



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

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## GENERAL

The following Management Discussion and Analysis ("MD&A") of Sailfish Royalty Corp. ("Sailfish", or the "Company") has been prepared as of May 28, 2025. All dollar amounts are expressed in United States dollars unless otherwise stated. This MD&A should be read in conjunction with Sailfish's unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended March 31, 2025 and 2024, as well as the audited annual consolidated financial statements as at December 31, 2024 and 2023. The unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. Additional information relating to the Company is available under the Company's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

## DESCRIPTION OF BUSINESS

Sailfish is a public company listed on the TSX Venture Exchange ("TSXV") under the symbol "FISH" following its listing on December 21, 2017. The Company also trades on the OTCQX Best Market under the symbol "SROYF". Sailfish was incorporated on February 27, 2014 under the BVI Business Companies Act, 2004 and is domiciled in the British Virgin Islands. The address of its registered and head office is Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands, VG1110. Sailfish is primarily engaged in the acquisition of royalty and streaming agreements.

## COMPANY HIGHLIGHTS AND ACCOMPLISHMENTS

*For the three months ended March 31, 2025 (and including activity up to the date of this MD&A):*

- Gold ounces earned from stream interests of 18 for the three months ended March 31, 2025 (91 for the three months ended March 31, 2024).
- Royalty revenue earned of \$535,923 for the three months ended March 31, 2025 (for the three months ended March 31, 2024 - \$161,987).
- The Company received and sold 40,500 ounces of silver relating to the silver receivable for proceeds of \$1,243,755 for the three months ended March 31, 2025 (for the three months ended March 31, 2024 – received and sold 52,067 ounces of silver relating to the silver receivable for proceeds of \$1,220,771).
- Total revenues of \$587,220 for the three months ended March 31, 2025 (\$357,955 for the three months ended March 31, 2024).
- Gross profit of \$562,488 for the three months ended March 31, 2025 (\$248,088 for the three months ended March 31, 2024).
- Net loss of \$75,718 for the three months ended March 31, 2025 (net income of \$148,034 for the three months ended March 31, 2024).
- The Company is pleased to report that it continues to purchase its common shares under the current Normal Course Issuer Bid and that 182,600 common shares were purchased during the three months ended March 31, 2025 (516,100 for the three months ended March 31, 2024).
- On May 27, 2025, the Company reported that Mako Mining Corp. ("Mako") has reported initial results from its 2025 reverse circulation ("RC") drill program at the El Golfo area within the El Jicaró concession where Sailfish has a 2% net smelter return royalty. The 2025 exploration program at El Golfo comprises an initial 3,000 metres of RC drilling.
- On May 14, 2025, the Company reported that on May 13, 2025, Solidus Resources, LLC ("Solidus") announced the receipt of a Letter of Interest from the Export-Import Bank of the United States ("EXIM") regarding the potential financing of up to \$835 million for the Spring Valley Gold Project ("Spring Valley Project") located in Nevada. The funding for the Spring Valley Project is being considered under EXIM's Make More in America initiative and its China and Transformational Exports Program.
- On May 13, 2025, the Company declared a dividend of \$0.0125 per common share that will be payable on July 15, 2025 to Sailfish shareholders of record as of the close of business on June 30, 2025.

- On April 29, 2025, the Company announced that it has successfully exercised its option to purchase all remaining silver production from Mako's San Albino mine and from concessions owned by Mako at March 1, 2023. Consideration paid to Mako for the exercise of the option was \$1 million.
- On February 25, 2025, the Company implemented a dividend reinvestment plan and declared a dividend of \$0.0125 per common share which was paid on April 15, 2025.
- On February 19, 2025, the Company reported that on February 18, 2025, Solidus announced the results of their Spring Valley Project feasibility study which was highlighted by an after-tax net present value 5% of \$1.5 billion with an after-tax internal rate of return of 36%.
- On February 18, 2025, the Company announced that on February 14, 2025, the Draft Environmental Impact Statement was filed by the United States Bureau of Land Management to fulfill its obligation under the National Environmental Policy Act to address potential effects from the development of the proposed Spring Valley Project.

## ROYALTY AND STREAM INTERESTS

The Company owns or owned the following royalties and other interests:

- (i) San Albino (3%)  
The Company holds a stream equivalent to a 3% Net Smelter Return ("NSR") on the original area of interest of the San Albino gold mine operated by Mako. The terms of the stream agreement provide the Company with the right to purchase 4% of all minerals produced from the San Albino gold mine within a specified area of interest for a purchase price equal to 25% of the value of the minerals acquired using the London p.m. gold price as determined by the LBMA on the delivery date of each shipment. Commercial production was achieved at the San Albino gold mine in July 2021.
- (ii) El Compas (1.5%)  
The Company holds a 1.5% NSR on El Compas, located in Zacatecas, Mexico, which is operated by Grupo ROSGO, S.A. de C.V. ("ROSGO") (previously operated by Endeavour Silver Corp. ("Endeavour") and sold to ROSGO on September 12, 2022). Commissioning of El Compas commenced in 2018 and commercial production was achieved in March 2019. Mining operations were suspended during 2021.
- (iii) La Cigarra (1%)  
The Company holds a 1% NSR on La Cigarra, located in Chihuahua, Mexico. Kootenay Silver Inc. is the current operator and the project is at the exploration stage.
- (iv) Spring Valley Royalty (0.5% - 3.0%)  
The Spring Valley Project is located in Pershing County, Nevada and is 100% owned and controlled by Waterton Global Resource Management. The Company acquired a portfolio of royalties on the Spring Valley Project as part of the acquisition of Terraco Gold Corp. The royalties in the portfolio acquired range from a 0.5% NSR royalty on a portion of the Spring Valley Project up to a 3.0% NSR sliding scale royalty on the main portion of the Spring Valley Project.

The parameters surrounding of the 3% NSR sliding scale royalty are as follows:

<b>Gold Price (US\$ per oz)</b>	<b>Royalty %</b>
<\$300	<b>0.84%</b>
\$300-\$399	<b>1.26%</b>
\$400-\$499	<b>1.74%</b>
\$500-\$599	<b>2.16%</b>
\$600-\$699	<b>2.58%</b>
\$700+	<b>3.00%</b>

## (v) San Albino (2%)

The Company holds a 2% NSR on the district-scale land package (~134.5 square kilometers) surrounding the original area of interest of the San Albino project, which hosts multiple high-grade targets including Las Conchitas and El Golfo.

## (vi) Moonlight Property Royalty (2%)

The Company holds a 2% NSR on the Moonlight exploration property, located to the north of the Spring Valley Project ("Moonlight Property").

The Moonlight Property is comprised of 95 parcels of private fee lands as well as 3 mineral leases of private fee lands and 3 leases of patented mining claims, plus 230 unpatented lode mining claims.

*Impairments*

While assessing whether any indications of impairments exist, consideration is given to both external and internal sources of information. As at March 31, 2025 and December 31, 2024 there were no indications of impairments on any of the above assets.

**Revenue from Royalties and Streams:**

	For the three months March 31, 2025	For the three months March 31, 2024
<i>Gold:</i>		
Mako Mining Corp. - San Albino Gold Stream	18	91
<b>Total gold ounces sold</b>	<b>18</b>	<b>91</b>
<i>Royalty revenue earned:</i>		
Mako Mining Corp. - San Albino Royalty	\$ 535,923	\$ 161,987
<b>Total royalty revenue earned</b>	<b>\$ 535,923</b>	<b>\$ 161,987</b>

**OTHER FINANCIAL ASSETS****Silver Receivable:**

On May 24, 2023, the Company entered into a silver purchase agreement ("Silver Purchase Agreement") with Mako, whereby the Company paid \$6 million to acquire 13,500 ounces per month of refined silver for a 24-month term ("Payable Silver"). The Company also holds the exclusive right and option to purchase all additional refined silver produced from the San Albino mine or from concessions owned by Mako at the time of the transaction and processed through Mako's San Albino processing facility until production is no longer economically viable at the mutual agreement of Sailfish and Mako. Such right and option is exercisable after 12 months of the 24-month term of the Silver Purchase Agreement for \$1 million. Mako will provide the Payable Silver to Sailfish on the last business day of each calendar month.

Upon the occurrence of an event of default under the Silver Purchase Agreement, default interest shall accrue daily on the undelivered amount of Payable Silver from and including the date delivery was due to and excluding the date Sailfish receives the disputed Payable Silver to which it is entitled and shall be payable monthly in arrears. The default interest rate is the US prime rate plus 4% per annum.

<b>Silver Receivable</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Beginning of period/year	\$ 1,885,911	\$ 4,716,330
Additions	\$ -	-
Fair value adjustments to silver receivable	\$ 268,645	1,574,074
Silver payments received	\$ (1,243,755)	(4,404,493)
<b>End of period/year</b>	<b>\$ 910,801</b>	<b>\$ 1,885,911</b>
Current portion of silver receivable	\$ 910,801	\$ 1,885,911

The Silver Purchase Agreement is measured at FVTPL as the silver receivable is exposed to changes in silver price. During the year three months ended March 31, 2025, the Company received and sold 40,500 ounces of silver (160,067 for the year ended December

31, 2024) for proceeds of \$1,243,755 (year ended December 31, 2024: \$4,404,493). The following assumptions and inputs were used in a discounted cash-flow model to calculate the fair value adjustment to the silver receivable at March 31, 2025: 32% discount rate, average forward silver price per ounce of \$34.46. On April 29, 2025, the Company announced that it has successfully exercised its option to purchase all remaining silver production from Mako's San Albino mine and from concessions owned by Mako at March 1, 2023. Consideration paid to Mako for the exercise of the option was \$1 million.

## ASSETS HELD FOR SALE

### *Gavilanes Silver Property*

On December 17, 2024, the Company entered into a share purchase agreement (the "AML Agreement") with AML pursuant to which the Company has agreed to sell to AML (the "Transaction") all of the issued and outstanding shares (the "Purchased Shares") of Swordfish. Swordfish, through Sailfish de Mexico S.A. de C.V., holds the Gavilanes property (the "Property"). In addition to the Transaction, AML paid a \$25,000 non-refundable fee to the Company.

Pursuant to the terms of the Agreement, as consideration for the acquisition of the Purchased Shares by AML, on the closing date, AML shall:

1. Make a cash payment to the Company in the amount of \$50,000;
2. Issue to the Company 16,800,000 fully paid ordinary shares in the capital of AML (each, an "AML Share");
3. Issue to the Company 33,600,000 performance rights (the "Performance Rights"), with such Performance Rights entitling the Company to the issuance of AML Shares upon satisfaction of the following milestones:
  - a. 16,800,000 Performance Rights shall automatically convert, without payment of additional consideration, into 16,800,000 AML Shares upon AML achieving a 30 million oz resource at 300g/t silver equivalent or greater from the Property on or before the date that is five years following the closing date (the "Milestone Deadline"); and
  - b. 16,800,000 Performance Rights shall automatically convert, without payment of additional consideration, into 16,800,000 AML Shares upon AML achieving a 60 million oz resource at 300g/t silver equivalent or greater from the Property on or before the date that is five years following the closing date; and
4. Grant to the Company a 2.0% net smelter return royalty in respect of all mineral production from the area within the boundaries of the Property.

In addition to the consideration outlined above, pursuant to the terms of the AML Agreement, on and from the closing date until the date which five years thereafter (the "Minimum Expenditure Period"), AML has agreed to incur a minimum of \$2,000,000 in exploration expenditures on the Property (the "Minimum Expenditure Commitment") and, in the event that: (i) the Minimum Expenditure Commitment is not satisfied during the Minimum Expenditure Period; and (ii) no Performance Rights have vested as at such time, AML shall make an immediate cash payment of US\$500,000 to the Company.

The net loss from discontinued operations from the Gavilanes property, which include the results of operating activities for the three months ended March 31, 2025 and 2024, are as follows:

	March 31, 2025	March 31, 2024
General office and regulatory fees	\$ 20,158	\$ 30,251
Exploration fees	167,484	200,854
Foreign exchange loss	(1,807)	1,375
<b>Net loss</b>	<b>\$ 185,835</b>	<b>\$ 232,480</b>

As at March 31, 2025 and December 31, 2024, the assets and liabilities that are included in the held for sale categories are summarized below:

	March 31, 2025	December 31, 2024
<b>Assets classified as held-for-sale:</b>	<b>Gavilanes Property</b>	<b>Gavilanes Property</b>
Cash	\$ 24,970	\$ 6,660
Exploration and evaluation assets	623,897	619,313
	<b>\$ 648,867</b>	<b>\$ 625,973</b>
<b>Liabilities classified as held-for-sale:</b>	<b>Gavilanes Property</b>	<b>Gavilanes Property</b>
Accounts payable and accrued liabilities	\$ 1,013	\$ 3,779

## SUMMARY OF ANNUAL RESULTS

The following table is derived from the audited consolidated financial statements of Sailfish for the year ended December 31, 2024, 2023 and 2022:

	December 31, 2024	December 31, 2023	December 31, 2022
Total assets	\$ 39,085,404	\$ 42,793,626	\$ 42,467,214
Total non-current liabilities	3,956,505	3,923,114	-
Total equity	33,768,164	37,421,512	41,281,294
Total revenue	2,839,933	2,333,092	2,646,301
Basic earnings (loss) per share	0.01	(0.02)	(0.02)
Diluted (loss) earnings per share	0.01	(0.02)	(0.02)
Net income (loss) before comprehensive income (loss)	550,033	(1,105,864)	(1,205,499)

## SUMMARY OF QUARTERLY RESULTS

Sailfish's quarterly financial statements are prepared under IFRS Accounting Standards applicable to preparation of interim financial statements under IAS 34, Interim Reporting. The following table provides highlights from Sailfish's financial statements of quarterly results for the past eight quarters.

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total sales	\$ 51,297	\$ 292,841	\$ 518,082	\$ 858,398
Total royalty revenue	587,220	432,871	211,942	167,844
Net income (loss) before comprehensive income				
(loss) for the quarter	(75,718)	(601,824)	(137,648)	1,141,470
Basic earnings (loss) per share	(0.00)	(0.01)	(0.00)	0.02
Diluted earnings (loss) per share	(0.00)	(0.01)	(0.00)	0.02
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Total sales	\$ 195,968	\$ 466,543	\$ 399,317	\$ 529,648
Total royalty revenue	161,987	246,445	14,661	-
Net income (loss) before comprehensive income				
(loss) for the quarter	148,034	204,956	(267,312)	(433,951)
Basic loss per share	0.00	0.00	(0.00)	(0.01)
Diluted loss per share	0.00	0.00	(0.00)	(0.01)

## RESULTS OF OPERATIONS

### *For the three months ended March 31, 2025 and 2024:*

- Sailfish recorded a net loss of \$75,718 for the three months ended March 31, 2025 (\$0.00 basic loss per common share) compared to net income of \$148,034 (\$0.00 basic income per common share) for the three months ended March 31, 2024, a change of \$223,752, as explained in the following paragraphs:
- Sales for the three months ended March 31, 2025 were \$51,297 (comparative three months ended March 31, 2024 - \$195,968). The decrease in gold sales is due to Mako mining outside of the original San Albino area of interest (whereby the gold stream equivalent to a 3% NSR is applicable) resulting in sales of 18 ounces of gold with an average realized selling price of \$2,900 per ounce (comparative three months ended March 31, 2024 - sales of 91 ounces of gold with an average realized selling price of \$2,152 per ounce).
- Royalty revenue for the three months ended March 31, 2025 was \$535,923 (comparative three months ended March 31, 2024 - \$161,987). The increase in royalty revenue is due to Mako mining outside the original San Albino area of interest. The Company holds a 2% NSR on the district-scale land package (~134.5 square kilometers) surrounding the original San Albino area of interest.
- Share based compensation for the three months ended March 31, 2025 was \$320,697 (comparative three months ended March 31, 2024 - \$59,337). The increase is due to the timing of vesting provisions and volume of stock options grants during the period.
- Professional fees for the three months ended March 31, 2025 were \$51,982 (comparative three months ended March 31, 2024 - \$83,391). The decrease in professional fees is due from less transactional activity whereby professional services were needed.
- Fair value adjustment on the silver receivable for the three months ended March 31, 2025 was \$268,645 (comparative three months ended March 31, 2024 - \$627,564). The fair value adjustments on the silver receivable are based on the discounted anticipated collection date of future silver deliveries and silver sales and changes to the forward curve silver price projections as they relate to the Silver Purchase Agreement entered into with Mako on May 24, 2023, whereby the Company paid \$6 million to acquire 13,500 ounces per month of refined silver for a 24-month term.
- During the final quarter of 2024, the Company entered into a share purchase agreement with AML pursuant to which the Company has agreed to sell to AML all of the issued and outstanding shares of Swordfish; as a result, the Gavilanes property met the criteria to be classified as held for sale. In turn, any Gavilanes property related expenses were reclassified to discontinued operations (net loss of \$185,835) (comparative three months ended March 31, 2024 – net loss of \$232,480).

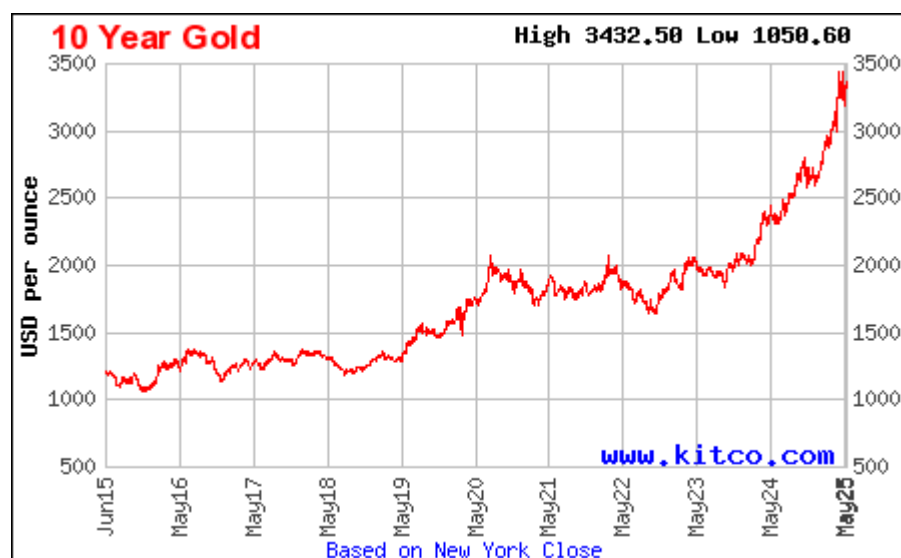
## INDUSTRY TRENDS

The tables below outline the historical 1-year and 10-year gold and silver price movements per ounce.

Price of gold (1-year chart)



Price of gold (10-year chart)



Price of Silver (1-year chart)



Price of silver (10-year chart)



## LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company considers its capital under management to consist of cash and cash equivalents, royalty and stream interests, receivables, share capital, contributed surplus and due to/from related parties. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

Historically, the Company has experienced operating losses (excluding the gain on sale of the TZ Royalty in 2021) and negative operating cash flows and anticipates that operating expenses will continue to exceed funds received from revenues for the next year. As at March 31, 2025, the Company's working capital totalled \$3,210,196 (December 31, 2024 - \$3,792,519).

A summary and discussion of Sailfish's cash inflows and outflows for the three months ended March 31, 2025 is as follows:

## Operating Activities

Cash used for operating activities during the three months ended March 31, 2025 was \$232,301 (comparative three months ended March 31, 2024 – \$557,131). The addbacks to the net loss during the three months ended March 31, 2025 included interest expense of \$109,673 (comparative three months ended March 31, 2024 - \$109,710), depletion (including depletion in ending inventory) of \$11,917 (comparative three months ended March 31, 2024 - \$61,358), share-based compensation of \$320,697 (comparative three months ended March 31, 2024 – \$59,337) and an unrealized foreign exchange loss of \$3,845 (comparative three months ended March 31, 2024 – loss of \$20,137).

The deductions to the net loss during the three months ended March 31, 2025 included the fair value adjustment on silver receivable of \$268,645 (comparative three months ended March 31, 2024 - \$627,564), dividend income of \$2,191 (comparative three months ended March 31, 2024 - \$439) and interest income of \$7,183 (comparative three months ended March 31, 2024 - \$13,488).

## Investing Activities

Sailfish royalty payments from related parties during the three months ended March 31, 2025 of (\$103,053) (received payments during the comparative three months ended March 31, 2024 - \$120,955), received payments from a silver receivable of \$1,243,755 (comparative three months ended March 31, 2024 - \$1,220,771) and received interest of \$7,986 (comparative three months ended March 31, 2024 - \$14,264).

## Financing Activities

Sailfish made purchases of treasury shares during the three months ended March 31, 2025 of \$193,816 (comparative three months ended March 31, 2024 - \$426,834), transaction costs on shares bought back of \$733 (comparative three months ended March 31, 2024 - \$2,006) and received proceeds from stock options exercised of \$225,000 (comparative three months ended March 31, 2024 - \$246,626). Sailfish paid dividends of \$883,431 (comparative three months ended March 31, 2024 - \$891,362).

## OFF-BALANCE SHEET ARRANGEMENTS

Sailfish has no off-balance sheet arrangements.

## KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Information about estimates, assumptions and other sources of estimation uncertainty as at March 31, 2025 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are provided below. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Outlined below are the areas that require management to make judgements and significant estimates and assumptions:

### i. Assessment of Indicators of Impairment of Royalty and Stream Interests

Assessment of impairment of royalty and stream interests requires the use of judgments when assessing whether there are any indicators of impairment at the end of each reporting period.

For interests in operating mines (operating interests) indicators of impairment may include significant changes in future commodity prices, discount rates, operator reserve and resource estimates or other relevant information received from the operators that indicates production from operating interests will not likely occur or may be significantly reduced in the future. For interests in non-operating mines (non-operating interests), indicators of impairment may include the period, during which the entity has the right to explore in the specific area, has expired during the year or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, exploration

for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the operator has decided to discontinue such activities in the specific area, and sufficient data exists to indicate that the carrying amount of the underlying interest is unlikely to be recovered in full from successful development or by sale.

If there are indicators of impairment, management estimates the recoverable amount of the related interest in order to determine the extent of any impairment, if any. The recoverable amount is the higher of the fair value less costs of disposal and value in use. During the period ended March 31, 2025, management of the Company determined that there were no indicators of impairment for its royalty and stream interests.

**ii. Attributable Reserve and Resource Estimates**

The Company has significant royalty and stream interests which represents the capitalized expenditures related to the acquisition of royalty and stream interests, net of accumulated depletion and any impairments. The Company is required to estimate the amount of reserves and resources relating to each interest as the Company's royalty and stream interests are depleted on a units-of-production basis (once in operation), with estimated recoverable reserves and resources being used to determine the depletion rate for each of the Company's royalty and stream interests in certain instances such as impairment tests. Reserves and resources may also be used as a significant assumption for impairment assessments.

Reserves and resources are estimates of the amount of minerals that can be economically and legally extracted from the mining properties at which the Company has royalty and stream interests, adjusted where applicable to reflect the Company's percentage entitlement to minerals produced from such mines. Reserves and resources that are publicly released by the operators of the mining operations for which the Company has royalty and stream interests are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological assessments to interpret the data. The estimation of recoverable mineral reserves and resources is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, metallurgical recoveries, permitting and production costs along with geological assumptions made in estimating the size, and grade of the ore body.

Changes in the mineral reserve or mineral resource estimates may impact the carrying value of the Company's royalty and stream interests as well as the depletion rate for each of the Company's royalty and stream interests.

**iii. Fair Value of Silver Receivable**

The carrying value of the silver receivable represents management's best estimate of the fair value of the arrangement. The fair value incorporates estimates of forward silver prices and discount rates.

A 5% increase in the discount rate would decrease the value of the silver receivable by \$1,240, whereas a 5% decrease in the discount rate would increase the value of the silver receivable by \$1,588. A \$3 increase or decrease in the forward silver prices would increase or decrease the value of the silver receivable by \$39,568.

**TRANSACTIONS WITH RELATED PARTIES**

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions are listed below:

**(a) Key management compensation**

Key management includes directors and senior management. For the three months ended March 31, 2025 and 2024 the compensation was as follows:

- (i) During the three months ended March 31, 2025, the Company incurred director fees of \$16,500 (March 31, 2024 - \$16,500). Included in prepaid expenses and other assets is director fees of \$12,375 (December 31, 2024 - \$nil) and included in accounts payable is director fees of \$17,875 (December 31, 2024 - \$13,750).

- (ii) During the three months ended March 31, 2025, the Company incurred senior management fees of \$97,578 (March 31, 2024 - \$103,706). Also, included in prepaid expenses and other assets is prepaid senior management fees of \$18,838 (December 31, 2024 - \$nil). During the three months ended March 31, 2025, the Company incurred share-based compensation to key management of \$309,109 (March 31, 2024 - \$57,359).

(b) Related party transactions

- (i) At March 31, 2025 and December 31, 2024, due from related parties was comprised of the following balances:

	March 31, 2025	December 31, 2024
Due from Nicoz Resources S.A.	\$ 535,923	\$ 432,870
<b>Total due from related parties</b>	<b>\$ 535,923</b>	<b>\$ 432,870</b>

- (i) During the three months ended March 31, 2025, the Company incurred rent of \$8,981 which is included in general office and regulatory fees (March 31, 2024 - \$4,800) to a company related to one of the directors for office space for which there is no long-term commitment. Included in prepaid expenses and other assets is rent of \$4,800 (December 31, 2024 - \$nil)

- (ii) At March 31, 2025 and December 31, 2024, due to related parties was comprised of the following balances:

	March 31, 2025	December 31, 2024
Fees payable to a director and officer	\$ -	\$ 225,000
Fees payable to a director	17,875	13,750
Nicoz Resources S.A.	12,815	69,698
<b>Total due to related parties</b>	<b>\$ 30,690</b>	<b>\$ 308,448</b>

- (ii) During the three months ended March 31, 2025, the Company incurred stream payments to Nicoz Resources S.A., a subsidiary of Mako, a company related by common shareholders, officers and directors of \$69,698 (March 31, 2024 - \$144,214), of which \$12,815 (December 31, 2024 - \$69,968) is included in due to related parties and \$535,923 (December 31, 2024 - \$432,872) is included in due from related parties at March 31, 2025.
- (iii) During the three months ended March 31, 2025, the Company received and sold 40,500 ounces of silver (March 31, 2024 - 52,067) for proceeds of \$1,243,755 (March 31, 2024 - \$1,220,771).

## FINANCIAL INSTRUMENTS

(a) Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Fair Value of Financial Instruments

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. Investments in equity instruments are required to be measured by default at FVTPL (but there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income). Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2025	December 31, 2024
Cash	Amortized cost	\$ 2,195,920	\$ 2,150,823
Accounts receivable	Amortized cost	17,999	16,036
Due from related parties	Amortized cost	535,923	432,870
Silver receivable	FVTPL	910,801	1,885,911
Accounts payable and accrued liabilities	Amortized cost	(142,411)	(121,830)
Dividends payable	Amortized cost	(886,675)	(883,431)
Due to related parties	Amortized cost	(30,690)	(308,448)
Convertible debentures	Amortized cost	(3,965,082)	(3,956,505)
Convertible debentures interest payable	Amortized cost	(144,342)	(43,247)

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of all financial instruments not recorded at fair value approximates their carrying value due to either their short-term maturity and/or capacity of prompt liquidation.

The Company does not have any financial instruments that are measured using level 1, 2 or level 3 inputs, other than its silver receivable, which is measured at Level 2.

(c) Credit Risk

Credit risk is the risk of potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash held in bank accounts, accounts receivable, due from related parties and its loan silver receivable. The carrying amount of financial assets recorded in the consolidated financial statements represents the Company's exposure to credit risk.

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions and by closely monitoring its accounts receivable and silver receivable.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations, anticipated investing and financing activities and through the management of its capital structure. Accounts payable and accrued liabilities, dividends payable and due to related parties amounts of \$1,205,131 (December 31, 2024 - \$1,360,735) are due within 12 months.

(e) Market Risk

(i) Foreign Currency Risk

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company's operations and royalty and stream agreements are conducted primarily in US dollars. As a result, the Company is not significantly exposed to fluctuation in exchange rates and foreign currency risk.

At March 31, 2025 and December 31, 2024, the Company's exposure to foreign currency risk is as follows:

	March 31, 2025	December 31, 2024
Cash (C)	\$ 67,580	\$ 43,153
Cash (MXN)	24,970	6,660
Accounts payable and accrued liabilities (C)	131,760	118,018

Had the Canadian Dollar and Mexican Peso foreign exchange rate strengthened against the United States dollar by 1%, with all other variables remaining constant, the change in net income would have been insignificant. A weakening of 1% in the Canadian Dollar and Mexican Peso against the United States dollar, with all other variables held constant, would have had an equal but opposite effect.

(ii) Interest Rate Risk

The interest rate risk refers to 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 March 31, 2025 the Company has minimal exposure to interest rate risk other than as outlined in Note 3iii in the unaudited condensed interim consolidated financial statements.

(iii) Commodity price risk

Commodity price risk is the risk that the fair value of financial assets and financial liabilities or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States Dollars, as outlined above. As at March 31, 2025, the Company has exposure to commodity price risk through its royalties and streams and silver receivable. See Note 3iii in the unaudited condensed interim consolidated financial statements.

## CRITICAL ACCOUNTING POLICIES

Sailfish's material accounting policies are described in Note 2 in the audited consolidated financial statements for the year ended December 31, 2024 and 2023.

## OUTSTANDING SHARE DATA

As at the date of this MD&A, Sailfish had the following common shares and options issued and outstanding:

- 75,096,534 issued shares
- 4,830,670 options outstanding

Additional information on the stock options is explained in Note 7 in the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements or forward-looking information within the meaning of applicable securities laws concerning Sailfish's beliefs and plans, including but not limited to statements with respect to the availability of financial resources; capital, operating and cash flow estimates; and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, intentions or future events or performance are not statements of historical fact and may be "forward-looking statements".

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including but not limited to those referred to in this MD&A under the heading "Risks and Uncertainties" and elsewhere in this MD&A.

Sailfish's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and should not be relied on as representing Sailfish's views on any subsequent date. Sailfish specifically disclaims any intention or any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

## **RISKS AND UNCERTAINTIES**

### ***Negative operating cash flow***

Historically, Sailfish has negative operating cash flow from operations. To the extent that Sailfish has negative cash flow in future periods, Sailfish may need to enter into additional loan agreements and/or issue additional equity to fund such negative cash flow.

### ***Financial resources***

Sailfish has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further royalty acquisitions, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further royalty acquisitions and could cause Sailfish to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

### ***Operating Hazards and Risks***

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest are subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

### ***Metal Prices***

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced, even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that it can be mined at a profit.

### ***Title Risks***

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, transfers or native claims, and title may be affected by undetected defects.

### ***Environmental Regulations Permits and Licenses***

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Mexico provide restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of

operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various Mexican authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms, a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

***Royalties and stream interests in foreign countries***

Sailfish's royalties, streams and other interest may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of foreign countries will continue to be favorable. Any changes in regulations or shifts in political conditions are beyond the control of Sailfish and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

***Risks related to conducting business in emerging markets***

Sailfish's royalty and streaming activities, and the activities undertaken by companies from which Sailfish may acquire a royalty, stream or interest, may be in international locations that display characteristics of emerging markets. Conducting business in these countries may be subject to a variety of risks including, but not limited to: currency fluctuations, devaluations and exchange controls; inflation; uncertain political and economic conditions resulting in unfavorable government actions such as unfavorable legislation or regulation, trade restrictions, unfavorable tax enforcement or adverse tax policies; the denial of contract rights; potential sanctions implemented as a result of the United States Executive Order 13851 dated October 24, 2022 and social unrest, acts of terrorism or armed conflict. Management is unable to predict the extent or duration of these risks or quantify their potential impact.

***Potential profitability depends upon factors beyond the control of Sailfish***

The potential profitability of royalty and streaming activities is dependent upon many factors beyond Sailfish's control. For instance, world prices of and markets for gold and silver are unpredictable, volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined material may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Production will fluctuate in ways Sailfish cannot predict and are beyond Sailfish's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Sailfish.

***Repatriation of earnings***

There is no assurance that any countries in which Sailfish operates or may operate in the future will not impose restrictions or taxes on the repatriation of earnings to foreign entities.

***Currency fluctuations; foreign exchange***

The operations of Sailfish in the countries where it operates are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of Sailfish. Sailfish is subject to the risks associated with the fluctuation of the rate of exchange of the U.S. dollar and foreign currencies, in particular the Canadian dollar and the Mexican peso. Sailfish does not currently take any steps to hedge against currency fluctuations although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that steps taken by Sailfish to address foreign currency fluctuations will eliminate all adverse effects and, accordingly, Sailfish may suffer losses due to adverse foreign currency fluctuations.

Sailfish may be subject from time to time to foreign exchange controls in countries outside of the United States although no such controls are currently known to Sailfish.

***Price volatility and lack of active market***

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not

necessarily been related to their operating performance, underlying asset values or prospects of such companies. Any quoted market for Sailfish's securities will likely be subject to such market trends and the value of Sailfish's securities may be affected accordingly.

#### ***Key executives***

Sailfish is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of Sailfish are likely to be of importance. Locating royalty streaming agreements depends on a number of factors, not the least of which is the technical skill of the personnel involved. Due to the relatively small size of Sailfish, the loss of these persons or Sailfish's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. Sailfish does not currently carry any key man life insurance on any of its executives. The directors and officers of Sailfish will only devote part of their time to the affairs of Sailfish.

#### ***Competition***

The mineral royalty and streaming agreement business is competitive in all of its phases. Sailfish competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of royalty and streaming agreements. Sailfish's ability to acquire royalty and streaming agreements in the future will depend not only on its ability to develop its present royalty and streaming agreements, but also on its ability to select and acquire suitable prospects. There is no assurance that Sailfish will be able to compete successfully with others in acquiring such prospects.

#### ***Potential conflicts of interest***

Certain directors and officers of Sailfish are, and may continue to be, involved in the royalty and streaming agreements industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Sailfish. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Sailfish and the Sailfish's interests may be adversely affected.

#### ***Dilution***

Issuances of additional securities under future financings will result in dilution of the equity interests of persons who are currently Shareholders or who become Shareholders of Sailfish.

#### ***Nature of the securities***

The purchase of Sailfish's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. Sailfish's securities should not be purchased by persons who cannot afford to lose their entire investment.

### **CORPORATE GOVERNANCE**

Management of the Company is responsible for the preparation and presentation of the condensed interim and annual consolidated financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the board of directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the audited consolidated annual financial statements and MD&A. Responsibility for the review and approval of the Company's annual consolidated financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of 3 directors, 2 of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The external auditors are appointed annually by the shareholders to conduct an annual audit of the financial statements in accordance with Canadian Auditing Standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit, as well as assist the members of the Audit Committee in discharging its corporate governance responsibilities.

### **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to March 31, 2025, the Company paid a dividend of \$0.0125 per common share. The total dividend payment resulted in the issuance of 433,359 common shares under the Company's dividend reinvestment plan and a payment of \$371,500.

Subsequent to March 31, 2025, the Company declared a dividend of \$0.0125 per common share that will be payable on July 15, 2025 to Company shareholders of record as of the close of business on June 30, 2025.

Subsequent to March 31, 2025, the Company purchased 346,700 common shares on-market of which all have been cancelled.

Subsequent to March 31, 2025, Sailfish cancelled 182,600 common shares that were purchased during the period ended March 31, 2025.

Subsequent to March 31, 2025, the Company received 27,000 ounces of silver pertaining to its Silver Receivable.

On April 29, 2025, the Company announced that it has successfully exercised its option to purchase all remaining silver production from Mako's San Albino mine and from concessions owned by Mako at March 1, 2023. Consideration paid to Mako for the exercise of the option was \$1 million.

On May 13, 2025, the Company announced that, in accordance with the terms of the Convertible Debentures, the Company has exercised its option to convert the outstanding Convertible Debentures into common shares in the capital of the Company by issuing 4,134,013 common shares to holders of the Convertible Debentures. The Company also has elected to settle an aggregate of \$185,639 in outstanding interest accrued up to May 8, 2025 through the issuance of an aggregate of 124,322 common shares at a deemed price of CDN\$2.06 per common share to the holders of the Convertible Debentures.

#### **OTHER INFORMATION**

Additional information relating to the Company is available for viewing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at the Company's web site [www.sailfishroyalty.com](http://www.sailfishroyalty.com).

Approved by the audit committee and board of directors for issue on May 28, 2025.