

Arc Mineral Royalties Takes Delivery of a Gross Revenue Royalty Over Lodestone Iron Ore Project

Arc acquires a 0.5% Gross Revenue Royalty through Arc's strategic partnership with Karri Capital

Ottawa, Ontario, October 27, 2026 -- Arc Mineral Royalties Ltd. (TSXV: ARO) ("Arc" or the "Company") is pleased to announce that it has taken delivery of a 0.5% Gross Revenue Royalty (the "Royalty") over the Lodestone Iron Ore Project ("Lodestone" or the "Project") located in Western Australia. The Project is owned by Yukon Resources Pty Ltd, in which Killi Resources Limited (ASX: KLI) ("Killi") holds an 80% interest and is the operator of the Project. The Royalty was acquired for nominal consideration through an opportunity introduced by Karri Capital Partners.

Highlights

- **Additional high-quality, high-conviction Royalty diversifies Arc's portfolio** through exposure to a compelling iron ore project in a Tier-1 mining jurisdiction; located near significant existing infrastructure, led by a team with a demonstrated history of building and operating mines.
- **Lodestone provides exposure to the premium high-grade direct reduction iron ore market** through an existing 110Mt¹ JORC 2012 Inferred Resource demonstrating the potential to produce a high-purity 69% Fe concentrate, a product that typically commands a substantial price premium over benchmark 62% Fe pricing.
- **Potential for a simplified, lower-cost processing flowsheet** compared with conventional magnetite operations owing to distinctive coarse-grained magnetite geology.
- **Lodestone is a well-funded project led by a proven operating team**, including former Fortescue Metals Managing Director and CEO Neville Power, actively advancing a 20,000m drill program.
- **Arc's strategic partnership with Karri Capital Partners supports a pipeline of compelling differentiated royalty opportunities.**

Adam Davidson, Chief Executive Officer and Executive Director of Arc, commented:

"Arc's ability to acquire a royalty on a strategic asset with significant growth potential underscores our strategy of assembling a portfolio of high-quality, high-conviction mineral royalties. Lodestone is a compelling addition to the Arc portfolio, providing exposure to a differentiated iron ore project in Western Australia backed by an accomplished and highly experienced management team. The Project's potential to produce a direct reduction grade product at a coarse grind size is particularly attractive, as the steel industry increasingly seeks higher-quality feedstocks.

This transaction also highlights the value of our strategic relationship with Karri Capital Partners, which supports a pipeline of compelling royalty opportunities. Gaining exposure to a project of this quality for nominal consideration is a great example of our approach to building a diversified royalty portfolio while remaining disciplined in our deployment of capital. We believe our relationship with Karri creates an exciting growth pipeline that will continue to provide opportunities to create meaningful value for Arc shareholders."

¹ Fresh zone at a 0% DTR mass recovery cut off

Lodestone Iron Ore Project

The Lodestone Iron Ore Project is a large-scale magnetite project located in Western Australia's established Mid-West iron ore province, approximately 200km from the Port of Geraldton. The Project is strategically positioned between the Karara and Koolanooka iron ore projects and benefits from proximity to existing sealed roads, grid power and the Mid-West rail network connecting the region with Geraldton.

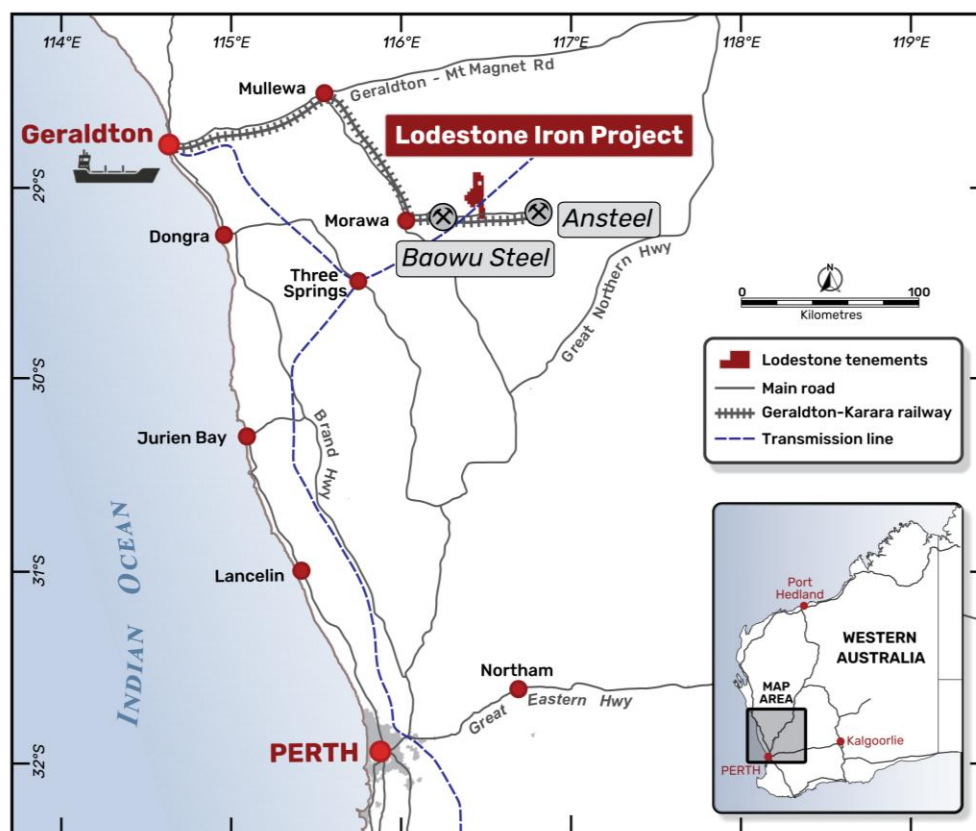


Figure 1: Lodestone Iron Ore Project - Located in the heart of the Mid-West Iron Ore District

Lodestone hosts an initial JORC Inferred Mineral Resource of 110Mt at 33% Davis Tube Recovery, grading 69% Fe in concentrate, together with low levels of silica and alumina (see Table 1). Importantly, the current Mineral Resource is based on drilling across only approximately 5km of the identified mineralised system, while geological and geophysical work has defined a broader recrystallised magnetite system extending for approximately 25km of strike. The Mineral Resource was estimated by Killi in accordance with the JORC Code (2012 Edition) and has an effective date of June 11, 2026.

Table 1 – Lodestone Inferred Mineral Resource — Fresh Zone^{2 3}

Class	Lower cut-off DTR Mass Recovery (%)	Million Tonnes	DTR Mass Recovery (%)	DTR Concentrate Fe (%)	DTR Concentrate SiO ₂ (%)	DTR Concentrate Al ₂ O ₃ (%)
Inferred	0	110	33	69	3.9	0.08
	10	110	33	69	3.9	0.08
	20	98	35	69	3.9	0.07
	30	77	38	69	3.4	0.05

²Figures rounded to two significant figures

³ DTR data levelled to 75 µm

A key differentiator for Lodestone is the quality and physical characteristics of its magnetite mineralisation. The coarse, recrystallised magnetite has demonstrated the potential to produce a 68–70% Fe concentrate at a relatively coarse grind size of up to 250 microns, potentially positioning Lodestone to produce a premium direct reduction (“DR”) grade iron ore product. High-grade, low-impurity iron ore is increasingly important as steelmakers seek to reduce emissions through greater use of electric arc furnaces and direct-reduced iron technologies. Further technical details and assumptions are set out in Killi Resources’ June 11, 2026 announcement in respect of its acquisition of the Project (refer ASX release 11 June 2026).

Killi is currently undertaking a 20,000m reverse circulation (“RC”) and diamond drilling campaign designed to:

- Significantly grow the resource base and upgrade the confidence category of the existing 110Mt⁴ Inferred Mineral Resource;
- Infill and extend drilling coverage across approximately 15km of the 25km-long Lodestone recrystallised magnetite system;
- Provide metallurgical samples to support ongoing testwork targeting a premium, high-purity DR-grade concentrate; and
- Support the delivery of a resource of sufficient confidence to underpin a future economic study.

A second drill rig arrived at Lodestone in early October 2026 to accelerate the planned drill program.

Management Team

The Lodestone Project is being managed by a highly-experienced management team and Board with a particularly strong track record in iron ore exploration, project generation, and mine development. The team is led by Managing Director Hamish Halliday, a geologist with over 30 years of technical, corporate and capital markets experience who has been involved in the discovery and funding of major mineral projects across five continents and founded or co-founded a number of successful resource companies, including Gryphon Minerals, Venture Minerals, Renaissance Minerals, Alicanto Minerals (now Sinclair Gold) and Blackstone Minerals.

The Board is chaired by Neville Power, former CEO and Managing Director of Fortescue Metals Group, who brings more than four decades of experience across mining, minerals processing, construction and steelmaking, including leading Fortescue through a period in which it more than quadrupled production to over 170Mtpa. Together, the team delivers a rare combination of iron ore operating experience, exploration expertise, project-generation capability and corporate/capital markets experience, well suited to the task of growing Lodestone's resource and progressing it towards development.

Royalty

The Royalty is a 0.5% Gross Revenue Royalty that encompasses E59/2163 and E59/3072, which hosts the entirety of the Lodestone magnetite mineralized system. The Royalty deed contains audit and information rights typical for a royalty of this nature, and does not include any buybacks, caps or transfer restrictions.

⁴ Fresh zone at a 0% DTR mass recovery cut off

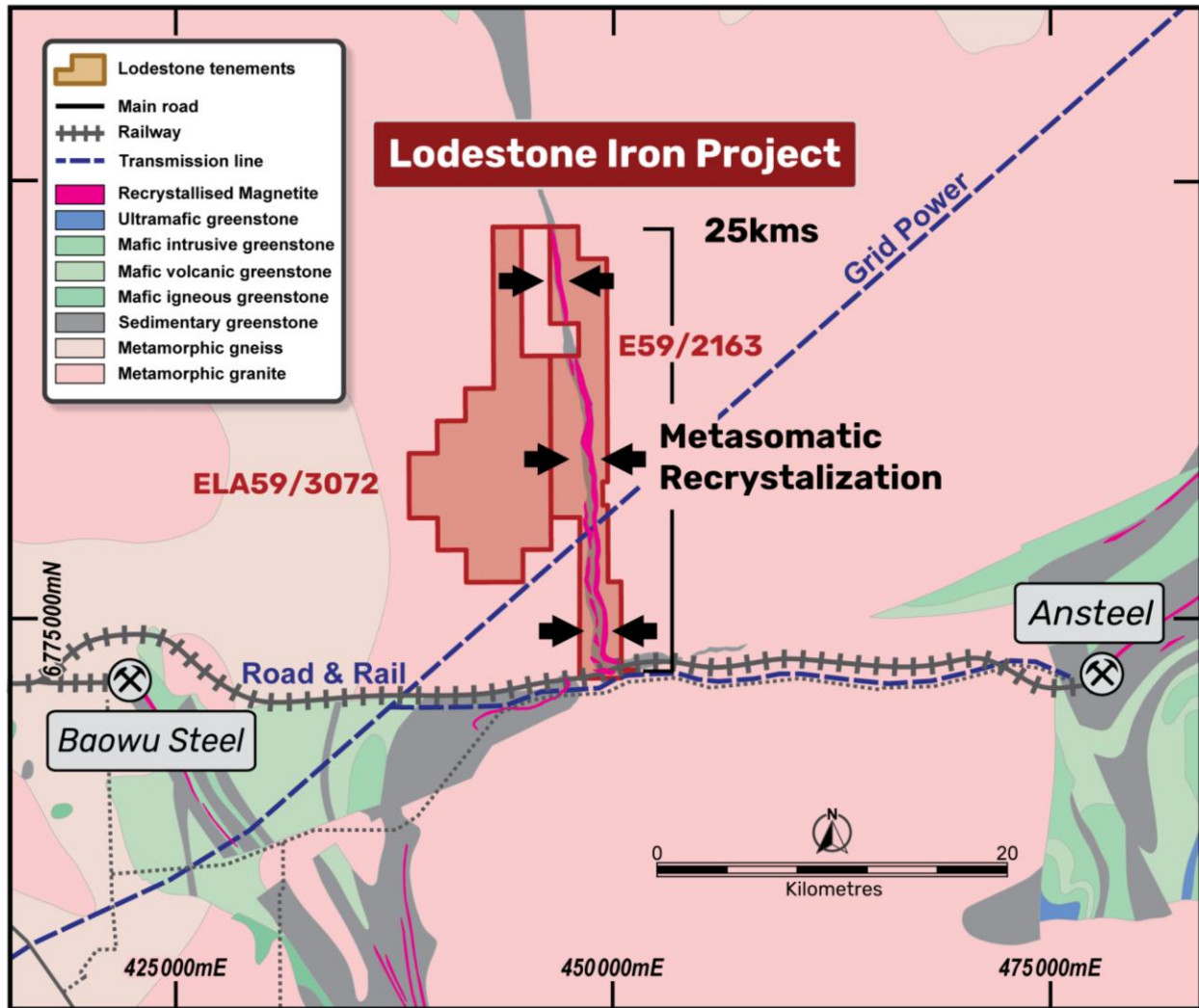


Figure 2: Lodestone Tenure Summary - Adjacent to high-quality existing infrastructure

About Arc Mineral Royalties Ltd.

Arc Mineral Royalties Ltd. is a mining royalty and streaming company focused on establishing a portfolio of high-conviction royalty assets. Through a strategic partnership with Karri Capital Partners, Arc combines an experienced royalty management team with project development expertise to pursue both traditional royalty transactions and differentiated royalty creation opportunities. Arc's foundational royalty is the 1% net smelter return royalty over the Mt Henry Gold Project in Western Australia, with an option to acquire an additional 1% NSR royalty.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Sam Brooks, B.Sc., MAIG, Consultant Geologist and a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Brooks is a consultant to the Company and is not independent for the purposes of NI 43-101. The scientific and technical information in this news release relating to Lodestone, including the Mineral Resource estimate set out in Table 1, is derived from information publicly disclosed by Killi, including the June 11, 2026 announcement referred to above. Arc has not independently verified the sampling, analytical or test data underlying that information, and the Qualified Person named above has not verified that data.

The Inferred category under the JORC Code is equivalent to the Inferred category under the CIM Definition Standards for Mineral Resources and Mineral Reserves incorporated by reference in NI 43-101. Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that further work will result in the upgrading of any Inferred Mineral Resource. The Company is not aware of any legal, political, environmental or other risks that could materially affect the potential development of the Mineral Resource.

Finders' Fees

In connection with the acquisition, Arc has agreed to pay a finder's fee to Karri Capital Partners consisting of an aggregate of 345,732 common shares of Arc at a deemed issue price of \$0.82 per share, subject to the acceptance of the TSX Venture Exchange. The common shares will be subject to a four-month hold period under applicable Canadian securities laws and the policies of the TSX Venture Exchange. The grantor of the Royalty is at arm's length to Arc. The fee is payable by Arc and does not form part of the consideration for the Royalty.

For further information

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No securities regulatory authority has either approved or disapproved of the contents of this news release.

Cautionary note regarding forward-looking information

This news release contains certain information which constitutes forward-looking information within the meaning of applicable Canadian securities legislation. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information is often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking information in this news release includes, but is not limited to, statements regarding the Royalty and the Project, including Killi's planned drilling program and its objectives, the potential to grow or upgrade the Mineral Resource, the potential to produce a direct reduction grade concentrate or to apply a simplified processing flowsheet, future acquisitions, portfolio growth, and Arc's strategy and objectives. Forward-looking information is based on management's current expectations and assumptions and is subject to risks, uncertainties and other factors that may cause actual results to differ materially, including commodity prices, market conditions, regulatory approvals, transaction completion risk, operator performance, reliance on information disclosed by Killi, the risk that the Project does not proceed to development or production, and the risks disclosed in the Company's public filings on SEDAR+. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements vary materially from those expressed or implied by the forward-looking information. Readers should not place undue reliance on forward-looking information. Except as required by law, Arc undertakes no obligation to update or revise such information.