

**SILVER CROWN
ROYALTIES INC**



Interim Condensed Consolidated Financial Statements of
SILVER CROWN ROYALTIES INC.

For the three and six months ended June 30, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim condensed consolidated financial statements of Silver Crown Royalties Inc. have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

SILVER CROWN ROYALTIES INC.

Interim Condensed Consolidated Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(Unaudited - Expressed in Canadian dollars)

	Notes	2025	2024
		\$	\$
ASSETS			
Current assets			
Cash at bank	4	1,084,954	1,536,635
Investment in silver bullion		48,471	-
Accounts receivable	5	1,104,487	591,774
Prepaid expenses		475,444	489,765
Total current assets		2,713,356	2,618,174
Non-current assets			
Royalty interests	6	8,318,348	6,908,235
TOTAL ASSETS		11,031,704	9,526,409
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4, 9	374,458	262,390
TOTAL LIABILITIES		374,458	262,390
SHAREHOLDERS' EQUITY			
Share capital	7	13,486,570	11,681,138
Contributed surplus	7	3,042,696	2,813,876
Accumulated deficit		(5,872,020)	(5,230,995)
TOTAL SHAREHOLDERS' EQUITY		10,657,246	9,264,019
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11,031,704	9,526,409

Reporting entity and going concern (note 1)

Contingencies and commitments (notes 5, 6 and 9)

Subsequent events (note 13)

These interim condensed consolidated financial statements were approved by the Board of Directors of the Company on August 14, 2025, and signed on their behalf.

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

SILVER CROWN ROYALTIES INC.

Interim Condensed Consolidated Statements of Net Loss and Comprehensive Loss

For the three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

		Three-months ended June 30		Six-months ended June 30	
	Notes	2025	2024	2025	2024
		\$	\$	\$	\$
REVENUE					
Royalty income	6, 8	267,350	107,785	571,758	182,210
EXPENSES					
Marketing and public company costs	9	(413,541)	(40,758)	(635,493)	(82,053)
Share-based compensation	9	(200,620)	(191,283)	(426,950)	(375,033)
Personnel costs	9	(113,843)	(113,519)	(227,686)	(227,601)
Legal and professional fees		(46,829)	(21,225)	(101,970)	(43,336)
Depletion	6	(24,925)	(7,478)	(56,614)	(14,585)
General and administrative expenses		(6,089)	(3,223)	(12,614)	(6,197)
Project evaluation costs		-	-	(973)	-
Total expenses		(805,847)	(377,486)	(1,462,300)	(748,805)
OTHER INCOME/(EXPENSES)					
Listing expenses	10	-	(1,831,518)	-	(1,831,518)
Interest income		4,081	387	9,526	712
Fair value gain on silver bullion		5,033	-	5,033	-
Foreign exchange loss		(42,014)	-	(48,649)	-
Net loss and comprehensive loss		(571,397)	(2,100,832)	(924,632)	(2,397,401)
Net loss per share - basic and diluted		(0.21)	(1.26)	(0.35)	(1.47)
Weighted average number of shares outstanding - basic and diluted		2,749,891	1,665,998	2,645,945	1,630,586

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

SILVER CROWN ROYALTIES INC.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2025 and 2024

(Unaudited - 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, 2023	1,595,175	5,120,404	6,000	520,712	(1,707,652)	3,939,464
Private placements	445,589	3,218,824	(6,000)	1,086,767	-	4,299,591
Issue of shares and warrants on RTO	182,000	1,318,457	-	225,970	-	1,544,427
Share issuance costs	-	(135,682)	-	19,676	-	(116,006)
Share-based compensation	1,900	15,200	-	530,000	-	545,200
Net loss and comprehensive loss	-	-	-	-	(2,397,401)	(2,397,401)
Balance on June 30, 2024	2,224,664	9,537,203	-	2,383,125	(4,105,053)	7,815,275
Balance on December 31, 2024	2,508,132	11,681,138	-	2,813,876	(5,230,995)	9,264,019
Private placements	335,086	1,753,374	-	424,685	-	2,178,059
Exercise of stock options and warrants	15,750	113,560	-	(2,560)	-	111,000
Issue of shares due to vesting of RSUs	15,312	122,496	-	(122,496)	-	-
Expiry of warrants	-	-	-	(283,607)	283,607	-
Share issuance costs	-	(243,738)	-	29,048	-	(214,690)
Share-based compensation	8,777	59,740	-	183,750	-	243,490
Net loss and comprehensive loss	-	-	-	-	(924,632)	(924,632)
Balance on June 30, 2025	2,883,057	13,486,570	-	3,042,696	(5,872,020)	10,657,246

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

SILVER CROWN ROYALTIES INC.

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	Notes	2025	2024
		\$	\$
Cash flows from operating activities			
Net loss		(924,632)	(2,397,401)
Adjustments for non-cash items:			
Depletion	6	56,614	14,585
Share-based compensation	7	426,950	375,033
Listing expense	10	-	1,544,427
Interest income		(9,526)	(712)
Fair value gain on silver bullion		(5,033)	-
		(455,627)	(464,068)
Changes in non-cash working capital:			
Accounts receivable		(512,713)	(212,242)
Prepaid expenses		16,611	(325,314)
Accounts payable and accrued liabilities		(73,682)	668,185
Net cash used in operating activities		(1,025,411)	(333,439)
Cash flows from investing activities			
Additions to royalty interests	6	(1,466,727)	(308,860)
Investment in silver bullion		(43,438)	-
Interest received		9,526	712
Net cash used in investing activities		(1,500,639)	(308,148)
Cash flows from financing activities			
Gross proceeds from private placements	7	2,178,059	4,305,592
Subscriptions received in advance		-	(6,000)
Gross proceeds from exercise of options/warrants	7	111,000	-
Share issuance costs		(214,690)	(116,006)
Net cash provided by financing activities		2,074,369	4,183,586
Net increase (decrease) in cash		(451,681)	3,541,999
Cash, beginning of the period		1,536,635	142,399
Cash, end of the period		1,084,954	3,684,398

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

SILVER CROWN ROYALTIES INC.

Notes to Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

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. pursuant to an amalgamation agreement dated May 15, 2024 (the “Transaction”). For accounting purposes, the Transaction constitutes a reverse takeover (“RTO”) (see note 10).

The Company’s common shares were listed on the Cboe Canada Inc. (the “Exchange”) under the symbol “SCRI” on July 25, 2024, and warrants were subsequently 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 interim condensed consolidated financial statements (the “financial statements”) comprise the Company and its subsidiary (collectively referred to as the “Group”).

Following are the details of the subsidiary as at June 30, 2025:

Entity	Percentage holding	Country of incorporation
Argentum Royalties Inc.	100%	Commonwealth of The Bahamas

There were no significant transactions and balances in the subsidiary as of and for the six months ended June 30, 2025, and the year ended December 31, 2024.

These 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 \$571,397 (2024 - \$2,100,832) for the three months ended June 30, 2025, and a net loss of \$924,632 (2024 - \$2,397,401) for the six months ended June 30, 2025 and has an accumulated deficit of \$5,872,020 as at June 30, 2025 (December 31, 2024 - \$5,230,995). For the six months ended June 30, 2025, the Group used net cash of \$1,025,411 (2024 - \$333,439) 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 Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. Basis of accounting and material accounting policies

(a) *Statement of compliance and basis of measurement*

These financial statements for the six months ended June 30, 2025, have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, and should be read in conjunction with the Group’s consolidated financial statements as at and for the year ended December 31, 2024 (“last annual financial statements”). These financial statements do not include all the information and disclosures required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in Group’s financial position and performance since the last annual financial statements.

The accounting policies adopted in the preparation of these financial statements are consistent with those set out in note 2 “Basis of accounting and material accounting policies” of the Group’s last annual financial statements.

These financial statements were approved and authorized by the Board of Directors of the Company on August 14, 2025. The Board of Directors of the Company has the power to amend the financial statements after issue.

These financial statements have been prepared on an accrual basis and are based on historical cost.

(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:

Entity	Functional currency
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 period’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

SILVER CROWN ROYALTIES INC.

Notes to Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

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.

(r) New accounting standards issued but not yet effective

The Company has not performed an assessment of new and revised standards issued by the IASB that are not yet effective.

3. Use of management estimates, judgments and measurement uncertainty

The preparation of these 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 critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements are outlined in note 3 of the last annual financial statements. There have been no significant changes in the Group's judgments and estimates applied during the six months ended June 30, 2025, relative to those described in the last annual financial statements.

4. Cash at bank

		2025	2024
Cash at bank, unrestricted	\$	1,083,261	1,534,916
Cash at bank, restricted		1,693	1,719
	\$	1,084,954	1,536,635

The restricted cash balance represents a segregated account fund (the "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.

During 2024, by mutual agreement of the Company and the counterparty, an amount of \$100,000 of this Fund was utilised by the Company against royalties' receivable from the counterparty which is now required to replenish the Fund balance to a required amount of \$100,000.

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Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

5. Accounts receivable

	2025	2024
Royalties' receivable (a)	\$ 693,268	254,551
Goods and service tax receivable (b)	411,219	337,223
	\$ 1,104,487	591,774

(a) Following is the ageing of various royalties' receivable as of June 30, 2025 and December 31, 2024:

	2025	2024
Current	\$ 265,006	239,863
Up to 60 days	-	-
61 to 90 days	243,452	14,688
Over 90 days	184,810	-
	\$ 693,268	254,551

Management is working closely with counterparties to collect these past due royalties.

(b) 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

Following is the roll forward of royalty interests for the six months ended June 30, 2025, and 2024:

	Cost			Accumulated depletion			Net
	Opening balance	Additions	Closing balance	Opening balance	Depletion	Closing balance	carrying value
	\$	\$	\$	\$	\$	\$	\$
2025:							
Elk Gold (a)	3,081,661	-	3,081,661	32,620	9,439	42,059	3,039,602
Pilar Gold (b)	2,753,219	-	2,753,219	37,110	36,298	73,408	2,679,811
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	1,466,727	1,533,348	-	10,877	10,877	1,522,471
Total	6,977,965	1,466,727	8,444,692	69,730	56,614	126,344	8,318,348
2024:							
Elk Gold (a)	3,081,661	-	3,081,661	13,742	9,439	23,181	3,058,480
Pilar Gold (b)	716,376	274,573	990,949	796	5,146	5,942	985,007
Tucano Gold (c)	-	27,142	27,142	-	-	-	27,142
Others	25,533	7,145	32,678	-	-	-	32,678
Total	3,823,570	308,860	4,132,430	14,538	14,585	29,123	4,103,307

SILVER CROWN ROYALTIES INC.

Notes to Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

(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
- \$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.

In addition to Production Bonuses, the Company is required to pay additional bonuses (the “Resource Bonus”) in the event Elk Gold files a new technical report disclosing aggregate measured, indicated and inferred silver ounces contained in the Gold Mountain project in excess of the 2,210,000 ounces (the total number of in-situ silver ounces as disclosed in the Gold Mountain technical report), the company will, within thirty days of the filing of such a technical report, pay Elk Gold the lesser of (i) \$1.00; and (ii) 20% of the then average silver price, in respect of each ounce of silver contained in the Gold Mountain project disclosed in any such new technical report that is in excess of the number of silver ounces disclosed in the latest available Gold Mountain technical report available at the time of acquiring Elk Gold Royalty.

SILVER CROWN ROYALTIES INC.

Notes to Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

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.

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 daily average silver price for the quarter.

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, and no new technical report has been issued to trigger any Resource Bonus payment, 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.

(b) Pilar Gold, Brazil

The Company entered into a royalty purchase agreement with Pilar Brazil Inc., Which was subsequently 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.

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Notes to Interim Condensed Consolidated Financial Statements

Three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

(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.

(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%.

Effective August 1, 2025, the royalty agreement was amended to break the second tranche into two payments of US\$833,000 (due on or before August 6, 2025, which will increase the royalty %age by 5.1%) and US\$637,000 (due on or before December 31, 2025, which will increase the royalty %age by 3.9% to a full 15% royalty). This royalty provides for a minimum guaranteed payment feature of the cash equivalent of proportionate number ounces of silver per quarter beginning no later than March 31, 2026, and will continue until a total cash equivalent amount of 225,000 silver ounces has been paid to the Company.

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Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

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 June 30, 2025, the Company had 2,883,057 common shares (December 31, 2024 - 2,508,132 common shares) issued and outstanding.

As part of amalgamation, as further outlined in note 10, 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 six months ended June 30, 2025:

- During the period between February 21, 2025, to April 25, 2025, the Company completed three tranches of a non-brokered private placement, issuing a total of 232,248 units at a unit price of \$6.50 per unit for aggregate gross proceeds of \$1,509,612. 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 from the date of closing. 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 23, 2025, the Company completed first tranche of a non-brokered private placement, issuing a total of 102,838 units at a unit price of \$6.50 per unit for aggregate gross proceeds of \$668,447. 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 from the date of closing. 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 six months ended June 30, 2024:

- During the period between April 25, 2024, to May 14, 2024, the Company completed last two tranches of a non-brokered private placement, issuing a total of 75,159 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

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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.

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

(ii) Common shares issued under RTO

As outlined in note 10, the Company issued 182,000 common shares on June 28, 2024 as 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 six months ended June 30, 2025, the Company issued 8,777 common shares valued at \$59,740 for services rendered by certain consultants.

During the six months ended June 30, 2024, the Company issued 1,900 common shares valued at \$15,200 for services rendered by certain consultants.

(c) *Share purchased warrants*

The following is the movement schedule of share purchase warrants for the six months ended June 30, 2025:

	No. of share purchase warrants	Fair value (\$)	Weighted average exercise price (\$)
Balance on January 1, 2025	1,235,732	2,168,182	13.29
Granted - First \$6.50 round (All tranches)	232,248	295,071	13.00
Exercise of \$8 warrants	(3,750)	(2,560)	8.00
Expiry of \$8 warrants	(415,511)	(283,607)	8.00
Granted - Second \$6.50 round (Tranche 1)	102,838	129,614	13.00
Balance on June 30, 2025	1,151,557	2,306,700	13.97

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

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	Risk-free rate	Expected life	Expected volatility	Expected dividend
Private placements:				
First \$6.50 per unit round (All tranches)	2.50-2.69%	3 years	56.15-56.86%	Nil
Second \$6.50 per unit round (Tranche 1)	2.68%	3 years	56.02%	Nil

Out of the total of 1,151,557 outstanding warrants, 719,907 warrants are publicly traded on the Exchange.

(d) Brokers warrants

The following is the movement schedule of broker warrants for the six months ended June 30, 2025:

	No. of broker warrants	Fair value (\$)	Weighted average exercise price (\$)
Balance on January 1, 2025	62,740	78,854	8.91
Granted - First \$6.50 round (All tranches)	15,640	19,767	13.00
Granted - Second \$6.50 round (Tranche 1)	7,363	9,280	13.00
Balance on June 30, 2025	85,743	107,901	10.01

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
First \$6.50 per unit round (All tranches)	2.50-2.69%	3 years	56.15-56.86%	Nil
Second \$6.50 per unit round (Tranche 1)	2.68%	3 years	56.02%	Nil

Out of the total of 85,743 outstanding broker warrants, 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 six months ended June 30, 2025:

	No. of RSUs	Amount (\$)
Balance on January 1, 2025	75,532	566,841
Granted	29,262	183,750
Settled	(15,312)	(122,496)
Balance on June 30, 2025	89,482	628,095

During the three and six months ended June 30, 2025, the Company recorded share-based compensation expense of \$367,500 (2024 - \$367,500) in relation to RSUs. An amount of \$183,750 (2024 - \$245,000) of these RSUs were granted to eligible participants and will vest based on its respective vesting dates. The remaining amount is included in accounts payable and accrued liabilities and is to be issued in the form of RSU.

8. Royalty income

Following is the breakdown of royalty income from each of the revenue generating asset for the three and six months ended June 30, 2025, and 2024:

	Three-months ended June 30		Six-months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Elk Gold - note 6(a)	62,852	53,303	124,680	95,801
Pilar Gold - note 6(b)	193,730	54,482	377,132	86,409
Igor 4 - note 6(e)	10,768	-	69,946	-
	267,350	107,785	571,758	182,210

9. 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 June 30, 2025, and December 31, 2024:

	2025	2024
Accounts payable	\$ -	12,278

Following are the related party transactions during the three and six months ended June 30, 2025, and 2024:

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	Three-months ended June 30		Six-months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Personnel costs	93,750	93,750	187,500	187,500
Share-based compensation	138,750	138,750	277,500	277,500
Marketing and public company costs	25,031	14,011	39,719	27,878

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.

10. Reverse Take Over (RTO)

Effective May 15, 2024, and as further amended on May 27, 2024, the Company entered into an amalgamation agreement with 1287412 B.C. Ltd. which was a reporting issuer in the Provinces of British Columbia and Alberta. Effective June 28, 2024, the transaction was completed by way of amalgamation pursuant to which Silver Crown amalgamated with 128 and, in exchange for their securities of Silver Crown and 128, the security holders of Silver Crown and 128 received securities of the Resulting Issuer based on the relevant exchange ratios. Following the closing of the 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 Cboe Canada Inc. (the "Exchange") by way of a listing statement in the form of a non-offering prospectus.

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

As a result of this acquisition, 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
Fair value of net assets acquired	
Listing expenses	1,544,427
	\$ 1,544,427
Consideration given:	
182,000 common shares	\$ 1,318,457
82,000 warrants	225,970
	\$ 1,544,427

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

11. 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 June 30, 2025 and December 31, 2024, the Group was not subject to any externally imposed capital requirements.

12. 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 June 30, 2025, and December 31, 2024:

	2025	2024
Financial assets:		
Cash at bank	\$ 1,084,954	1,536,635
Royalties' receivable	693,268	254,551
	\$ 1,778,222	1,791,186
Financial liabilities:		
Accounts payable and accrued liabilities	\$ 374,458	262,390
	\$ 374,458	262,390

The carrying values of financial instruments approximate their fair values as at June 30, 2025 and December 31, 2024.

(b) Risk management

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

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(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 June 30, 2025 and December 31, 2024, 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 June 30, 2025, 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 \$109,435 (2024 - \$159,437).

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 three and six months ended June 30, 2025, and 2024, the impact of a 10% increase or decrease in the silver price would result in an increase or decrease in net income of \$30,441 (2024 - \$7,443) and \$57,176 (2024 - \$18,221), respectively.

(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 June 30, 2025 and December 31, 2024, 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 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.

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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 2025 and 2024, the Group generated cash flow primarily from its financing activities.

The following are the remaining undiscounted contractual maturities of financial liabilities at June 30, 2025 and December 31, 2024:

	Carrying value	Less than 6 months	7 - 12 months	Total
2025:				
Accounts payable and accrued liabilities	\$ 374,458	374,458	-	374,458
	\$ 374,458	374,458	-	374,458
2024:				
Accounts payable and accrued liabilities	\$ 262,390	262,390	-	262,390
	\$ 262,390	262,390	-	262,390

13. Subsequent events

- (a) Effective July 11, 2025, the Company completed the final tranche of an ongoing non-brokered private placement, issuing 132,693 units at a unit price of \$6.50 per unit for an aggregate amount of \$862,505. 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.
- (b) Effective August 1, 2025, the royalty agreement was amended to break the second tranche into two payments of US\$833,000 (due on or before August 6, 2025, which will increase the royalty %age by 5.1%) and US\$637,000 (due on or before December 31, 2025, which will increase the royalty %age by 3.9% to a full 15% royalty). This royalty provides for a minimum guaranteed payment feature of the cash equivalent of proportionate number ounces of silver per quarter beginning no later than March 31, 2026, and will continue until a total cash equivalent amount of 225,000 silver ounces has been paid to the Company.
- (c) Effective August 6, 2025, the Company signed a royalty purchase agreement with EDM Resources Inc. ("EDM"). Under the royalty agreement, the Company will acquire a royalty on silver produced from EDM's Scotia Mine. Under the terms of the agreement, Silver Crown will receive 90% of the net proceeds from silver ounces sold from the Scotia Mine each quarter, but no less than 1,750 ounces quarterly, commencing upon the start of commercial production and continuing for a period of 10 years commencing on the date of declaration of commercial production at the Scotia Mine. The total purchase price for the royalty is \$500,000 in cash, with \$250,000 due at closing and the remaining \$250,000 payable 30 days later. Additionally, the Company will issue 60,000 units to EDM at closing, valued at \$10 per unit, with each unit comprising one common share and one common share purchase warrant exercisable at \$13 per common share for 36 months. The transaction was closed on August 12, 2025.