SOURCE ROCK ROYALTIES ANNOUNCES ALBERTA CROWN MINERAL RIGHTS LEASING JOINT-VENTURE

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CALGARY, AB, Nov. 3, 2025 /CNW/ - Source Rock Royalties Ltd. ("Source Rock") (TSXV: SRR), a pure-play oil and gas royalty company with an established portfolio of oil focused royalties, announces the joint-acquisition of oil sands and petroleum and natural gas ("PNG") leases in Alberta.

Source Rock has entered into a joint-acquisition agreement with a private company ("JV Co"), whereby the parties will jointly lease Crown mineral rights for the purpose of farming out the right to develop such leases in exchange for a royalty interest (the "Leasing JV"). The primary focus of the Leasing JV is to acquire mineral rights prospective for various heavy oil horizons within the Mannville Stack that have the potential to be exploited using multi-lateral drilling technologies. All leases will be held 50% by Source Rock. The principal of JV Co is a Professional Geologist with 25 years of prospecting experience within the Western Canadian Sedimentary Basin.

Pursuant to the Leasing JV, the parties have successfully leased 11 sections (7,040 acres) of Crown mineral rights in Alberta. Mineral rights leased to date are comprised of 7 sections (4,480 acres) of 15-year oil sands leases and 4 sections (2,560 acres) of 5-year PNG leases. The parties will continue to evaluate, post for leasing and bid on additional Crown mineral leases. The Leasing JV is focused on establishing an undeveloped land base that provides exposure to both near term drilling potential in areas already being developed by high-quality operators and longer-term upside optionality through low-cost early-stage entry into less developed areas.

Source Rock's current working capital is approximately $4.5 million ($0.10 per share).

President's Message

We are excited to establish the Leasing JV and for the prospects that we have gained exposure to through the initial 11 sections of leased mineral rights. Although we continue to be focused on scaling and diversifying our portfolio of producing oil royalties, we believe that it is an opportune time to increase early-stage upside exposure and expand the potential to organically grow our royalty portfolio through the Leasing JV and subsequent farm-out transactions.

Brad Docherty, President & CEO

About Source Rock Royalties Ltd.

Source Rock is a pure-play oil and gas royalty company with an existing, oil focused portfolio of royalty interests concentrated in southeast Saskatchewan, central Alberta and west-central Saskatchewan. Source Rock targets a balanced growth and yield business model, using funds from operations to pursue accretive royalty acquisitions and to pay dividends. By leveraging its niche industry relationships, Source Rock identifies and acquires both existing royalty interests and newly created royalties through collaboration with industry partners. Source Rock's strategy is premised on maintaining a low-cost corporate structure and achieving a sustainable and scalable business, measured by growing funds from operations per share and maintaining a strong netback on its royalty production.

Forward-Looking Statements

This news release includes forward-looking statements and forward-looking information within the meaning of Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative and grammatical variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this news release include statements regarding Source Rock's dividend strategy and the amount and timing of future dividends (and the sustainability thereof), expectations regarding commodity prices, Source Rock's growth strategy and expectations with respect to future royalty acquisition and partnership opportunities, the ability to complete such acquisitions and establish such partnerships, Source Rock's intention to pursue additional Crown land leases pursuant to the Leasing JV, the ability of the Leasing JV to enter into farm-out transactions for the development of the land leases on terms acceptable to Source Rock or at all, and the potential for future drilling on Source Rock's royalty lands, including pursuant to such farm-out transactions. Such statements and information are based on the current expectations of Source Rock's management and are based on assumptions and subject to risks and uncertainties. Although Source Rock's management believes that the assumptions underlying these statements and information are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this news release may not occur by certain dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting Source Rock. Although Source Rock has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement or information can be guaranteed. Except as required by applicable securities laws, forward-looking statements and information speak only as of the date on which they are made and Source Rock undertakes no obligation to publicly update or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise.

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