



Royalties Inc. Secures Landmark Victory in Commercial Lawsuit Against Capstone Copper Corp.

TORONTO, CANADA (June 19, 2025) – **Royalties Inc.** (CSE: “RI”, OTC: ‘ROYIF’ or “the Company”) is pleased to announce that Minera Portree de Zacatecas S.A. de C.V. (“MPZ” or Minera Portree), a company in which Royalties Inc. holds an 88% ownership stake, has achieved a significant legal victory in the Third Commercial Court of Zacatecas. On June 16, 2025, the court issued a final judgment in the ordinary commercial lawsuit (File 411/2022), ruling in favor of MPZ by declaring the non-existence of a 2019 rights assignment contract and upholding the company’s entitlement to royalty payments from mining concessions at the Cozamin Mine, operated by Capstone Copper Corp. (TSX:”CS” or “Capstone”).

The lawsuit, initiated by Luis Emilio Villanueva, Sole Administrator and General Attorney-in-Fact of Minera Portree, was filed against Raúl González Anaya, Capstone Gold S.A. de C.V. (a wholly owned subsidiary of Capstone Copper Corp.) and Gerardo González García. The court declared the August 9, 2019, contract, which purported to assign royalty rights without Minera Portree’s consent, invalid due to lack of authority. The judgment reaffirmed MPZ’s rights to a 2% net smelter royalty on five mining concessions, known as the “Portree claims,” established in a 2002 agreement, part of which forms a key portion of the Mala Noche Footwall Zone at Capstone Copper Corp.’s Cozamin Mine.

Key Outcomes of the Judgment:

- The court invalidated the 2019 contract, confirming Minera Portree as the rightful owner of the 2% NSR.
- Defendants González Anaya and García are ordered to pay royalties for the exploitation of the Unificación del Cobre concession (2002–2007) and other concessions (2002–2019), with amounts to be quantified in the execution phase.
- Capstone Gold S.A. de C.V. is ordered to pay royalties for the Portree I concession from August 9, 2019, to the present, also to be quantified during execution.
- Royalties for additional concessions (Parroquia Dos, Parroquia Tres, Anexo a la Parroquia, and Jimena) will be assessed in the execution phase based on evidence of exploitation.
- The claim for damages was dismissed due to insufficient evidence, as the quantification of the claim requires access to the internal segmented production records at the Cozamin Mine.
- A potential false declaration by Gerardo González García was referred to the State Prosecutor’s Office for investigation.

“This ruling is a pivotal moment for Minera Portree and its majority shareholder, Royalties Inc.,” said Tim Gallagher. “It validates our steadfast commitment to protecting our legal rights and ensures that the 2% NSR, which is a cash flowing royalty on an operating copper-silver mine is a very valuable asset, remains with MPZ. We are confident that this court decision will finally force Capstone to admit the misguided actions of their former management and settle our claim.”

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 an asserted claim (backed by a court approved lien) 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 assigned this royalty to themselves without the knowledge of or proper payment to MPZ, the longstanding

and rightful owner, in 2017 and 2019. MPZ filed civil and criminal lawsuits in Zacatecas in 2021 to invalidate the contract to transfer ownership, which has been officially supported by the court. The claim is challenged by Capstone.

- Royalties Inc. has a 2.9% stake in [Music Royalties Inc.](#) (“MRI”), which has acquired 30 cash-flowing catalogs and paid out over \$11 million in dividends since 2019 from 30 cash-flowing catalogs generating a 7.2% annual yield.

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