



Silver Crown Royalties (CBOE: SCRI)

Cash flow now visible; maintain BUY

Couloir Research Team April 14, 2026
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Investment Highlights

- ◆ **Silver Crown Royalties (CBOE: SCRI)** (the “Company”) is an emerging silver royalty company that stands to benefit from the first-mover advantage. It is the only pure-play silver royalty company in the market offering investors access to a diversified portfolio of silver royalties.
- ◆ **PPX Igor 4 Minimum Payments Commenced:** Minimum deliveries commenced as of March 31, 2026, with 14,062.5 oz per quarter (56,250 oz annually) under a 15% silver royalty, establishing a contracted ~C\$5.8 million annual cash flow base at current prices of around US\$75/oz. This marks a key inflection point, transitioning SCRI toward predictable, high-margin cash flow generation with strong leverage to silver prices and embedded downside protection.
- ◆ **Strategic Investment - Michael Gentile:** SCRI secured a C\$3.0 million cornerstone investment from prominent mining investor Michael Gentile at C\$7.00 per unit, alongside his appointment as Strategic Advisor. The transaction strengthens the share register at a key inflection point and enhances SCRI’s access to institutional capital, with Gentile’s network expected to support future deal flow and lower the Company’s cost of equity.
- ◆ **We reiterate our BUY rating with a fair value per share estimate of C\$30.30 per share.**

Key financial data (FYE Dec. 31, C\$)	FY-2024		FY-2025	
Cash	\$	1,084,954	\$	888,678
Working capital	\$	2,355,784	\$	2,651,884
Mineral assets /royalty interests	\$	6,908,235	\$	9,377,424
Total assets	\$	9,526,409	\$	12,212,866
Net income (loss)	\$	(3,593,343)	\$	(4,309,043)
EPS	\$	(1.80)	\$	(1.42)



Current Price (C\$)*	14.80
Fair Value \$	30.30
Projected Upside	105%
Action Rating	BUY
Perceived Risk	HIGH
Shares Outstanding (M)	5.05
Market Cap. (M)	74.7
YoY Return	146.7%
YoY TSXV Return	62.8%

* Note: all \$ amounts are C\$ unless otherwise stated

CBOE: SCRI price and volume history



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Investment Highlights, continued

- ◆ **Strong liquidity:** With over C\$14 million in cash and minimum payments from the PPX Igor 4 royalty now in effect, SCRI is well funded to execute on its pipeline of growth opportunities without near-term reliance on capital markets for working capital. Consistent with management commentary, future equity issuance, if any, is expected to be directed toward accretive royalty acquisitions rather than funding operations.

WHAT'S NEW SINCE OUR LAST REPORT?

Since our last update on October 17, 2025, Silver Crown Royalties has executed on several parameters: the PPX Igor 4 royalty minimum payments have commenced; a high-profile strategic investor has joined as a cornerstone shareholder and advisor; warrants have been listed and accelerated; and FY2025 audited results have confirmed solid revenue growth. The portfolio has also been rationalized through accounting, with full impairments taken on the BacTech royalty and a partial expected credit loss on PGDM, reflecting management's conservative posture on non-performing assets.

PPX IGOR 4 ROYALTY: MINIMUM PAYMENTS COMMENCE; ESTABLISHES A CONTRACTED CASH FLOW BASE

The activation of the PPX Igor 4 royalty represents the key inflection point for SCRI. As of March 31, 2026, the minimum quarterly delivery of 14,062.5 silver ounces is contractually in effect, supporting SCRI's transition from a royalty aggregation vehicle to a free-cash-flow-generating company.

Under the structure, SCRI holds a 15% royalty on the cash equivalent of silver production from PPX Mining's Igor 4 Project in Peru, which was acquired for US\$2.74 million in three tranches. The agreement includes a minimum quarterly delivery of 14,062.5 oz (56,250 oz annually) and total life-of-mine deliverables of 225,000 oz. At current silver prices above US\$75/oz and a ~0.73 C\$/US\$ exchange rate, the minimum quarterly delivery translates to approximately C\$1.44 million, or ~C\$5.8 million annualized from PPX alone.

With minimum delivery economics now in effect, SCRI enters a phase of high-margin, predictable cash flow generation that is not yet fully reflected in its valuation. The combination of contractual downside protection, strong leverage to silver prices, and a low implied cash-flow multiple supports a compelling re-rating case as the market transitions from optionality to cash-flow visibility.

STRATEGIC INVESTMENT:

MICHAEL GENTILE JOINS AS CORNERSTONE SHAREHOLDER

On January 13, 2026, SCRI announced a C\$3.0 million strategic investment from Michael Gentile, comprising 424,500 units priced at C\$7.00 per unit. Each unit consists of one common share and one warrant exercisable at C\$8.25 for a three-year term. Concurrently, Gentile was appointed Strategic Advisor and granted 50,000 stock options exercisable at C\$8.05 for three years, alongside participation in SCRI's RSU program.

The strategic investment from Michael Gentile represents a meaningful validation of the Company's royalty model at a critical inflection point. Gentile is currently the largest shareholder in more than 25 junior mining companies and serves on multiple boards, highlighting his deep sector expertise and capital markets influence. As a well-established investor in the junior mining ecosystem with a strong track record of identifying early-stage value, Gentile's entry as a cornerstone shareholder both strengthens the share register and enhances SCRI's credibility with institutional and high-net-worth capital.

CEO Peter Bures noted that Gentile's network is expected to lower SCRI's cost of equity capital, a tangible benefit for a company whose growth strategy is built on accretively acquiring royalties funded by attractively priced equity.

PORTFOLIO UPDATE: NON-PPX ASSETS REMAIN TRANSITIONAL

The portfolio outside of PPX is in a transitional phase, with two assets impaired or paused, one restarting, and one advancing toward commercial production, reinforcing PPX's near-term dominance as the active cash flow driver.

PGDM Complex — At the PGDM Complex in Brazil, Pilar Gold encountered restart setbacks during 2025, prompting SCRI to take a conservative expected credit loss provision of C\$530,409 against royalties receivable. The royalty structure, 90% of net silver proceeds with a minimum quarterly delivery of 4,000 oz, remains contractually intact, and management has expressed optimism about progress in 2026.

Elk Gold Mine — At Elk Gold (BC), a new operator has indicated a 3-year pause to optimize project economics, leading SCRI to take a non-cash impairment of C\$940,446 on this royalty in FY2025. We have removed Elk Gold from our near-term projections.

BacTech — The BacTech royalty on the Tenguel, Ecuador bioleaching facility has been fully impaired following no material progress on financing and development milestones. We now assign zero current value to BacTech in our model (versus 35,000 oz assumed from 2027 in our last update).

The EDM Resources Scotia Mine royalty, covering 90% of net silver proceeds or a minimum of 7,000 oz annually for 10 years from commercial production, remains on track with no material update. EDM continues to advance permitting and financing toward a production restart, though the timing remains uncertain. We model a partial-year contribution of 3,500 oz in 2027, rising to 7,000 oz per annum thereafter.

COMPANY OWNERSHIP AND CAPITAL STRUCTURE

The firm currently boasts a tight capital structure with nearly 5.0 million common shares outstanding. Nearly 72% of the shares are held by the public, providing liquidity on the stock exchange and enabling investors to enter and exit their positions. Corporations and institutions together own 12.8% of the company, which subjects their investment companies to rigorous due diligence and technical screenings. The presence of institutional investors can act as a quality signal for retail investors. Management maintains a substantial 15.3% ownership, which is a very welcome attribute, as it closely aligns the interests of management and the board with those of retail investors.

Table 1: Holdings by investor type

Type	Common stocks held	% of outstanding
Institutions	402,439	8.0%
Corporate	239,822	4.8%
Insiders	770,986	15.3%
Public and other	3,631,784	72.0%

Source: Capital IQ, Couloir Capital

The following table outlines the Company's outstanding warrants:

Table 2: SCRI warrant schedule

Issuance date	Number of warrants	Exercise price	Nominal value	Expiry
Various	799,471	16.00	\$12,791,536	2028
07/14/2025	235,531	13.00	\$3,061,903	07/13/2025
2/21/2025 – 4/25/2025	232,248	13.00	\$3,019,224	2028
1/15/2029	424,500	8.25	\$3,502,125	1/15/2029
Broker warrants (\$5.50)	9,184	5.50	\$50,512	2028
Broker warrants (\$8.00)	55,600	8.00	\$444,800	2026
Broker warrants (\$13.00)	29,867	13.00	\$388,271	2028
Broker warrants (\$16.00)	7,140	16.00	\$114,240	2027
Total	1,793,541		\$23,372,611	

Source: Company, Couloir Capital

Silver Crown Royalties currently has 1.8 million warrants outstanding at a weighted-average exercise price of just about C\$13.0, with most expiring in 2028. Currently, the majority of warrants are out of the money, with exercise prices significantly above the Company's share price, making the exercise of outstanding warrants unlikely. However, these instruments have long-dated maturities and might be exercised if share prices appreciate sufficiently. If all of the warrants were to be exercised, significant shareholder dilution would occur, but this would also add C\$23.3 million in fresh capital to the firm's treasury, far exceeding the funds raised in private placements so far.

WHAT'S NEXT FOR SILVER CROWN ROYALTIES?

Silver Crown Royalties will continue to pursue its business model of accretive growth of its royalty portfolio by focusing on projects where silver is a minor economic contributor. The firm is building a geographically diversified royalty portfolio by prudently deploying its capital in stages to improve the risk profile and minimize downside for investors. Q4 revenue grew by over 60%, underscoring strong operating momentum. At the current pace of expansion, the company appears well-positioned to achieve cash flow positivity within the next 12 months, which will mark a key milestone.

Table 3: Royalty portfolio growth projections

Royalty	Unit	2024A	2025A	2026E	2027E	2028E	2029E
Pilar Gold	Ag [oz]	9,595	16,211	16,000	16,000	16,000	16,000
	Royalty [k US\$]	272	653	1,200	1,200	1,200	1,200
Gold Mountain	Ag [oz]	5,394	1,120				
	Royalty [k US\$]	153	45				
PPX Mining Corp.	Ag [oz]		5,011	42,188	56,250	56,250	56,250
	Royalty [k US\$]		202	3,164	4,219	4,219	4,219
BacTech	Ag [oz]						
	Royalty [k US\$]						
EDM Resources	Ag [oz]				3,500	7,000	7,000
	Royalty [k US\$]				263	525	525
2026 addition	Ag [oz]				30,000	30,000	30,000
	Royalty [k US\$]				2,250	2,250	2,250
2027 addition	Ag [oz]					35,000	35,000
	Royalty [k US\$]					2,625	2,625
Total silver	Ag [oz]	14,989	22,342	58,188	105,750	144,250	144,250
Total payments	Royalty [k US\$]	407	900	4,364	7,931	10,819	10,819

Source: Company, Couloir Capital estimates

Silver Crown Royalties has a broad industry network and the expertise to identify suitable projects for investment that are either producing silver or will be in the near future. With a pipeline of projects ready for investment and the company's ability to raise the required capital, we can expect more deal flow in the months ahead as the firm continues to add ounces to its royalty portfolio. After the firm turns cash flow positive and the revenues generated from the royalty portfolio continue to increase, it will be able to raise debt on the back of those cash flows, which will substantially reduce its cost of capital and further boost revenue growth.

PEER COMPARISON AND VALUATION

The valuation framework has been revised from an EV/Equity Raised approach to a Price-to-Sales (P/S) multiple, reflecting Silver Crown Royalties' transition toward a revenue-generating profile and improving comparability with established royalty peers. Given the company's growing revenue base and visibility on near-term cash flow generation, a sales-based methodology provides a more relevant and forward-looking measure of valuation.

The peer group comprises publicly listed precious metals royalty and streaming companies, with larger, more mature players serving as a benchmark for normalized trading multiples. Companies founded in the 2000s were excluded where appropriate to ensure comparability with earlier-stage royalty platforms that remain more reliant on equity financing and have not yet achieved full portfolio diversification. Additionally, outliers were removed to avoid distortion from company-specific factors.

Under our valuation framework, Silver Crown Royalties holds a P/S ratio of 9.4x, versus a peer average of 13.3x, representing a meaningful discount to the peer average. This discount is primarily attributable to the company's earlier stage of development, smaller portfolio scale, and higher reliance on equity funding relative to more established peers.

However, several factors support a re-rating toward peer levels. Over the past six months, the price of silver has increased significantly more than gold. This provides a more favourable macro backdrop for Silver Crown Royalties, given its pure-play exposure to silver. In addition, the company is scaling its portfolio, with revenue growth exceeding 60% in Q4 2025 and a clear path to cash flow positivity in the near term.

Table 4: Key relative valuation metrics

Regional companies	Ticker	Market Cap [M C\$]	EV [C\$M]	2027E P/S [x]	2027E EV/ Sales [x]	LTM P/B [x]
Silver Crown Royalties	SCRI	75	74	9.4	9.3	4.8
Wheaton Precious Metals	WPM	90,745	89,175	15.2	14.9	7.6
Franco-Nevada	FNV	69,021	68,102	16.1	15.8	6.6
OR Royalties Inc.	OR	10,208	10,020	13.5	13.3	5.2
Triple Flag Precious Metals	TFPM	10,135	10,016	12.8	12.6	3.6
Empress Royalty Corp	EMPR	124	124	NM	NM	3.2
Elemental Royalty Corp	ELE	1,735	1,640	12.2	11.6	1.6
Sailfish Royalty	FISH	275	271	10.9	10.7	5.1
Metalla Royalty & Streaming	MTA	891	898	16.2	16.4	2.6
Vox Royalty	VOXR	541	539	9.8	9.8	3.7
Average				13.3		

Source: Couloir Capital, Capital IQ

We value SCRI at a P/S multiple of 13.3x, in line with the peer group average. Factoring in 2027E sales of C\$10.9 million (or US\$7.9 million), along with cash of C\$14.5 million and zero debt, we derive an implied equity value of C\$159.5 million. Based on a fully diluted share count of 5.3 million shares, this corresponds to a fair value of approximately C\$30.30 per share, implying ~105% upside from current levels.

CONCLUSION

We are updating coverage on SCRI with a positive outlook over the next 12 months, assigning a BUY rating and a target price of C\$30.30 per share. Several factors are expected to support the company's share price:

- ◆ **Revenue growth:** Revenues are rising rapidly as the company continues to expand its portfolio with new royalty deals. These agreements are growing in both annual silver production and total ounces covered under each royalty, reflecting strong growth in royalty volumes and associated revenues since inception.
- ◆ **Market leadership:** Silver Crown Royalties' strong momentum is reinforcing its position as the only pure-play silver royalty company in the market. It is becoming the preferred choice for companies seeking non-dilutive financing, while investor awareness continues to build for the company and the silver market.
- ◆ **Institutional support:** Robust institutional and corporate backing enables Silver Crown Royalties to access additional capital for pursuing attractive royalty acquisitions. The thorough due diligence conducted by institutional investors also serves as a quality endorsement for retail investors.
- ◆ **Upside potential:** Based on our valuation model, significant upside remains in the stock. This potential is further enhanced by Silver Crown Royalties' exceptional revenue growth trajectory, which is expected to accelerate as the company closes more deals that are trending larger.
- ◆ **Aligned management interests:** With significant insider ownership, management's interests are closely aligned with those of shareholders, ensuring a strong focus on value creation.



Construction of the beneficiation plant at the Igor project in Peru. Source: PPX Mining Corp. website

RISKS

The following outlines some of the key risk considerations that investors should keep in mind when evaluating SCRI as an investment opportunity:

- ◆ **Operational risk:** Acquired royalties may not perform as desired when the royalty vendor encounters difficulties in production.
- ◆ **Commodity price risk:** The rise and fall of natural resource stocks, including royalty companies, is usually tied to some degree to the price of the underlying commodity. In the case of Silver Crown Royalties, the principal underlying commodity is silver, for which we have outlined a long-term price floor in this report. The reader is cautioned, however, that prices may fall well below that level in the short and intermediate term.
- ◆ **Wider market risk:** Like most other equities, SCRI will be at the mercy of wider market fluctuations and will be affected by FED tapering, changes to the outlook for rate hikes and inflation and lingering concerns surrounding a downturn in economic activity.
- ◆ **Dilution of existing shareholders:** If non-dilutive funding options are not available, the company may have to issue further shares to cover expenditures, hence existing shareholders may face some degree of dilution. If market developments are favourable, the impact may be diminished; if the market developments are adverse, the impact may be accentuated.

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