

# Royalties Inc. (CSE:RI, OTCID:ROYIF) – Investment Rationale

*A Pre-dividend Royalty Company with uncorrelated long-term royalty income*

## 1. Unmatched Diversification: Stability & Growth

- **Music Royalties:** 4.9% stake in MRI delivering an after-tax 7.2% dividend yield and recurring revenue driven by 7,000+ songs
- **Silver Upside:** Exposure to silver-zinc royalties with 300% revaluation potential upon silver price breakout to US\$50/oz
- **Recession-Proof Model:** Music royalties offer steady income, while mining royalties provide upside from a 1% dividend yield valuation

## 3. Undervalued with Insider Confidence

- **Value Play:** Trading at \$15M market cap vs. peers at \$20M-\$100M+, with a potential 2-5x upside
- **Insider Buying:** CEO owns 18% of shares and is incentivized to initiate a dividend
- **Sector Tailwinds:** Precious metals super cycle and music streaming boom fuel long-term expansion

## 2. Financial Catalysts

- **Accelerating Revenue Growth:** projected to exceed \$200K in 2026 covering corporate overhead
- **Cozamin Mine Royalty:** Potential \$25M+ litigation windfall or \$2.5M/year in recurring payments
- **Bilbao Project:** Monetization potential of \$5-10M when silver surpasses \$50/oz

## Strategic Vision – Creating a Compounding Machine

Monetize Silver Property and Cozamin Mine Royalty for Cash

1

Acquire Cash Flowing Music Royalties Generating 15% Yields

2

Cash Flow Positive

3

Share Buybacks and Pay Dividends

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### Why Silver? Why Now?

1. **Industrial Demand** A surge in industrial usage of silver, particularly in sectors like renewable energy, military applications
2. **Investment Demand** Growing interest from central banks and institutional investors in precious metals, including silver, has contributed to the rally.
3. 5-year **structural deficit** Limited supply coupled with rising demand creates upward pressure on prices
4. Trump is pushing for **lower interest rates** and quantitative easing or printing money
5. Tariffs are **weakening the economy** and job growth, possible recession
6. **Risk of inflation** rate being greater than interest rate implies negative interest rates and stagflation
7. Unstoppable **US debt and deficits** has led to **de-dollarization**, debasing the US Dollar
8. Precious metals are **under-owned** at 0.5% of investor assets
9. Alternative **safe haven hard asset that keeps up with inflation** – an inflation hedge

### Investor Materials



**Tim Gallagher**  
Chairman & CEO  
Royalties Inc.  
[Tim@royaltiesinc.com](mailto:Tim@royaltiesinc.com)  
416-276-5440

**Connor Gallagher**  
Investor Relations  
Royalties Inc.  
[Connor@royaltiesinc.com](mailto:Connor@royaltiesinc.com)  
647-921-2206

**Andrew Robertson**  
Director  
Royalties Inc.  
[Andrew@royaltiesinc.com](mailto:Andrew@royaltiesinc.com)  
416-317-0137

**Chris Simmons**  
Marketing  
Music Royalties Inc.  
[Chris@royaltiesinc.com](mailto:Chris@royaltiesinc.com)  
647-991-2012

