



COULOIR CAPITAL

Silver Crown Royalties (CBOE: SCRI)

Record revenue, new royalty acquisition, and notable shareholder; maintain BUY

Couloir Research Team June 15, 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.
- ◆ **Record Q1 2026 Revenue:** Reported record Q1 2026 royalty revenue of \$665,854, up 119% YOY and 62% QOQ, driven by higher silver deliveries and stronger silver prices. Management expects positive operating cash flow beginning in Q2 as minimum delivery obligations begin at PPX Mining.
- ◆ **Titiminas Royalty Acquisitions:** SCRI entered a definitive agreement to acquire two existing 1% NSR royalties on Titiminas Silver’s (TSXV: TITI) Madre Sierra deposit in Peru for up to US\$8M total consideration. Management expects an estimated 60,000 attributable silver ounces annually to SCRI within two years, potentially representing a transformative increase in SCRI’s royalty revenue and cash flow profile.
- ◆ **Strong liquidity:** SCRI reported over \$15 million of available liquidity, including silver bullion holdings, alongside ~\$20 million of in-the-money warrants. This provides ample capital to fund accretive royalty acquisitions while limiting dilution.
- ◆ **We reiterate our BUY rating and increase our fair value per share estimate to \$35.00 per share (earlier \$30.30).**

Key financial data (FYE Dec. 31, C\$)	FY-2025		Q1-2026	
Cash	\$	888,678	\$	2,521,586
Working capital	\$	2,651,884	\$	10,295,997
Mineral assets /royalty interests	\$	9,377,424	\$	9,330,678
Total assets	\$	12,212,866	\$	19,727,347
Net income (loss)	\$	(4,309,043)	\$	(654,071)
EPS	\$	(1.42)	\$	(0.15)

Current Price*	\$24.50
Fair Value	\$35.00
Projected Upside	43%
Action Rating	BUY
Perceived Risk	HIGH

Shares Outstanding (M)	5.48
Market Cap. (M)	134.22

YoY Return	288.9%
YoY TSXV Return	32.9%

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

CBOE: SCRI price and volume history



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

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Investment Highlights, continued

- ◆ **Michael Gentiles Raises Stake:** SCRI completed a \$4.5 million premium-to-market financing led by prominent mining investor Michael Gentile, who increased his partially diluted ownership to approximately 19.4% (earlier 16.5%) and joined the Company as Strategic Advisor. The strategic investment from Michael Gentile represents a meaningful validation of the Company's royalty model.

WHAT'S NEW SINCE OUR LAST REPORT?

Since our last update on April 14, 2026, three developments have materially advanced the investment case. SCRI posted record quarterly royalty revenue of \$665,854 in Q1 2026 (+119% YOY), with positive operating cash flow guided for Q2 as PPX Mining's Igor 4 minimum delivery obligations commence. Prominent mining investor Michael Gentile anchored a \$4.5 million private placement at \$14.00, a premium to market, lifting his partially diluted stake to ~19.4% and joining as Strategic Advisor. Most significantly, SCRI announced the acquisition of two 1% NSR royalties on Titiminas Silver's Madre Sierra deposit in Peru for up to US\$8 million, targeting ~60,000 oz/yr silver within two years, a potentially transformative addition to the portfolio. With \$15+ million in treasury and ~\$20 million of in-the-money warrants, the balance sheet is well-funded for further growth.

RECORD Q1-2026 RESULTS

SCRI reported its strongest quarterly revenue on record: \$665,854 in royalty revenue for Q1 2026, representing a 119% increase versus Q1 2025 (\$304,408) and a 62% increase versus Q4 2025 (\$410,438). Attributable silver deliveries were 5,798 oz in the quarter, with a note that 783 oz were received under royalty agreements but deferred into a subsequent accounting period due to timing.

The net loss for Q1 2026 improved to \$654,071, compared with \$2,913,156 in Q4 2025, reflecting lower non-cash charges in the period. Management noted over \$15 million in cash and silver bullion in treasury, with \$20 million of in-the-money warrants. Crucially, SCRI guided for positive operating cash flow in Q2 2026 as minimum delivery obligations begin at PPX Mining's Igor 4 Project.

STRATEGIC INVESTMENT: MICHAEL GENTILE RAISES STAKE

SCRI closed a \$4.5 million non-brokered private placement on April 16, 2026, at \$14.00/share, a premium to the prevailing market price. Michael Gentile, a well-regarded resource sector allocator, subscribed for 219,150 of the 321,429 shares issued, lifting his partially diluted ownership from 16.52% to 19.36%. Gentile simultaneously joined the Company as Strategic Advisor, signalling an active rather than passive role in the platform's development.

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 influence in capital markets. As a well-established investor in the junior mining ecosystem with a strong track record of identifying early-stage value, Gentile's participation enhances SCRI's credibility with institutional and high-net-worth capital.

The financing significantly strengthened its balance sheet, providing the Company with substantial financial flexibility. Management indicated that proceeds will be primarily directed toward identified accretive silver royalty opportunities, positioning the Company to expand its royalty portfolio without relying on near-term equity raises.

TITIMINAS ROYALTY ACQUISITIONS

Silver Crown Royalties announced the acquisition of two existing 1% NSR royalties on Titiminas Silver's Madre Sierra project in Peru for a total consideration of up to US\$8.0 million, marking the Company's first acquisition of an established royalty asset. We view the transaction as strategically significant as it expands SCRI's pure-silver royalty portfolio while providing exposure to a near-term production asset.

The acquired royalties are linked to the Madre Sierra project, a past-producing underground silver mine located in Peru's Junín region with existing underground workings, processing infrastructure, surface access, and a permitted development pathway. Management expects initial small-scale production (70-100 tpd) in Q4 2026, followed by a ramp-up toward 1,000-1,100 tpd over the subsequent 18-24 months, supporting an estimated 60,000 attributable silver ounces annually to SCRI within two years.

Beyond the near-term cash flow profile, the transaction provides meaningful exploration leverage. Titiminas controls approximately 3,700 hectares across 13 concessions within a historic polymetallic district and recently commenced a multi-year drilling campaign designed to support a maiden NI 43-101 resource estimate by Q2/Q3 2027.

Importantly, the acquisition appears financially disciplined. Management indicated the royalties were acquired at approximately 75% of the underlying silver value based on prevailing silver prices. The Company expects the acquisition to be accretive to both NAV and per-share metrics while increasing portfolio diversification beyond its existing royalty base.

From a balance sheet perspective, SCRI remains well positioned to execute. The Company has more than C\$15 million of available liquidity, including cash and silver bullion holdings, allowing it to fully fund the transaction without incremental dilution.

COMPANY OWNERSHIP AND CAPITAL STRUCTURE

The firm currently boasts a tight capital structure with nearly 5.5 million common shares outstanding. Nearly 70% 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 12.4% 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 of the firm maintains a substantial 17.7% 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	7.3%
Corporate	281,141	5.1%
Insiders	969,436	17.7%
Public and other	3,825,152	69.8%

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
Warrants	634,485	16.00	\$10,151,752	2028
Warrants	235,531	13.00	\$3,061,903	2028
Warrants	232,248	13.00	\$3,019,224	2028
Warrants	567,488	8.25	\$4,681,776	2029
Broker warrants	1,000	5.50	\$5,500	2028
Broker warrants	32,569	13.00	\$423,397	2028
Broker warrants	29,634	16.00	\$474,150	2027
Total	1,732,955		\$21,817,702	

Source: Company, Couloir Capital

Silver Crown Royalties currently has 1.7 million warrants outstanding at a weighted average exercise price of just about \$12.6, with most warrants expiring in 2028. Currently, all the warrants are in-the-money with exercise prices significantly below the Company's share price. If fully exercised, these warrants would generate approximately \$21.8 million in additional proceeds, providing growth capital to fund future royalty acquisitions and portfolio expansion.

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 the value of silver is a minor economic contributor. The firm is building a geographically diversified royalty portfolio by prudently deploying its capital in stages, in order to improve the risk profile and minimize the downside for investors. Q1 2026 revenue grew by over 119%, 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 for the company.

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	1,131	1,131	1,131	1,131
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	2,983	3,977	3,977	3,977
BacTech	Ag [oz]						
	Royalty [k US\$]						
EDM Resources	Ag [oz]				3,500	7,000	7,000
	Royalty [k US\$]				247	495	495
Titiminas	Ag [oz]			5,000	30,000	60,000	60,000
	Royalty [k US\$]				2,121	4,243	4,243
2027 Addition	Ag [oz]					35,000	35,000
	Royalty [k US\$]					2,475	2,475
Total Silver	Ag [oz]	14,989	22,342	63,188	105,750	174,250	174,250
Total Payments	Royalty [k US\$]	407	900	4,114	7,478	12,321	12,321

Source: Company, Couloir Capital estimates

Silver Crown Royalties has a wide industry network and the required expertise to identify suitable projects for investment, which 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, at some point, 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 peer group consists of publicly listed precious metals royalty and streaming companies, with larger, more mature players providing 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 yet to achieve full portfolio diversification. Additionally, outliers were removed to avoid distortion from company-specific factors.

Under our valuation framework, Silver Crown Royalties trades at a P/S ratio of 7.9x, versus a peer average of 12.2x, representing a meaningful discount. 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 in the process of scaling its portfolio, with revenue growth touching 119% in Q1 2026 and a clear path toward cash flow positivity in the near term.

We value SCRI at a P/S multiple of 12.2x, in line with the peer group average. Factoring in 2028E sales of \$16.9 million (or US\$12.3 million), along with cash of \$15 million and zero debt, we derive an implied equity value of \$221.5 million. Based on a fully diluted share count of 6.3 million shares, this corresponds to a fair value of approximately \$35.00 per share, implying ~43% upside from current levels.

Table 4: Key relative valuation metrics

Regional companies	Ticker	Market Cap [C\$M]	EV [C\$M]	2028E P/S [x]	2028E EV/Sales [x]	LTM P/B [x]
Silver Crown Royalties	SCRI	134	127	7.9	6.0	4.8
Wheaton Precious Metals	WPM	73,723	70,713	12.5	12.0	5.7
Franco-Nevada	FNV	56,755	55,758	13.7	13.5	5.0
OR Royalties Inc.	OR	8,868	8,742	12.4	12.2	4.3
Triple Flag Precious Metals	TFPM	8,425	8,197	10.5	10.3	2.8
Empress Royalty Corp	EMPR	112	114	NM	NM	2.4
Elemental Royalty Corp	ELE	1,376	1,256	10.6	9.7	1.3
Sailfish Royalty	FISH	275	271	NM	NM	6.7
Metalla Royalty & Streaming	MTA	954	960	18.8	19.0	2.7
Vox Royalty	VOXR	500	478	7.1	6.8	2.7
Average				12.2		

Source: Couloir Capital, Capital IQ

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 \$35.00 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 both in annual silver production and in the 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 up in size.
- ◆ **Aligned management interests:** With significant insider ownership, management's interests are closely aligned with those of shareholders, ensuring a strong focus on value creation.

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. The reader is cautioned that prices may fall in the short and intermediate term, which may impact SCRI's financial profile.
- ◆ **Wider market risk:** Like most other equities, SCRI will be at the mercy of wider market fluctuations and will be affected by changes to the outlook for rate hikes, inflation and 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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