Research Note

Sailfish Royalty – Soft Q2 Financials; $131M in Cash and Equivalents

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Rating	Target Price
BUY	**N/A**
Unchanged	*Prev. C$4.50*

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Disseminated on behalf of Sailfish Royalty

All figures in USD unless otherwise stated

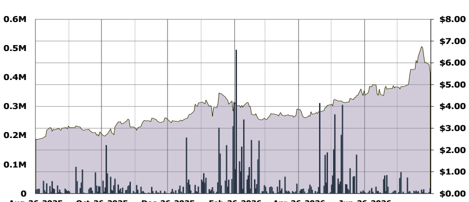
Sailfish Royalty Corp.	FISH:TSXV
Rating	BUY
Target Price	N/A
Dividend Yield	3.8%
Total Return	N/A

Market Data	
Share Price	C$5.50
Average Daily TSXV Volume (K)	8.0
FD ITM Shares (M)	80.7
Market Cap ($M)	$319.9
Cash & Marketable Securities ($M)	$130.8
Debt ($M)	$0.0
Enterprise Value ($M)	$189.1

FYE Dec 31	2025A	2026E	2027E
Revenue ($M)	$3.4	$4.8	$6.9
Gross Margin (%)	93%	125%	85%
Adj. EBITDA ($M)	$1.0	$10.1	$16.6
Adj. EBITDA Margin (%)	30%	212%	241%
Net Income ($M)	$1.7	$144.8	$16.2
EPS	$0.02	$1.84	$0.20

Valuation	
NAVPS	$2.63
P/NAV	1.5x
Peers P/NAV	2.3x
EV/EBITDA (2026E)	11.4x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Sailfish is a precious metals royalty and streaming company. Within Sailfish's portfolio are three main assets in the Americas: a gold stream equivalent to a 3% NSR on the San Albino gold mine (~3.5 sq. km) and a 2% NSR on the rest of the area (~134.5 sq. km) surrounding San Albino in northern Nicaragua; an up to 3% NSR on the fully permitted multi-million ounce Spring Valley gold mine project in Pershing County, Nevada; and a 2% NSR on the Gavilanes Silver Project located in Durango State, Mexico.

What you need to know:

- Sailfish reported Q2 revenue of $1.3M (+87% YoY) and adjusted EBITDA of $0.5M. These were below our expectations due to Mako mining outside of the San Albino area and due to one-time bonus payments.
- The $168M sale to OR Royalties closed in early April, driving a $134.1M gain and $136.6M of net income. FISH repaid the $40M Wexford loan shortly after the sale closed.
- FISH ended the quarter with $130.8M in cash and marketable securities and no debt. Cash makes up 41% of the market cap.

This morning, Sailfish Royalty (FISH:TSXV, SROYF:OTC) reported its Q2 financial results, which came in mixed relative to our expectations. This was due to its partner Mako mining outside the original San Albino area as well as one-time senior management and director bonuses being issued. Nevertheless, the results were objectively strong with revenue up 87% YoY, gross margins of 96%, and continued share repurchases. FISH ended the quarter with $130.8M in cash and marketable securities, being 41% of its market cap, ready to be deployed into new royalties/streams. **We are maintaining our BUY rating but temporarily removing our target price on FISH as we await the cash deployment.**

Key Highlights

- Q2 revenue came in at $1.3M (+87% YoY), below our estimate of $1.7M. The growth was driven by royalty revenue of $0.8M (+35% YoY) and stream sales of $0.5M (vs. $0.1M in Q2/25).
    - Mako reported Q2 production results of 12.4Koz of gold and 11.3Koz of silver, steady compared to recent quarters.
    - Stream sales reflected 6,268oz of silver for $0.5M and nil oz of gold from gold streams. The lack of gold ounces was due to Mako mining outside of the original San Albino area.
- Gross profit was $1.3M (+87% YoY, 96% gross margin), well above our 85% estimate and significantly higher than the gross margins posted by its peers.
- Adjusted EBITDA was $0.5M (39% margin) vs. our estimate of $4.1M, due to the new gold stream only bringing in $1.8M (reminder that this is booked as a fair value adjustment) and senior management fees/director fees largely increasing YoY from one-time bonuses. Excluding these bonuses, adjusted EBITDA would have been $2.8M.
- Q1 net income was $136.6M, above our estimate of $4.0M because of the $134.1M gain from the sale of the Spring Valley assets.
- Sailfish repurchased 498.2K shares over the six month period, representing 0.6% of its shares outstanding. Subsequent to the quarter, FISH repurchased an additional 364.9K shares.
- The Company ended Q2 with $114.1M in cash and $14.7M in marketable securities alongside no debt, having repaid the $40.0M Wexford loan plus $1.8M of interest in April.

	Q2/26A	Atrium Est.	YoY
Revenue ($M)	**$1.3**	$1.7	+87%
Gross Profit ($M)	**$1.3**	$1.5	+87%
Gross Margin (%)	**96%**	85%	-25 bps
Adj. EBITDA ($M)	**$2.8**	$4.1	+640%
Net Income ($M)	**$136.6**	$4.1	N/A

Figure 1: Q2 Financials Summary
One-time Bonuses Added Back to Adj. EBITDA

Our Take

Q2 was uneventful for FISH, with Mako generating some of its production outside of its royalty area, which is outside of management's control. The FISH story has now shifted away from the financials and onto the cash on the balance sheet. We continue to look towards the deployment of FISH's cash, representing a large portion of its market cap. The Company has a strong track record of deploying capital into value-accretive investments, and we expect this will continue, whether through a single larger transaction or multiple smaller investments. Once again, in the meantime, investors get paid to wait with the 3.8% dividend and continued strong performance and developments across its other assets. As for our target price, we are removing it temporarily as we await the cash to be invested and can more accurately value the Company.

The Gavilanes Project, owned and operated by Advance Metals Limited (AVM:ASX), which FISH holds a 2% NSR, has emerged as the Company's flagship project following high-grade silver drill results. Though the program is just getting started, high-grade mineralization has been intersected in all four drill holes completed to date over more than 750m of strike. Advance has stated its intention to announce a maiden JORC Mineral Resource for Gavilanes, targeted for Q4/26, which we will keep an eye on. This will build on the historical silver equivalent resource of 22Moz at 246 g/t AgEq. As a reminder, the project is located in Mexico's premier mining district just 23km from First Majestic Silver Corp's world-class San Dimas Mine.

Continuing Buybacks

The Company has remained active in returning value to shareholders through its share repurchase program, including:

- On June 19th, the Company bought back 11.3K shares at C$4.47 for ~C$50.5K.
- On June 26th, the Company bought back 5.6K shares at C$4.50/share for C$25.2K.
- On July 17th, the Company bought back 353.6K shares at C$4.47 for ~C$1.6M.
- On July 31st, the Company bought back 130.6K shares at C$4.82 for ~C$629.1K.
- On August 7th, the Company bought back 40.6K shares at C$4.907 for ~C$199.2K.

Insider Buying

On July 24th, Wexford Capital LP acquired 546.1K common shares of Sailfish Royalty Corp. at C$4.831/share, for total consideration of ~C$2.6M. Following this, on August 5th, Wexford bought an additional ~553.7K shares at C$4.864/share, for a total value of ~C$2.7M, lifting its total ownership to ~51.8M common shares of FISH across all accounts.

Bryan McKenzie purchased an additional 5,038 shares throughout August for C$24.4K, bringing his total share count to 244.8K.

Why We Like FISH

- FISH is focusing on returning capital to shareholders via share buybacks and dividends while keeping G&A to a minimum. Sailfish has repurchased >14M shares since 2019 and currently offers a 3.8% dividend yield, one of the highest yields amongst all mining royalty firms.
- Sailfish recently acquired a gold stream for the next 11 years from Mako Mining. The stream is expected to yield ~$12M in cashflow per year in 2026 and 2027.
- San Albino is a high-grade gold mine in Nicaragua owned by Mako Mining (MKO:TSXV) that started commercial production in July 2021. Sailfish has a gold stream equivalent to a 3% NSR on the mine. FISH also holds a 2% NSR on Mako's Las Conchitas mine in Nicaragua which reached steady state production in 2024. Additionally, FISH has a Silver Purchase Agreement with Mako, providing FISH with additional silver per month.
- FISH has a strong competitive advantage of having Wexford Capital as its majority shareholder (>60%). Management owns 4% and is highly experienced in royalties and capital markets.

Catalysts

- Deployment of Cash into New Royalties/Streams – Ongoing
- Cashflow from New Mako Stream – Ongoing

Tear Sheet

Market Data	
Ticker	FISH:TSXV
Stock Price	C$5.50
Rating	BUY
Target Price	N/A
Total Return	N/A
Market Cap ($M)	$319.9
Cash ($M)	$130.8
Debt ($M)	$0.0
EV ($M)	$189.1

Capital Structure	
Basic Shares Outstanding (M)	78.9
Warrants (M)	0.0
Options (M)	2.5
FD Shares (M)	81.3
FD ITM Shares (M)	80.7

Ownership	
Wexford Capital	62%
Management & Board	4%
Retail & Institutions	34%

Financial Estimates	2024A	Q1/25A	Q2/25A	Q3/25A	Q4/25A	2025A	Q1/26A	Q2/26A	Q3/26E	Q4/26E	2026E	2027E
Revenue ($M)	**2.8**	**0.6**	**0.7**	**0.9**	**1.2**	**3.4**	**1.8**	**1.3**	**1.7**	**1.7**	**4.8**	**6.9**
% YoY	*22%*	*64%*	*-31%*	*20%*	*65%*	*19%*	*208%*	*87%*	*97%*	*45%*	*41%*	*45%*
Gross Profit ($M)	**1.9**	**0.6**	**0.7**	**0.8**	**1.1**	**3.1**	**1.7**	**1.3**	**1.5**	**1.5**	**6.0**	**5.9**
Gross Margin	*66%*	*96%*	*96%*	*87%*	*94%*	*93%*	*95%*	*96%*	*85%*	*85%*	*125%*	*85%*
Adj. EBITDA ($M)	**(0.1)**	**0.3**	**0.4**	**0.4**	**(0.1)**	**1.0**	**1.4**	**0.5**	**4.1**	**4.1**	**10.1**	**16.6**
Adj. EBITDA Margin	*-2%*	*45%*	*54%*	*51%*	*-7%*	*30%*	*77%*	*39%*	*236%*	*236%*	*212%*	*241%*
OCF (After WC, $M)	(0.1)	(0.2)	0.4	0.8	(0.5)	0.4	0.2	0.4	4.1	4.1	8.8	16.6
CFPS	**(0.00)**	**(0.00)**	**0.01**	**0.01**	**(0.01)**	**0.01**	**0.00**	**0.00**	**0.05**	**0.05**	**0.11**	**0.21**
Net Income ($M)	0.6	(0.1)	0.2	1.7	(0.1)	1.7	0.1	136.6	4.0	4.0	144.8	16.2
EPS (Basic)	0.01	0.00	0.00	0.02	0.00	0.00	0.00	1.76	0.05	0.05	1.84	0.20

Figure 2: Tear Sheet

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