



Royalties Inc. Secures Victory in Appellate Court, Confirming Royalty Rights and Capstone Ordered to Pay Legal Costs

TORONTO, CANADA (November 6, 2025) – Royalties Inc. (CSE: “RI”, OTC: ‘ROYIF’ or “the Company”) Minera Portree de Zacatecas S.A. de C.V. (“MPZ”), a company in which Royalties Inc. holds an 88% ownership stake, is proud to announce a positive outcome from the Civil Chamber of the Superior Tribunal of Justice of Zacatecas, Mexico. In its November 4, 2025 decision (Appeal TOCA A.C. 77/2025), the Appellate Court upheld and confirmed the first-instance ruling in its favor. The appellate decision upholds the company's entitlement to royalties stemming from a January 11, 2002, mining contract and rejects the appeals filed by defendants Raúl González Anaya, Capstone Gold S.A. de C.V., and third-party Gerardo González García.

In the original ordinary commercial trial (case number 411/2022), initiated by Luis Emilio Villanueva, Sole Administrator and General Attorney-in-Fact of Minera Portree, the Third Commercial Court of the Judicial District of the Capital ruled on June 16, 2025, that the **defendants had improperly transferred and exploited royalties without authorization**. The court found that Raúl González Anaya exceeded his granted powers under a May 20, 2010, legal act, which was declared nonexistent, leading to the unauthorized sale of royalties belonging to Minera Portree.

The Appellate Court, in its unanimous decision (TOCA A.C. 771/2025), deemed the appellants' arguments inoperative and inadmissible, affirming that the core issues of royalty recognition and payment were not effectively challenged. The ruling requires Raúl González Anaya, Gerardo González García, and Capstone Gold S.A. de C.V. (a fully owned subsidiary of Capstone Copper Corp. “Capstone”) to cover all procedural expenses and costs from both instances, in accordance with Article 1084 of the Federal Commercial Code of Mexico.

Key Highlights from the Ruling:

- **Confirmation of First-Instance Decision:** The Appellate Court fully upheld the June 16, 2025, ruling, confirming Minera Portree's rights to royalties from the 2002 contract and declaring the 2019 transfer act nonexistent.
- **Rejection of Appeals:** Appellants' grievances were dismissed as they failed to address core issues like royalty entitlement, focusing instead on unrelated matters such as mining exploitation details.
- **Unauthorized Transfer Finding:** Raúl González Anaya was **determined to have sold royalties without proper authorization, exceeding his powers and effectively dealing in another's property**.
- **Legal Cost Re-imbursement:** Defendants and the third party are ordered to pay all expenses and costs for both court instances, to be regulated during sentence execution.
- **Case Closure:** The matter is archived as legally concluded, with notifications issued and files returned to the originating court.

The decision marks the conclusion of the appellate process, with certified copies to be returned to the originating court and the case archived as resolved.

“We are pleased the Mexico courts have logically concluded that the 2% NSR could not be transferred to Capstone without proper authorization from and payment to MPZ. We are looking forward to Capstone’s co-operation in properly calculating the amount owed on production to date and the future value of the 2% NSR on all five Portree/Parroquia claims,” stated Tim Gallagher, 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 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.
- Royalties Inc. has a 4.9% stake in [Music Royalties Inc.](#) (“MRI”), which has acquired 31 cash-flowing catalogs and paid out over \$12 million in dividends since 2019 from 31 cash-flowing catalogs generating a 7.2% annual yield.

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