

**SILVER CROWN  
ROYALTIES INC**



Consolidated Financial Statements of  
**SILVER CROWN ROYALTIES INC.**

For the years ended December 31, 2024 and 2023  
(Expressed in Canadian dollars)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Silver Crown Royalties Inc.

### **Opinion**

We have audited the consolidated financial statements of Silver Crown Royalties Inc. and its subsidiary (together the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024, and 2023, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### **Basis for Opinion**

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of \$3,593,343 for the year ended December 31, 2024, and, as of that date, had an accumulated deficit of \$5,230,995. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described above in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to be communicated in our report.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis ("MD&A") but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read MD&A identified above and, in doing so, consider whether MD&A is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits, or otherwise appears to be misstated.

We obtained the MD&A prior to the date of this auditor's report. If based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audits of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audits to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audits. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

The engagement partner on the audits resulting in this independent auditor's report is Ahmad Aslam, CPA, CA.

Toronto, Ontario  
March 24, 2025

*Zeifmans LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

## SILVER CROWN ROYALTIES INC.

Consolidated Statements of Financial Position  
As at December 31, 2024 and December 31, 2023  
(Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank	4	1,536,635	142,399
Accounts receivable	5	591,774	130,938
Prepaid expenses		489,765	262,052
Total current assets		2,618,174	535,389
<b>Non-current assets</b>			
Royalty interests	6	6,908,235	3,809,032
<b>TOTAL ASSETS</b>		<b>9,526,409</b>	<b>4,344,421</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4, 11	262,390	404,957
<b>TOTAL LIABILITIES</b>		<b>262,390</b>	<b>404,957</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	11,681,138	5,120,404
Subscriptions received in advance		-	6,000
Contributed surplus	7	2,813,876	520,712
Accumulated deficit		(5,230,995)	(1,707,652)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>9,264,019</b>	<b>3,939,464</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>9,526,409</b>	<b>4,344,421</b>

Reporting entity and going concern (note 1)  
Contingencies and commitments (notes 5, 6 and 11)  
Subsequent events (note 14)

These consolidated financial statements were approved by the Board of Directors of the Company on March 24, 2025, and signed on their behalf by:

Peter Bures  
Director

Philip van den Berg  
Director

The accompanying notes are an integral part of these consolidated financial statements.

## SILVER CROWN ROYALTIES INC.

Consolidated Statements of Net Loss and Comprehensive Loss

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
<b>REVENUE</b>			
Royalty income	8	581,337	124,772
<b>OPERATING EXPENSES</b>			
Share-based compensation	7, 11	(881,797)	(744,000)
Personnel costs	11	(663,037)	(423,626)
Marketing and public company costs	11	(421,612)	(351,069)
Legal and professional fees		(104,002)	(76,713)
Depletion	6	(55,192)	(14,538)
Project evaluation costs		(34,044)	-
General and administrative expenses		(16,755)	(7,484)
Total operating expenses		(2,176,439)	(1,617,430)
<b>OTHER INCOME (EXPENSES)</b>			
Listing expenses	9	(2,126,775)	-
Interest income		36,793	9,115
Foreign exchange gain		91,741	-
Net loss and comprehensive loss for the year		(3,593,343)	(1,483,543)
Net loss per share - basic and diluted		(1.80)	(1.39)
Weighted average number of shares outstanding - basic and diluted		2,001,758	1,067,593

The accompanying notes are an integral part of these consolidated financial statements.

## SILVER CROWN ROYALTIES INC.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars except for number of common shares)

	Number of common shares	Share capital \$	Subscriptions received in advance \$	Contributed surplus \$	Accumulated deficit \$	Total \$
Balance on December 31, 2022	365,000	365,000	-	-	(224,109)	140,891
Private placements	1,047,149	4,615,832	6,000	457,268	-	5,079,100
Issue of shares to acquire royalty interest	12,500	45,734	-	4,266	-	50,000
Share issuance costs	-	(380,262)	-	59,178	-	(321,084)
Share-based compensation	170,525	474,100	-	-	-	474,100
Net loss and comprehensive loss for the year	-	-	-	-	(1,483,543)	(1,483,543)
Balance on December 31, 2023	1,595,174	5,120,404	6,000	520,712	(1,707,652)	3,939,464
Private placements	561,502	4,109,415	(6,000)	1,355,296	-	5,458,711
Issue of shares and warrants on RTO	182,000	1,318,457	-	225,970	-	1,544,427
Issue of shares to acquire royalty interest	100,000	874,618	-	125,382	-	1,000,000
Issue of shares due to vesting of RSUs	49,588	383,159	-	(383,159)	-	-
Share issuance costs	-	(278,712)	-	19,675	-	(259,037)
Share-based compensation	19,868	153,797	-	1,020,000	-	1,173,797
Cancellation of RSUs	-	-	-	(70,000)	70,000	-
Net loss and comprehensive loss for the year	-	-	-	-	(3,593,343)	(3,593,343)
Balance on December 31, 2024	2,508,132	11,681,138	-	2,813,876	(5,230,995)	9,264,019

The accompanying notes are an integral part of these consolidated financial statements.

## SILVER CROWN ROYALTIES INC.

Consolidated Statements of Cash Flows  
For the years ended December 31, 2024 and 2023  
(Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
<b>Cash flows from operating activities</b>			
Net loss		(3,593,343)	(1,483,543)
Adjustments for non-cash items:			
Depletion	6	55,192	14,538
Share-based compensation	7	1,173,797	474,100
Listing expense	9	1,544,427	-
Interest income		(36,793)	(9,115)
		(856,720)	(1,004,020)
Changes in non-cash working capital:			
Accounts receivable		(460,836)	(125,938)
Prepaid expenses		(227,713)	(262,052)
Accounts payable and accrued liabilities		(142,567)	394,957
Net cash used in operating activities		(1,687,836)	(997,053)
<b>Cash flows from investing activities</b>			
Additions to royalty interests	6	(2,154,395)	(3,773,570)
Proceeds from maturity of term deposit		-	101,163
Interest received		36,793	9,115
Net cash used in investing activities		(2,117,602)	(3,663,292)
<b>Cash flows from financing activities</b>			
Gross proceeds from private placements	7	5,458,711	5,079,100
Share issuance costs		(259,037)	(321,084)
Net cash provided by financing activities		5,199,674	4,758,016
Net increase in cash		1,394,236	97,671
Cash, beginning of the year		142,399	44,728
Cash, end of the year		1,536,635	142,399

Non-cash transaction for issuance of share capital against purchase of royalty interest amounted to \$1,000,000 (2023 - \$50,000) are excluded from this statement (see note 6).

The accompanying notes are an integral part of these consolidated financial statements.



# SILVER CROWN ROYALTIES INC.

Notes to Consolidated Financial Statements  
Years ended December 31, 2024 and 2023  
(Expressed in Canadian dollars)

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## 1. Reporting entity and going concern

Silver Crown Royalties Inc. (“Silver Crown” or the “Company”) is a royalty and streaming investment company primarily in the silver metal space. The Company was originally formed under the laws of the Province of Ontario, Canada by articles of incorporation dated August 23, 2021. The Company continued into British Columbia through a certificate of continuation effective June 26, 2024. The Company’s registered office is at 1055 Dunsmuir Street, Suite 3000, Vancouver, BC, V7X 1K8, Canada.

On June 28, 2024, Silver Crown completed the acquisition of 1287412 B.C. Ltd (“128”) pursuant to an amalgamation agreement dated May 15, 2024 (the “Transaction”). For accounting purposes, the Transaction constitutes a reverse takeover (“RTO”) (see note 9).

The Company’s common shares and warrants are listed on the Cboe Canada Inc. (the “Exchange”). The common shares were listed under the symbol “SCRI” on July 25, 2024, and warrants were listed under the symbol “SCRI.WT.A” and “SCRI.WT.B” on September 26, 2024. The Company’s common shares are also traded on the OTCQX and Frankfurt Stock Exchange under the symbol “SLCRF” and “QS0”, respectively.

The consolidated financial statements comprise the Company and its subsidiary (collectively referred to as the “Group”). Following are the details of the subsidiary as at December 31, 2024:

<b>Entity</b>	<b>Percentage holding</b>	<b>Country of incorporation</b>
Argentum Royalties Inc.	100%	Commonwealth of The Bahamas

There were no significant transactions and balances in the subsidiary as of and for the years ended December 31, 2024, and 2023.

These consolidated financial statements (the “financial statements”) have been prepared on a going concern basis of accounting, which assumes that the Group will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Group incurred a net loss of \$3,593,343 for the year ended December 31, 2024 (2023 - \$1,483,543) and has an accumulated deficit of \$5,230,995 as at December 31, 2024 (2023 - \$1,707,652). For the year ended December 31, 2024, the Group used net cash of \$1,687,836 (2023 - \$997,053) in operating activities.

These conditions indicate the existence of material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise capital to fund its operations. To address its financing requirements, management has been able to raise sufficient new equity to finance its operations and will need to continue to do so to fund operations in the future as well as to generate revenue from its royalty interests. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis. No adjustments to the carrying values of the assets and liabilities have been made in these financial statements.

## SILVER CROWN ROYALTIES INC.

Notes to Consolidated Financial Statements  
Years ended December 31, 2024 and 2023  
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### 2. Basis of accounting and material accounting policies

#### (a) Basis of accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted. These financial statements have been prepared on an accrual basis and are based on historical cost.

These financial statements were approved and authorized by the Board of Directors of the Company on March 24, 2025. The Board of Directors of the Company has the power to amend the financial statements after issue.

#### (b) Functional and presentation currency

These financial statements are presented in Canadian dollars (“dollar”), which is the Group’s presentation currency. All amounts have been rounded to the nearest dollar unless otherwise indicated.

The functional currencies of the Company and its subsidiary are as follows:

<b>Entity</b>	<b>Functional currency</b>
Silver Crown Royalties Inc.	Canadian dollar
Argentum Royalties Inc.	U.S. dollar

#### (c) Comparatives

Certain comparative figures, mainly related to personnel costs and share-based compensation, have been reclassified to conform with the current year’s presentation.

#### (d) Basis of consolidation

##### Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in these financial statements from the date on which control commences until the date on which control ceases. Details of the subsidiary are included in note 1.

##### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated on consolidation.

## SILVER CROWN ROYALTIES INC.

Notes to Consolidated Financial Statements  
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(e) *Foreign currency*

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in consolidated statement of net loss and comprehensive loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars at the average exchange rates for the period. Foreign currency differences are recognized in other comprehensive income (loss) and accumulated in the translation reserve. During the current year, there were no such translation differences to be recognized.

(f) *Cash at bank and term deposit*

Cash at the bank consists of bank balances held in Canadian financial institution. As at December 31, 2024, and 2023, the Group did not have any cash equivalents.

(g) *Financial instruments*

**Financial assets**

Recognition and initial measurement

The Group recognizes financial assets when it becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The Group determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are classified as follows:

- Designated at fair value through profit or loss (FVTPL) - On initial recognition, the Group may irrevocably designate a financial asset to be measured at fair value through profit or

## SILVER CROWN ROYALTIES INC.

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

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loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from an impairment, foreign exchange and derecognition are recognized in profit or loss.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

Classification and measurement of the financial instruments is as follows:

<b>Financial instrument</b>	<b>Classification</b>
Cash at bank	Amortized cost
Royalties' receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

### Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### Business model assessment

The Group assesses the objective of its business model for holding a financial asset at a level of aggregation that best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

## **SILVER CROWN ROYALTIES INC.**

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### Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Group considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Group's claim to cash flows, and any features that modify consideration for the time value of money.

### Impairment of financial assets

The Group assesses all information available, including on a forward-looking basis the expected credit losses (ECL) associated with any financial assets carried at amortized cost.

- A maximum 12-month allowance for ECL is recognized from initial recognition reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instruments initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

### Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of income (loss) and comprehensive income (loss).

### Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

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Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars)

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- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **Financial liabilities**

#### Recognition and initial measurement

The Group recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, except for financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

#### Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Financial liabilities measured at amortized cost are comprised of accrued liabilities.

#### Derecognition of financial liabilities

The Group derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

#### *(h) Royalty interests*

Royalty interests consist of acquired royalty agreements. Royalty interests acquired in an asset acquisition are recorded at cost and capitalized as either tangible or intangible assets with finite lives depending on the nature of the royalty agreement. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. The cost of the royalty interest is comprised of its purchase price and any costs directly attributable to acquiring the asset. Project evaluation costs that are not related to a specific agreement are expensed in the period incurred. Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interests relate, which are estimated using available information of proven and probable reserves. The Group relies on information available to it under contracts with operators and/or public disclosures for information on reserves and resources from the operators of the producing mineral interests. Acquisition costs of exploration-stage royalty interests are capitalized and not depleted until revenue-generating activities begin.

## SILVER CROWN ROYALTIES INC.

Notes to Consolidated Financial Statements  
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(Expressed in Canadian dollars)

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(i) *Impairment of royalty interests*

Evaluation of the carrying values of each royalty interest is undertaken when events or changes in circumstances indicate that the carrying values may not be recoverable. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows and is largely independent of the cash inflows from other assets. This is usually at the individual royalty interest level for each property from which cash inflows are generated.

An assessment is made at each reporting period if there is any indication that a previous impairment loss may no longer exist or has decreased. If indications are present, the carrying value of the royalty interest is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount net of depletion that would have been determined had no impairment loss been recognized for the royalty interest in previous periods.

Royalty interests classified as exploration and evaluation assets are assessed for impairment whenever indicators of impairment exist in accordance with IFRS 6. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). Estimated future cash flows are calculated using estimated production, sales prices and a discount rate. Estimated future production is determined using current reserves and the portion of resources expected to be classified as mineral reserves, as well as exploration potential expected to be converted into reserves. Estimated sales prices are determined by reference to an average of long-term metal price forecasts by research analysts and management's expectations. The discount rate is estimated using an average discount rate incorporating research analyst views used to value precious metal royalty and streaming companies.

(j) *Revenue recognition*

Revenue is comprised of revenue earned from royalty interests. The Group has determined that, where applicable, each unit of a commodity that is delivered to a customer under a royalty interest arrangement is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement. For royalty interests, revenue is recognized in accordance with the relevant terms of the specific royalty agreement including the minimum royalty payments. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement with the counterparty.

(k) *Share-based payments*

Share-based payments are arrangements in which the Group receives goods or services in consideration for its equity instruments granted to non-employees. These are accounted for as equity-settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity

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instruments granted at the date, the Group receives the goods or services. The Group grants share-based awards to its employees and service providers in the form of restricted share units (“RSUs”) which are equity-settled awards. The Group determines the fair value of the awards on the date of grant. This fair value is expensed to the statement of loss and comprehensive loss using a graded vesting attribution method over the vesting period of the awards, with a corresponding credit to the contributed surplus. When the restricted share units are exercised, the applicable amounts of contributed surplus are transferred to share capital.

(l) *Warrants*

The Group measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates considering volatility, expected life, the dividend rate, and the risk-free interest rate. Equity-settled warrants are recorded in equity as contributed surplus, are fair valued at the grant date and are not remeasured subsequently. When shares are issued against warrants, the related amount in contributed surplus together with any proceeds received are transferred to share capital. The fair value of warrants issued to brokers in conjunction with financing is charged to share issue costs with an offsetting amount recorded to contributed surplus.

(m) *Provisions*

Provisions are recognized when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(n) *Income taxes*

Income taxes are comprised of current and deferred balances and are recognized in income (expense) except to the extent that the taxes relate to a business combination, or to items recognized directly in equity or in comprehensive income (loss). Current and deferred taxes are charged or credited to other comprehensive income (loss) if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income taxes are calculated by measuring the temporary differences arising between the tax basis of an asset or liability and its carrying value. Deferred income tax assets or liabilities are calculated using enacted or substantively enacted income tax rates expected to apply in the period in which the temporary differences are expected to be recovered or settled.



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The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of net loss and comprehensive loss in the period that substantive enactment occurs.

Recognition of a deferred tax asset for unused tax losses, tax credits and deductible temporary differences is recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

*(o) Share capital*

Share capital is presented at the fair value of the shares issued. Costs related to the issuance of shares are reported in equity, net of income tax, as a deduction from the issuance proceeds. The Company follows the residual value method with respect to the measurement of common shares and warrants issued as units and bifurcate the value of warrants and shares in units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in equity as contributed surplus.

*(p) Loss per share*

The Group presents basic loss per share for its common shares, calculated by dividing the net income of the Group by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to RSUs and warrants is computed using the treasury stock method. Diluted loss per share does not adjust the net income or the weighted average number of common shares outstanding when the effect is anti-dilutive.

*(q) Related party transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

*(r) New accounting standards issued*

Certain new accounting standards and interpretations have been published that are either applicable in the current year or not mandatory for the current period. The Company has assessed these standards, including *Amendments to IAS 1 – Non-current Liabilities with Covenants*, and determined that they do not have a material impact on the Company in the current reporting period.

In addition, the following standards have been issued by IASB and the Company is currently assessing the impact on the consolidated financial statements.

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- *Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)* with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027.
- *IFRS 18 Presentation and Disclosure in Financial Statements* with mandatory application of the standard in the annual reporting periods beginning on or after January 1, 2027.

No standards have been early adopted in the current period.

### 3. Use of management estimates, judgments and measurement uncertainty

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

#### (a) *Accounting for royalty interests*

The Group from time to time will acquire royalty interests. Each royalty interest agreement has its own unique terms and significant judgment is required to assess the appropriate accounting treatment.

#### (b) *Impairment of royalty interests*

Assessment of impairment of royalty interests is made at the end of each reporting period if there are any indicators that give rise to the requirement to conduct a formal impairment test on the Group's royalty interests. Indicators which could trigger an impairment test include, but are not limited to, a significant change in operator reserve and resource estimates, industry, or economic trends, current or forecast commodity prices, and other relevant operator information. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, foreign exchange rates, future capital expansion plans and the associated production implications.

In addition, the Group may use other approaches in determining fair value which may include judgment and estimates related to (i) dollar value per ounce or pound of reserve/resource; (ii) cash-flow multiples; and (iii) market capitalization of comparable assets. Changes in any of the assumptions and estimates used in determining the fair value of the royalty and stream could impact the impairment analysis.

#### (c) *Estimation of depletion*

The Group's royalty interests that generate economic benefits are considered depletable and are depleted on a unit-of-production basis over the units of production that are expected to generate the cash flows that will be attributable to the Group. These calculations require the use of estimates and

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assumptions, including the estimated quantity of commodities to be received, the recovery rates, and payable rates. Changes to these assumptions may impact the depletion rates used. Changes to depletion rates due to new information are accounted for prospectively.

(d) *Deferred tax assets*

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Group to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the reporting date could be impacted.

(e) *Going concern*

These financial statements have been prepared on the assumption that the Group will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with the directors of the Group.

(f) *Provisions*

Accounting for provisions including assessments of possible legal contingencies requires judgment whether a present obligation is probable. The nature and type of risks for these provisions differ and judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

(g) *Reverse takeover*

Judgement is required when assessing the value of the consideration transferred and the net identifiable assets acquired, and liabilities assumed in connection with the reverse takeover (note 9).

## 4. Cash at bank

		2024	2023
Cash at bank, unrestricted	\$	1,449,459	117,337
Cash at bank, restricted		1,719	25,062
	\$	1,451,178	142,399

The restricted cash balance represents a segregated account fund, set up by a counterparty, with a total amount of \$100,000, as required under the royalty agreement. Balance as at the reporting date comprise the amount contributed and the related interest earned on the contribution amount. The corresponding liability of this balance is shown in accounts payable and accrued liabilities in these financial statements.

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During 2024, an amount of \$100,000 of this segregated account was utilised by the Company against royalties' receivable and the counterparty is required to replenish full amount into the segregated account fund.

### 5. Accounts receivable

		2024	2023
Royalties' receivable	\$	254,551	52,976
Goods and service tax receivable (a)		337,223	77,962
	\$	591,774	130,938

(a) Goods and service tax receivable represents Input Tax Credits ("ITCs") paid by the Company as part of various expenses incurred. Due to the nature of the Company's operations, there may be questions regarding the Company's entitlement to such ITCs. While management has estimated these amounts are fully recoverable, these amounts are subject to potential Canada Revenue Agency ("CRA") audits, and the results of these audits could differ significantly from the estimates made by the management. No adjustment has been made in these financial statements.

### 6. Royalty interests

	----- Cost -----			----- Accumulated depletion -----			Net carrying value
	Opening balance	Additions/ (transfers)	Closing balance	Opening balance	Depletion charge	Closing balance	
	\$	\$	\$	\$	\$	\$	\$
<b>2024:</b>							
Elk Gold (a)	3,081,661	-	3,081,661	13,742	18,878	32,620	3,049,041
Pilar Gold (b)	716,376	2,036,843	2,753,219	796	36,314	37,110	2,716,109
Tucano Gold (c)	-	27,142	27,142	-	-	-	27,142
BacTech Facility (d)	-	1,049,322	1,049,322	-	-	-	1,049,322
Igor 4 (e)	-	66,621	66,621	-	-	-	66,621
Others	25,533	(25,533)	-	-	-	-	-
<b>Total</b>	<b>3,823,570</b>	<b>3,154,395</b>	<b>6,977,965</b>	<b>14,538</b>	<b>55,192</b>	<b>69,730</b>	<b>6,908,235</b>
<b>2023:</b>							
Elk Gold (a)	-	3,081,661	3,081,661	-	13,742	13,742	3,067,919
Pilar Gold (b)	-	716,376	716,376	-	796	796	715,580
Others (c)	-	25,533	25,533	-	-	-	25,533
<b>Total</b>	<b>-</b>	<b>3,823,570</b>	<b>3,823,570</b>	<b>-</b>	<b>14,538</b>	<b>14,538</b>	<b>3,809,032</b>

#### (a) Elk Gold, Canada

During May 2023, the Company entered into a royalty purchase agreement with Elk Gold Mining Corp. (the "Elk Gold Royalty"), purchasing a royalty on 90% of the aggregate gross proceeds of silver sold from Elk Gold project located in British Columbia, Canada.

Under the terms of the Elk Gold Royalty, the Company paid the following at the time of purchase:

- \$2,500,000 in cash; and

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- \$50,000 in the form of 12,500 units at a deemed price of \$4 per unit with each such unit consisting of one common share and one-half of one share purchase warrant exercisable for a period of 24 months, from the date of issuance, at an exercise price of \$8.

Under the Elk Gold Royalty, the Company is contingently liable to pay certain production bonuses (the “Production Bonus” or “Production Bonuses”), up to a maximum of \$4,000,000, contingent upon Elk Gold achieving certain production milestones. The Production Bonuses are payable, in cash or in common shares of the Company, at the sole discretion of either Elk Gold (when the Company is private) or the Company (when the Company is public). The Company also issued 500,000 performance warrants to Elk Gold with the same vesting schedule as the schedule of production milestones to earn Production Bonuses. Upon the Company’s payment of each Production Bonus in cash, 62,500 production warrants will be automatically cancelled without further action by the Company. In the event the Company elects to pay any Production Bonus in common shares, such number of royalty performance warrants as is required to satisfy payment of such Production Bonus in common shares shall be exercisable into common shares of the Company at a price equal to the lower of: (i) the five-day volume weighted average price for such shares on the Stock Exchange; and (ii) the thirty-day volume weighted average price for such shares on the stock exchange upon which the common shares are listed on, subject to the approval of such stock exchange and a floor price of \$8 per common share (the “VWAP”), and the Company at its election will pay such Production Bonus through the issuance of common shares priced at the VWAP. No performance warrants shall be exercisable unless the Company elects to pay a Production Bonus in common shares.

During July 2023, Elk Gold met its first production milestone and earned its first Production Bonus of \$500,000 which was paid in cash, as the Company was private, and consequentially a total of 62,500 performance warrants held by Elk Gold were automatically cancelled. After meeting the first production bonus milestone, the Company is currently entitled to 90% of cash equivalent value of a minimum of 1,500 ounces of silver calculated based on average quarterly silver price.

Based on the publicly available information and the information provided by Elk Gold for quarterly production and royalty reports, no additional production milestones have been met to trigger any additional Production Bonus, up to the date of issuance of these financial statements. The estimation of any milestones to be achieved is highly subjective, significantly uncertain, and cannot be done with any degree of reliability. Therefore, no amounts are recognized in these financial statements either for performance warrants or possible cash commitment.

Elk Gold Mining Corporation also retains the right to repurchase fifty (50%) of the Royalty at any time by making a payment in the amount of the purchase price and any bonuses paid to the Company at the time of this election.

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*(b) Pilar Gold, Brazil*

The Company entered into a royalty purchase agreement with Pilar Brazil Inc., as amended and restated (“Pilar Gold Royalty”), purchasing a royalty of up to 90% of the aggregate gross proceeds of silver produced from Pilar Gold’s PGDM Complex with a minimum guaranteed payment of cash equivalent of 4,000 ounces of silver per quarter for a total cash consideration of US\$2,000,000. The Company completed this acquisition in tranches. The first tranche was completed on November 28, 2023, with a cash payment of US\$500,000 in exchange for a net smelter return royalty for the cash equivalent of 22.50% of the silver produced from the Pilar Gold. The second tranche was completed on April 26, 2024, with a cash payment of US\$190,000 in exchange for an additional net smelter return royalty of 8.55%. The third and final tranche was completed on August 12, 2024, with a cash payment of US\$1,310,000 in exchange for an additional net smelter return royalty of 58.95% of the silver produced.

*(c) Tucano Gold, Brazil*

Effective January 17, 2024, the Company entered into a royalty purchase agreement with Mina Tucano Ltda. (“Tucano Gold Royalty”), purchasing a royalty on 90% of the aggregate gross proceeds of silver sold from the Tucano Gold project located in Brazil for a consideration of \$1,000,000 payable in 125,000 units at a deemed value of \$8 per unit. Each unit issued will consist of one common share and one-half of one common share purchase warrant at an exercise price of \$8 for a period of three years following the closing. This transaction is not closed as of the reporting date and the units required to be issued are not yet recognised in these financial statements.

*(d) BacTech Facility, Ecuador*

Effective October 25, 2024, the Company entered into a royalty purchase agreement with BacTech Environmental Corporation (“BacTech Royalty”), purchasing a royalty on 90% of the aggregate gross proceeds of silver processed at the future bioleaching facility in Tenguel, Ecuador. Under the agreement, the Company is entitled to receive payments of a minimum 35,000 ounces of silver annually for at least ten years following the commercial production. The total purchase price under BacTech Royalty consist of:

- (i) \$1,000,000 in Silver Crown’s units, which were issued at closing, at a deemed value of \$10 per unit, with each unit consisting of a share and a warrant entitling the holder to acquire an additional share at a price of \$16 for a period of 36 months from issue.
- (ii) 100,000 special warrants, to be issued upon BacTech successfully financing the project (“Financing Milestone”), exercisable for a period of 36 months into 100,000 shares of Silver Crown for no additional payment.
- (iii) 200,000 special warrants to be issued upon BacTech achieving commercial production (“Production Milestone”), exercisable for a period of 36 months into 200,000 shares of Silver Crown for no additional payment.

If either of the Financing Milestone or Production Milestone are not successfully achieved within the 36-month period, the respective tranche of the special warrants will expire without having been exercised.

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(e) *Igor 4, Peru*

Effective December 13, 2024, the Company entered into a royalty purchase agreement with PPX Mining Corp. (“PPX”), purchasing a royalty of up to 15% of the cash equivalent of silver produced from Igor 4 project in Peru (the “Igor 4 Royalty”) for a total cash consideration of US\$2,500,000. This transaction is expected to be closed in two tranches whereas the first tranche will comprise of 6% royalty after paying a cash amount of US\$1,000,000. The second tranche of US\$1,470,000, after an allowable deduction of US\$30,000 against legal and professional fees, is expected to be within the six months of the closing of the first tranche and will increase the royalty from 6% to 15%. This royalty provides for a minimum guaranteed payment feature of the cash equivalent of 14,062.50 ounces of silver per quarter beginning no later than October 1, 2025, and will continue until a total cash equivalent amount of 225,000 silver ounces has been paid to the Company.

### 7. Shareholders’ equity

(a) *Authorized share capital and share consolidation*

The Company is authorized to issue an unlimited number of common shares with no par value. As at December 31, 2024, the Company had 2,508,132 common shares (December 31, 2023 - 1,595,174 common shares) issued and outstanding.

As further outlined in note 9, as part of amalgamation, a twenty-to-one share consolidation was affected. The number of issued and outstanding shares, share purchase warrants, broker warrants, performance warrants, and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

(b) *Issued share capital*

(i) Private placements

Following are the details of private placements completed during the year ended December 31, 2024:

- During the period between April 25, 2024, to May 14, 2024, the Company completed last two tranches of an ongoing non-brokered private placement, issuing a total of 75,160 units at a unit price of \$8 per unit for aggregate gross proceeds of \$601,291. Each unit consisted of one common share and one-half of one common share purchase warrant at an exercise price of \$16 for a period of three years from the date the Company becomes a reporting issuer in any jurisdiction of Canada. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8%. Fair value of common share purchase warrants was determined using Black-Scholes option pricing model and residual method was used to allocate the gross proceeds between common shares and share purchase warrants.
- Effective June 27, 2024, the Company completed a private placement concurrent to RTO, issuing 370,430 units at a unit price of \$10 per unit for aggregate gross proceeds of \$3,704,300. Each unit consisted of one common share and one common share purchase warrant at an exercise price of \$16 for a period of three years from

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the date the Company becomes a reporting issuer in any jurisdiction of Canada. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$16 for a period of three years from the closing. Fair value of common share purchase warrants was determined using Black-Scholes option pricing model and residual method was used to allocate the gross proceeds between common shares and share purchase warrants.

- Effective July 31, 2024, the Company completed a non-brokered private placement, issuing 115,912 units at a unit price of \$10 per unit for aggregate gross proceeds of \$1,159,120. Each unit consisted of one common share and one common share purchase warrant at an exercise price of \$16 until June 28, 2027. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8%. Fair value of common share purchase warrants was determined using Black-Scholes option pricing model and residual method was used to allocate the gross proceeds between common shares and share purchase warrants.

Following are the details of private placements completed during the year ended December 31, 2023:

- During the period from May 05, 2023, to June 15, 2023, the Company completed a non-brokered private placement, in tranches, issuing a total of 826,025 units at a unit price of \$4 per unit for aggregate gross proceeds of \$3,304,100. Each unit consisted of one common share and one-half of one common share purchase warrant at an exercise price of \$8 for a period of two years following the closing. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$8 for a period of two years from the closing. Fair value of common share purchase warrants was determined using Black-Scholes option pricing model and residual method was used to allocate the gross proceeds between common shares and share purchase warrants.
- During the period from July 21, 2023, to November 22, 2023, the Company completed the first three tranches of a non-brokered private placement, issuing a total of 221,125 units at a unit price of \$8 per unit for aggregate gross proceeds of \$1,769,000. Each unit consisted of one common share and one-half of one common share purchase warrant at an exercise price of \$16 for a period of three years from the date the Company becomes a reporting issuer in any jurisdiction of Canada. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$8 for a period of three years from the closing. Fair value of common share purchase warrants was determined using Black-Scholes option pricing model and residual method was used to allocate the gross proceeds between common shares and share purchase warrants.

(ii) Shares issued under RTO

As outlined in note 9, the Company issued 182,000 common shares on June 28, 2024, as



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part of RTO valued at \$1,318,457. Fair value of these common shares was determined using Black-Scholes option pricing model.

### (iii) Share-based compensation

During the year ended December 31, 2024, the Company issued 19,868 common shares valued at \$153,797 for services rendered by certain consultant, directors and key management personnel.

During the year ended December 31, 2023, the Company issued 170,525 common shares valued at \$474,100 for services rendered by certain directors and key management personnel.

### (c) Share purchased warrants

The following is the movement schedule of share purchase warrants for the years ended December 31, 2023 and 2024:

	No. of share purchase warrants	Fair value (\$)	Weighted average exercise price (\$)
Balance on January 1, 2023	-	-	-
Granted under private placement of \$4 per unit	413,011	281,901	8.00
Granted to acquire royalty interest (note 6(a))	6,250	4,266	8.00
Granted under private placement of \$8 per unit	110,553	175,367	16.00
Balance on December 31, 2023	529,814	461,534	9.67
Granted under private placement of \$8 per unit	37,576	65,963	16.00
Granted under concurrent financing	370,430	1,020,804	16.00
Granted under RTO	82,000	225,970	16.00
Granted under private placement of \$10 per unit	115,912	268,529	16.00
Granted to acquire royalty interest (note 6(d))	100,000	125,382	16.00
Balance on December 31, 2024	1,235,732	2,168,182	13.29

The fair value of the warrants was estimated using the Black-Scholes option pricing model using the following assumptions.

	Risk-free rate	Expected life	Expected volatility	Expected dividend
Private placements of \$4 per unit	3.66%	2 years	64.00%	Nil
Private placements of \$8 per unit	4.01%-4.53%	3 years	57.73%-64.00%	Nil
Concurrent financing and RTO	4.01%	3 years	57.73%	Nil
Private placement of \$10 per unit	3.14%	3 years	57.73%	Nil
Acquisition of royalty interest	3.05%	3 years	56.97%	Nil

Out of the 1,235,732 outstanding warrants, a total of 1,097,528 warrants are publicly traded on the Exchange.

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### (d) Brokers warrants

The following is the movement schedule of broker warrants for the years ended December 31, 2023 and 2024:

	No. of broker warrants	Fair value (\$)	Weighted average exercise price (\$)
Balance on January 1, 2023	-	-	-
Granted under private placement of \$4 per unit	43,950	29,999	8.00
Granted under private placement of \$8 per unit	11,650	29,179	8.00
Balance on December 31, 2023	55,600	59,178	8.00
Granted under concurrent financing	7,140	19,675	16.00
Balance on December 31, 2024	62,740	78,853	8.91

The fair value of the broker warrants was estimated using the Black-Scholes option pricing model using the following assumptions.

	Risk-free rate	Expected life	Expected volatility	Expected dividend
Private placements of \$4 per unit	3.66%	2 years	64.00%	Nil
Private placements of \$8 per unit	4.49%-4.53%	3 years	62%-64.00%	Nil
Concurrent financing	4.01%	3 years	57.73%	Nil

Out of the 62,740 outstanding broker warrants, a total of 7,140 broker warrants are publicly traded on the Exchange.

In addition, 437,500 performance warrants are outstanding, as disclosed in note 6(a).

### (e) Restricted shares units (RSUs)

The RSUs plan is a compensation program designed to reward eligible participants for their services rendered to the Company. RSUs are awarded at the discretion of the board of directors, with each unit representing the right to receive one common share of the Company, subject to specified conditions and restrictions. These conditions often include continued employment or engagement with the Company. The RSUs plan aims to align the interests of participants with the long-term performance and success of the Company while providing a mechanism for incentivizing and retaining key talent.

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The following is the movement schedule of RSUs for the year ended December 31, 2024:

	No. of RSUs	Amount (\$)
Opening balance	35,625	285,000
Granted	98,245	735,000
Cancelled	(8,750)	(70,000)
Settled	(49,588)	(383,159)
Closing balance	75,532	566,841

During the year ended December 31, 2024, the Company recorded share-based compensation expense of \$735,000 (2023 - \$285,000) in relation to RSUs.

On December 31, 2023, a total of 35,625 RSUs were granted to eligible participants for a total amount of \$285,000. These RSUs were to vest 50% on December 31, 2024, and the remaining 50% on December 31, 2025. Out of the total 35,625 RSUs, a total of 8,750 RSUs were cancelled due to the holder leaving the Company and 13,439 shares were issued against 50% of the remainder RSUs that vested on December 31, 2024.

On May 14, 2024, a total of 30,625 RSUs were granted to eligible participants for a total of \$245,000. The 50% of these RSUs vested immediately and the remaining 50% are to vest on May 14, 2025. Total of 15,313 common shares were issued against vested 15,313 RSUs on October 9, 2024.

On October 9, 2024, a total of 41,667 RSUs were granted to eligible participants for a total of \$306,250. The 50% of these RSUs vested immediately and the remaining 50% will vest on October 9, 2025. Total of 20,836 common shares were issued against vested 20,836 RSUs on October 09, 2024.

On December 31, 2024, a total of 25,953 RSUs were granted to eligible participants for a total of \$183,750. All these RSUs will vest on December 31, 2025.

### 8. Income from royalty interests

	2024	2023
Elk Gold	\$ 209,138	114,434
Pilar Gold	372,199	10,338
	\$ 581,337	124,772

### 9. Reverse take over (RTO)

Effective May 15, 2024, and as amended on May 27, 2024, the Company entered into an amalgamation agreement with 128, which was a reporting issuer in the Provinces of British Columbia and Alberta. Effective June 28, 2024, the transaction was completed by way of an amalgamation pursuant to which Silver Crown amalgamated with 128 and, in exchange for their securities of Silver Crown and 128, the security holders of Silver Crown and 128 received securities of the Resulting Issuer based on their respective exchange ratios. Following the closing of the

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transaction, the Resulting Issuer is now carrying on the business of Silver Crown under the name “Silver Crown Royalties Inc.” The combined entity resulting from the transaction has its common shares listed on the Exchange by way of a listing statement in the form of a non-offering prospectus.

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

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

The allocation of estimated fair value of consideration given is as follows:

	2024	
<b>Fair value of net assets acquired:</b>		
Listing expenses	\$	1,544,427
	\$	1,544,427
<b>Consideration given:</b>		
182,000 common shares	\$	1,318,457
82,000 warrants		225,970
	\$	1,544,427

During the year ended December 31, 2024, the Company also incurred cash listing expenses of \$582,348 for aggregate listing expenses of \$2,126,775.

### 10. Income taxes

A reconciliation between tax expense and the product of accounting loss multiplied by the Group's domestic tax rate for the years ended December 31, 2024, and 2023, is as follows:

	2024	2023
Net loss before income taxes	\$ (3,593,343)	(1,483,543)
Statutory Canadian tax rate	26.50%	26.50%
Expected income tax recovery based on statutory rate	952,235	393,139
Permanent differences	(608,023)	-
Accelerated depletion	(26,762)	(1,856)
Change in unrecognized deferred tax assets	(317,450)	(391,283)
	\$ -	-

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The significant components of the Group's deferred tax assets, resulting from temporary differences, unused tax losses, that have not been included on the statements of financial position, are as follows:

	2024	2023
Non-capital loss carried forward	\$ 703,649	450,672
Share issuance costs	64,473	-
Less: valuation allowance	(768,122)	(450,672)
	\$ -	-

These deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Group will be able to use these potential benefits.

As at December 31, 2024, the Group has non-capital losses in Canada, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses expire as follows:

	Amount
2042	\$ 224,109
2043	1,476,543
2044	954,628
Total	\$ 2,655,280

### 11. Related party balances and transactions

Related parties include key management personnel and individuals or companies controlled by key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. Key management personnel include the Group's executive officers and members of the board of directors.

Following are the related party balances as at December 31, 2024, and December 31, 2023:

	2024	2023
Accounts payable	\$ 12,278	24,185
Accrued liabilities	-	180,000

Following are the related party transactions during the years ended December 31, 2024, and 2023:

	2024	2023
Personnel costs	\$ 593,037	398,627
Share-based compensation	615,000	555,000
Marketing and public company costs	55,627	55,432

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The Company is a party to certain consulting contracts with key management personnel. These contracts require that additional maximum cash payments of \$750,000, be made upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, contingent payments have not been reflected in these financial statements.

## 12. Capital management

The Group's objectives for managing capital are:

- (i) to maintain a flexible capital structure which optimizes the cost/risk equation; and
- (ii) to manage capital in a manner that maximizes the interests of stockholders.

The Group considers capital as the total equity disclosed on the statement of financial position.

Management does not establish quantitative return on capital criteria, however, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is appropriate. As at December 31, 2024 and 2023, the Group was not subject to any externally imposed capital requirements.

## 13. Financial instruments and associated risks

### (a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Following is the summary of the financial instruments as at December 31, 2024, and 2023:

	2024	2023
<b>Financial assets:</b>		
Cash at bank	\$ 1,536,635	142,399
Royalties' receivable	254,551	130,938
	<b>\$ 1,791,186</b>	<b>273,337</b>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	\$ 262,390	404,957
	<b>\$ 262,390</b>	<b>404,957</b>

The carrying values of financial instruments approximate their fair values as at December 31, 2024, and 2023.

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### (b) Risk management

A summary of the Group's risk exposures as it relates to financial instruments are reflected below:

#### (i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk related to commodity prices.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024, and 2023, the Group has determined its exposure to interest rate risk is minimal.

##### Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company undertakes certain transactions denominated in U.S. dollars and is therefore exposed to fluctuations in the foreign exchange rates between U.S. dollars relative to Canadian dollar. As at December 31, 2024, the impact of 10% increase or decrease in the U.S. dollar rate relative to Canadian dollar would result in an increase or decrease in net loss of \$15,944 (2023 - nil).

##### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Group is exposed to price risk with respect to silver prices on various royalty agreements. Currently, the Company's revenue is not hedged to provide shareholders with full exposure to changes in the market prices of the silver. For the year ended December 31, 2024, the impact of a 10% increase or decrease in the silver price would result in an increase or decrease in net income of \$58,134 (2023 - \$12,477).

#### (ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk is limited to its cash, and accounts receivable.

Cash is held with a reputable financial institution and is closely monitored by management. As at December 31, 2024 and 2023, the Group has determined that no accounts receivable were impaired. The carrying amount of financial assets represents the maximum credit exposure.

#### (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another

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financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's liquidity and operating results may be adversely affected if the Group's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Group. During 2024 and 2023, the Group generated cash flow primarily from its financing activities.

The following are the remaining undiscounted contractual maturities of financial liabilities at December 31, 2024, and 2023:

	Carrying value	Less than 6 months	7 - 12 months	Total
<b>2024:</b>				
Accounts payable and accrued liabilities	\$ 262,390	262,390	-	262,390
	\$ 262,390	262,390	-	262,390
<b>2023:</b>				
Accounts payable and accrued liabilities	\$ 404,957	404,957	-	404,957
	\$ 404,957	404,957	-	404,957

### 14. Subsequent events

- (a) Subsequent to the reporting date, as outlined in note 6(e), the first tranche of Igor 4 royalty was closed on February 5, 2025, with a cash payment of US\$1,000,000 to PPX in exchange for a royalty equal to 6% of the cash equivalent of the silver produced from the Igor 4 project.
- (b) Effective February 21, 2025, the Company completed the first tranche of an ongoing non-brokered private placement, issuing 67,538 units at a unit price of \$6.50 per unit for an aggregate amount of \$439,000. Each unit consisted of one common share and one common share purchase warrant at an exercise price of \$13 for a period of three years following the closing. In connection with this private placement, where applicable, the Company paid a cash finder fee of 8% and issued broker warrants equal to 8% of the aggregate number of units sold by the broker with an exercise price of \$13 for a period of three years from the closing.