

Royalties Inc. Reports Q3 Results For September 30, 2024

Toronto, Ontario--(Newsfile Corp. - November 29, 2024) - **Royalties Inc. (CSE: RI)**, ("**RI**" or "the **Company**") reports its results for the third quarter ended September 30, 2024. This quarter, the Company changed its functional currency from USD to Canadian dollars so amounts are in CAD dollars unless otherwise stated.

This news release should be read in conjunction with the Company's unaudited financial statements and the associated management's discussion and analysis (MD&A) for the quarter ended September 30, 2024 which are available on the Company's website at www.royaltiesinc.com or under the Company's profile on SEDAR+ at www.SEDARplus.ca.

Progress in Q3 - Royalties Inc. continues to advance the strategies on its 3 major investments:

1) monetizing the Bilbao silver-zinc-lead property in Zacatecas, Mexico, ideally by selling to an existing silver producer or silver roll-up for cash and shares in order to generate further potential gains from the rise in the price of silver, which appears poised for a breakout in 2025. The value of Bilbao is tied to the 2014 PEA economic assumption of \$30 per ounce silver and the unexplored potential high grade silver areas including the north-south Victor vein which was drilled in 2021 and is on strike with the mineralization 3km north which feeds San Jose's 800tpd silver mine;

2) achieving success in the lawsuit against Capstone Gold S.A. de C.V., a subsidiary of Capstone Copper Corp. to properly recognize and make payments on the 2% NSR on the five Portree claims established in 2002, which have been in production since 2020 and are part of the Cozamin mine, in Zacatecas Mexico. Gold Royalty Corp holds a 1% NSR on two claims only 300 meters east from the Portree claims and was paid over US\$1 million by Cozamin over the last year. A new judge has been appointed so a decision is not expected to be rendered until 2025; and

3) acquiring sufficient cash flowing Music Royalties to cover corporate overhead and to pay dividends, which are ideally financed through the funds generated from the sale of Bilbao and/or royalty payments from Cozamin.

Music Royalties

RI's five cash flowing music royalties' investments generated \$25,775 in the third quarter, a decrease of 22% over Q3 2023, due to a tv show no longer being on air. The \$18,000 in dividend income from [Music Royalties Inc.](#) ("**MRI**"), continues to be consistent as it has acquired 28 catalogues and paid out over \$10 million in 58 dividend payments to its shareholders since 2019.

Mining Royalties - Royalties Inc. owns two mining royalties with significant potential value resulting from:

1) successful litigation against a subsidiary of Capstone Copper Corp. in Zacatecas, Mexico to make payments on the 2% NSR owed on the production since 2020 and payments on the remaining mine life from the five Portree claims on the Cozamin Mine, on which a lien has been registered with the Public Registry of Mines ("**PRM**") in Mexico City. Proof of production on one of the Parroquia (Portree) group of mining claims has been received from Met Mex Peñoles, but the evidence period has been extended to get production reports from the PRM.

2) a 1.5% NSR on the Bilbao property where the strategy to maximize its value is tied to the sale of the property to a silver producer which can potentially process material, especially during a period of high silver prices.

2024 Results of Operations for the Nine Months

RI generated \$83,300 in revenue for the nine months, an 8% increase over the prior year period.

Total expenses for the nine months were \$182,215, 18% lower than the prior year, resulting in a 32% reduction in the operating loss of \$98,915 vs \$144,553 in 2023. The non-cash foreign exchange gains and losses are a result of the RI's music royalties investments which are denominated in USD whereas the investment in MRI is in CAD.

Assets and Liquidity

Total assets as at September 30, 2024 were \$1,711,724 compared to \$1,737,253 at December 31, 2023, representing the Company's investment in two mining royalties and five music royalties less amortization. The Bilbao silver-zinc-lead mining project was written off, primarily due to the 2014 PEA's assumptions of three year trailing average prices of: Zinc US\$0.94/lb, Lead US\$1.01/lb and Silver US\$30.24/ounce were higher than market prices. November 2024 spot prices of: Zinc US\$1.39/lb, Lead US\$0.92 /lb and Silver US\$30.69/ounce need to be sustainably above the PEA price assumptions, to attract the attention of both potential acquirors and investors.

The mine plan incorporated in the PEA targeted the extraction of only the lower, unoxidized, sulphide zone based on a production rate of 2,000 tonnes per day or 720,000 tonnes per year with an average grade of 2.1%, 1.4% and 63.96 g/t of zinc, lead and silver, respectively, over a mine life of approximately eight years.

As at September 30, 2024, the Company had cash of \$53,164 to settle current liabilities of \$125,513.

RI closed a small financing of 3 million shares at \$0.035 for \$105,000 during the quarter.

About Royalties Inc.

Royalties Inc. has a 2% stake in [Music Royalties Inc.](#), a Canadian-based private company that acquires passive music royalties from rightsholders (including but not limited to artists, producers and songwriters) and currently holds a portfolio of approximately 28 cash-flowing royalties.

Royalties Inc. owns a 100% interest, subject to a 1.5% net smelter royalty repurchased in July 2019, on the Bilbao silver-lead-zinc-copper project located in the southeastern part of the State of Zacatecas, Mexico.

Royalties Inc. owns 88% of the outstanding shares of Minera Portree de Zacatecas, S.A. de C.V ("Minera Portree") which holds an asserted claim to a 2% net smelter royalty and a lien on five mining concessions which are part of the Cozamin Mine operated by Capstone Copper Corp., which claim is challenged by Capstone.

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Forward-Looking Statements

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