition strategy, the plans and expectations of the operators of the projects underlying its interests, including the proposed advancement and expansion of such projects; the results of exploration, development and production activities of the operators of such projects; and the Company’s expectations regarding future revenues.

Although management of Silver Crown believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Silver Crown cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Silver Crown, which could cause results to differ materially from those expressed in the forward-looking statements contained in this AIF include, but are not limited to:

- there is no assurance that the Company will declare a dividend (and currently there are no plans to declare any dividends);
- evolving corporate governance and public disclosure regulations;
- risks related to liquidity;
- changes in the market price of metals; volatility in the price of silver;
- the significance of the Gold Mountain Royalty to Silver Crown;
- the limited operating history of Silver Crown;

- Silver Crown has a history of negative cash flow and no assurance can be given that the Company will ever attain positive cash flow;
- variations in foreign exchange rates;
- competition for royalties;
- delays in the receipt of payments or failure to receive payments;
- risks related to financing;
- risks related to third-party reporting;
- risks related to disclosure of mining operations;
- the acquisition strategy of the Company;
- risks related to cash flow of the Company;
- the rights of other interest holders;
- defects in royalty and other interests;
- changes in significant assets of the Company;
- dependence on key personnel;
- project operators may not respect contractual obligations;
- the enforceability of royalty interests;
- directors and officers may have conflicts of interest affecting operations;
- global financial conditions, including interest rates and inflation, may be volatile;
- natural disasters, terrorist acts, civil unrest, pandemics and other disruptions and dislocations;
- future financing and securities issuances;
- litigation affecting properties in which the Company has an interest;
- changes in tax laws impacting the Company;
- the information systems and cybersecurity of the Company;
- shareholder activism;
- reputational damage;
- expansion of the business model of the Company;
- risks applicable to owners and operators of mineral properties in which the Company has an interest;

- exploration, development and mining operations;
- additional costs to mineral property operators resulting from national or international climate control initiatives;
- risks related to silver and commodity prices and their effect on mining operations;
- operation and exploration activities are subject to environmental and endangered species laws and regulations;
- operations and exploration may be subject to governmental regulations, permits, and authorizations;
- permits and licences may not be forthcoming or available in a timely manner;
- adequate infrastructure may not be available to develop mineral properties;
- dependence and reliance on key employees of owners and operators of mineral properties;
- mineral resource and mineral reserve estimates;
- uninsured or uninsurable risks;
- risks related to international interests;
- risks related to permitting, construction and development; and
- risks related to indigenous peoples.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Silver Crown or the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this AIF generally and certain economic and business factors, some of which may be beyond the control of Silver Crown (and therefore the Company). Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading “*Risk Factors*”. Silver Crown does not intend to and is not obligated to update any of the forward-looking statements after the date of this AIF so as to conform such statements to actual results or to changes in the expectations of Silver Crown, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if Silver Crown’s estimates or assumptions prove inaccurate. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

#### **Cautionary Note Regarding Mineral Reserve and Mineral Resource Estimates**

The AIF has been prepared in accordance with the requirements of Canadian securities laws. Unless otherwise indicated, all Mineral Resource and Mineral Reserve estimates included in this AIF have been prepared by the owners or operators of the relevant properties (as and to the extent indicated by them) in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining and Metallurgy Classification System.

### 1.3 Technical and Third-Party Information

Except where otherwise stated, the disclosure in this AIF relating to the Gold Mountain Project is based on the Gold Mountain Technical Report prepared and published in accordance with NI 43-101 entitled “*National Instrument 43-101 Technical Report And Resource Update of the Elk Gold Project Merritt, British Columbia, Canada*” dated January 21, 2022 with an effective date of December 7, 2021 (the “**Gold Mountain Technical Report**”). The disclosure in this AIF regarding the Gold Mountain Project is qualified in its entirety to the full text of the Gold Mountain Technical Report which is available on [www.sedarplus.ca](http://www.sedarplus.ca) under Gold Mountain Mining Corp. (“**Gold Mountain**”) profile. Elk Gold Mining Corp. (“**Elk Gold**”), a wholly owned subsidiary of Gold Mountain, holds legal title to the Gold Mountain Project.

Silver Crown is dependent on the operators of the properties and their qualified persons to provide information to Silver Crown or on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which Silver Crown holds royalty interests. Silver Crown generally has limited or no ability to independently verify such information. The assumptions and methodologies underpinning estimates of Mineral Reserves and Mineral Resources on a property, and the classification of mineralization in categories of proven and probable and measured, indicated and inferred within the estimates of Mineral Reserves and Mineral Resources, respectively, and the assumptions and methodologies employed in proposed mining and recovery processes and production plans, were made by owners or operators and their qualified persons. Although Silver Crown does not have any knowledge that such information may be inaccurate, there can be no assurance that such third-party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by Silver Crown’s royalty interest. For the avoidance of doubt, nothing stated in this paragraph operates to relieve Silver Crown from liability for any misrepresentation contained in this AIF under applicable Canadian securities laws.

The Gold Mountain Royalty is material to Silver Crown for the purposes of NI 43-101. Silver Crown will continue to assess the materiality of its assets as such assets undergo exploration and as new assets are acquired.

#### **CIM Definition Standards**

Any reference to Measured Mineral Resource, Indicated Mineral Resource and Inferred Mineral Resource herein (including as used in the Gold Mountain Technical Report) have been used in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101 (the “**CIM Definition Standards**”). The following definitions are reproduced from the CIM Definition Standards:

“**Indicated Mineral Resource**” means that part of a Mineral Resource (defined herein) for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (defined herein) and may only be converted to a Probable Mineral Reserve (defined herein).

“**Inferred Mineral Resource**” means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

“**Measured Mineral Resource**” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of

confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve (defined herein) or to a Probable Mineral Reserve.

**“Mineral Reserve”** means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the minerals are delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

**“Mineral Resource”** means a concentration or occurrence of solid material of economic interest in or on the earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

**“Probable Mineral Reserve”** means the economically mineable part of an indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

For the purposes of the CIM Definition Standards, **“Modifying Factors”** are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

## **Qualified Persons**

Mitchell E. Lavery, P.Geol. is a qualified person for the purposes of NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this AIF. Mr. Lavery is a consultant for Silver Crown.

## **1.4 Market and Industry Data**

Market and industry data presented throughout this AIF was obtained from third-party sources, and the market and industry data contained in this AIF are based upon information from independent industry and other publications and Silver Crown’s management’s knowledge of, and experience in, the industry in which Silver Crown operates. Market and industry data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data are not guaranteed. Silver Crown has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources. References in this AIF to research reports or to articles and publications should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is expressly not incorporated by reference into this AIF.

## **1.5 Reader Advisory**

On June 28, 2024, the Company consolidated the common shares in the capital of the Company (the **“Shares”**) on the basis of 20 pre-consolidation Shares for one (1) post-consolidation Share (the **“Consolidation”**). All figures set out in this AIF relating to a number, value or price of Shares have been retrospectively restated to present post-Consolidation amounts.

**ARTICLE 2  
CORPORATE STRUCTURE**

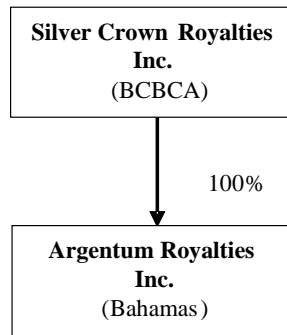
**2.1 Name, Address, and Incorporation**

The Company was incorporated on August 23, 2021, under the name “Silver Crown Royalties Inc.” pursuant to the provisions of the *Business Corporations Act* (Ontario)(the “**OBCA**”). On February 3, 2021, 1287412 B.C. Ltd (“**128**”) was incorporated under the *Business Corporations Act* (British Columbia)(the “**BCBCA**”) under the name “1287412 B.C. Ltd.” On June 28, 2024, the Company and 128 completed an amalgamation (the “**Amalgamation**”) under the provisions of the BCBCA pursuant to the amalgamation agreement dated May 15, 2024, as amended on May 27, 2024, entered into between 128 and Silver Crown (the “**Amalgamation Agreement**”), which provided for the reverse takeover of 128 by the shareholders of Silver Crown. Upon completion of the Amalgamation, 128 and Silver Crown continued as one corporation, which was renamed “Silver Crown Royalties Inc.” On July 25, 2024, the Shares commenced trading on Cboe Canada Inc. (the “**Exchange**”) under the symbol “**SCRI**”.

The Company’s principal place of business is located at 99 Yorkville Avenue, Unit 200, Toronto, Ontario, Canada M5R 1C1. The Company’s registered office is located at 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, Canada M5X 1B8.

**2.2 Intercorporate Relationships**

Silver Crown has one subsidiary: Argentum Royalties Inc. (“**Argentum**”). The following chart sets forth the intercorporate relationship of Silver Crown:



Argentum was incorporated on September 11, 2023 under the laws of the Commonwealth of the Bahamas. Argentum is a wholly-owned subsidiary of Silver Crown.

**ARTICLE 3  
GENERAL DEVELOPMENT OF THE BUSINESS**

**3.1 Three Year History**

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 \$1.00 per share for aggregate gross proceeds of \$165,000.

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 \$4.00 per unit for aggregate gross proceeds of \$3,304,100 (the “**2023 Financing**”). Each unit consisted of one Share and one-half of one Share purchase warrant at an exercise price of \$8.00 for a period of two years following the closing (the “**2023 Silver Crown Warrants**”). In connection with this private placement, where applicable, Silver Crown paid a cash finder fee of 8% and issued 43,950 broker warrants in the capital of Silver Crown (the “**Silver Crown Broker Warrants**”) (being the amount equal to



8% of the aggregate number of units sold by the broker) with each such Silver Crown Broker Warrant being exercisable at an exercise price of \$8.00 for a period of two years from the closing.

On May 12, 2023, Silver Crown announced its entry into the Gold Mountain Royalty Agreement (the “**Gold Mountain Royalty Agreement**”) dated May 11, 2023 pursuant to which Silver Crown agreed to purchase a net smelter return royalty for 90% of the aggregate gross proceeds of silver (the “**Gold Mountain Royalty**”) produced from Elk Gold’s Elk Mine (the “**Gold Mountain Project**”) located in British Columbia, Canada.

On May 24, 2023, Silver Crown completed the acquisition of the Gold Mountain Royalty pursuant to the Gold Mountain Royalty Agreement pursuant to which Silver Crown purchased a net smelter return royalty for 90% of the aggregate gross proceeds of silver produced from the Gold Mountain Project located in British Columbia, Canada for cash consideration of \$2,500,000 and the issuance of 12,500 units.

On July 24, 2023, Silver Crown received payment from Elk Gold of \$29,169.31 in full satisfaction of Elk Gold’s obligation to pay the Gold Mountain Royalty for the period April 1, 2023 to June 30, 2023, pursuant to the Gold Mountain Royalty Agreement.

On August 1, 2023, Silver Crown announced the closing of the first tranche of a financing of units (the “**Pre-IPO Financing**”) at a price of \$8.00 per unit for gross proceeds of \$500,000. Each such unit consists of one Share and one-half of one Share purchase warrant. Each such warrant entitles the holder thereof to acquire an additional Share at a price of \$16.00 per Share for a period of 36 months from the date Silver Crown becomes a reporting issuer in any jurisdiction of Canada. The use of proceeds of this tranche was a \$500,000 bonus payment to Elk Gold as a result of the production of 6,666 ounces of silver from the Elk Gold Mine on a 6-month trailing annualized basis ending on May 31, 2023.

On August 1, 2023, Silver Crown announced the results of its annual and special general meeting of shareholders held on July 18, 2023. At the meeting, all of the management director nominees were elected: Peter Bures, Andres Tinajero, Peter Schloo and Peter Simeon. In addition, shareholders of Silver Crown approved Silver Crown’s omnibus equity incentive compensation plan as described in the management information circular dated July 7, 2023, as well as the re-appointment of Zeifmans LLP as the auditor of Silver Crown for the ensuing fiscal year and their related remuneration. Silver Crown further announced the appointment of Raymond Jannas to the board of Silver Crown (the “**Board**”).

On August 21, 2023, Silver Crown announced its entry into a definitive agreement providing for the creation and purchase of a net smelter return royalty (the “**Pilar Royalty**”) on 90% of the aggregate net proceeds of silver sold as a result of processing of ores extracted from Pilar Gold Inc.’s (“**Pilar**”) PGDM complex and related milling operations (the “**PGDM Complex**”) in Goias State, Brazil. The Pilar Royalty closed in tranches, with payments made by Silver Crown in exchange for a net smelter return royalty for up to 90% of the aggregate net proceeds of silver sold from the PGDM Complex as described above. The Pilar Royalty is currently in respect of 90% of the cash equivalent of the aggregate net proceeds of silver sold as a result of processing of ores extracted from Pilar’s PGDM Complex (as defined below), 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 to the cash equivalent of 32,000 ounces of silver per year by achieving such 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 Shares or cash in Silver Crown’s sole discretion. Any Shares issuable will be priced at: i) a deemed price \$10.00 per 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.

On October 10, 2023, Silver Crown announced the closing of the second tranche of the Pre-IPO Financing by issuing 90,062 units at a price of \$8.00 per unit for gross proceeds of \$720,500. Each such unit consists of one Share of Silver Crown and one-half of one Share purchase warrant. Each such warrant entitles the holder thereof to acquire an additional Share at a price of \$16.00 per Share for a period of 36 months from the date Silver Crown becomes a reporting issuer in any jurisdiction of Canada. The use of proceeds of this tranche was to fund a portion of the purchase price of the Pilar Royalty as well as general corporate purposes.

On November 23, 2023, Silver Crown received payment from Elk Gold of \$42,627.21 in full satisfaction of Elk Gold's obligation to pay the Gold Mountain Royalty for the period July 1, 2023 to September 30, 2023, pursuant to the Gold Mountain Royalty Agreement.

On November 28, 2023, Silver Crown closed the first tranche of the Pilar Royalty. To complete the first tranche, Silver Crown paid US\$500,000 (less transaction expenses) in cash in exchange for a net smelter return royalty for the cash equivalent of 22.5% of the silver produced from the PGDM Complex. In connection with the closing of the tranche, Silver Crown closed the third tranche of the Pre-IPO Financing by issuing 68,562 units at a price of \$8.00 per Unit for gross proceeds of \$548,500. Each such unit consists of one Share of Silver Crown and one-half of one Share purchase warrant. Each such warrant entitles the holder thereof to acquire an additional Share at a price of \$16.00 per Share for a period of 36 months from the date Silver Crown becomes a reporting issuer in any jurisdiction of Canada. The use of proceeds of this tranche was to fund the purchase price of the Pilar Royalty as well as general corporate purposes.

On January 30, 2024, Silver Crown announced that it has appointed Philip van den Berg to the position of independent director and audit committee chair, and that Andres Tinajero resigned from his position as independent director and Chair of the audit committee to focus on his responsibilities as CFO at JHI Associates Inc. and Talisker Resources Ltd.

On March 13, 2024, Silver Crown received prorated payment from Pilar of \$7,816.13 in full satisfaction of Pilar's obligation to pay the Pilar Royalty for the Q4 2023 period, pursuant to the definitive agreement (the "**Pilar Royalty Agreement**") between Silver Crown and Pilar, 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 (as defined herein).

During the period from April 25, 2024, to May 14, 2024, Silver Crown announced the closing of the fourth and fifth tranches of the Pre-IPO Financing by issuing 75,161 units at a price of \$8.00 per unit for gross proceeds of \$601,290. Each such unit consists of one Share of Silver Crown and one-half of one Share purchase warrant. Each such warrant entitles the holder thereof to acquire an additional Share at a price of \$16.00 per Share for a period of 36 months from the date Silver Crown becomes a reporting issuer in any jurisdiction of Canada. The use of proceeds of this tranche was to fund a portion of the purchase price of the Pilar Royalty as well as general corporate purposes. In connection with the Pre-IPO Financing, Silver Crown issued 11,650 Silver Crown Broker Warrants (being the amount equal to 8% of the aggregate number of units sold by the broker) with each such Silver Crown Broker Warrant being exercisable at an exercise price of \$8.00 for a period of three years from issuance.

On April 26, 2024, Silver Crown entered into an amended and restated royalty agreement (the "**Amended and Restated Pilar Royalty Agreement**") governing the Pilar Royalty to upsize from 22.5% to 31.05% of the silver production from the PGDM Complex by paying US\$190,000, US\$23,336 of which consisted of a credit for a royalty payment due to be paid by Pilar to Silver Crown on April 30, 2024.

On May 15, 2024, Silver Crown announced that it had entered into the Amalgamation Agreement with 128, pursuant to which 128 and Silver Crown have agreed to effect the Amalgamation, and that it was undertaking the private placement (the "**Concurrent Financing**") of 370,430 subscription receipts of the Company ("**Subscription Receipts**") at a price of \$10.00 per Subscription Receipt for aggregate gross proceeds to Silver Crown of \$3,704,300, which closed on June 27, 2024, all on the terms and subject to the conditions set out in the subscription agreements entered into between the subscribers for Subscription Receipts and Silver Crown.

On June 26, 2024, Silver Crown continued from Ontario, where it had been governed by the OBCA, to British Columbia, where it is governed by the BCBCA.

On June 27, 2024, Silver Crown closed the Concurrent Financing of 370,430 Subscription Receipts at a price of \$10.00 per Subscription Receipt for aggregate gross proceeds to Silver Crown of \$3,704,300, all on the terms and subject to the conditions set out in the subscription agreements entered into between the subscribers for Subscription Receipts and Silver Crown. In connection with the Concurrent Financing, Silver Crown issued 7,140 Silver Crown Broker Warrants to Canaccord Genuity Corp. (the "**Canaccord FINDER Warrants**"), with each such Canaccord FINDER

Warrant being exercisable to purchase one Share at a purchase price of \$16.00 until three years from the date of issuance.

On June 28, 2024, the Subscription receipts converted into an equal number of units of Silver Crown, with each unit consisted of one Share and one Share purchase warrant exercisable into another Share at a price of \$16.00 until June 28, 2027. Also on June 28, 2024, Silver Crown effected the Amalgamation with 128, pursuant to the Amalgamation Agreement entered into among 128 and Silver Crown on May 15, 2024 as amended on May 27, 2024, pursuant to section 269 of the BCBCA. Pursuant to the Amalgamation, each Share of Silver Crown was exchanged for 1/20<sup>th</sup> of a common share in the amalgamated entity resulting from the Amalgamation.

On July 25, 2024, Silver Crown's Shares commenced trading on the Exchange. On July 26, 2024, Silver Crown entered into an agreement with Elk Gold to amend the payment terms of the Gold Mountain Royalty Agreement. On August 1, 2024, Silver Crown completed a post-listing offering of 115,912 units of the Silver Crown at a price of \$10.00 per unit for gross proceeds of \$1,159,120. Each unit consisted of one Share and one Share purchase warrant exercisable into another Share at a price of \$16.00 until June 28, 2027.

On August 13, 2024, Silver Crown exercised its additional royalty option under the Amended and Restated Pilar Royalty Agreement to increase its royalty from 31% to 90% of the aggregate net proceeds of silver sold as a result of the processing of ores from the PGDM complex and related milling operations in Goias State, Brazil. To exercise this royalty option, the Company paid to Pilar, US\$1,310,000 in cash.

On September 26, 2024, the Company listed 1,104,668 Share warrants on the Exchange. 405,261 Share warrants are exercisable into Shares at an exercise price of \$8.00 per Share for a period expiring on June 16, 2025 and are listed under the symbol "SCRI.WT.B" (the "**B Warrants**"). 699,4070 of the Share warrants are exercisable into Shares at an exercise price of \$16.00 per Share for a period expiring on June 28, 2027 and are listed under the symbol "SCRI.WT.A" (the "**A Warrants**").

On September 30, 2024, Silver Crown received a C\$124,299.49 royalty payment from Elk Gold in satisfaction of Elk Gold's obligation to pay the Gold Mountain Royalty up to and including September 30, 2024. On October 28, 2024, the Company entered into a definitive royalty purchase agreement with BacTech Environmental Corporation ("**BacTech**"), pursuant to which the Company was granted a royalty on BacTech's future bioleaching facility in Tenguel, Ecuador (the "**BacTech Project**") equal to the cash equivalent of 90% of the silver processed at the BacTech Project (the "**BacTech Royalty**"). The Company completed its acquisition of the Bactech Royalty on November 25, 2024.

On December 16, 2024, the Company announced the entering into of a definitive silver royalty agreement (the "**PPX Royalty Agreement**") with PPX Mining Corp. ("**PPX**"), which contemplates the acquisition of a royalty (the "**PPX Royalty**") for up to 15% of the cash equivalent of silver produced from PPX's Igor 4 project in Peru (the "**PPX Project**") less customary deductions for an aggregate of US\$2,500,000 in cash. The Company completed the first tranche of its acquisition of the PPX Royalty on February 6, 2025. To complete the first tranche, Silver Crown paid US\$1,000,000 in cash to PPX in exchange for a net smelter return royalty for the cash equivalent of six percent (6%) of the silver produced from the PPX Project. The second tranche payment of US\$1,470,000 is due in cash within six (6) months of closing the first tranche of the PPX Royalty acquisition.

On February 21, 2025, the Company closed the first tranche of its non-brokered private placement of units of the Company at a price of \$6.50 per unit for aggregate gross proceeds of \$439,000 (the "**2025 Financing**"). In connection with the 2025, Financing, the Company issued 67,538 units of the Company, with each such unit comprised of one Share and one Share purchase warrant, with each such warrant entitling the holder thereof to acquire one additional Share at an exercise price of \$13.00, for a 36-month period.

**ARTICLE 4**  
**DESCRIPTION OF THE BUSINESS**

**4.1 General**

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 provides capital to a mining entity to apply towards some aspect of their operation, such as exploration, mine development, or facility construction, in exchange for receipt of 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.

*Gold Mountain Royalty Agreement*

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 1,500 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 Silver Crown's only material asset. The Gold Mountain Royalty is paid quarterly.

Pursuant to the terms of the Gold Mountain Royalty Agreement, Silver Crown is contingently liable to pay Elk Gold up to seven contingent production bonus payments of \$500,000 each (the "**Production Bonuses**"), for a total of up to \$3,500,000, 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 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.

On July 24, 2023, Silver Crown paid Elk Gold the first production payment in the amount of \$500,000 as Elk Gold achieved the sale of 6,666 contained ounces of silver on an Annualized Basis. 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 Shares.

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 2,210,000 ounces (the total number in-situ silver ounces as disclosed in the Gold Mountain Technical Report), Silver Crown will, within thirty (30) days of the filing of such 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 which is in excess of

the number of silver ounces disclosed in the 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.

As at the date of this AIF, Silver Crown's royalty on the Gold Mountain Project is its only material asset. A description of the Gold Mountain Project is included below.

#### Pilar Royalty Agreement

On August 21, 2023, Silver Crown announced its entry into a definitive agreement with Pilar 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. The Pilar Royalty will 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 as described above.

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) in cash in exchange for a net smelter return royalty for the cash equivalent of 22.5% of the silver produced from the PGDM Complex.

On April 26, 2024, Silver Crown and Pilar agreed to amend and restate the royalty agreement underlying the Pilar Royalty to upsize from 22.5% to 31.05% of the silver production from the PGDM Complex by paying US\$190,000, US\$23,336 of which consisted of a credit for a royalty payment due to be paid by Pilar to Silver Crown on April 30, 2024. Pursuant to the amended and restated Pilar Royalty Agreement, Silver Crown holds a net smelter return royalty for 31.05% of the cash equivalent of the aggregate net proceeds of silver sold as a result of processing of ores extracted from Pilar's PGDM Complex, but no less than the cash equivalent of 1,380 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 Royalty to the cash equivalent of 32,000 ounces of silver per year by achieving such annualized level of silver production on a 6-month trailing basis. Pilar is to receive a bonus payment of US\$375,000, payable in Shares or cash in Silver Crown's sole discretion. In the event that Silver Crown has exercised its option under the Pilar Royalty Agreement to acquire a royalty for 90% of the aggregate net proceeds of silver sold from the PGDM Complex by paying Pilar an additional US\$1,310,000, Pilar would be entitled to a bonus payment of \$1,500,000, payable in Shares or cash in Silver Crown's sole discretion. Any Shares issuable will be priced at: i) a deemed price \$10.00 per Silver Crown 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.

On August 13, 2024, Silver Crown exercised its additional royalty option under the Amended and Restated Pilar Royalty Agreement to increase its royalty from 31% to 90% of the aggregate net proceeds of silver sold as a result of the processing of ores from the PGDM complex and related milling operations in Goias State, Brazil. To exercise this royalty option, the Company paid US\$1,310,000 in cash to Pilar.

#### BacTech Royalty Agreement

On October 28, 2024, the Company entered into a definitive royalty purchase agreement with BacTech, pursuant to which the Company was granted the BacTech Royalty. The total purchase price for the BacTech Royalty consisted of: (i) \$1,000,000 units of Silver Crown (the "2024 Units") issued at a deemed value of \$10 per 2024 Unit, with each 2024 Unit consisting of a Share and a Share warrant entitling the holder thereof to acquire one Share at a price of \$16.00 for a period expiring on the date that is 36 months from the date of issuance; (ii) 100,000 special warrants of Silver Crown exercisable into Shares for a period of 36 months from the date of issuance for no additional payment upon BacTech successfully financing the BacTech Project; and (iii) 200,000 special warrants of Silver Crown exercisable into Shares for a period of 36 months from the date of issuance for no additional payment upon BacTech

achieving commercial production, meaning the commencement of regular processing operations at the BacTech Project. On November 25, 2024, the Company closed the purchase of the BacTech Royalty.

#### PPX Royalty Agreement

On December 16, 2024, the Company announced the entering into of the PPX Royalty Agreement, which contemplates the acquisition of the PPX Royalty for up to 15% of the cash equivalent of silver produced from the PPX Project, less customary deductions for an aggregate of US\$2,500,000 in cash. The first tranche of payment to be made thereunder will be made due and payable upon closing of the PPX Royalty Agreement (the “**PPX Closing**”), which is expected to occur in 2025, with the second tranche (the “**PPX Second Tranche**”) of US\$1,500,000 to be paid within six (6) months of the PPX Closing. Upon occurrence of the PPX Closing, Silver Crown will be granted six percent (6%) of the cash equivalent of silver produced from the PPX Project, which will automatically be increased to 15% upon completion of the PPX Second Tranche. If the PPX Second Tranche is not completed within 6 months of the PPX Closing, PPX may repurchase the PPX Royalty for US\$1,000,000 in cash, less any royalty payments made to date.

The PPX Royalty will be payable immediately based on current operations at the PPX Project and, beginning on and from the earlier of October 1, 2025 and the startup of metallurgical operations at the 250 tpd CIL and flotation plant currently under construction at the PPX Project (the “**Beneficiation Plant**”), will provide for minimum deliveries of the cash equivalent of 14,062.5 ounces of silver per quarter up to a total of 225,000 ounces. Upon closing of the PPX Second Tranche, and upon the delivery of the cash equivalent of an aggregate of 225,000 ounces of silver to Silver Crown, the Royalty will automatically terminate.

#### **Specialized Skill and Knowledge**

Silver Crown expects that it will hire, retain, and utilize specialized skills and knowledge in its initial stages as required. All of the necessary skills and knowledge to acquire attractive royalty, streaming and other interests in mining properties are readily available within the mining sector. In addition, governance, strategy, finance, marketing, and risk management expertise is required throughout all of these stages. The management team and Board members have extensive experience in all areas as well as established relationships to engage third parties where needed. See “*Directors and Officers*”.

#### **Competitive Conditions**

The mining industry is intensely competitive in all of its phases, and Silver Crown’s ability to compete with other royalty companies and individuals, which may have greater financial resources and technical facilities, to acquire attractive royalty, streaming and other interests in mining properties in the future will depend on its ability to select suitable properties, be successful in any competitive process initiated by a mine operator in respect of a property, and enter into attractive royalty agreements.

#### **Components**

Silver Crown expects to continue to create royalties, streams and other rights in the future. Commodity market trends can be cyclical in nature, and a general change in commodity prices would result in changes in revenue received.

#### **Economic Dependence**

Silver Crown’s business is substantially dependent on the Gold Mountain Royalty Agreement.

#### **Environmental Regulations**

The owners and operators of mining properties in which Silver Crown has interests are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and

penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving, which means stricter standards and enforcement, and fines and penalties for non-compliance are becoming more stringent. Environmental assessment of proposed projects carries a heightened degree of responsibility for companies and directors, officers and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect such operations, including its capital expenditures and competitive position.

### **Employees**

As of the date hereof, Silver Crown has no full time employees and three consultants. The operations of Silver Crown are managed by its directors and officers. Silver Crown engages reputable consulting firms from time to time as required.

Each director and officer of Silver Crown commits the necessary time and focus to diligently execute their responsibilities as officers and directors, while also upholding their fiduciary obligations in alignment with the provisions outlined in the BCBCA, adapting to the dynamic requirements of the Company's operations as it continues to evolve.

### **Foreign Operations**

Silver Crown currently receives or expects to receive royalty and stream payments from mines or operations in Ecuador, Brazil and Peru. Silver Crown may, in the future, receive payments from mines or operations in other countries. Changes in legislation, regulations or governments in such countries are beyond Silver Crown's control and could adversely affect the Company's business. The effect of these factors cannot be predicted with any accuracy by Silver Crown or its management.

### **Bankruptcy and Similar Procedures**

Silver Crown is not subject to any bankruptcy, or any receivership or similar proceedings against it or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by it or any of its subsidiaries within the three most recently completed financial years or the current financial year.

### **Reorganizations**

Other than with respect to the Business Combination, the Company nor any of its subsidiaries, has undergone any material reorganization with the within the three most recently completed financial years or the current financial year.

## **4.2 Risk Factors**

An investment in the securities of Silver Crown is highly speculative, involves a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this AIF and filed on SEDAR+ at [sedarplus.ca](http://sedarplus.ca). If any of the following risks materialize, the business, financial condition, results of operation and future prospects of Silver Crown will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of Silver Crown's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks Silver Crown may face. Management of Silver Crown believes that factors set out below could cause actual results to be different from expected and historical results. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

## **Risk Factors Relating to Shares**

### ***Future Sales or Issuances of Debt or Equity Securities***

The Company may sell or issue additional debt or equity securities in offerings to finance our operations, acquisitions or other projects. Significant shareholders of the Company may also sell the securities they hold or may hold in the future. The Company cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of its securities. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Company's securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share. Sales of the securities of the Company by shareholders might also make it more difficult for Company to sell equity securities at a time and price that it deems appropriate.

### ***No Assurance of Payment of Dividends***

The declaration, timing, amount and payment of dividends are at the discretion of the Board of the Company and will depend upon the Company's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Company will declare a dividend on a quarterly, annual or other basis.

### ***Evolving Corporate Governance and Public Disclosure Regulations***

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including but not limited to the Canadian Securities Administrators, the Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. The Company's efforts to comply with these and other new and existing rules and regulations are likely to result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

### ***Liquidity***

Shareholders of the Company may be unable to sell significant quantities of securities into the public trading markets without a significant reduction in the price of their securities, or at all. There can be no assurance that there will be sufficient liquidity of the securities of the Company on the trading market, or that the Company will continue to meet the listing requirements of the Exchange or achieve listing on any other public listing exchange.

## **Risks Related to Silver Crown's Business**

### ***Changes in Silver and Commodity Prices***

The revenue derived by the Company from its asset portfolio will be significantly affected by changes in the price of the commodities, including silver, underlying the royalties, streams and other interests. Commodity prices, including those to which the Company is exposed, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company, including levels of supply and demand, industrial investment levels, inflation and the level of interest rates, the strength of the US dollar and geopolitical events. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

Future material price declines may result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from royalties, streams or other interests applicable to one or more relevant commodities. Moreover, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall



revenue. Any such price decline may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

#### ***No or Limited Control over the Operation of Properties***

Silver Crown is not directly involved in the operation of mines. The revenue derived from its asset portfolio is based on production by third-party property owners and operators. The owners and operators generally will have the power to determine the manner in which the properties are exploited, including decisions to expand, continue or reduce, suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. The interests of third-party owners and operators and those of the Company on the relevant properties may not always be aligned. As an example, it will usually be in the interest of the Company to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third-party owners and operators may take a more cautious approach to development as they are at risk on the cost of development and operations. Likewise, it may be in the interest of property owners to invest in the development of and emphasize production from projects or areas of a project that are not subject to royalty, stream or other interests. The inability of the Company to control the operations for the properties in respect of which it has a royalty or stream interest may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities. In addition, the owners or operators may take action contrary to the Company's policies or objectives, be unable or unwilling to fulfill their obligations under their contracts with the Company, have difficulty obtaining or be unable to obtain the financing necessary to advance projects or experience financial, operational or other difficulties, including insolvency, which could limit the owner or operator's ability to perform its obligations under arrangements with the Company.

At any time, any of the operators of the properties in respect of which the Company will hold a royalty or stream interest or their successors may decide to suspend or discontinue operations. The Company may not be entitled to any material compensation if any of the properties in respect of which it holds a royalty, stream or other interest shuts down or discontinues their operations on a temporary or permanent basis.

#### ***The Gold Mountain Project is Significant to Silver Crown***

The Gold Mountain Royalty is currently the only material project for Silver Crown. As new assets are acquired or move into production, the materiality of each of our assets will be reconsidered. Any adverse development affecting the development or operation of, production from or recoverability of Mineral Resources from the Gold Mountain Project or any other significant property in the asset portfolio from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, pit wall failures, tailings dam failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities. Any adverse decision made by the owners and operators, including for example, alterations to development or mine plans or production schedules, may impact the timing and amount of revenue that the Company receives and may have a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

#### ***Limited Operating History and Uncertainty of Future Revenues***

Silver Crown has a limited operating history and does not have any history of earnings or profitability. Accordingly, potential investors will have a limited basis on which to evaluate the Company's ability to achieve its business objectives. The future success of the Company is dependent on management's ability to implement its strategy. Although management of Silver Crown is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Company will successfully make profitable acquisition of royalties, streams or other interests. In particular, its future growth and prospects will depend on its ability to expand its operations and gain additional revenue streams whilst at the same

time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Variations in Foreign Exchange Rates***

Foreign exchange rates have seen significant fluctuation in recent years. A depreciation in the value of the Canadian dollar against one or more of the currencies in which the Company will receive payments under its royalty interests could have a material adverse effect on the profitability of the Company, its results of operations and financial condition.

The Company's consolidated revenue, expenses and financial position may be impacted by fluctuations in foreign exchange rates as payments in foreign currencies are translated into Canadian dollars. The Company has not hedged its exposure to currency fluctuations. The operations of the Company are subject to foreign currency fluctuations and inflationary pressures, which may have a material adverse effect on the profitability of the Company, its result of operations and financial condition. There can be no assurance that the steps taken by management to address such fluctuations will eliminate the adverse effects and the Company may suffer losses due to adverse foreign currency fluctuations.

### ***Competition for Royalties***

Many companies are engaged in the search for and the acquisition of investments including royalties, streams and other interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. The Company may be at a competitive disadvantage in acquiring those interests, whether by way of royalty, stream or other form of investment, as competitors may have greater financial resources and technical staffs. There can be no assurance that the Company will be able to compete successfully against other companies in acquiring new royalties, streams or other interests. In addition, the Company may be unable to acquire royalties, streams or other interests at acceptable valuations which may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

### ***Delay Receiving or Failure to Receive Payments***

Silver Crown is dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the relevant mines and mineral properties underlying the Company's royalties. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, the ability or willingness of smelters and refiners to process mine products, recovery by the operators of expenses incurred in the operation of the Royalty properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. Silver Crown's rights to payment under the royalties must, in most cases, be enforced by contract without the protection of the ability to liquidate a property. This inhibits Silver Crown's ability to collect amounts owing under its royalty interests upon a default. Additionally, some agreements may provide limited recourse in particular circumstances which may further inhibit Silver Crown's ability to recover or obtain equitable relief in the event of a default under such agreements. In the event of a bankruptcy of an operator or owner, it is possible that an operator may claim that the Company should be treated as an unsecured creditor and, therefore, have a limited prospect for full recovery of revenue and a possibility that a creditor or the operator may claim that the royalty agreement should be terminated in the insolvency proceeding. Failure to receive payments from the owners and operators of the relevant properties or termination of the Company's rights may result in a material and adverse effect on the Company's profitability, results of operations and financial condition.

### ***Royalties and other interests may not be honoured***

Royalties and other interests in respect of natural resource properties are largely contractual in nature. Parties to contracts do not always honor contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalties and other interests do not abide by their contractual obligations, the

Company would be forced to take legal action to enforce its contractual rights. Such legal action may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

### ***Financing Risks***

Silver Crown expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments. There can be no assurance that such financing will be available to Silver Crown on acceptable terms or at all.

From time to time, the Company may rely on debt financing for a portion of its business activities, including capital and operating expenditures. There are no assurances that the Company will be able to comply at all times with any covenants under its debt arrangements, if applicable; nor are there assurances that the Company will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Company to secure financing or refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Company's financial results. Further, any inability of the Company to obtain new financing may limit its ability to support future growth.

Additional equity or debt financings may significantly dilute positions held by shareholders of Silver Crown, increase Silver Crown's leverage or require Silver Crown to grant security over its assets. If Silver Crown is unable to obtain such financing, it may not be able to execute on its business strategy. If Silver Crown is unable to obtain financing for business activities, it may determine to allocate income, if any, from other investments to finance business activities.

### ***Third-Party Reporting***

Silver Crown relies on public disclosure and other information regarding specific mines or projects that is received from the owners or operators of the mines or other independent experts. The information received may be susceptible to being imprecise as the result of it being compiled by certain third parties. The disclosure created by the Company may be inaccurate if the information received contains inaccuracies or omissions, which could create a material adverse effect on the Company. Further, the Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the mining operations, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to the royalties. If the information provided by such third parties to the Company contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on the Company.

In addition, a royalty agreement may require an owner or operator to provide the Company with production and operating information that may, depending on the completeness and accuracy of such information, enable the Company to detect errors in the calculation of royalty payments that it receives. As a result, the ability of the Company to detect payment errors through its associated internal controls and procedures is limited, and the possibility exists that the Company will need to make retroactive revenue adjustments. Of the royalty agreements that the Company enters into, some may provide the Company the right to audit the operational calculations and production data for associated payments; however, such audits may occur many months following the recognition by the Company of the applicable revenue and may require the Company to adjust its revenue in later periods.

As a holder of an interest in a royalty, the Company will have limited access to data on the operations or to the actual properties underlying the royalty. This limited access to data or disclosure regarding operations could affect the ability of the Company to assess the performance of the royalty. This could result in delays in cash flow from that which is

anticipated by the Company based on the stage of development of the properties covered by the assets within the portfolio of the Company.

### ***Disclosure Regarding Operations***

Some royalties may be subject to confidentiality arrangements which govern the disclosure of information with regard to the royalty and, as such, the Company may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited access to data and disclosure regarding the operations of the properties in which the Company has an interest, may restrict the ability of the Company to enhance its performance which may result in a material and adverse effect on the profitability of the Company, results of operations for the Company and financial condition. There can be no assurance that the Company will be successful in obtaining these rights when negotiating the acquisition of royalties.

### ***Strategy for Acquisitions***

As the Company executes on its business plan it intends to seek to purchase additional royalties from third parties. The Company cannot offer any assurance that it can complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit the Company. At any given time the Company may have various types of transactions and acquisition opportunities in various stages of review, including submission of indications of interest and participation in discussions or negotiations in respect of such transactions. This process also involves the engagement of consultants and advisors to assist in analyzing particular opportunities. Any such acquisition or transaction could be material to the Company and may involve the issuance of securities by the Company to fund any such acquisition. Any such issuance of securities may result in substantial dilution to existing shareholders and may result in the creation of new control positions. In addition, any such acquisition or other royalty transaction may have other transaction specific risks associated with it, including risks related to the project operators or the jurisdictions in which assets may be acquired.

Additionally, the Company may consider opportunities to restructure its royalties where it believes such a restructuring may provide a long-term benefit to the Company, even if such restructuring may reduce near-term revenues or result in the Company incurring transaction-related costs. The Company may enter into one or more acquisitions, restructurings or other royalty transactions at any time.

### ***Company Cash Flow Risk***

Silver Crown is not directly involved in the ownership or operation of mines. Silver Crown's royalty and other interests in properties or projects are subject to most of the significant risks of the operating mining company. The Company's cash flow will be dependent on the activities of third parties which could create risk that those third parties may, have targets inconsistent to the Company's targets, take action contrary to the Company's goals, policies or objectives, be unwilling or unable to fulfill their contractual obligations owed to the Company, or experience financial, operational or other difficulties or setbacks, including bankruptcy or insolvency proceedings, which could limit a third-party's ability to perform under a specific third-party arrangement. Specifically, the Company could be negatively impacted by an operator's ability to continue its mining operations as a going concern and have access to capital. A lack of access to capital could result in a third party entering a bankruptcy proceeding, which would result in the Company being unable to realize any value for its royalty or other interest.

### ***Rights of other Interest Holders***

Royalty interests may be subject to: (i) buy-down right provisions, pursuant to which an operator may buy-back all or a portion of the royalty, (ii) pre-emptive rights, pursuant to which certain parties have the right of first refusal or first offer with respect to a proposed sale or assignment of a royalty to Silver Crown, or (iii) claw back rights, pursuant to which the seller of a royalty to Silver Crown has the right to re-acquire the royalty. Holders may exercise these rights such that certain royalty interests would no longer be held by the Company. Any compensation received as a result

may be significantly less than the Company had budgeted receiving for the applicable royalty and may have a material adverse effect on the Company's income and business.

### ***Defects in Royalties***

A defect in a royalty and/or the underlying contract may arise to defeat or impair the claim of the Company to such royalty. Unknown defects in a royalty may result in a material and adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

### ***Change in Material Assets***

As at the date hereof, the Gold Mountain Royalty is currently a material asset to Silver Crown, although as new assets are acquired or move into production, the materiality of each of the assets of the Company will be reconsidered. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the Gold Mountain Project, or any other significant property in the asset portfolio from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on the profitability, financial condition, and results of the operations of the Company.

### ***Dependence on Key Personnel***

The Company will be dependent on the services of a small number of key management personnel. The ability of the Company to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that the Company will be successful in engaging or retaining key personnel. The loss of the services of a member of management could have a material adverse effect on the Company. From time to time, the Company may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of royalties is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the success of the Company and there can be no assurance that the Company will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If the Company is not successful in attracting and retaining qualified personnel, the ability of the Company to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

### ***Project Operators may not Respect Contractual Obligations***

Royalties and other interests in properties or projects are contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalties and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Further, any such litigation may also be required to be pursued in foreign jurisdictions. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material and adverse effect on the Company's profitability, results of operations, financial condition, and the trading price of the securities of the Company.

### ***Enforceability of Royalty Interests***

The status of royalty interests at law can be uncertain and varies from jurisdiction to jurisdiction and in certain jurisdictions a royalty may not be a registrable interest which runs with the land. As a result it may be difficult for the

Company to enforce its rights with respect to royalties against a third party. Such a failure may result in the loss of the Company's rights to such a royalty in the event a third party assigns title to the underlying property.

***Registrations may not fully protect Royalties***

The right to record or register royalties or other interests in various registries or mining recorders offices may not necessarily provide any protection to the royalty or interest holder. Accordingly, the royalty or interest holder may be subject to risk from third parties. While Silver Crown seeks to confirm the existence, validity, enforceability, terms and geographic extent of its royalty interests, there can be no assurance that disputes or other problems concerning these and other matters will not arise. Confirming these matters is complex and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mining property and to the documents reflecting the stream or royalty interests. Similarly, royalty interests in many jurisdictions are contractual in nature, rather than interests in land, and therefore may be subject to change of control, bankruptcy or insolvency of operators, and Silver Crown's royalty interests could be materially restricted, reduced or set aside through judicial or administrative proceedings. Silver Crown may often not have the protection of security interests, or its security interests may be found to be unenforceable, that could increase its recovery in such situations. In addition, Silver Crown will be subject to the risk that its counterparties under royalty arrangements do not have or lose valid title to the mineral property.

***Operators of mines may not be able to replace depleted mineral reserves and mineral resources, which would reduce revenue from royalties and other interests***

The revenue generated from Silver Crown's royalties is principally based on the exploitation of mineral reserves on assets underlying its royalties or other interests. mineral reserves are continually being depleted through extraction and the long-term viability of the Company's asset portfolio will depends on the replacement of mineral reserves through new producing assets and increases in mineral reserves on existing producing assets. As a mine matures, it can expect overall declines in production over the years unless operators are able to replace mineral reserves that are mined through mine expansion or successful new exploration. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures made by the operator of any given project will result in discoveries of commercial quantities of minerals on properties underlying the asset portfolio or that discoveries will be located on properties covered by the relevant royalty or other interest. Even in those cases where a significant mineral deposit is identified and covered by the royalty or other interest, there is no guarantee that the deposit can be economically extracted. Substantial expenditures are required to establish mineral reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit covered by the royalty or other interest, no assurance can be given that new mineral reserves will be identified to replace or increase the amount of mineral reserves currently in the asset portfolio. This includes mineral resources, as the resources that have been discovered have not been subjected to sufficient analysis to justify commercial operations or the allocation of funds required for development. The inability by operators to add additional mineral reserves or to replace existing mineral reserves through either the development of existing mineral resources or the acquisition of new mineral producing assets, in each case covered by a royalty or other interest, may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

***Conflicts of Interest***

Certain directors and officers of Silver Crown also serve as directors and/or officers of other companies that are involved in natural resource explorations, development and mining operations, and consequently there exists the possibility for such directors and officers to be in a position where there is a conflict of interest. Any decision made by any such directors and officers will be made in accordance with their duties and obligations to deal in good faith and in the best interests of the Company and its shareholders. Each director that is in a conflict of interest is required

to declare such conflict and abstain from voting on a matter in which that director is conflicted in accordance with applicable law.

### ***Global Financial Conditions***

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, pandemics, geopolitical instability, changes to energy prices or sovereign defaults.

Market events and conditions, including disruptions in the international credit markets and other financial systems, in China, Japan and Europe, along with political instability in the Middle East and Russia and falling currency prices expressed in United States dollars have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets, excluding the United States, resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, including silver, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability, or the ability of the operators of the properties in which the Company will hold royalties or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects.

These factors may impact the ability of the Company to obtain both debt and equity financing in the future and, if obtained, on terms favourable to the Company. Increased levels of volatility and market turmoil can adversely impact the operations of the Company and the value and the price of the securities of the Company could be adversely affected.

### ***Emerging Market Risk***

Silver Crown actively operates in Brazil, Peru and Ecuador, which are considered to be emerging markets. Mining projects in emerging markets present greater risks than those in non-emerging market jurisdictions. In addition to the risks faced by Silver Crown's international interests generally, Silver Crown's operations in Brazil, Peru and Ecuador will attract increased risks associated with political instability; extreme weather phenomena; unfavourable socioeconomic conditions; diseases or epidemics impacting the local labour force; high rates of inflation; potential military repression; social and labour unrest; high rates of violent crime and civil disturbances; threats of war or civil war; possible total failure of the state; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; government corruption and bribery; sabotage or government interference; sudden changes in laws and policies in areas such as taxation, royalties, imports, exports, duties, and currency; underdeveloped industrial and economic infrastructure; lack of certainty with respect to legal systems, corruption and other factors that are inconsistent with the rule of law; unenforceability of contractual rights; restrictions on foreign exchange and repatriation of earnings; and changing political norms, currency controls and governmental regulations that favour or require Silver Crown to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Emerging market jurisdictions suffer from higher rates of political instability than do other jurisdictions. Peru suffered from large-scale social unrest in late 2022 after the impeachment and arrest of the then-president Pedro Castillo, leading to mass roadway and infrastructure shutdowns. Despite improvements to the political stability of Peru following the unrest in 2022, the root causes of social unrest, including widespread disenfranchisement with political

systems and leaders, economic inequality, and political extremism, remain serious issues for the country. Silver Crown is not able to anticipate the likelihood of future social unrest occurring, nor the scale of the potential impact on Silver Crown's operations in Peru should such unrest occur.

Ecuador has also faced increasing crime and instability in the 21st century, with growing rates drug-related organized crime leading to a referendum in 2024 which placed increased power into the hands of President Daniel Noboa who has, in turn, increased the militarization of civilian security in the country. The increased centralization of government control in the hands of the president may result in more rapid changes to government policies, including laws and policies regulating natural resource extraction, land and mineral title ownership, imports and exports, foreign ownership, and taxes. Though Silver Crown is not aware of any proposed or incoming changes to the law in Ecuador which would negatively impact its operations therein, such new laws and policies may be instituted with little warning and may negatively impact Silver Crown's operations in Ecuador. In addition to organized crime, Ecuador has also seen the growth of a significant anti-mining sentiment in recent years, with local and indigenous groups protesting mining operations and causing road blockages surrounding certain mining sites.

Regardless of the degree of success achieved at Silver Crown's mines in Brazil, Ecuador and Peru, Silver Crown's operations and cash-flows may be negatively impacted by future governmental instability, legislative changes, violent crime, anti-mining sentiments, and civil unrest in these countries. Silver Crown has a limited capacity to anticipate or respond to certain of these factors, and Silver Crown's investors should exercise care in considering the risks associated with investing in operations in emerging markets as disclosed above. Though Silver Crown's operations are dispersed between properties in non-emerging and emerging markets, investors must decide for themselves whether an investment in Silver Crown is suitable from them based on their sophistication and tolerance for risk.

#### ***Natural Disasters, Terrorist Acts, Civil Unrest, Pandemics and Other Disruptions and Dislocations***

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions and dislocations, such as the recent COVID-19 (coronavirus), may adversely affect the Company. Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a materially adverse effect on the Company and/or its businesses or operations. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses including, most recently, the COVID-19 outbreak, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company and/or its businesses or operations, which may have a material adverse effect on the Company's reputation, business, financial conditions or operating results.

#### ***Future Financing***

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede the funding obligations of the Company or result in delay or postponement of further business activities which may result in a material and adverse effect on the Company's profitability, results of operations and financial condition. The Company may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all.

#### ***Litigation Affecting Properties***

Potential litigation may arise on a property on which the Company holds or has a royalty interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). The Company will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary



or permanent) could have a material and adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the securities of the Company.

### ***Changes in Tax Laws Impacting the Company***

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions where the Company has interests that could have a material adverse effect on the Company. Any such change or implementation of new tax laws or regulations could adversely affect the Company's ability to conduct its business. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the profits of the Company being subject to additional taxation or which could otherwise have a material adverse effect on the profitability of the Company, the Company's results of operations, financial condition and the trading price of the securities of the Company. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties or other investments by the Company less attractive to counterparties. Such changes could adversely affect the ability of the Company to acquire new assets or make future investments.

### ***Information Systems and Cybersecurity***

The Company's information systems, and those of its counterparties under the Royalty agreements and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deceiving the Company's counterparties. The Company's operations depend, in part, on how well the Company and its suppliers, as well as counterparties under royalty, streaming and other agreements, protect networks, equipment, information technology systems and software against damage from a number of threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

### ***Activist Shareholders***

Publicly-traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that *the Company* will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on *the Company's* reputation. In addition, responding to such campaigns would likely divert the attention and resources of *the Company's* management and Board, which could have an adverse effect on *the Company's* business and results of operations. Even if *the Company* were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of *the Company*. If shareholder activists are ultimately elected to the Board, this could adversely affect *the Company's* business and future operations. This type of activism can also create uncertainty about *the Company's* future strategic direction, resulting in loss of future business opportunities, which could adversely affect *the Company's* business, future operations, profitability and *the Company's* ability to attract and retain qualified personnel.

### ***Reputational Damage***

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. While the Company will not ultimately have direct control over how it is

perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition, cash flows and growth prospects.

### ***Expansion of Business Model***

Silver Crown's operations and expertise have been focused on the acquisition and management of royalty interests. The Company may pursue acquisitions outside this area, including acquiring and/or investing in and/or developing resource projects. Expansion of the Company's activities into new areas would present challenges and risks that it has not faced in the past, including many of the risks described under the below section "*Risks Related to Mines and Mining Operations*". The failure to manage these challenges and risks successfully may result in a material and adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

### **Risks Related to Mines and Mining Operations**

#### ***Risk Factors applicable to Owners and Operators of Properties in which the Company will hold an Interest***

To the extent that they relate to the production of minerals from or the continued operation of, properties in which the Company will hold a royalty interest, the Company will be subject to the risk factors applicable to the owners and operators of such mines or projects.

#### ***Exploration, Development and Operating Risks***

Mining involves a high degree of risk. Mines and projects in which the Company has or may enter into a royalty agreement are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather-related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave-ins, pit-wall failures, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Any of these hazards and risks and other acts of God could shut down mining operations temporarily or permanently. Mining operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the mining operations.

The exploration for, development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of mining operations will result in profitable commercial mining operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in one or more of the mining operations not receiving an adequate return on invested capital. Accordingly, there can be no assurance the mining operations which are not currently in production will be brought into a state of commercial production.

#### ***Climate Change***

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. The Paris climate accord was signed by 195 countries in December 2015 and marked a

global shift toward a low-carbon economy. If the current regulatory trend continues, The Company expects that this will result in increased costs at some of the mining operations which could adversely impact the profitability or viability of such operations and may result in reduction or cessation of production which in turn would have an impact on the Company's revenue. In addition, the physical risks of climate change may also have an adverse effect on some of the mining operations. These risks include the following:

- *Sea level rise:* changes in sea level could affect ocean transportation and shipping facilities which are used to transport supplies, equipment and workforce to mining operations and products from those operations to world markets.
- *Extreme weather events:* extreme weather events (such as increased frequency or intensity of hurricanes, increased snowpack, prolonged drought) have the potential to disrupt mining operations. Extended disruptions to supply lines could result in interruption to production.
- *Resource shortages:* some of the mining operations depend on regular supplies of consumables (diesel, tires, sodium cyanide, etc.) and reagents to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production efficiency at some of the mining operations is likely to be reduced.

There is no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risk of climate change will not have an adverse effect on mining operations and their profitability.

#### ***Silver and Commodity Prices***

The prices of silver and other metals are subject to fluctuation and any future significant decline could result in mines, mining operations and project development to cease. Owners and operators of mines and development projects could be forced to cease operations or discontinue development of a particular project, which could materially adversely affect the Company's business operations and profitability.

#### ***Environmental Risks***

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and projects in which the Company has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties. One or more of the mining companies may become liable for such environmental hazards caused by previous owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### ***Government Regulation, Permits and Authorizations***

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and

remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with mining operations. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of the Company. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on mining operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

### ***Permitting and Access***

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The owners and operators of the mines and projects in which the Company has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of the properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

### ***Infrastructure***

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

### ***Dependence on Operator Employees***

Production from the properties in which the Company holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations, results of operations and financial condition of the Company. If these factors cause the owners and operators of such properties

to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of the Company.

### ***Mineral Resource and Mineral Reserve Estimates***

Mineral reserve and or mineral resource estimates for a specific mine or project may not be correct. Any and all figures for mineral resources and mineral reserves in this AIF are estimates only and were obtained from public disclosure in respect of the Gold Mountain Project. There can be no assurance that estimated mineral reserves and mineral resources will ever be recovered or recovered at the rates as estimated. Mineral reserve and mineral resource estimates are based on sampling and geological interpretation, and are uncertain because samples used may not be representative. Mineral reserve and mineral resource estimates require revision (either to demonstrate an increase or decrease) based on production from the mine or project. The fluctuations of commodity prices and production costs, as well as changes in recovery rates, may render certain mineral reserves and mineral resources uneconomic and may result in a restatement of estimated reserves and/or mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

### ***Uninsured or Uninsurable Risks***

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers' compensation, theft, general liability, all risk property, automobile, directors and officers liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, a mining company's insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies' profitability, results of operations and financial condition.

### ***Land Title***

Although title to specific mines or projects has been or will be reviewed by or on behalf of Silver Crown, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the ability of these owners and operators to fulfill their obligations under their agreements.

### ***International Interests***

Certain operations that underlie Silver Crown's royalty interests are conducted, or will be conducted, outside of Canada, and could be exposed to political, economic or other risks or uncertainties. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates, labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of mining operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency

remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

On February 1, 2025, President Trump signed an executive order (the “**Executive Order**”) imposing a 25% tariff on all goods originating in Canada and imported into the United States, with the exception of energy resources, which will be subject to a 10% tariff. The Executive Order also states that the aforementioned tariffs may be raised further in the event Canada retaliates. In response, the Government of Canada imposed a 25% tariff on many United States goods. The tariffs became effective on March 4, 2025. In response, the Government of Canada imposed 25% tariffs on \$155 billion in goods imported from the United States, coming into effect in two phases, starting on March 4, 2025. On March 6, 2025, the United States agreed to delay the imposition of their tariffs on imported goods subject to the United States Mexico Canada Agreement until April 2, 2025. Although discussions continue regarding the political and economical arrangements between the two countries, there remains significant uncertainty over whether tariffs or other restrictive trade measures or countermeasures will be implemented and, if so, the scope, impact and duration of any such measures.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on mining operations resulting in substantial costs, losses and liabilities in the future.

Certain operators are subject to risks normally associated with the conduct of business in developing economies. Risks may include, among others, problems relating to power supply, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, foreign taxation and exchange controls, nationalization of assets, opposition to mining from environmental or other non-governmental organizations or changes in the political attitude towards mining, empowerment of previously disadvantaged people, local ownership requirements, limitations on foreign ownership, power supply issues, limitations on repatriation of earnings, infrastructure limitations and increased financing costs. The above risks may limit, disrupt or negatively impact the operator’s business activities.

### ***Permitting, Construction and Development***

The Company may hold royalties over mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in silver and other metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

### ***Indigenous Peoples***

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Company may hold royalty interests on operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The mining companies’ current or future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which the Company holds a royalty interest.

Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of the Company's royalty assets.

### 4.3 Material Investments

As at the date of this AIF, Silver Crown considers the Gold Mountain Royalty to be the only material asset. A description of the Gold Mountain Project is included below.

On January 19, 2021, Elk Gold entered into a mining contract with Nhwelmen-Lake LP for contract mining services at the Gold Mountain Project (the "**Nhwelmen-Lake Mining Contract**"). Nhwelmen-Lake is a majority-owned Indigenous mining contractor. Pursuant to the terms of the Nhwelmen-Lake Mining Contract, Nhwelmen-Lake will be paid a fixed price per tonne mined over the first three years which is determined based on the planned production rate, mined volumes, haulage distances and equipment productivity. The scope of the Nhwelmen-Lake Mining Contract includes mining of mineralized material at a rate of 70,000 tonnes per annum (200 tonnes per day), waste mining, drilling, blasting, hauling, site supervision, supply of operating personnel, road maintenance, dust suppression as well as all the site preparation activities required prior to commencing mine operations, including topsoil stockpiling and preparing surface water management structures. Nhwelmen-Lake will also provide the haulage of plant feed material from the mine to the toll milling location. The Nhwelmen-Lake Mining Contract is for the life of mine while the price schedule carries a three-year term. The obligations of Elk Gold under the Nhwelmen-Lake Mining Contract begin upon Elk Gold delivering a notice of commencement to Nhwelmen-Lake.

#### (1) Summary

The following description of the Gold Mountain Project has been prepared in reliance, in part, on the "Technical Report in relation to the Gold Mountain Project", which was prepared for Elk Gold by L. John Peters, P.Geol., Gregory Z. Mosher, P.Geol., and Marinus André de Ruijter, P.Eng., and filed under GMMC's SEDAR+ profile on January 21, 2022. Unless otherwise stated, the information that follows in this section relating to the Gold Mountain Project is derived from, and in some instances is an extract from the Gold Mountain Technical Report. The following information does not purport to be a complete summary of the Gold Mountain Technical Report. Reference should be made to the full text of the Gold Mountain Technical Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI-43-101 and is available for review under Elk Gold's profile on SEDAR+ at [sedarplus.ca](http://sedarplus.ca).

Because the following section is derived in part from the Gold Mountain Technical Report, defined terms in the following summary may differ from those used in this AIF. As such, readers are encouraged to reference the Gold Mountain Technical Report.

#### (2) Location, Access and Physiography

The Gold Mountain Project is located midway between Merritt and West Kelowna in south-central B.C., approximately 325 km northeast of Vancouver, B.C., and 55 km west of Okanagan Lake. The Gold Mountain property (the "**Gold Mountain Property**") straddles the border between the Similkameen and Nicola Mining Districts and consists of 32 contiguous mineral claims and one mining lease encompassing 21,037 ha. Elk Gold, a wholly owned subsidiary of Bayshore Minerals Incorporated ("**Bayshore**"), has a 100% interest in all claims, subject to the Gold Mountain Royalty and a 2% net smelter return royalty. A further 1% NSR royalty is payable on production from the Agur Option block, approximately 4 km south of the Siwash North Zone. Exploration on the Gold Mountain Project site is regulated via two permits: Mining Permit M-199 for exploration work within the mining lease area and MX-4-387 for exploration on the surrounding claims.

Access to the Gold Mountain Project site is available via the four-lane Okanagan Connector (Highway 97C) to the Elkhart Road interchange, from which Elkhart Road leads southeast, then southwest on the Golden Hills Forest Service Road. All-weather logging roads and trails provide access to most parts of the Gold Mountain Property for all sizes of

vehicles. The Siwash North open pits are 2.5 km south of the interchange. The Gold Mountain Project is on the Thompson Plateau (eastern section), in the Trepanege Plateau highland, which, within the claims area, consists of rolling topography ranging from 1,300 m above sea level (asl) to 1,750 masl. A layer of glacial till of varying thickness is ubiquitous and bedrock outcrop is scarce. Forest cover is mainly lodgepole pine, with minor balsam, subalpine fir, and spruce. Alders are found along streams and in marshes. The claim area is about 60% clear-cut logged, and the clear-cut areas are in various stages of regrowth.

Claims comprising the Gold Mountain Property may be maintained by continuing to conduct work on the Gold Mountain Property or by cash payment in lieu. The tenure number and expiry date of each claim are included in Section 4 of the Gold Mountain Technical Report. The mining lease may be maintained by paying a yearly rental and providing an annual reclamation report on the Property acceptable to the B.C. Ministry of Energy, Mines & Petroleum Resources.

### (3) Ownership History

Discovery of gold and sulphide-bearing quartz vein float found at the Discovery Zone in 1986 led to Cordilleran Engineering Ltd. (“**Cordilleran**”) staking the initial project claims for Fairfield Minerals Ltd. (“**Fairfield**”). Cordilleran, the exploration arm of Fairfield, investigated the area for gold from 1986 to 1991. Fairfield assumed operatorship in 1992 to mine a bulk sample. Almaden Resources Corporation amalgamated with Fairfield in 2002 to form Almaden Minerals Ltd. (“**Almaden**”), becoming the sole owner of the Property; then Almaden continued field exploration projects until late 2010, including drilling. Almadex Minerals Ltd. (“**Almadex**”) was spun off from Almaden in 2015 and became the royalty rights holder.

Beanstalk Capital Inc. purchased the Gold Mountain Project in 2011 and changed its name to Gold Mountain Mining Corp. upon being listed as a publicly traded company on the TSX under the symbol V.GUM. Elk Gold merged with Lowell Copper and Anthem United in October 2016, becoming a wholly owned subsidiary of the successor company, JDL Gold Corp. (“**JDL**”). JDL merged with Luna Gold in March 2017, with JDL as the succeeding company, which subsequently changed its name to Trek Mining Inc. (“**Trek**”). In December 2017, Trek merged with NewCastle Gold Ltd. and Anfield Gold Corp., with Trek being the surviving entity. Trek then changed its name to Equinox Gold Corp (“**Equinox**”), with Elk Gold remaining as a wholly owned Equinox subsidiary. In May 2019, Bayshore completed an agreement with Equinox to purchase the Gold Mountain Project. Under the terms of Bayshore’s purchase agreement, Equinox completed the sale of the Gold Mountain Property by way of Bayshore’s purchase of the shares of Equinox’s wholly owned subsidiary, Elk Gold. In December 2020, Freeform Capital Partners Inc. (“**Freeform**”) acquired 100% of Bayshore. As part of the overall acquisition, Freeform changed its name to Gold Mountain Mining Corp. and became the ultimate parent company. Bayshore is now a wholly owned subsidiary of Elk Gold. Bayshore’s subsidiary, Gold Mountain, changed its name to Elk Gold Mining Corp. Elk Gold owns 100% of the claims and mining lease comprising the Elk Gold Claims. Mining Permit M-199 is also issued in the name of Elk Gold Mining Corp.

### (4) Exploration History

Prospecting activities in the area date back to the early 1900s, and the first recorded work began in the 1960s and 1970s with several companies exploring for copper and molybdenum. In the 1960s and early 1970s, various operators explored the area for gold, copper, and molybdenum with little or no success. In 1986, gold- and sulphide-bearing quartz vein float found at the Discovery Zone led to Cordilleran staking the initial claims for Fairfield. Fairfield’s exploration arm, Cordilleran, investigated the area for gold from 1986 to 1991, identifying and drilling nine separate zones possessing gold-mineralized quartz vein systems. Since 1986, several exploration programs were completed, including geological mapping, soil, and litho-geochemical surveys; trenching; geophysical surveys, including airborne and ground magnetics, induced polarization (IP), and electromagnetic (EM); diamond drilling; underground development; and open pit bulk sampling. A total of 1,311 drill holes have been drilled on the Gold Mountain Property to date, including wireline core, reverse circulation, and percussion drilling, totalling 148,580 m. Fairfield produced approximately 1,460,000 g (51,500 oz) of gold between 1992 and 1995, mainly from a bulk sample open pit (Pit 1). That work included underground mining, where drilling and limited underground test raising and stoping occurred. In 2012, after two years of infill and step-out drilling, Elk Gold initiated a bulk sample mining operation (Pit 2). All mineralized rock mined was processed at a toll mill in 2012 and 2014, plus 7,761 tonnes that remained from 1990s historical mining operations. The processed mineralized material had an average grade of 14.81 g/t Au, and, in total,



Pit 2 yielded 6,596.7 tonnes of mineralized vein material at 16.65 g/t Au from 2,443.2 m<sup>3</sup> of the 4,000 m<sup>3</sup> of banked vein permitted under Permit M-199.

#### (5) Geological Setting and Mineralization

The Gold Mountain Property overlaps the Quesnellian and Post Accretionary Terranes of the Intermontane (tectonic) Belt of south-central B.C. The Gold Mountain Property is underlain by Triassic-aged Nicola Group volcanic sedimentary rocks in the western third of the Property and Jurassic-aged granitic rocks of the Osprey Lake Batholith in the Gold Mountain Property's eastern portion. Feldspar-porphyry stocks and dykes of the Upper Cretaceous-aged Otter Intrusions are mapped mainly in the southwest claim area and cut Nicola Group volcanic rocks and Osprey Lake granitic rocks. Early Jurassic-aged Pennask batholith intrusives occur in the Gold Mountain Property's northeast. Tertiary andesite dykes intrude all the above. Andesite dykes appear to be spatially related with structural corridors containing gold mineralization.

Gold mineralization occurs within quartz-sulphide veins and stringers, most often hosted by phyllic and silica-altered Osprey Lake intrusive rocks, composed of quartz monzonites, diorites, and granodiorites, and rarely within adjacent phyllic- and silica-altered Nicola volcanic rocks to the west. Pyrite is the most common sulphide mineral within the quartz veins, ranging from 5% to 80%, with higher percentages often associated with chalcopyrite and tetrahedrite. Gold occurs as fine-grained free gold (typically less than 50 µm) in quartz, within quartz-pyrite boxworks, and in fractures within veins. Gangue minerals include quartz and altered wall-rock clasts (xenoliths), with minor amounts of ankerite, calcite, barite, and fluorite. Most of the mine production in Pit 1 occurred within the quartz-monzonite and granodiorite border phase of the Osprey Lake batholith. Mine production from Pit 2 was all from the quartz-monzonite phase.

The Gold Mountain Property hosts nine zones containing confirmed gold mineralization intersected by drilling, including the Siwash North, Siwash East, Gold Creek, Lake, End, Discovery, South, Bullion, and Nicola zones. The most significant is known as the Siwash North Zone. The Siwash North 1000 and 2000 series vein complexes (historically called the B and WD Siwash Veins) are emplaced within fault/fracture zones that strike east–northeast and dip moderately to steeply southward. The veins are cut by a 3 m-wide, north-northwest-striking, near-vertically dipping, faulted, and altered andesite dyke known as the RBF. This dyke is a post-mineral structure that hosts no mineralization itself, but divides mineralized veins into two regions with little apparent offset. The gold-bearing veins change character across the dyke: west of the RBF, the Siwash North 1300 vein occurs as a single, moderately dipping, high-grade gold vein, whereas east of the RBF, the 1300 vein occurs as lower-grading multiple veins and gouge clusters.

#### (6) 2021 Exploration

Historically, exploration on the Gold Mountain Property has progressed in a logical sequence from prospecting and geological mapping to hand soil sampling and excavator trench sampling, followed by geophysical IP and widely spaced drilling. Grid diamond drilling to delineate resources led to open pit and test-scale underground mining; this was followed by additional diamond drilling to expand the resource base and test other Gold Mountain Property targets. A second round of bulk sample mining was initiated to confirm the results of the PEA, as outlined in the 2011 technical report on the Gold Mountain Property. The test mining and bulk sample program was also used to refine the mining technique and confirm parameters for full-scale operations.

A soil sampling and diamond drilling program was completed in 2021 (Phase 2) between 25 May and 21 October 2021; this added 2,168 samples to the existing soil geochemical database, consisting of 21,688 samples to aid in directing further exploration. The 2021 soil geochemistry program focussed on areas west of the Elusive Zone, over the Nicola Zone, over the South Zone, and encompassing the Otter grid, an area at the southern limit of the Gold Mountain Property. These surveys delineated gold and copper anomalies.

Diamond drilling tested the Siwash North Zone (34 holes), Lake Zone (5 holes), South Zone (6 holes), and Elusive Zone (6 holes). Drilling on the Siwash North Zone focussed primarily on targeting areas that would most effectively add to the previously reported Mineral Resource, including deeper testing of the 1000 and 2000 series veins, sampling gaps, and in an area north of the previous testing. Two geotechnical drill holes were also drilled. Of the 34 holes drilled

in the Siwash North Zone, all but one hole (SND21-022) intersected notable ( $>0.25$  g/t Au) gold mineralization. The additional sample intervals derived from the 2021 drilling program were added to the current Mineral Resource estimate that now includes all diamond drilling completed on the Siwash North Zone to October 2021.

Previous trenching and drilling exploration of the South, Lake, and Gold Creek zones has encountered mineralized veins that may be similar in style to those encountered in the Siwash North Zone. The five exploration holes drilled in the Lake Zone in 2021 tested infill targets between historical holes and along strike. All drill holes intersected multiple gold-mineralized intervals hosted by quartz monzonites of the Osprey Lake batholith. The six exploration holes drilled in the South Zone tested deeper targets and along strike to known mineralization. All drill holes intersected multiple gold-mineralized intervals hosted by quartz monzonites of the Osprey Lake batholith, including SND21-042, which tested the zone along strike 150 m east of previous drill testing. Current drilling results from the South and Lake Zones were combined with the historical database for diamond drilling results used in the current Mineral Resource estimation.

#### (7) Exploration Targets and Drill Database

Drilling at each of the mineralized-gold zones to date has intersected gold-mineralized veins over varying strike lengths, the largest to date being the Siwash North Zone (~5 km strike length). The Siwash North Zone has been drill tested by 1,154 drill holes, with analytical values grading up to 568 g/t Au over 1.14 m (SUD95-192) with an average of 2.6 g/t Au. By comparison, the Bullion Zone, to the north of the 2021 infill drilling north of Siwash North, has been drill tested by six holes, four of which contained notable gold intervals up to 13.66 g/t Au over 0.32 m (SND04-376). The Siwash East Zone, 1.5 km east of Siwash North, was drill tested by four holes, all of which intersected notable gold intersections grading up to 3.51 g/t Au over 0.3 m (SED06-447). The Gold Creek Zone, immediately south of the western extent of the Siwash North Zone, was tested by 24 drill holes, 16 of which intersected notable gold mineralization grading up to 84.6 g/t Au over 0.2 m (SND11-155). The End Zone, 650 m south of the Lake Zone, was tested by 7 drill holes, 4 of which intersected notable gold mineralization grading up to 24.41 g/t Au over 0.5 m (EZD95-158). The Discovery Zone, 800 m southwest of the End Zone, was tested by 12 drill holes, 8 of which intersected notable gold mineralization grading up to 13.6 g/t Au over 0.68 m (DSD95-159). The Nicola Zone has been tested by three drill holes with a high analytical gold result of 0.63 g/t Au over 0.3 m (NCD12-178). Notable copper mineralization intersected in the Nicola Zone graded up to 0.265% Cu over 0.8 m (NCD12-179). Although never drilled, the Elusive Zone remains a viable target, as defined by soil geochemistry. It should be noted that outside of the Siwash North Zone, and now the Lake and South zones, all zones are exploration targets only, and the potential quantity and grade is conceptual in nature; as of the date of the Gold Mountain Technical Report, there had been insufficient exploration to date to define a Mineral Resource, and it is uncertain if further exploration will result in the target being delineated as a Mineral Resource.

Elk Gold compiled and verified the historical exploration database for the Gold Mountain Project prior to their involvement in 2011, which has since been supplemented by approximately 292 drill holes (50,880 m) of drilling to date. A relatively small portion of the area covered by the drill-hole database was mined out during the bulk sample programs and, although the mined-out resources were not included in the Mineral Resource estimate, the data were still used to assist in estimating resources in the adjacent areas.

#### (8) Metallurgical Testing and Mineral Processing

Several test programs were completed on samples from the Gold Mountain Project between 1990 and 2020. In 2008 and 2010, G&T Metallurgical Services Ltd. (G&T) completed the most relevant test work on composites with head grades close to the life-of-mine (LOM) average grade. This was followed by another test program conducted at Base Metallurgical Laboratories (BML) in 2020, which confirmed the flowsheet and the anticipated recovery methods.

Although several flowsheets were tested, the preferred flowsheet included gravity concentration together with gravity concentration and flotation, and gravity with and without whole-ore cyanide leaching. Both flowsheets resulted in gold recovery values of between 90% and 95% into a combined gravity and flotation concentrate having a grade of about 100 g/t Au.

A third alternative processing option was tested in the BML test program. In anticipation of the potential sale of the Gold Mountain Project mineralized material to the New Afton Copper Mine, BML tested the effects of blending the project plant feed with New Afton Mine mineralized material in a proportion of 10% to 90%, respectively, using the New Afton flotation process to recover a copper concentrate. The brief test program indicated that no detrimental interactions appeared to be present. The copper grades and recovery values were maintained, while the gold and silver grade values of the copper concentrate were enhanced as a result of processing the higher-grade project mineralized material. The recovery values of gold and silver were also improved, compared with the values obtained from the New Afton ore only.

(9) Mineral Resources Estimate

The Gold Mountain Technical Report contains an updated Mineral Resource estimate for the Siwash North Zone and maiden Mineral Resource estimates for the Lake and South Zones. The summary resource estimates for all three zones are presented in the following table, which is derived from the Gold Mountain Technical Report. The procedures and outcomes of the Mineral Resource estimates for each zone are discussed in the Gold Mountain Technical Report and readers should refer to the Gold Mountain Technical Report for detailed information on the procedures and outcomes for all three zones.

**Elk Property Mineral Resource Summary December 2021**

Elk Property Total Mineral Resource (Pit-Constrained and Underground) December 2021							
Classification	Tonnes	AuEq g/t	Au Cap g/t	Ag Cap g/t	Oz AuEq	Oz Au	Oz Ag
Measured	169,000	10.4	10.3	10.9	56,000	56,000	59,000
Indicated	4,190,000	5.6	5.4	11.0	750,000	740,000	1,465,000
M & I	4,359,000	5.8	5.6	11.0	806,000	796,000	1,524,000
Inferred	1,497,000	5.4	5.3	14.4	262,000	259,000	686,000
Siwash North Total Resource (Pit-Constrained and Underground) December 2021							
Classification	Tonnes	AuEq g/t	Au Cap g/t	Ag Cap g/t	Oz AuEq	Oz Au	Oz Ag
Measured	169,000	10.4	10.3	10.9	56,000	56,000	59,000
Indicated	3,679,000	5.7	5.6	10.2	679,000	665,000	1,207,000
M & I	3,848,000	5.9	5.8	10.2	735,000	721,000	1,266,000
Inferred	1,323,000	5.4	5.2	12.8	229,000	223,000	545,000
Lake Zone Total Mineral Resource (Pit-Constrained and Underground) December 2021							
Classification	Tonnes	AuEq g/t	Au Cap g/t	Ag Cap g/t	Oz AuEq	Oz Au Cap	Oz Ag Cap
Indicated	391,000	4.0	3.8	19.5	50,000	47,000	246,000
Inferred	148,000	5.5	5.2	29.1	27,000	25,000	139,000
South Zone Total Mineral Resource (Pit-Constrained and Underground) December 2021							
Classification	Tonnes	AuEq g/t	Au Cap g/t	Ag Cap g/t	Oz AuEq	Oz Au Cap	Oz Ag Cap
Indicated	120,000	5.4	5.3	7.8	21,000	28,000	12,000
Inferred	26,000	7.0	6.9	13.4	6,000	11,000	2,000

(10) Mineral Reserves Estimates

A Mineral Reserve estimate for the Gold Mountain Project was not developed as part of the Gold Mountain Technical Report. Significant additional data collection and technical work are required to elevate the technical confidence of the Gold Mountain Project to a level consistent with Mineral Reserve estimation, in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by CIM Council, as amended, NI 43-101, 29 November 2019. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(11) Mining Methods

The Gold Mountain Project is envisioned to be developed as a conventional open pit mine. The operation will begin at a mined rate of 70,000 t/a for three years. Starting in Year 4 of operations, the mine will increase the production rate to 324,000 t/a and incorporate a narrow-vein, longhole-stoping underground mining method. The mine will be operated by Nhwelmen-Lake LP, which has a mining contract in place with Elk Gold Mining Corp. This study also contemplates delivering mineralized material to the New Afton Mine in Kamloops, B.C., under the Ore Purchase Agreement terms described in Section 24.4 of the Gold Mountain Technical Report. There is no on-site mill or tailings storage contemplated. Mineralized material is excavated from the open pit and placed on a limestone-capped stockpile pad.

Material on the stockpile pad will be sampled and assayed for metal accounting before being shipped to the New Afton Mine via highway dump trucks. It is anticipated that once the initial 70,000 t/a operation is underway, the owners will investigate and initiate an Environmental Assessment (“EA”) review, which would be required to expand the mine. The historical PEA envisages that by Year 4 of operations, an EA Certificate will have been received. Non-mineralized rock will be stockpiled in a rock management storage facility west of the open pit, which is designed to have a low prominence and 2H:1V slopes that will be capped with overburden and topsoil upon mine closure. The total mine life will be 11 years, including processing 2.5 Mt of mineralized material grading 6.98 g/t Au and 11.73 g/t Ag. The plan includes 23.4 Mt of non-mineralized rock and an average strip ratio of 20:2 w:o.

Mining operations will be carried out by contract mobile mining equipment. The open pit fleet will include three 250 mm-diameter blasthole drills, three 5 m<sup>3</sup> excavators, one 2.5 m<sup>3</sup> excavator, six 90-tonne haul trucks, two 4 m-wide blade track dozers, one 3.8 m-blade rubber-tire dozer, one motor grader, and one water truck. The underground mining fleet will include two-boom jumbos for development drilling, long-hole drills for stope drillings, 3.0 m<sup>3</sup> load-haul-dump (LHD) loaders and 20-tonne underground haul trucks for mucking and hauling material.

(12) Recovery Methods

Gold-bearing material from the Gold Mountain Project will be sold to the New Afton Copper Mine in Kamloops, B.C., 130 km from the Gold Mountain Project, under the terms of an OPA described in the Gold Mountain Technical Report. The mineralized material will be mined, sampled, and trucked to the New Afton processing plant for blending with the New Afton copper ore. The New Afton process uses flotation for concentrating copper, gold, and silver, and the Gold Mountain Project mineralized material has demonstrated a good response for gold and silver recovery using the flotation process.

(13) Project Infrastructure

In the initial Gold Mountain Project phase, site infrastructure is limited to the facilities required to support the surface mining operation, including modular office facilities; dry/washroom facilities; a small-scale sample processing plant for plant feed assays; hazardous waste storage area; fuel storage; Emergency Response Team facilities; and equipment and explosives storage. Power requirements at this stage are limited to powering the office facility, lighting, and fuel pumps. In Year 4, when the underground mining operation begins, additional facilities for ventilation, services, mine rescue, and dry capacity will be required.

(14) Environmental Studies, Permitting, and Social or Community Impact

Baseline environmental studies conducted at the Gold Mountain Project have included meteorology and climate; soil and rock geochemical characterization; water quantity; water quality; sediment quality; fisheries and aquatic resources; ecosystems and wildlife; archaeology; and cultural use.

Several receptors have been identified as being potentially affected by the Gold Mountain Project, including periphyton and aquatic plants, aquatic invertebrates, and, ultimately, fish (rainbow trout). Vegetation, and the mammals that feed on it, are also potential receptors and vectors to higher-order organisms. The studies concluded that robust management planning is needed to identify and mitigate these and other negative vectors. Working collaboratively with all potentially affected groups is desired to develop a plan that respects environmental and cultural

needs. Mammals that feed on vegetation and/or other animals could be negatively affected if soils are not adequately isolated from mine pollutants. Dangerous mine-created cliff edges will need to have protective berms constructed for human and wildlife safety. Human activity and interactions with wildlife in the area, whether for employment, recreation, or cultural reasons, will need to be strictly controlled. Incidents that could potentially cause injuries or death due to unplanned interaction with heavy equipment or unprotected cliff edges will need to be closely monitored and mitigated.

Several mitigations of potential environmental effects were suggested in the Bayshore (2020) report. Prompt removal of mineralized material from the site will ensure acid-rock drainage does not lead to metal leaching and environmental contamination. Ninety percent of mined non-mineralized rock is non-acid generating (“NAG”); however, carefully managing mined NAG rock is essential to maintaining healthy hydrologic and hydrogeologic environments. Potential Gold Mountain Project impacts on vegetation supported by various ecosystems on the Gold Mountain Property could be mitigated by careful planning and sequencing of mine operations. Invasive plants introduced or allowed a foothold in disturbed areas, which could threaten local vegetation, need to be controlled or eradicated.

Gold Mountain has been engaging with 26 Indigenous associations in conjunction with the 70,000 t/a mining and effluent discharge permit amendment submitted in May 2020. Of the 26 Indigenous groups, eight are participating in the Mine Review Committee related to that application. In parallel with the permit application consultation, Gold Mountain has completed three memoranda of understanding with Indigenous communities around the Gold Mountain Project and is actively negotiating additional agreements with other communities.

(15) Capital and Operating Costs

The total potential life of mine (“LOM”) capital cost is anticipated to be \$63.5 million. This includes capital costs for the operation and associated owner’s costs. Initial mining capital costs are \$9.0 million, which is defined in Elk Gold’s agreement with Nhwelmen-Lake. The mine’s estimated sustaining capital costs of \$54.5 million include developing the underground, which starts in Year 4 of operations. Potential LOM owner’s costs are estimated to be \$16.7 million. There is no capital cost since the mineralized material will be sold to New Afton Mine for processing over the proposed LOM. Similarly, under the terms of the OPA with New Afton, there is no process operating cost to consider. New Afton’s consideration in the OPA comes from a split in the metals payable from the material delivered to the mill.

Reclamation and closure activities are estimated to cost \$10 million; that cost is spread over two years at the end of the mine life. Mine operating costs were developed based on planned equipment productivities, fuel consumption, and maintenance requirements, and they reflect the unit costs in EGMC’s contract mining agreement with Nhwelmen-Lake LP. The potential LOM operating cost for the mine is \$107 million, which equates to \$4.50/t mined or \$109/t milled. G&A costs include administrative staff, Mine Rescue costs, and associated supplies. The total yearly G&A cost is estimated to be \$468,000, which increases to a yearly \$950,000 when the underground operation comes online in Year 4.

(16) Interpretations, Conclusions and Recommendations

As with most projects, many risks could affect the Gold Mountain Project’s economic outcome. The significant external risks to the Gold Mountain Project are gold prices, Indigenous support, exchange rates, transport costs, smelter terms, government regulations, taxes, shareholder support, and the availability to raise financial resources. Opportunities exist that could improve the Gold Mountain Project’s potential. Most of these opportunities are also potential risks, as explained in the Gold Mountain Technical Report. For example, pit-slope angles present both a risk and opportunity.

The Qualified Persons (QP) recommended the following for the next program, Phase 3:

- Additional drilling to target 1) the gold-in-soils in the Elusive Creek Zone, 2) the gold veins encountered from the 2021 (Phase 2) drilling in the area between Siwash North and Bullion zones (previously Yellow Brick Road Zone), 3) the 1300 Vein gold mineralization below depths previously tested, and 4) the area around the conceptual pit design using oriented core.

- Additional metallurgy to complement the PFS.
- Exploration—geological, geochemical, and geophysical surveys to identify new gold zones.

The QPs estimated the total cost of the recommended drilling program to be \$2.4 million, and an additional \$350,000 is estimated for additional metallurgy.

## **ARTICLE 5 DIVIDENDS**

### **5.1 Dividends**

Silver Crown has not paid dividends since incorporation. The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon Silver Crown’s future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Silver Crown will declare a dividend on a quarterly, annual or other basis.

## **ARTICLE 6 DESCRIPTION OF CAPITAL STRUCTURE**

The Company is authorized to issue an unlimited number of Shares without par value. As at the date of this AIF, 2,575,670 Shares were issued and outstanding. As of the date hereof, the Company also has: (i) 1,303,285 Share purchase warrants issued and outstanding; (ii) 67,720 broker warrants issued and outstanding; (iii) 437,500 performance warrants issued and outstanding; (iv) 300,000 special warrants issued and outstanding; and (v) 75,532 restricted share units (“RSUs”) issued and outstanding, each of which are convertible into one Share.

Holders of Shares have the right to receive notice of any meeting of shareholders of Silver Crown, to attend such meeting and to vote thereat, with the exception of meetings at which only holders of other classes of shares are entitled to vote. Holders of Shares are entitled to receive, *pari passu* with one another, non-cumulative dividends if, as and when declared by the Board. Furthermore, holders of Shares are entitled to receive, on a *pari passu* basis, (i) the remaining property of Silver Crown upon its liquidation, dissolution or winding-up, and (ii) the remaining proceeds in the event of a change of control.

## **ARTICLE 7 MARKET FOR SECURITIES**

### **7.1 Trading Price and Volume**

The Company’s Shares were listed and posted for trading on the Exchange under the symbol “**SCRI**” at the commencement of trading on July 25, 2024. The table below sets forth the high and low prices and the volumes for the Shares traded through the Exchange for the period from July 25, 2024 to December 31, 2024, being the most recently completed financial year.

	<b>High</b>	<b>Low</b>	<b>Volume</b>
July 25, 2024 – July 31, 2024	\$ 9.85	\$ 8.02	13,114
August 2024	\$ 9.24	\$ 7.25	173,001
September 2024	\$ 8.25	\$ 7.50	39,967
October 2024	\$ 8.03	\$ 7.30	93,324
November 2024	\$ 8.30	\$ 6.50	50,377
December 2024	\$ 7.25	\$ 6.76	13,395

The Company's B Warrants were listed and posted for trading on the Exchange under the symbol "SCRI.WT.B" on September 26, 2024. Each B Warrant is exercisable into a Share at an exercise price of \$8.00 per Share for a period expiring on June 16, 2025.

	<b>High</b>	<b>Low</b>	<b>Volume</b>
September 26, 2024 – September 31, 2024	\$ 1.20	\$ 1.20	200
October 2024	\$ 1.20	\$ 1.00	3,100
November 2024	\$ 1.00	\$ 1.00	-
December 2024	\$ 1.00	\$ 1.00	-

The Company's A Warrants were listed and posted for trading on the Exchange under the symbol "SCRI.WT.A" on September 26, 2024. Each B Warrant is exercisable into a Share at an exercise price of \$16.00 per Share for a period expiring on June 28, 2027.

	<b>High</b>	<b>Low</b>	<b>Volume</b>
September 26, 2024 – September 31, 2024	\$ 1.05	\$ 1.05	200
October 2024	\$ 1.05	\$ 1.05	-
November 2024	\$ 1.05	\$ 1.05	-
December 2024	\$ 1.05	\$ 1.05	-

## 7.2 Prior Sales

During the financial year ended December 31, 2024, and up until the date of this AIF, the Company issued the following securities that are outstanding but not listed or quoted on a market place:

Date	Type of Security	Number of Securities	Issue/Exercise Price per Security	Aggregate Issue Price
June 27, 2024	Subscription Receipts	370,430	\$10.00	\$3,704,300
June 27, 2024	Warrants	370,430	\$10.00	\$3,704,300
June 27, 2024	Broker Warrants	7,140	\$10.00	\$71,400
May 14, 2024	RSUs	35,625	\$8.00	\$245,000
October 9, 2024	RSUs	41,667	\$7.35	\$306,250
February 21, 2025	Warrants	67,538	\$6.50	\$438,997
February 21, 2025	Broker Warrants	4,480	\$13.00	\$58,240

## ARTICLE 8 ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

### 8.1 Escrowed Securities and Securities Subject to Restriction on Transfer

The following table summarizes the Company's securities subject to restrictions on transfer as of the most recently completed financial year.

Designation of Class	Number of securities held in escrow or that are subject to contractual restriction on transfer <sup>(1)</sup>	Percentage of Class <sup>(2)</sup>
Shares	288,751	7.46%
Share purchase warrants	8,906	0.48%

**Notes:**

- (1) Pursuant to a security escrow agreement dated July 25, 2024, entered into among the Company, Odyssey Trust Company, as escrow agent, and the escrowed securityholders (the "**Escrowed Securityholders**").
- (2) The percentage is based on 2,508,132 Shares issued and outstanding and 1,235,747 Share purchase warrants issued and outstanding as of December 31, 2024.



**ARTICLE 9  
DIRECTORS AND OFFICERS**

**9.1 Name, Occupation and Security Holding**

The following table sets out the name, jurisdiction of residence of our directors and executive officers as well as their positions with the Company and principal occupation for the previous five years, and the number and percentage of the Shares owned, directly or indirectly, or over which control or direction is exercised, by each of our directors and executive officers.

Name and Residence	Position Held	Principal Occupations During the Past Five Years	Number and Percentage of Shares Beneficially Owned or Controlled <sup>(4)</sup>	Percentage of Shares Beneficially Owned or Controlled <sup>(5)</sup>
<p><b>Peter Bures,</b><sup>(1)</sup> Toronto, Canada</p>	<p>Chairman and Chief Executive Officer</p>	<p>Peter Bures is a Geological and Mineral Engineer with 25+ years of mining and metals capital market expertise. Recent experience includes CEO at C2C Gold, Co-Founder and Chief Business Development Officer at Star Royalties, Director Global Mining Sales at BMO Capital Markets (New York) and Portfolio Management at Sentry Investments where he co-managed several top-ranked funds. He also held various equity research roles, including VP Analyst at Canaccord Genuity, HSBC (New York and Toronto) and Orion Securities. Mr. Bures began his career as a mining engineer at Placer Dome and is a graduate BAsc Geo. Eng. University of Toronto.</p>	<p>225,000</p>	<p>8.74%</p>

Name and Residence	Position Held	Principal Occupations During the Past Five Years	Number and Percentage of Shares Beneficially Owned or Controlled <sup>(4)</sup>	Percentage of Shares Beneficially Owned or Controlled <sup>(5)</sup>
<b>Hassnain Raza,</b> <sup>(2)</sup> Toronto, Canada	Chief Financial Officer	Hassnain Raza is a CPA with 20+ years of financial experience in Canada, USA, Europe, Asia and the Caribbean serving both public and private sector clients. Mr Raza is the founding partner of a boutique consulting firm specializing in CFO advisory services to start-ups and SMEs. Previously held senior management and leadership roles at Namaste Technologies, and Senior Manager at KPMG. He is founder and patron of Allama Iqbal Model School in Pakistan, providing free education (kindergarten - grade 10).	75,000	2.91%
<b>Patrick Sullivan,</b> Vancouver, Canada	Corporate Secretary	Patrick Sullivan is a mining, M&A and securities partner at the leading Canadian law firm Osler, Hoskin & Harcourt LLP. With over a decade of experience in the global mining industry, he has advised a wide range of clients in connection with mining capital markets, M&A, royalty and streaming, joint venture, option and mineral property acquisition transactions.	3,125	0.12%
<b>Philip van den Berg,</b> Cadiz, Spain	Director	Philip van den Berg has over 35 years of capital markets expertise in Europe managing capital market transactions, public listings and mergers and acquisitions. Past experience includes, investment analyst, head of research and investment policy committee member. The majority of Mr. van den Berg's sell-side experience was with Goldman Sachs (1987 London) European equities division, then Deutsche Morgan Grenfell (1995) re-establishing its European equities division. In 1997 he moved to the buy-side as co-founder of Olympus Capital Management, and Taler Asset Management (2006) in Gibraltar. In 2014 he became an active investor	Nil	Nil%

Name and Residence	Position Held	Principal Occupations During the Past Five Years	Number and Percentage of Shares Beneficially Owned or Controlled <sup>(4)</sup>	Percentage of Shares Beneficially Owned or Controlled <sup>(5)</sup>
		in various start-up companies in Europe and the US in director and CFO roles. Mr. van den Berg graduated 1985 cum laude in economics at the University of Amsterdam.		
Peter Simeon,  Oakville, Canada	Director	Peter Simeon has over 20 years of experience as a lawyer focused on securities, corporate finance, and mergers and acquisitions. Since February 2015 he has been a partner at Gowling WLG (Canada) LLP and has extensive experience in corporate commercial and securities law. Prior to 2015, he was a partner at a boutique corporate law firm in Toronto. Mr. Simeon has a Bachelor of Arts from Queen's University and a law degree from Osgoode Hall at York University. Mr. Simeon acts as an independent director on several publicly traded companies in Canada.	6,250	0.24%
Peter Schloo, <sup>(3)</sup>  Toronto, Canada	Director	Peter Schloo is a CPA, CA and CFA with 10+ years of progressive experience in capital markets, operations and assurance. He is also a license prospector in Ontario, Canada. Currently CEO at Heritage Mining Ltd. and a Director at Pacific Empire Minerals Corp. (PEMC), he has held Senior Executive positions in a number of private companies, a majority in the Precious Metals sector including Ion Energy Ltd. and Spirit Banner Capital Corp. Mr. Schloo's past successes include over C\$85M in associated capital raising opportunities involving public and private companies.	72,500	2.81%

**Notes:**

- (1) Beneficially held by Mr. Bures in part through Investor Stratum Resources Inc. and VLK Capital Inc.

- (2) Beneficially held by Mr. Raza through 100576981 Ontario Inc.
- (3) Beneficially held by Mr. Schloo through Great White Capital Ltd.
- (4) Mr. van den Berg serves as Chair of the Audit Committee. Mr. Simeon serves as Chair of the Compensation Committee.
- (5) Based on 2,575,670 Shares issued and outstanding as of the date hereof.

The Directors of the Company are elected at each annual general meeting, unless appointed in the interim in accordance with the Company's Articles, and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles, or until such director's earlier death, resignation or removal.

As of the date hereof, the executive officers and directors of the Company own, directly or indirectly, or exercise control or direction over: (i) 385,000 Shares, representing approximately 14.95% of the Shares issued and outstanding as of the date hereof.

## **9.2 Corporate Cease Trade Orders**

To the best of management's knowledge, no director or executive officer of the Company is or has been within 10 years before the date of this AIF, a director, CEO or CFO of any company that: (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of director, CEO or CFO.

## **9.3 Bankruptcies**

To the best of management's knowledge, no director, executive officer or shareholder holding a sufficient number of shares to materially affect control of the Company: (i) is or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

## **9.4 Penalties/Sanctions**

To the best of management's knowledge, no director, executive officer or shareholder holding a sufficient number of shares to materially affect control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **9.5 Conflicts of Interest**

In the event conflicts arise at a meeting of the Board, a director who has such a conflict will declare the conflict and abstain from voting. In appropriate cases, the Company will establish a special committee of independent non-executive directors (drawn from the majority of its members who must at all times be "independent" within the meaning of National Instrument 52-110 – *Audit Committee*) to review a matter in which one or more directors or management may have a conflict.

To the best of the Company's knowledge there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors of the Company serve as directors and officers of other public and private companies and it is therefore possible that a conflict may arise

between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. Where such conflicts arise, they will be addressed as indicated above.

## **ARTICLE 10 LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **10.1 Legal Proceedings**

The Company is subject from time to time to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of these proceedings and claims cannot be predicted with certainty, the Company's management does not believe that the outcome of any of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

## **ARTICLE 11 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

### **11.1 Interest of Management and Others in Material Transactions**

Within three (3) years prior to the date of this AIF, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of Silver Crown, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect Silver Crown.

## **ARTICLE 12 TRANSFER AGENT AND REGISTRAR**

### **12.1 Transfer Agent and Registrar**

The transfer agent and registrar for the Shares and A Warrants and B Warrants is Odyssey Trust Company, located at their offices in Vancouver, British Columbia.

## **ARTICLE 13 MATERIAL CONTRACTS**

### **13.1 Material Contracts**

Except for those contracts entered into in the ordinary course of business, the only material contracts entered into by the Company during the financial year ended December 31, 2024, or since such time or before such time, which are still in effect, are as follows:

- (a) the Gold Mountain Royalty Agreement; and
- (b) the omnibus incentive plan of the Company.

## **ARTICLE 14 EXPERTS**

### **14.1 Names of Experts**

Zeifmans LLP, the Company's independent auditors, have audited the Company's financial statements for the year ended December 31, 2024. As of the date hereof, Zeifmans LLP has confirmed they are independent with respect to

the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants British Columbia.

Elk Gold engaged L. John Peters, P.Geo., Gregory Z. Mosher, P.Geo., and Marinus André de Ruijter, P.Eng. to prepare the Gold Mountain Technical Report. The disclosure in this AIF regarding the Gold Mountain Project is qualified in its entirety to the full text of the Gold Mountain Technical Report which is available on [www.sedarplus.ca](http://www.sedarplus.ca) under Elk Gold's profile.

Mitchell E. Lavery, P.Geo. is a qualified person for the purposes of NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this AIF. The QP is a "qualified person" as such term is defined in NI 43-101. All of the scientific and technical mining disclosure contained in this AIF has been reviewed and approved by the QP.

#### **14.2 Interest of Experts**

To the best of the Company's knowledge, none of the foregoing experts held any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or any of its associates or affiliates and no securities or other property of the Company or any of its associates or affiliates were subsequently received or are to be received by such experts.

### **ARTICLE 15 ADDITIONAL INFORMATION**

#### **15.1 Additional Information**

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular, which will be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information is provided in the Company's financial statements and MD&A for the twelve-month period December 31, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **15.2 Audit Committee**

The Company has an Audit Committee comprised of Messrs. Philip van den Berg, Peter Schloo and Peter Simeon, all of whom are considered "independent" as such term is defined in National Instrument 52-110 – *Audit Committees*. All of the Audit Committee members are "financially literate" as defined in National Instrument 52-110 – *Audit Committees*. A copy of the Charter of the Audit Committee is attached hereto as Schedule "A" – *Audit Committee Charter*.

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. The Audit Committee is responsible for: conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; assessing the integrity of internal controls and financial reporting procedures; ensuring implementation of internal controls and procedures; reviewing the quarterly and annual financial statements and management's discussion and analysis of the Company; selecting and monitoring the independence, performance and remuneration of the external auditors; oversight of all disclosure relating to financial information; and pre-approving any non-audit services to be provided to the Company by any external auditors and the fees for those services. The Audit Committee will also be responsible for reviewing and following the procedures established in the Company's codes, policies and guidelines as may be established from time to time.

(1) Relevant Education and Experience

All members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each member of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each member of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies.

For additional details regarding the relevant experience of each member of the Company's Audit Committee, see the relevant biographical experiences for each of the Company's directors and officers under the heading "*Name, Occupation and Security Holding Article 9*".

(2) Pre-Approval Policies and Procedures

The Audit Committee charter includes responsibilities regarding the provision of non-audit services by external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

(3) Corporate Governance

*Board of Directors*

The Board exercises independent supervision over management through meetings of the independent directors at which non independent directors and management of the Company are not present. All of the directors of the Company are considered "independent", as that term is defined in National Instrument 52-110 – *Audit Committees* except for Peter Bures who is not considered independent as he holds the office of Chief Executive Officer.

As not all the members of the Board are independent within the meaning of section 1.4 of NI 52-110, the independent directors are expected to hold regularly scheduled meetings at which the non-independent directors and management of the Company will not be present.

The Board adopted a written mandate reflecting its role to (i) assume responsibility for the overall strategy and oversight of management of the Company, and, operations with subsidiaries, (ii) identify the principal risks and opportunities of the Company's business and ensuring the implementation of appropriate systems to manage these risks, (iii) manage the cash reserve and token reserves, and (v) ensure the integrity of the Company's internal financial controls and management information systems.

*Orientation and Continuing Education*

The Company does not have a formal orientation and education program for new members of the Board, the Company plans to provide such orientation and education on an ad hoc and informal basis. The proposed directors believe that these procedures will be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company and the number, experience and expertise of its proposed directors.

*Ethical Business Conduct*

As a responsible business and corporate citizen, the Company is committed to conducting its affairs with integrity, honesty, fairness and professionalism. In order to encourage and promote a culture of ethical business conduct, the Board will implement a Code of Business Conduct and Ethics which all employees, officers and directors will be expected to meet in the performance of their responsibilities.

The Company's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Company will be obligated to abstain from discussion and voting by the Board or any committee of the Board on any motion to recommend or approve the relevant agreement or transaction. The Board must comply with conflict of interest provisions of the *Business Corporations Act* (British Columbia).

#### Nomination of Directors

Responsibility for identifying new candidates to join the Board will belong to the Board as a whole. The Board will encourage all directors to participate in the process of identifying and recruiting new candidates. While there are no specific criteria for Board membership, it is expected that the Company will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Company.

#### Compensation Committee

The Board has formed the compensation committee (the "**Compensation Committee**"), which is comprised of Philip van den Berg, Peter Schloo and Peter Simeon, to assist the Company's board of directors in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the Company's executive officers.

This Compensation Committee's responsibilities will include: reviewing and approving the compensation of the Chief Executive Officer and other officers of the Company appointed by the Board; reviewing and approving the compensation policies, plans and programs for the Company's executive officers and other senior management, as well as its overall compensation plans and structure; reviewing and discussing with management and recommending to the Board the disclosure to be included under the caption "Executive Compensation" for use in any annual reports, prospectuses, proxy circulars or information circulars; and recommending to the board of directors the compensation for directors; administering the compensation plan and share compensation arrangements.

The Compensation Committee will seek to ensure an objective process for determining compensation through compliance with the board's conflicts of interest guidelines. The Compensation Committee will review the various compensation elements both individually and in total to seek alignment with the Company's compensation program objectives. The Compensation Committee will then make recommendations on all executive pay, short-term incentives and long-term incentive options to the Board for approval.

#### Assessment

The Board will not use formal assessments given the stage of the Company's business and operations. However, the proposed directors believe that nomination to the Board is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Company. To this extent, the proposed directors will constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chair, if any, of the Board. A more formal assessment process will be instituted if and when the Board considers it to be advisable.



**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

*[See Attached]*

## **SILVER CROWN ROYALTIES INC.(the “Corporation”)AUDIT COMMITTEE CHARTER**

### **1. PURPOSE AND OBJECTIVES**

The Audit Committee (the “**Committee**”) will assist the board of directors of the Corporation (the “**Board**”) in fulfilling its responsibilities. The Committee will oversee the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Corporation’s process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation’s business, operations and risks.

### **2. AUTHORITY**

- 2.1. The Board authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Corporation officers at meetings, as the Committee deems appropriate.
- 2.2. The Committee shall receive appropriate funding, as determined by the Committee, for payment of compensation to the external auditors and to any legal or other advisers employed by the Committee, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **3. COMPOSITION, PROCEDURES AND ORGANIZATION**

- 3.1. The Committee will be comprised of at least three members of the Board.
- 3.2. Except as permitted by all applicable legal and regulatory requirements:
  - (a) each member of the Committee shall be “independent” as defined in accordance with National Instrument 52-110 – *Audit Committee*; and
  - (b) each member of the Committee will be “financially literate” with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- 3.3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 3.4. The Committee shall elect from its members a Chairman. The Secretary shall be elected from its members, or shall be the Secretary, or the Assistant or Associate Secretary, of the Corporation.
- 3.5. Any member of the Committee may be removed or replaced at any time by the Board. A member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation.
- 3.6. Meetings shall be held not less than quarterly. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- 3.7. The times and places where meetings of the Committee shall be held and the procedures at such meetings shall be as determined, from time to time, by the Committee.
- 3.8. Notice of each meeting of the Committee shall be given to each member of the Committee. Subject to the following, notice of a meeting shall be given orally or by letter, telex, telegram, electronic mail, telephone facsimile transmission or telephone not less than 48 hours before the time fixed for the meeting. Notice of

regular meetings need state only the day of the week or month, the place and the hour at which such meetings will be held and need not be given for each meeting. Members may waive notice of any meeting.

- 3.9. The Committee will invite the external auditors, management and such other persons to its meetings as it deems appropriate. However, any such invited persons may not vote at any meetings of the Committee.
- 3.10. A meeting of the Committee may be held by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other during the meeting.
- 3.11. The majority of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee. Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee.
- 3.12. Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present or by consent resolution in writing signed by each member of the Committee. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- 3.13. A record of the minutes of, and the attendance at, each meeting of the Committee shall be kept. The approved minutes of the Committee shall be circulated to the Board forthwith.
- 3.14. The Committee shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board or the articles of the Corporation may require or as the Committee in its discretion may consider advisable.
- 3.15. The Committee will have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

#### **4. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of the Committee are as follows.

- 4.1. Oversee the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation.
- 4.2. Review with management its philosophy with respect to controlling corporate assets and Information systems, the staffing of key functions and its plans for enhancements.
- 4.3. Review the terms of reference and effectiveness of any internal audit process, and the working relationship between internal financial personnel and the external auditor.
- 4.4. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 4.5. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements, reviewing with management and the external auditor where appropriate.
- 4.6. Review any legal matters which could significantly impact the financial statements as reported on by the General Counsel and meet with outside counsel whenever deemed appropriate.
- 4.7. Review the annual financial statements and the results of the audit with management and the external auditors prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.

- 4.8. Review the interim financial statements with management prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.
- 4.9. Review all public disclosure concerning audited or unaudited financial information before its public release and approval by the Board, including management's discussion and analysis, financial information contained in any prospectus, private placement offering document, annual report, annual information form, takeover bid circular, and any annual and interim earnings press releases, and determine whether they are complete and consistent with the information known to Committee members.
- 4.10. Assess the fairness of the financial statements and disclosures, and obtain explanations from management on whether:
  - (a) actual financial results for the financial period varied significantly from budgeted or projected results;
  - (b) generally accepted accounting principles have been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices; and
  - (d) there are any significant, complex and/or unusual events or transactions such as related party transactions or those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.11. Determine whether the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 4.12. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.13. Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- 4.14. Ascertain whether any significant financial reporting issues were discussed by management and the external auditor during the fiscal period and the method of resolution.
- 4.15. Review and resolve any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 4.16. Recommend to the Board the selection of the firm of external auditors to be proposed for election as the external auditors of the Corporation.
- 4.17. Review and approve the proposed audit plan and the external auditors' proposed audit scope and approach with the external auditor and management and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.18. Explicitly approve, in advance, all audit and non-audit engagements of the external auditors; provided, however, that non-audit engagements may be approved pursuant to a pre-approval policy established by the Committee that (i) is detailed as to the services that may be pre-approved, (ii) does not permit delegation of approval authority to the Corporation's management, and (iii) requires that the delegatee or management inform the Committee of each service approved and performed under the policy. Approval for minor non-audit services is subject to applicable securities laws.
- 4.19. If it so elects, delegate to one or more members of the Committee the authority to grant such pre-approvals. The delegatee's decisions regarding approval of services shall be reported by such delegatee to the full Committee at each regular Committee meeting.

- 4.20. Subject to the grant by the shareholders of the authority to do so, if required, review the appropriateness and reasonableness of the compensation to be paid to the external auditors and make a recommendation to the Board regarding such compensation.
- 4.21. Oversee the independence of the external auditors. Obtain from the external auditors a formal written statement delineating all relationships between the external auditors and the Corporation. Actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor.
- 4.22. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- 4.23. Review the performance of the external auditors, and in the event of a proposed change of auditor, review all issues relating to the change, including the information to be included in any notice of change of auditor as required under applicable securities laws, and the planned steps for an orderly transition.
- 4.24. Review the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow-up to any identified weakness.
- 4.25. Review the evaluation of internal controls and management information systems by the external auditor, and, if applicable, the internal audit process, together with management's response to any identified weaknesses and obtain reasonable assurance that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.
- 4.26. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 4.27. Review the process under which the Chief Executive Officer and the Chief Financial Officer evaluate and report on the effectiveness of the Corporation's design of internal control over financial reporting and disclosure controls and procedures.
- 4.28. Obtain regular updates from management and the Corporation's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 4.29. Establish a procedure for the:
  - (a) confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
  - (b) receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- 4.30. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.
- 4.31. Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 4.32. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 4.33. Review and assess the adequacy of insurance coverage, including directors' and officers' liability coverage.
- 4.34. Perform other functions as requested by the full Board.

4.35. If it deems necessary, institute special investigations and, if it deems appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

## **5. GENERAL**

In addition to the foregoing, the Committee will:

- (a) assess the Committee's performance of the duties specified in this charter and report its finding(s) to the Board;
- (b) review and assess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval; and
- (c) perform such other duties as may be assigned to it by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.