Royalties Inc. Escalates Criminal Investigation by Formally Demanding Production Evidence at the Cozamin Mine

TORONTO, CANADA (August 20, 2026) – **Royalties Inc.'s (CSE: 'RI'**, **OTCID: 'ROYIF'** or "the **Company**") 88% owned subsidiary, Minera Portree de Zacatecas, S.A. de C.V. (MPZ) filed a criminal lawsuit against Raul Gonzalez in 2022 for the possible criminal liability in the "sale of property belonging to another" ("vente de cosa ajena") ie attempting to transfer the ownership of a 2% royalty on the Portree claims to Capstone Copper Corp.'s (Capstone) (TSX:CS) Cozamin copper-silver mine. https://capstonecopper.com/operations/cozamin/. As previous requests and court ordered site visits have been blocked by Capstone, MPZ's lawyers recently escalated this criminal lawsuit by filing a request for detailed evidence of historical production including underground mine maps, 3D block models, metallurgical balances, grades, concentrate weighing reports and payment data, invoices, etc on each of the five Portree claims at the Cozamin mine. The formal request was filed at the Public Prosecutor's Office of the State of Zacatecas in the Specialized Unit for the Investigation of the Crime of Fraud re Case file CUI: 9367-UEI-FRAU-2022, against Raúl González Anaya for alleged fraudulent administration and specific fraud to the detriment of MPZ.

The submission demands that the Public Prosecutor compel **Capstone Gold, S.A. de C.V.** — the Mexican operating subsidiary of Capstone Copper Corp to produce fourteen categories of confidential underground mine documents, and separately compels **Metagri, S.A. de C.V.** (the Mexico City-based concentrate trading intermediary) to produce all payment records, pro forma settlements, bills of lading, and wire transfer receipts for concentrate sold from the five Portree mining concessions.

WHAT IS BEING DEMANDED — THE 14 DOCUMENT CATEGORIES

The formally filed submission demands production of the following documents, under threat of financial penalties pursuant to Article 104(I) of the National Code of Criminal Procedure:

No.	DOCUMENT DEMANDED FROM CAPSTONE GOLD	STRATEGIC SIGNIFICANCE
2.1	San Roberto Shaft plan — topography, levels, headings (Scale 1:1,000)	*Establishes underground mine infrastructure layout relative to Portree 1 boundary*
2.2–2.6	Current mine execution plans for all 5 Portree concessions (Portree I, Unificación el Cobre, Jimena, Parroquia Dos, Parroquia Tres) — with precise UTM coordinates and perimeter bearings	*Definitively maps underground mine workings against each concession surface boundary — the extralimitación evidence*
2.7	Deep Reserve plans for FWZ, San José, Calicanto, San Rafael Calicanto, and Eureka Ramps — with tonnage (cut & fill) and Cu/Ag/Zn/Pb grades	*Quantifies the ore reserves and extracted tonnage within each Portree concession — the royalty base calculation*
2.8	Weekly long-hole drilling control plans for all weeks worked in the 5 concessions	*Documents the drilling program concession-by-concession — critical for extralimitación and production allocation*
2.9	Cut & Fill control plans for all 5 concessions	*Cut-and-fill production control records — the primary source for production-by-concession allocation*

2.10	Metallurgical balances: head grades, concentrate grades, tailings grades, recovery percentages	*Establishes the exact NSR royalty base by concession — fundamental to royalty quantum calculation*
2.11	Concentrate weighing reports by concession	*Physical concentrate volumes by concession — directly maps to NSR royalty calculation*
2.12	Public Prosecutor physical inspection visit inside the mine with topography expert and Portree representative	*In-person verification of whether underground workings cross concession boundaries — the extralimitación investigation in action*
2.13	3D block model showing stope location and volume within the 5 concessions	*Visual and mathematical proof of where ore was extracted relative to Portree concession boundaries*
2.14	Metal grades by stope and level for metallic production calculation	*Enables calculation of cumulative metals extracted per concession — the quantum of the royalty claim*

THE METAGRI DEMAND — TRACING EVERY DOLLAR OF CONCENTRATE SALES

Separately, the submission demands that **Metagri, S.A. de C.V.** in Mexico City — the concentrate trading intermediary identified as the entity that received and settled concentrate payments from Capstone Gold — produce all pro forma payment statements, bills of lading, invoices, and payment records for concentrate originating from the five Portree concessions. Metagri's records represent the complete financial chain from mine to smelter settlement — precisely the documentation needed to calculate the NSR royalty base on which Portree's 2% royalty accrues.

ESTIMATED ROYALTY CLAIM — US$50 MILLION

COMPONENT	ESTIMATED AMOUNT
Unpaid royalties 2019–2026 (principal only)	~US$11–15 million
Moratory interest under Mexican commercial law	~US$3–5 million
González defendants — period 2011–2017 (Unificación el Cobre)	~US$2–3 million
Forward royalty stream value to 2030 (NPV at 8%)	~US$15–25 million
Unexplored Portree/Parroquia area resource value (2-5M t @ 2% royalty)	~US$10–20 million
Legal costs 2022–2026	~US$1–2 million
TOTAL ESTIMATED CLAIM	**US$50 MILLION**

Note: Royalty amounts are estimated based on Capstone Copper's audited financial statements (2019–2025), Capstone's publicly disclosed quarterly royalty payments, and Royalties Inc.'s production allocation analysis. Precise amounts will be determined from Capstone's own production records and Metagri's payment data, which are now formally demanded under criminal investigation proceedings.

COZAMIN MINE SALE PROCESS

Capstone Copper has retained **Scotiabank Global Banking and Markets** to conduct a sale process for the Cozamin Mine, which has been publicly reported as valued at approximately US$400 million. Portree has formally notified Scotiabank GBM of its registered royalty obligation and the two court judgments. Portree notes that any purchaser of the Cozamin concessions will take them subject to Portree's 2% NSR royalty — a real burden running with the land, registered at the RPM and confirmed by two courts — together with all accumulated arrears and interest since 2019.

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% 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. It attempted to assign this royalty to themselves without the knowledge, consent or proper payment to MPZ, the rightful owner since 2002.
- Royalties Inc. has a 5% stake in Music Royalties Inc. ("MRI"), which has paid out over $16 million in 79 monthly dividends since 2019 from 31 cash-flowing catalogs with 7,000 songs for a 7.2% annual after tax yield.

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

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Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "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.