



ROYALTIES INC.

A Diversified Royalty Company Buying Cash flowing Royalties

Investors should allocate at least 5% of their portfolio to Royalties as an asset class for Derisked, Diversified, Uncorrelated Growth and Income

*100% Margin Business Model, Asset Light, Perpetual Cash Flow,
1% Dividend Yield = 10x Capital Gain*

Why Royalties – 100% Margin, No Employees, No Debt, No Fees

A Predictable, Passive Income Stream:

Royalties provide regular payments without requiring active management, offering a steady cash flow. Many royalty agreements have structured payment schedules, offering financial predictability.

Diversification:

Investing in royalties (e.g., music, mineral, or intellectual property royalties) adds a unique asset class to a portfolio, reducing reliance on traditional investments like stocks or bonds.

Inflation Hedge:

Royalty payments, especially in commodities like oil or gas, often correlate with inflation, preserving purchasing power. Additionally, with streaming subscription prices rising, IP royalties experience an 'increase in rent' to music subscribers.

Low Correlation with Markets:

Royalty income is often independent of stock market fluctuations, providing stability during economic downturns.

Long-Term Revenue Potential:

Royalties from enduring assets (e.g., hit songs, patents, or mineral rights) can generate income for decades.

Low Maintenance:

Once acquired, royalties typically require minimal ongoing effort compared to managing a business or real estate.

Tax Advantages:

In some jurisdictions, royalty income may receive favorable tax treatment, depending on the asset and structure.

Hedge Against Technological Disruption:

Royalties tied to evergreen content or resources (e.g., classic music or natural resources) may be less impacted by technological changes.

Leverage Intellectual Property:

For creators, royalties monetize intellectual property (e.g., books, music, or patents) without selling ownership outright. For resources, increased commodity prices would increase your royalty value.

Risk Mitigation:

Royalties often involve predictable payments, reducing exposure to operational risks of the underlying business or project.

Global Reach with Generational Wealth Creation:

Royalties from digital content (e.g., streaming music or software) can generate income from global markets. Royalties can provide income for future generations, as rights can often be passed down or sold.

Public Royalty Revaluation – 1% Dividend Yield

Metals (Tied to Property)							
Company	Ticker	Price	Market Cap	Employees	Yield		
1	Wheaton Precious Metals Corp.	WPM	\$ 149.10	66,357,730,000	42	0.6%	
2	Franco-Nevada Corporation	FNV	\$ 290.30	54,881,320,000	40	0.7%	
3	Royal Gold Inc.	RGLD	\$ 198.38	13,059,563,699	30	0.9%	
4	OR Royalties Inc.	OR	\$ 53.64	10,093,798,188	27	0.6%	
5	Triple Flag Precious Metals Corp.	TFPM	\$ 44.62	8,924,380,000	19	0.8%	
6	Sandstorm Gold Ltd.	SSL	\$ 17.30	5,102,882,390	29	0.5%	
7	Labrador Iron Ore Royalty Corp	LIF	\$ 28.11	1,799,040,000	10	6.8%	
8	Altius Minerals Corporation	ALS	\$ 35.00	1,619,661,750	18	1.1%	
9	Versamet Royalties Corporation	VMET	\$ 11.00	1,027,000,000	6		
10	Metalla Royalty & Streaming Ltd.	MTA	\$ 10.05	897,711,700	6		
11	EMX Royalty Corporation	EMX	\$ 6.42	700,928,538	49		
12	Uranium Royalty Corp.	URC	\$ 5.48	732,336,788	14		
13	Gold Royalty Corp	GROY	\$ 3.65	621,426,208	13		
14	Elemental Altus Royalties Corp	ELE	\$ 23.82	588,259,196	13		
15	Vox Royalty Corp.	VOXR	\$ 6.16	418,798,934	6	1.2%	
16	Lithium Royalty Corp.	LIRC	\$ 6.29	339,257,600	8		
17	Vizsla Royalties Corp.	VROY	\$ 4.44	297,416,108	1		
18	SAILFISH ROYALTY CORP.	FISH	\$ 2.77	210,528,400	1	2.3%	
19	Horizon Copper Corp.	HCU	\$ 2.00	184,258,200	1		
20	Orogen Royalties Inc.	OGN	\$ 2.24	131,185,500	10		
21	Nations Royalty Corp	NRC	\$ 1.00	140,413,000	10		
22	Empress Royalty Corp.	EMPR	\$ 0.91	116,216,600	3		
23	GlobeX Mining Enterprises Inc.	GMX	\$ 1.95	109,380,258	3		
24	Nickel 28 Capital Corp	NKL	\$ 0.76	66,014,025	7		
25	TNR Gold Corp.	TNR	\$ 0.12	23,811,532	1		
26	Star Royalties Ltd.	STRR	\$ 0.30	22,413,030	6		
27	Silver Crown Royalties Inc.	SCRI	\$ 6.25	19,223,437	2		
28	Electric Royalties Ltd.	ELEC	\$ 0.16	18,103,829	1		
29	Eagle Royalties Ltd.	ER	\$ 0.15	8,551,564	1		
Total			\$ 168,511,610,474			1.5%	
Oil & Gas (Tied to Property)							
Company	Ticker	Price	Market Cap	Employees	Yield		
30	Prairiesky Royalty Ltd.	PSK	\$ 25.00	5,840,670,000	75	3.9%	
31	Topaz Energy Corp	TPZ	\$ 24.75	3,806,814,825	13	5.1%	
32	Freehold Royalties Ltd.	FRU	\$ 13.61	2,221,663,000	98	7.7%	
33	Source Rock Royalties Ltd	SRR	\$ 0.85	38,446,902	2	9.0%	
Total			\$ 11,907,594,727			6.4%	
Business Royalties (Tied to Operator)							
Company	Ticker	Price	Market Cap	Employees	Yield		
34	Exchange Income Corporation	EIF	\$ 77.48	4,012,559,033	610	3.6%	
35	Alaris Equity Partners Inc.	AD.UN	\$ 18.38	833,327,327	20	7.0%	
36	Diversified Royalty Corp.	DIV	\$ 102.88	604,746,600	43	7.4%	
37	Decisive Dividend Corp.	DE	\$ 7.50	150,157,350	63	7.3%	
38	Duke Capital Ltd	DUKE	\$ 28.25	142,748,400	5	9.7%	
Total			\$ 5,743,538,710			7.0%	
Restaurant Royalties - Most are Trusts and Have to Pay Out 100%							
Company	Ticker	Price	Market Cap	Employees	Yield		
39	A&W Food Services of Canada Inc.	AW	\$ 38.09	895,600,000	1	5.0%	
40	Boston Pizza Royalties Income Func	BPF.UN	\$ 21.23	446,000,000	163	6.6%	
41	Pizza Pizza Royalty Corp.	PZA	\$ 15.81	389,216,745	1	6.0%	
PTE	Keg Royalties Income Fund	KEG.UN	\$ 14.50	165,300,000	1	7.5%	
42	SIR Royalty Income Fund	SRV.UN	\$ 14.47	124,500,000	1	7.8%	
Total			\$ 2,020,616,745			6.6%	
Total Market Cap for Royalty Companies			\$ 188,183,360,656				

Overview – Monetizing Mining Assets to Acquire Royalty CF

History

- In 2022, Royalties Inc. (“RI” or “the Company”), formerly Xtierra Inc., transitioned from mineral exploration company to focus on the more consistent and lucrative business of cash flowing royalties primarily copyrighted IP due to its longevity
- RI is looking to sell its Silver-Zinc-Lead project for a minimum \$3M to acquire \$400K in cash flowing royalties, mainly interests from rightsholders (artists, producers, songwriters)

Corporate Profile

- HQ: Toronto, Canada
- Management Team: 3
- Website: royaltiesinc.com
- CSE: RI
- OTCID: ROYIF
- Shares Outstanding: 254,606,390 (20% public float)
- Market Cap: \$18 Million

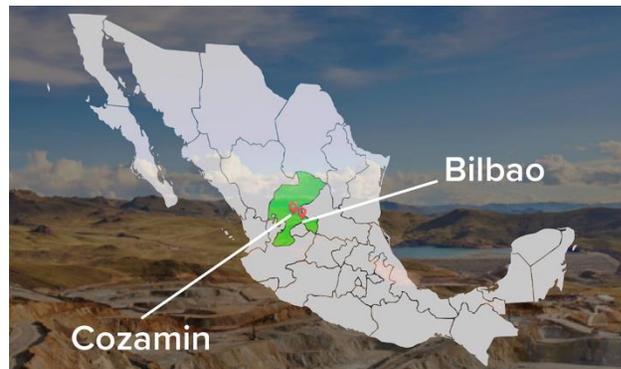
Asset Overview

Three Distinct Assets of Value and Upside

Royalties Inc. combines three value drivers in one company: 1) a 2% net smelter royalty on the Cozamin mine, 2) a 100 % interest (subject to a 1.5% NSR) in the Bilbao silver-zinc-lead project in Zacatecas, and a 4.9 % stake in Music Royalties Inc.'s proven, cash-flowing song catalogs, which has paid 68 monthly dividends and over \$12 million since 2019

Cozamin 2% NSR Lawsuit

- Court-Validated 2% Net Smelter Return – in Appeal
- US\$8 million owed on 2019 to 2025 production
- Future production to 2031
- Depth potential post 2032
- Upside from 5 concessions
- Leverage to copper and silver price increases



Bilbao Ag-Zn-Pb Project

- 100% interest, subject to 1.5% NSR, separately owned
- Silver-Lead-Zinc Project also in Zacatecas, Mexico known for it's prolific mining zone.
- Strategic exit or JV Potential, with strong optionality

Music Royalties IP

- 4.9% in Music Royalties Inc.
- 7,000 songs generating monthly cash flow
- Non-correlated recurring income
- Royalties from top artists including RS, Who, Kinks, DS Rihanna, Eminem, Drake



Asset #1: Silver Project – Potential US\$5-10 Million in Value

Bullish outlook for silver in the current macroeconomic environment - a perfect storm for monetizing

Profile and Status

- Location: Zacatecas, Mexico
- **Ownership: 100% interest**
- Over \$23M invested
- Mining claims
- Land claims
- 1.5% NSR

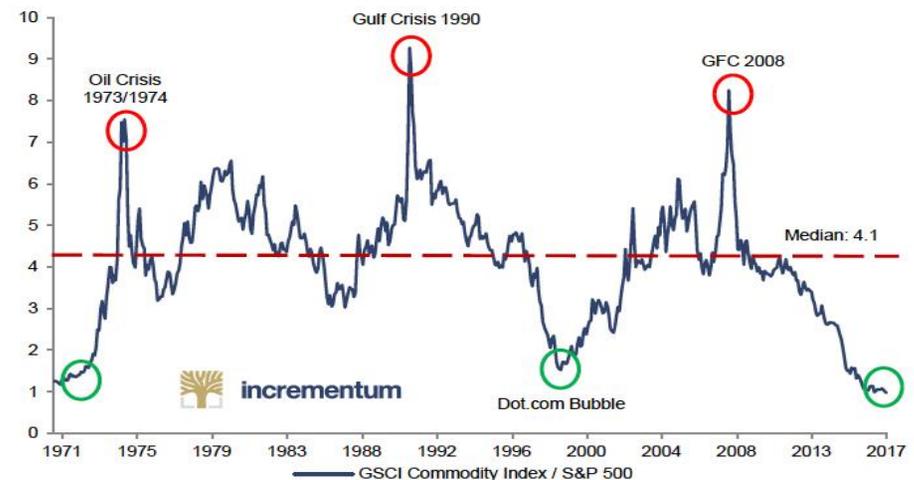
Macro Outlook for Silver Super Cycle

- **Strong Industrial Demand:** Silver's essential role in sectors like solar energy and electric vehicles has led to increased consumption, particularly in China, contributing to a supply deficit and supporting higher prices. Contributing to a supply deficit of 150Moz for 2025 for its fifth year⁽¹⁾
- **Supply Constraints:** Challenges such as weak mine production, labor strikes, and reduced byproduct output from lower zinc prices have resulted in a consistent supply deficit, further bolstering silver's value⁽¹⁾
- **Economic Uncertainty and Investment Appeal:** In times of economic uncertainty, silver serves as a safe-haven asset. Predictions of potential recessions and expectations of Federal Reserve interest rate cuts have driven investors toward silver, enhancing its investment appeal; hence, the silver price is expected to rise to US\$50-100 before 2030⁽²⁾

2014 PEA Summary and Deposit Type

- **Price Assumptions (2014):** \$30.24/oz Silver, \$0.94/lb Zinc, \$1.01/lb Lead
- **Production per Year (2014):** 1 Million oz of Silver, 20 Million lbs of Zinc, 17 Million lbs of Lead
- **Mine Life (2014):** 8 Years
- **Required Capex:** US\$100 Million
- **Deposit Type:** Polymetallic, silver-zinc-lead, skarn-type replacement sulphide deposit with a deeply weathered oxide cap

GSCI/S&P500 ratio: equities expensive, commodities cheap?



Source: Dr. Torsten Dennin, Incrementum AG

5 (1) [WSJ 'Silver Having its Golden Moment'](#)
(2) [MarketWatch 'Jim Rogers – Expects bad recession and Why buying Silver instead of Gold'](#)

Asset #1: Silver Super Cycle

Bullish outlook for silver implies its the perfect time for monetizing the Bilbao silver project

Macro Outlook for Silver Super Cycle – US\$30 to US\$52 per ounce in 2025 (+73%)

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(2) [MarketWatch 'Jim Rogers – Expects bad recession and Why buying Silver instead of Gold'](#)

Asset #2: Disputed Capstone Cozamin 2% Net Smelter Royalty

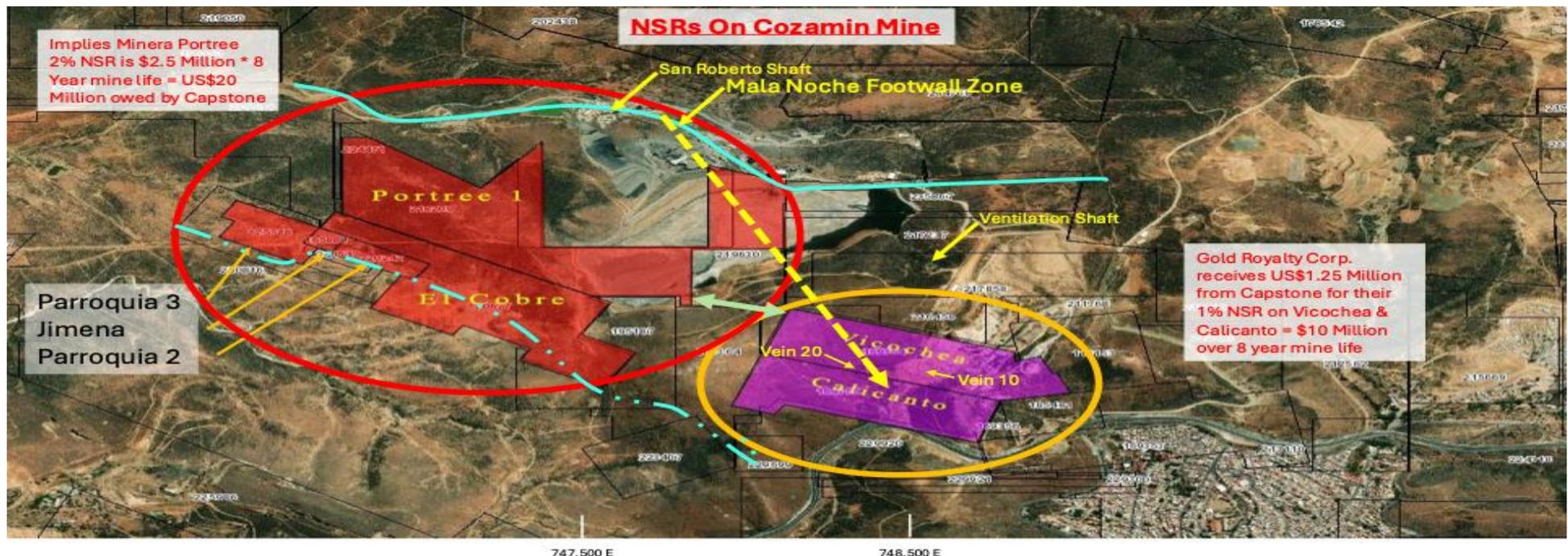
A potential \$25 Million+ litigation windfall or \$2.5 Million/year in recurring payments

Asset Overview

- RI holds an 88% interest in Minera Portree in Zacatecas, Mexico
- Disputed 2% Net Smelter Royalty (“NSR”) on Capstone Copper Corp.’s Cozamin Mine
- Capstone improperly transferred the 2% NSR to itself without the knowledge or proper payment to its owner

Legal Proceedings

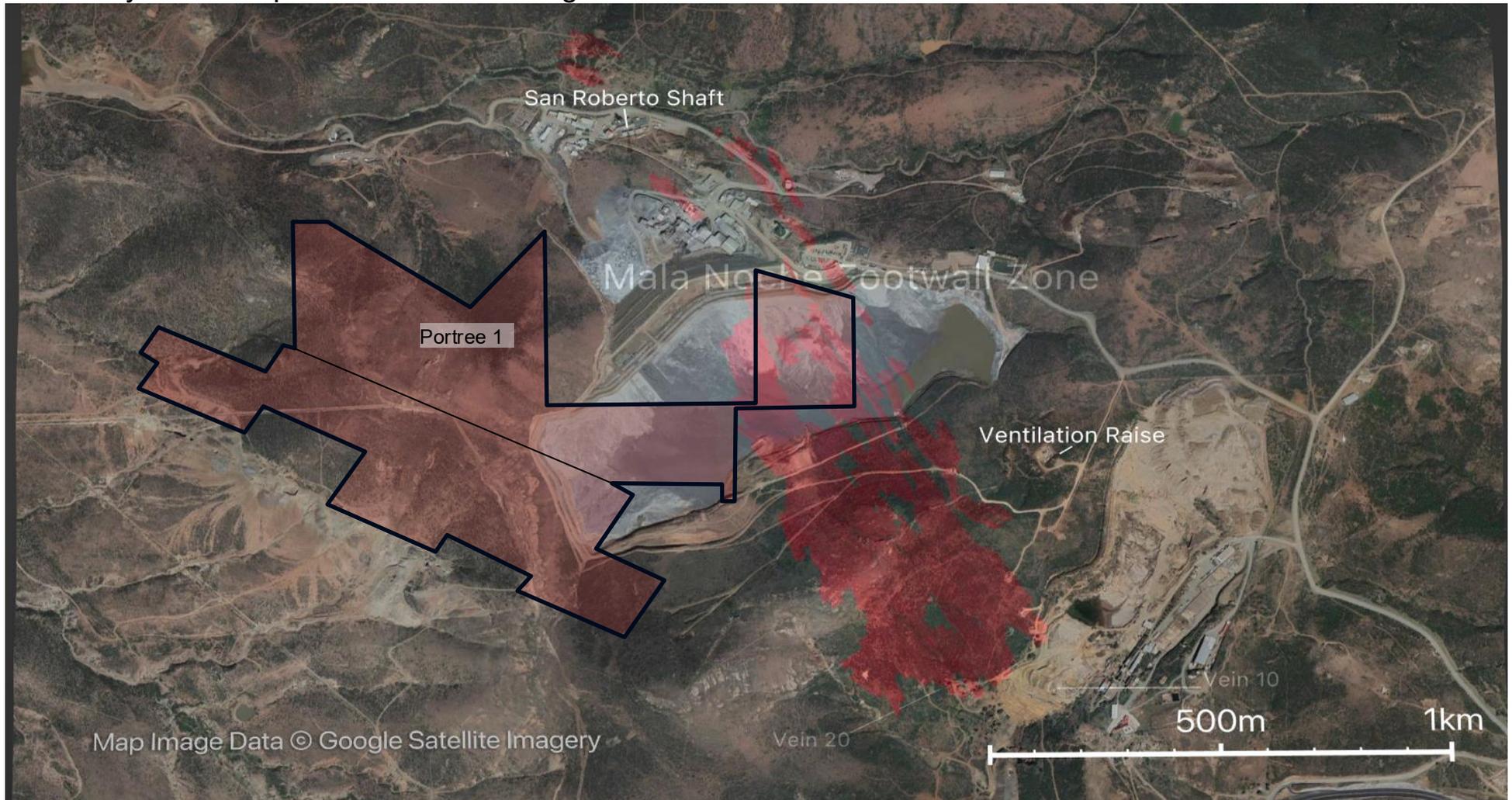
- Royalties Inc. secured landmark victory on June 16, 2025
 - A Zacatecas court judgment properly recognized the 2% NSR on the Portree claims as Royalties Inc.’s and ordered payment of royalties
- Capstone (CS) has appealed** based on:
 - their belief of the court’s failure to quantify an amount owed to MPZ (which is not possible without CS providing access to internal production records) and
 - that the 2019 assignment contract had the consent of MPZ (the POA given to Raul was limited to administering or managing Net Refinery Payments to MPZ, not the change of ownership)



Asset #2: Capstone US\$25 Million Lawsuit

Overview

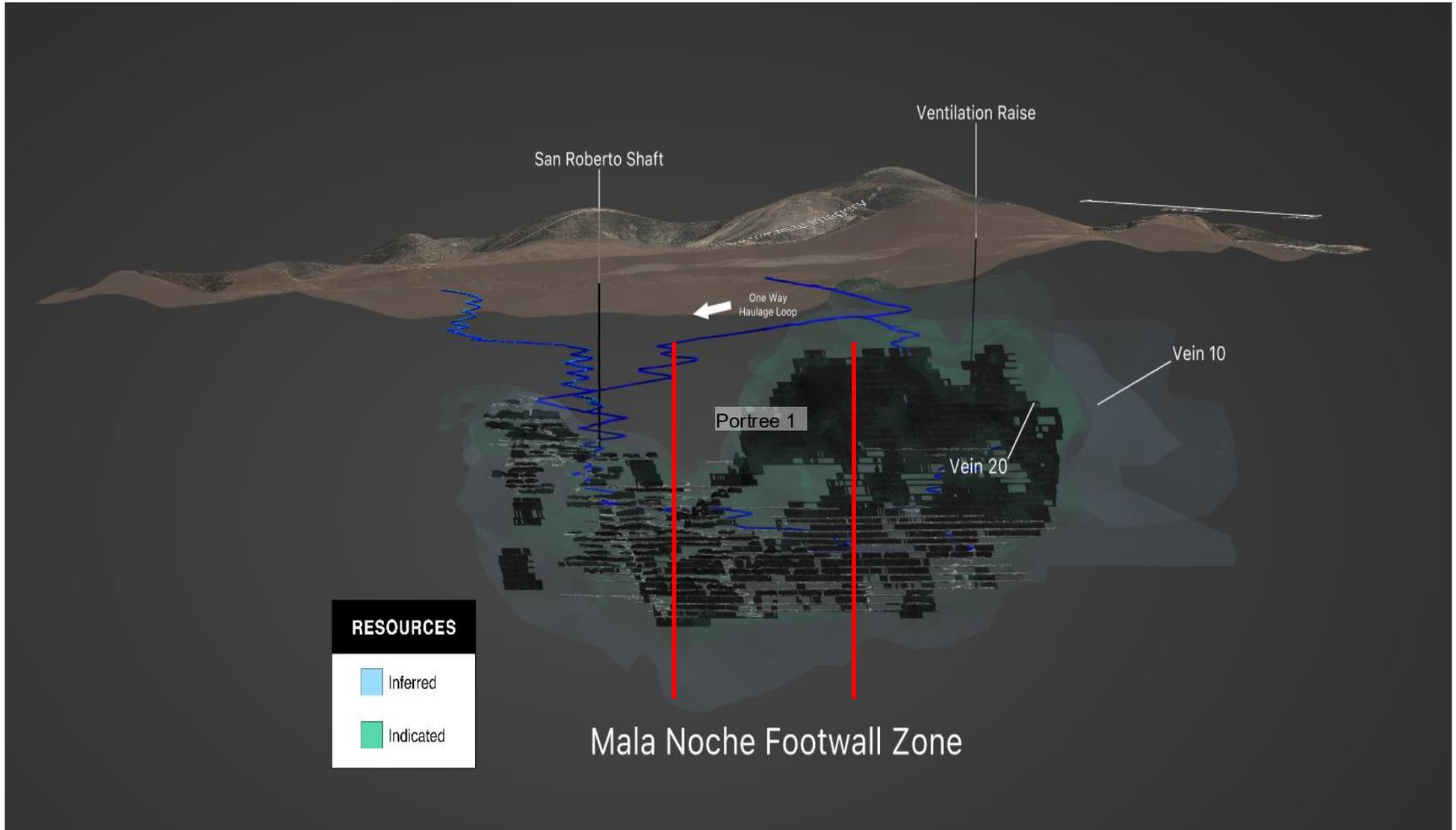
- The following shows Capstone's VRIFY Resource Model with the Portree Claims overlaid, proving production
- Clearly shows Capstone has been mining under the Portree claims



Asset #2: Capstone US\$25 Million Lawsuit

Overview

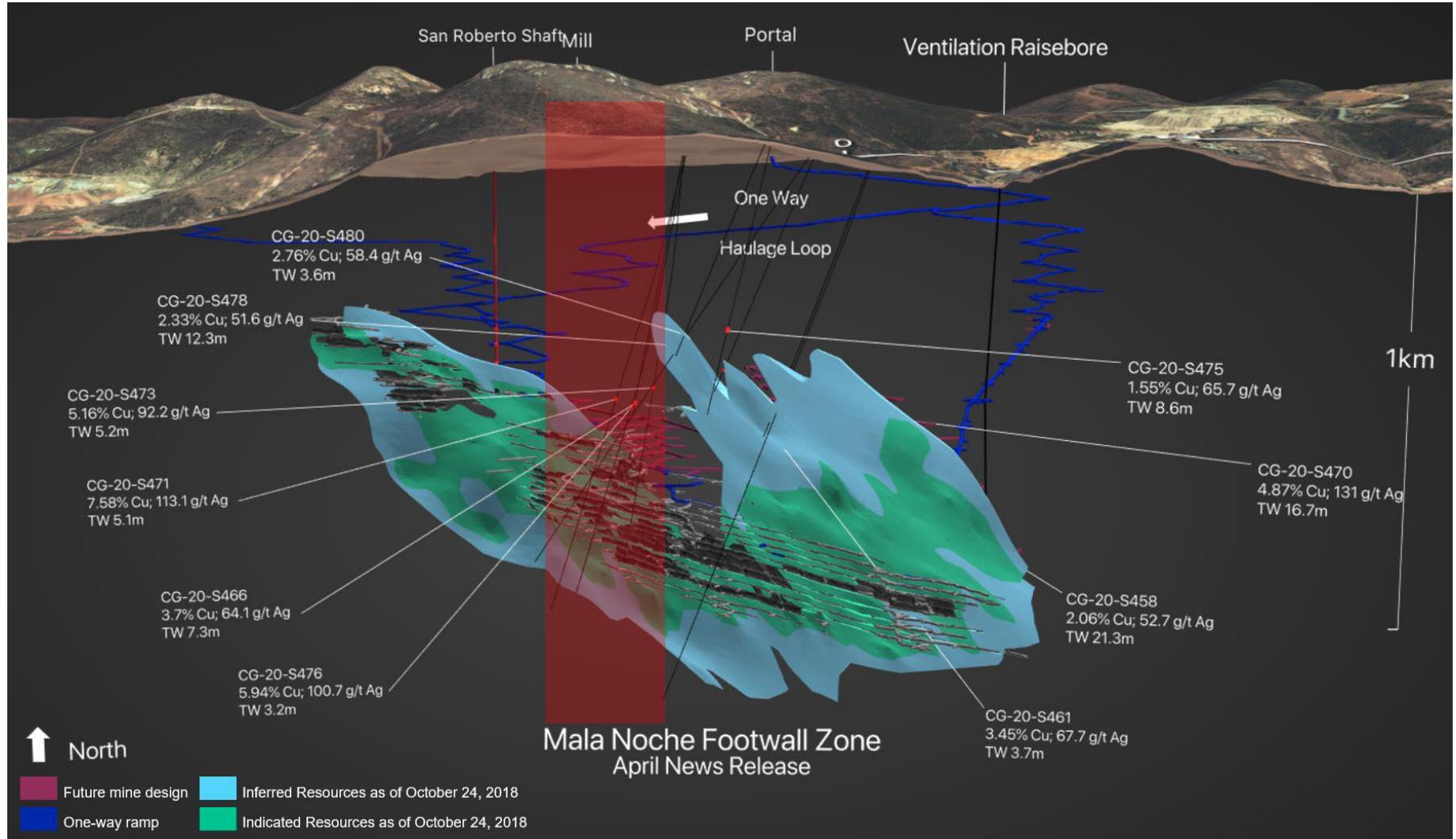
- The following red lines show the location of the Portree 1 claim on the mine operations



Overview – April 23, 2020 Capstone Press Release Page 2

- Admission the **Portree Claim Block** had been drilled and is amongst the best drill results ever at Cozamin
- Drill Holes S471, S473, S466, S476 – with the best result being S471 highlighted in the title of the press release
- The highlighted red annotation is the Portree Claim. Note that it has been mined at depth already and without notifying MPZ.**

Figure 1 – Select High Grade Step-out and Infill Holes at Cozamin Mine: April 2020 Drill Results



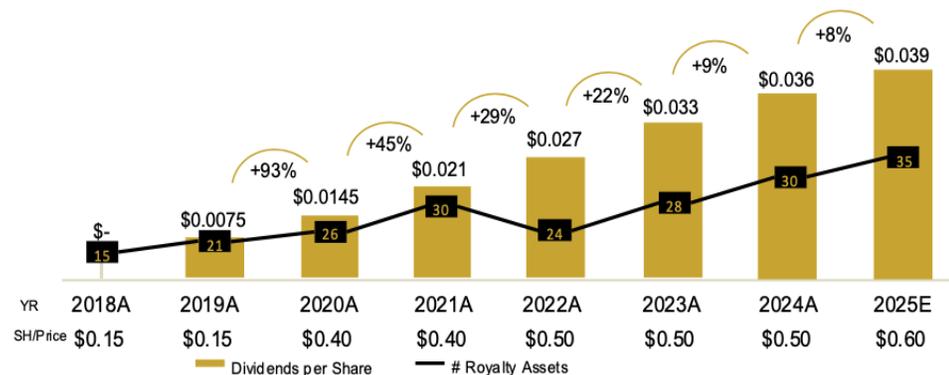
Asset #3: Cash Flowing Music Royalties (Streaming Income)

A sustainable way to produce retirement grade income and growth

Investment in Music Royalties Inc. (“MRI”)

- RI Holds a 4.9% stake in [Music Royalties Inc.](#), which owns 31 cash flowing royalties
- MRI pays a monthly dividend with a 7.2% yield
- Expected dividend income of \$181,800
- MRI has paid 69 monthly dividends totaling over \$12 million
- Spotify and YouTube have paid out over \$100 billion to rightsholders

MRI’s Indicative Price and Asset Growth



Direct Acquisitions

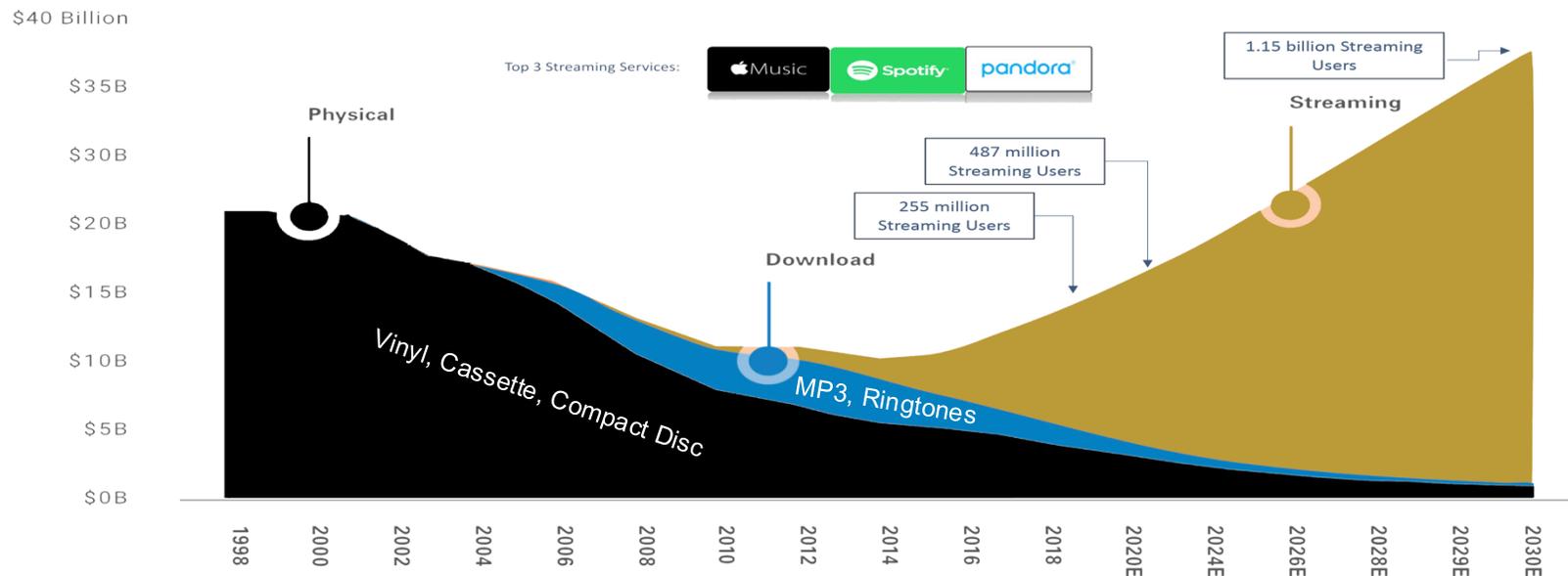
- RI acquired 4 additional music royalty assets in 2023 for \$468,000
- Expected revenues of \$30,000
- Includes royalties from Apple ringtones, Songwriter royalties, pop songs and TV cues from ‘The Carbonaro Effect’

Pipeline of Direct Acquisitions

- RI aims to monetize its mining assets and reinvest the proceeds into cash flowing Music Royalties
- RI has a substantial pipeline deal pipeline targeting 10-15% yields
- RI can immediately invest \$3M into cash-flowing music royalties from its pipeline deals

Asset #3: Cash Flowing Music Royalties

Industry Overview: Consumer Discretion to Utility Bill



Acquiring Mega Artist's Royalties

EMINEM AVICII JAY Z DRAKE RIHANNA



- Uncorrelated 20% Growth and 7.2% Dividend Yield -

- \$0.50 per Share, \$0.036 Per Share Dividend -

The Beach Boys

The Kinks

The Who

dIRE sTRAITS

Cage The Elephant



Investment Rationale

A multifaceted investment rationale, supported by uncorrelated royalty income and commodity upside

1. Diversification, Income and Acquisition Growth

- **Music Royalties:** 4.9% stake in MRI delivering a 7.2% dividend yield from 7,000+ songs
- **Silver Price Upside:** o silver-zinc royalties with 300% revaluation potential upon silver price breakout to US\$50/oz
- **Recession-Proof Model:** Music royalties offer steady income, and mining royalties provide upside from a 1% dividend yield valuation ex \$1 million in dividends = \$100 million market cap

3. Undervalued with Insider Confidence

- **Value Play:** Trading at \$18M market cap vs. established royalty peers with a potential 2-5x upside
- **Insider Ownership:** 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. High-Impact Financial Catalysts

- **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 up to \$30 Million Cash

1

Acquire \$4 Million in Cash Flowing Music Royalties with 10 - 15% Yields

2

Cash Flow Positive with \$0.01 per share

3

Share Buybacks and Pay Dividends