

Royalties Inc. Reports Q3 Results For September 30, 2025 and Success on Capstone Copper Lawsuit for 2% NSR on Cozamin Mine

Toronto, Ontario--(Newsfile Corp. - November 28, 2025) - **Royalties Inc. (CSE: RI) (OTCID: ROYIF)** (or "the **Company**") reports its results for the third quarter ended September 30, 2025.

This news release should be read in conjunction with the Company's unaudited financial statements and the associated management's discussion and analysis (MD&A) for the quarter ended September 30, 2025 which are available on the Company's website at www.royaltiesinc.com or under the Company's profile on SEDAR+ at www.SEDARplus.ca.

In the third quarter of 2025, the Company generated revenue of \$41,240 (+60%), consisting of \$36,150 in dividend income from its increased investment in Music Royalties Inc. ("MRI") and \$5,090 in other royalty income. Operating expenses totaled \$111,727 (+130%), due to the expenses of the OTC US listing, legal expenses and increased marketing commensurate with the success in the lawsuit against Capstone Copper, leading to an operating loss of \$70,487 versus \$22,875 in the prior year's quarter. A non-cash foreign exchange loss of \$62,273 on a US\$2 million denominated contingent liability of a Mexico subsidiary resulted in a net loss of \$132,760 for the quarter, compared with a net loss of \$31,454 in Q3 2024. For the nine-month period, the Company had a net loss of \$54,584 versus a loss of \$118,762 in the prior year.

As at September 30, 2025, total assets increased to \$2.775 million (December 31, 2024 - \$1.25 million), reflecting the Company's increased investment in MRI of \$1,525,000, for a total of \$2,525,000 which will generate \$181,800 in dividend income per year.

Ownership of 2% NSR on Capstone's Cozamin Mine Confirmed by Zacatecas Appeals Court

Royalties Inc.'s 88% subsidiary Minera Portree de Zacatecas ("MPZ") achieved a significant legal victory in Mexico on June 16, 2025 when it obtained a favourable court judgment confirming its entitlement to a 2% net smelter royalty ("NSR") on five concessions ("Portree claims") at Capstone Copper's ("Capstone") Cozamin Mine. Capstone appealed and on November 4, 2025, the Civil Chamber of the Superior Tribunal of Justice of Zacatecas upheld MPZ's entitlement to royalties established in a January 11, 2002, mining contract and rejected the appeals filed by defendants Raúl González Anaya and Capstone Gold S.A. de C.V. - the Appellate Court concluded that the defendants had improperly transferred the royalties without authorization. The next step is the calculation and the collection of the amount owed on the 2% NSR on past production from the Portree claim under the tailings pond. The accuracy of this amount will only be determined with the co-operation of Capstone, which has not been forthcoming. However, based on Capstone's public disclosures including its 43-101 reports and royalties paid in its audited financial statements, it is possible to estimate a figure of US\$9 million for the amount owing before interest and damages.

Capstone initially reported that mining started within the Portree claim in the fourth quarter of 2019 which equates to 6 years of production. The company estimates that Portree represents up to 30% of the Mala Noche Footwall Zone ("MNFZ") based on the assumption of the proportion of the surface linear strike of 1.5 km of the MNFZ, the area which has represented almost all of the production at the Cozamin Mine since 2017, according to Capstone.

In 2024, Capstone paid US\$4.4 million in royalties on US\$234 million of net revenues for an average 1.9% NSR paid to two royalty holders. Royalties of US\$1.2 million were paid to Gold Royalty Corporation ("GROY") in respect of a 1% NSR on 2 claims only 300 meters and down strike from the Portree claim on the MNFZ. Royalties of US\$3.2 million were paid to Grupo Minera Bacis S.A. de C.V.

("Bacis"), the former owner of the Cozamin Mine, under the terms of a December 2003 agreement where a 3% NSR is paid on production from the property covered by the agreement. However, based on Capstone's 43-101 and numerous public documents, MPZ estimates that the Bacis area has long since been substantially mined out and therefore Capstone has incorrectly paid Bacis, royalties due to MPZ. Accordingly, the 2% NSR equates to approximately US\$1.5 million per year on the production since 2019 for a total estimated US\$9 million amount owing to MPZ.

In addition, the actual value of the 2% NSR includes the future production under the current mine plan to 2030 plus the depth potential and any resource mined on the remaining 90% of the area covered by the five Portree claims which is yet to be exploited. This includes the historical high grade Parroquia copper mine in the southwest of current mine operations with an estimated 2 million tonnes historical resource. MPZ hired a local geological expert who reviewed Capstone's public 2019-2020 drill results on the Portree claim and estimated the value of the 2% NSR at US\$25 million. With the ongoing rise in copper and especially with record silver prices, the value of the 2% NSR will continue to appreciate for the foreseeable future.

"The second legal victory against Capstone in Mexico, which has clearly lost twice in court in a simple open and shut case, should finally bring its Management and Directors to their senses to step up and resolve this unnecessary dispute. Unfortunately, they have been relying on the bad advice of a Mexican lawyer who is documented lying in front of the judge. We are committed to using all means at our disposal to exact accountability and settlement, including the seizing of assets which will involve the police. This is an immaterial claim to Capstone and should be dealt with accordingly," commented Tim Gallagher, Chairman and CEO.

About Royalties Inc.

- Royalties Inc. owns a 100% interest, subject to a 1.5% NSR owned as a separate asset, on the Bilbao silver-zinc-lead project located in the State of Zacatecas, Mexico.
- Royalties Inc. owns 88% of the outstanding shares of Minera Portree de Zacatecas, S.A. de C.V. ("MPZ") which holds a court confirmed claim (twice) to a 2% net smelter royalty established in 2002 on five mining concessions called the 'Portree claims', a portion of which is on the Mala Noche Footwall Zone, the main source of production at the Cozamin mine where Capstone Copper Corp. ("Capstone") has been mining since 2010. Capstone attempted to assign this royalty to themselves without the knowledge, consent or proper payment to MPZ, the longstanding and rightful owner since 2002.
- Royalties Inc. has a 5% stake in [Music Royalties Inc.](#) ("MRI"), which has paid out over \$13 million in 70 monthly dividends since 2019 from 31 cash-flowing catalogs with 7,000 songs with a 7.2% annual yield.

For further information contact Royalties Inc. at www.royaltiesinc.com.

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"proposed", "estimate", "believe" or the negative of those terms, or other similar words, expressions, and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to: sufficient capital and financing required in order to fulfill the Company's business plans and strategy may not be obtained as expected; that the Company will not be able to pay future dividends; and other risks related to the Company as disclosed in the documents filed on the Company's profile at SEDAR+ at www.SEDARplus.ca. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements contained in this press release and they are expressly qualified in their entirety by this cautionary statement. The forward-looking statements herein are made as at the date hereof and are based on the beliefs, estimates, expectations, and opinions of management on such date. The Company does not undertake any obligation to update publicly or revise any such forward-looking statements whether as a result of new information, future events or to explain any material difference between subsequent actual events and such forward-looking information, except as required under applicable securities law.



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