Available for option / sale

Bilbao Ag Zn Pb Cu Project
Zacatecas, Mexico
2026



By: Chris J. Lloyd

ROYALTIES INC.

Trading Symbols - CSE:RI, OTCID:ROYIF

Oct. 2026

Forward LookingStatements

This presentation 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. 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.

Resource Info

Mineral Resources (NI 43-101 PEA, 2014)

Category	Tonnes (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Indicated	9.7	2.43	2.09	0.21	59.40
Inferred	4.0	1.43	1.55	0.18	53.64

Resources estimated using 3% ZnEq cutoff (ZnEq = Zn + 0.969Pb + 0.09947Ag), and including oxide, mixed and sulphide material.

2014 Sulphide Resource: Underground longhole open stoping; mineable resources ~**5.2 Mt sulphide** @ 2.1% Zn, 1.4% Pb, 0.2% Cu, 64 g/t Ag. (**10.7 M oz. contained Ag**)

In 2014 Runge Pincock Minarco (Canada) Limited (RPM) delivered an independent Technical Report in accordance with NI 43-101 containing an updated resource estimate and preliminary economic assessment (PEA) on the Bilbao Project based on three year trailing average prices of:
2014 Silver US$30.24/ounce, Zinc US$0.94/lb, and Lead US$1.01/lb. This compares to spot prices of:
2026 Silver US$93.66/ounce, Zinc US$1.49/lb, and Lead US$0.87/lb.
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.
The mineral processing plant described in the PEA proposes the treatment of the silver-zinc-lead sulphide ore at a design throughput rate of 2,000 tonnes per day, which would thereby project on average, 16,913 dry tonnes per year of silver-rich lead concentrate, and 26,966 dry tonnes per year of zinc concentrate, constituting an average combined total of approximately 20 million pounds of zinc, 17 million pounds of lead, and one million ounces of silver, per year.

Historic production of about 1 M tonnes of oxide Ag-Pb-Zn material was extracted from the skarn from about 1900 through 1945, while high grade silver (**800 to 60,000 g/t Ag)** was mined from the El Cabezon vein during the 1890's.

Resource Info

Mineral Resources Updated from PEA, 2014 to 2026

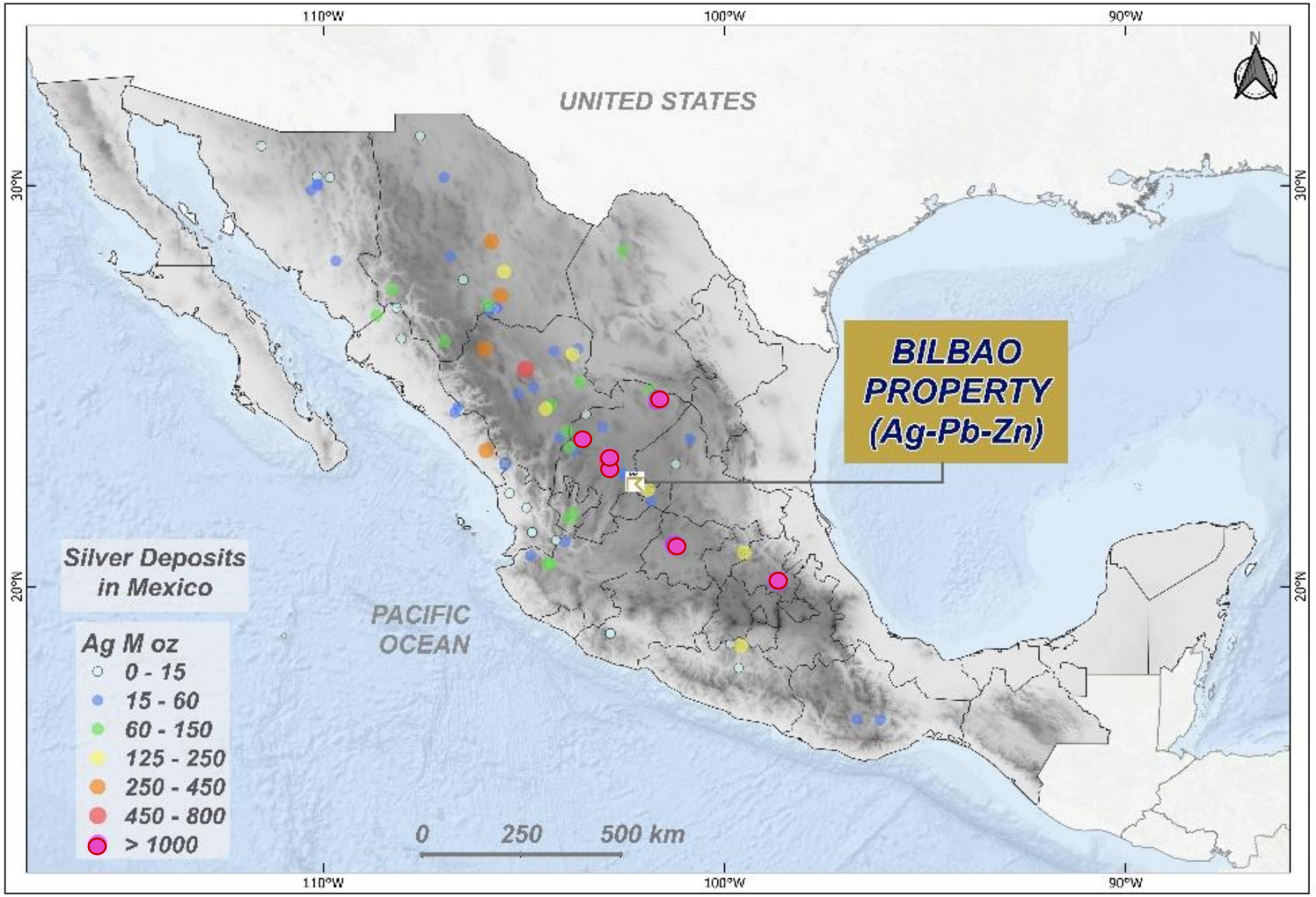
By SLR Consulting (Canada) Ltd.

When the PEA came out in 2014 metal prices were so low that the Project was un-economic, and thus sat idle for the next 2 years. With the recent rise in metal prices, SLR Consulting updated all the price inputs to re-evaluate the economics, with a very positive outcome.

KEY METRICS	UNITS	PEA-2014	Scenario 1 Spot start Jan-2026	Scenario 2 Spot end Feb-2026	Scenario 3 March 2026	Scenario 4 March 2026
Metal Prices						
LOM LT price - Ag	US$/oz	$30.38	$75.00	$85.00	$100.00	$120.00
LOM LT price - Pb	US$/lb	$1.00	$0.90	$0.90	$0.90	$0.90
LOM LT price - Zn	US$/lb	$0.92	$1.40	$1.50	$1.50	$1.50
Revenue						
Gross Revenue	**US$ million**	**509**	**901**	**991**	**1,103**	**1,252**
Operating Costs						
UG Mining	US$/t ore	25.73	35.67	35.67	35.67	35.67
Processing Plant	US$/t ore	13.21	17.13	17.13	17.13	17.13
Support Services/Site G&A	US$/t ore	5.01	8.25	8.25	8.25	8.25
Total Site Operating Costs	**US$/t ore**	**43.94**	**61.05**	**61.05**	**61.05**	**61.05**
TC/RCs	US$/t ore	22.96	22.96	22.96	22.96	22.96
Royalties	US$/t ore	1.06	0	0	0	0
Capital Costs Costs						
Initial Capital	US$ million	89	139	139	139	139
Sustaining Capital	US$ million	9	14	14	14	14
Salvage Value	US$ million	-3	-4	-4	-4	-4
Closure Costs	US$ million	1	2	2	2	2
Total Capital Costs	**US$ million**	**97**	**151**	**151**	**151**	**151**
Economics Metrics						
Net Pre-Tax Cashflow	**US$ million**	**60**	**315**	**405**	**516**	**665**
Pre-tax NPV at 5%	US$ million	32	224	297	386	505
Pre-tax NPV at 10%	US$ million	11	157	217	290	387
Pre-tax NPV at 15%	**US$ million**	**(5)**	**107**	**156**	**217**	**298**
Pre-Tax IRR	**%**	**13.2%**	**33.2%**	**40.4%**	**48.6%**	**58.8%**
Cash Costs - Ag Eq	**oz Ag Eq**	**21.02**	**36.25**	**37.35**	**39.50**	**41.77**
AISC - Ag Eq	**oz Ag Eq**	**21.49**	**37.26**	**38.40**	**40.60**	**42.94**

Bilbao Ag Zn Pb Project Location

- **Location**: Municipality of Panfilo Natera, ~3.9 km from the municipal capital; elevation 2,145-2,160 m above sea level, in Zacatecas state.



Bilbao Ag Zn Pb Project Overview

- **Billion Ounce Silver Deposits**: **half of the world's billion ounce** Silver deposits are located here in Central Mexico. This is like the Witwaterssrand District of South Africa which has produced half of all the worlds gold, but for silver. But un-like the Wits where all the future potential is 1000's of meters deep, in Zacatecas mineralization is still found right at surface.

Guanajuato District

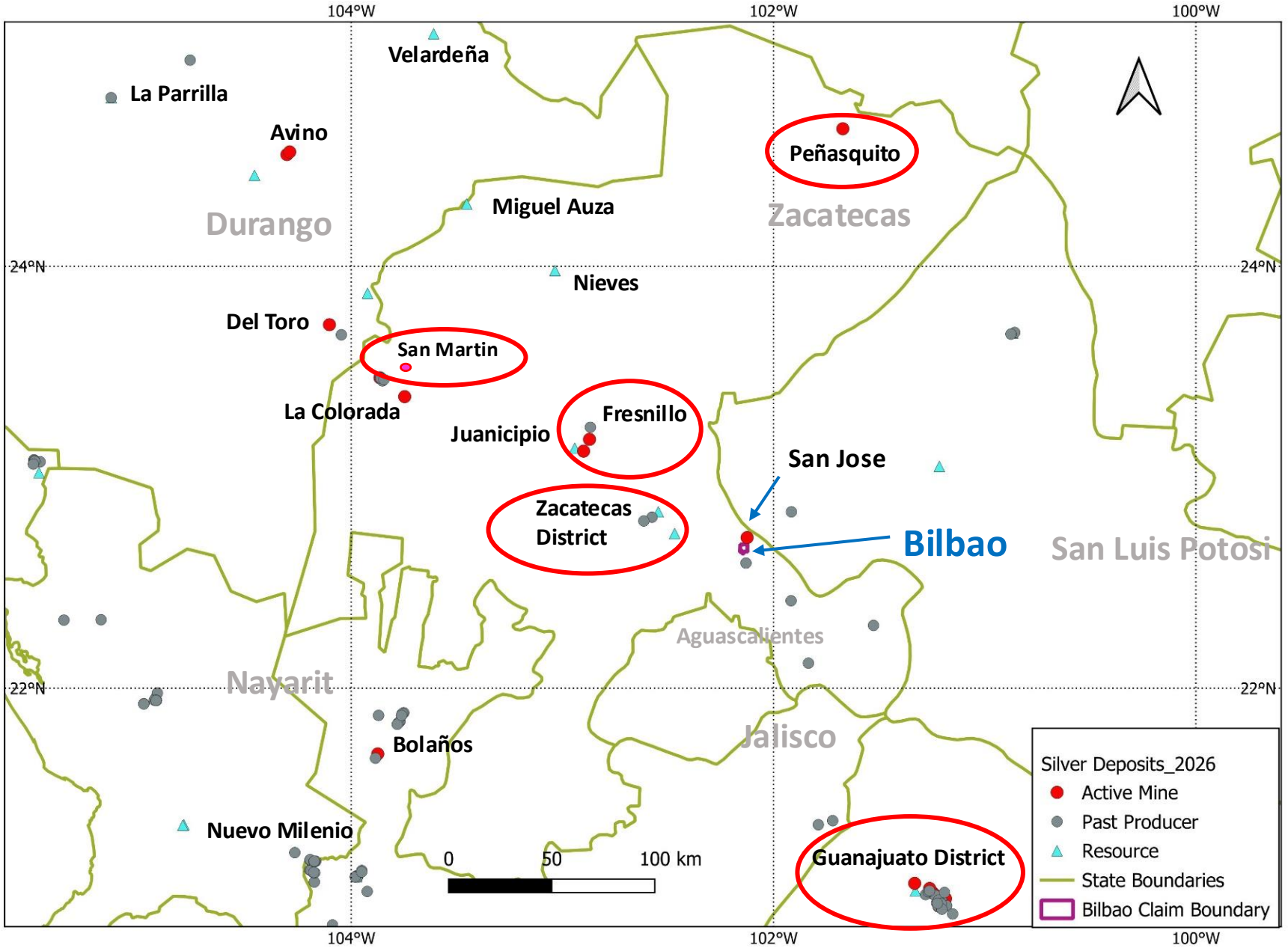
Zacacetas District

Fresnillo Mine

San Martin + Sabinas Mine

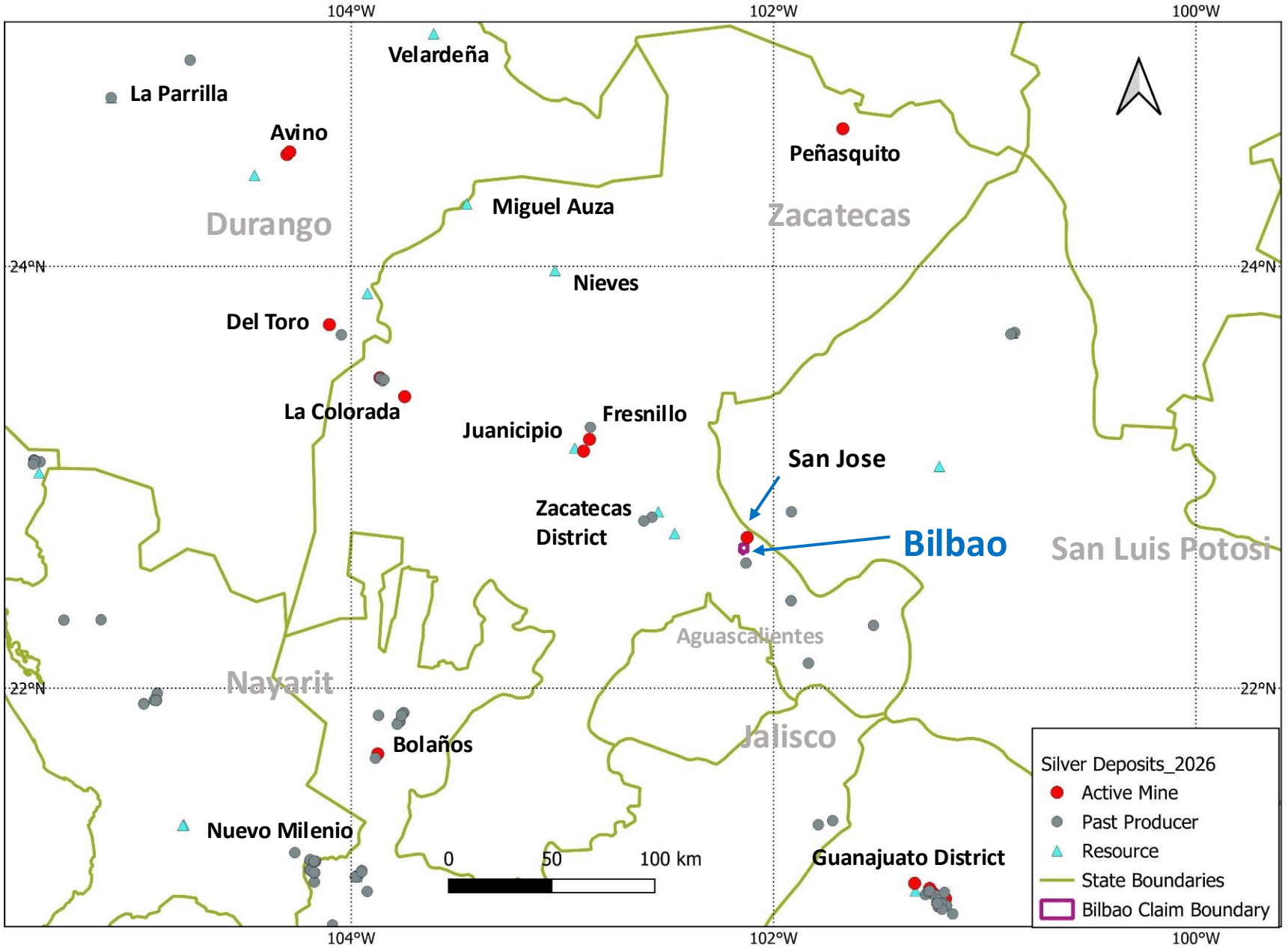
Peñasquito Mine

Pachuca District – (just off map to the east)



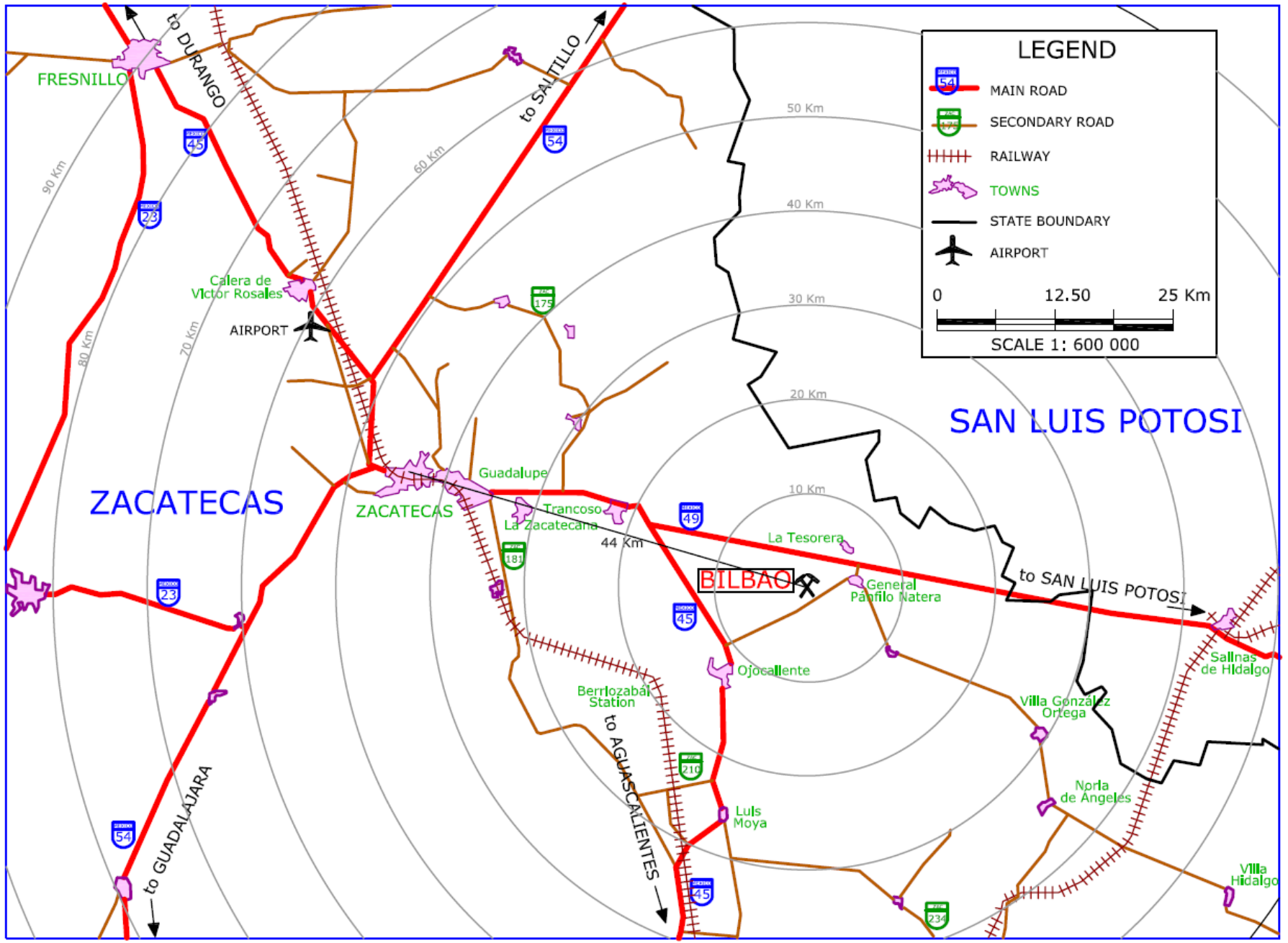
Bilbao Ag Zn Pb Project Overview

- **Producing Neighbours**: The **San Jose silver mine** is 4km north and across the highway is currently in production. Producing 1M OZ of silver per year. **They are currently for sale**
- **Teck/Agnico JV – San Nicolas:** 18km SE of Bilbao is a 110M tonne VMS deposit. They are currently building the plant which should be completed in less than 2 years.



Location and Infrastructure

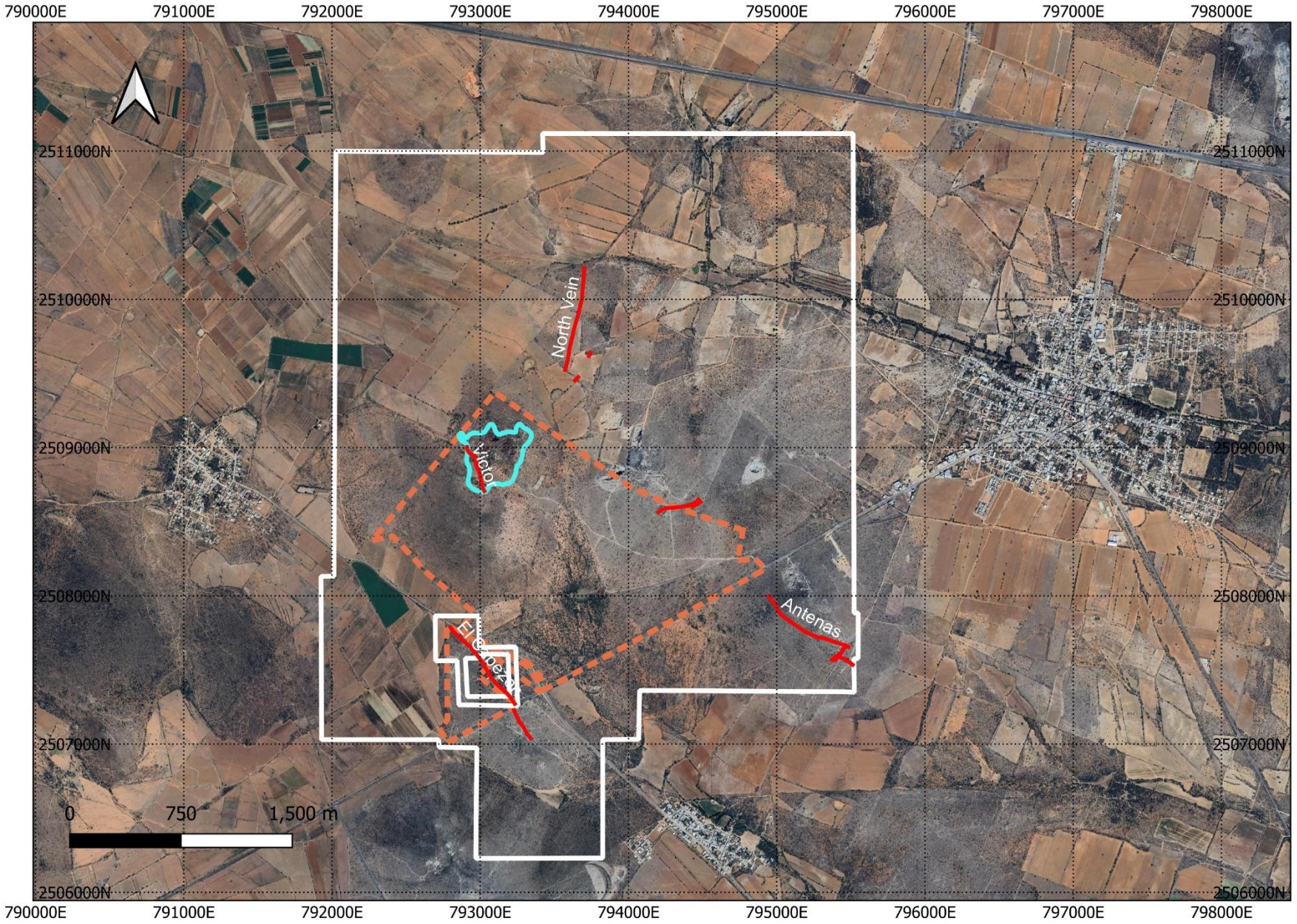
- **Infrastructure**: Excellent access via paved Highway 49; proximity to power lines, railroad, and water sources; near major mines like Cozamin and San Nicolas and next door to opperating San Jose silver mine. Local resources include skilled labor from Zacatecas mining region.



Map from PEA 2014

Bilbao Ag Zn Pb Project Overview

- **Ownership**: 100% ownership of mining rights
- **1,407 hectare concession** and 0 Royalties
- **Surface rights** over **300 hectares**



Surface Rights

Resource Outline

Veins

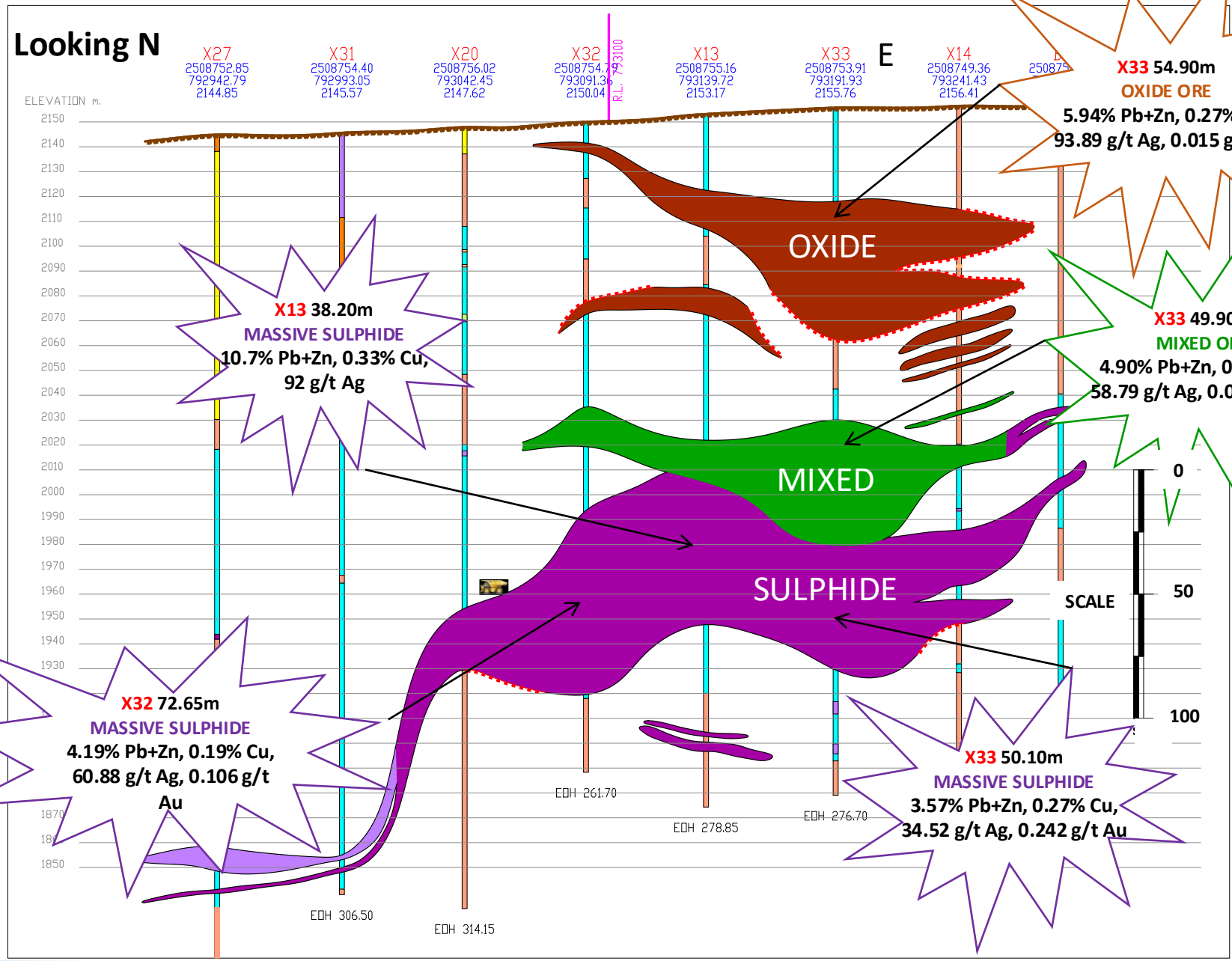
Vertical Distribution of Ore Types

Contact skarn system, with mineralization hosted in and controlled by limestones near a granite contact.

Oxides at Surface down to 120m depth, previously mined about 1 MT

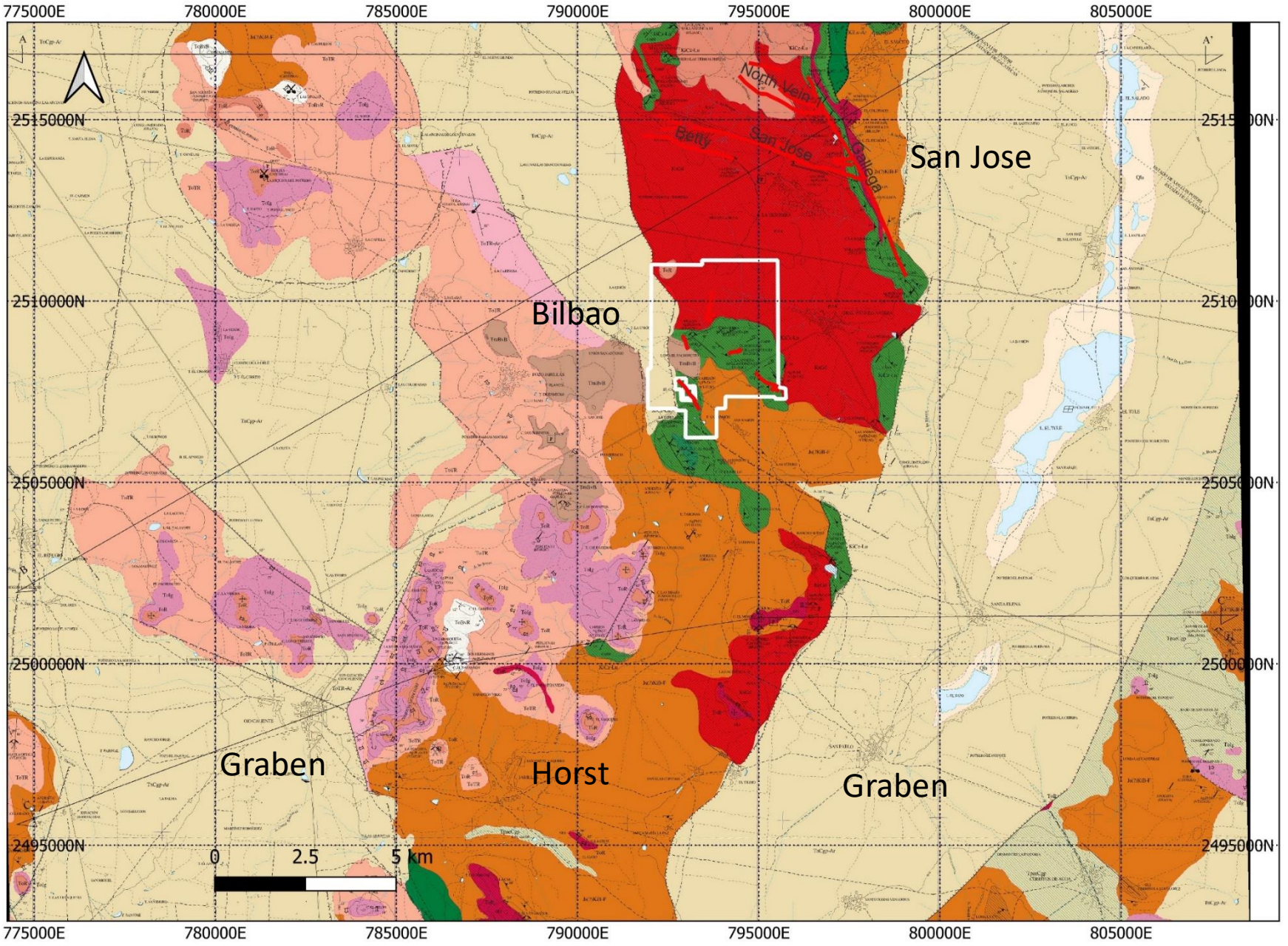
Sulfides (galena, sphalerite, minor chalcopyrite) below a mixed zone

<u>Sulphide mineralization</u> is **untested at depth to SW and W** side of resource



Regional Geology

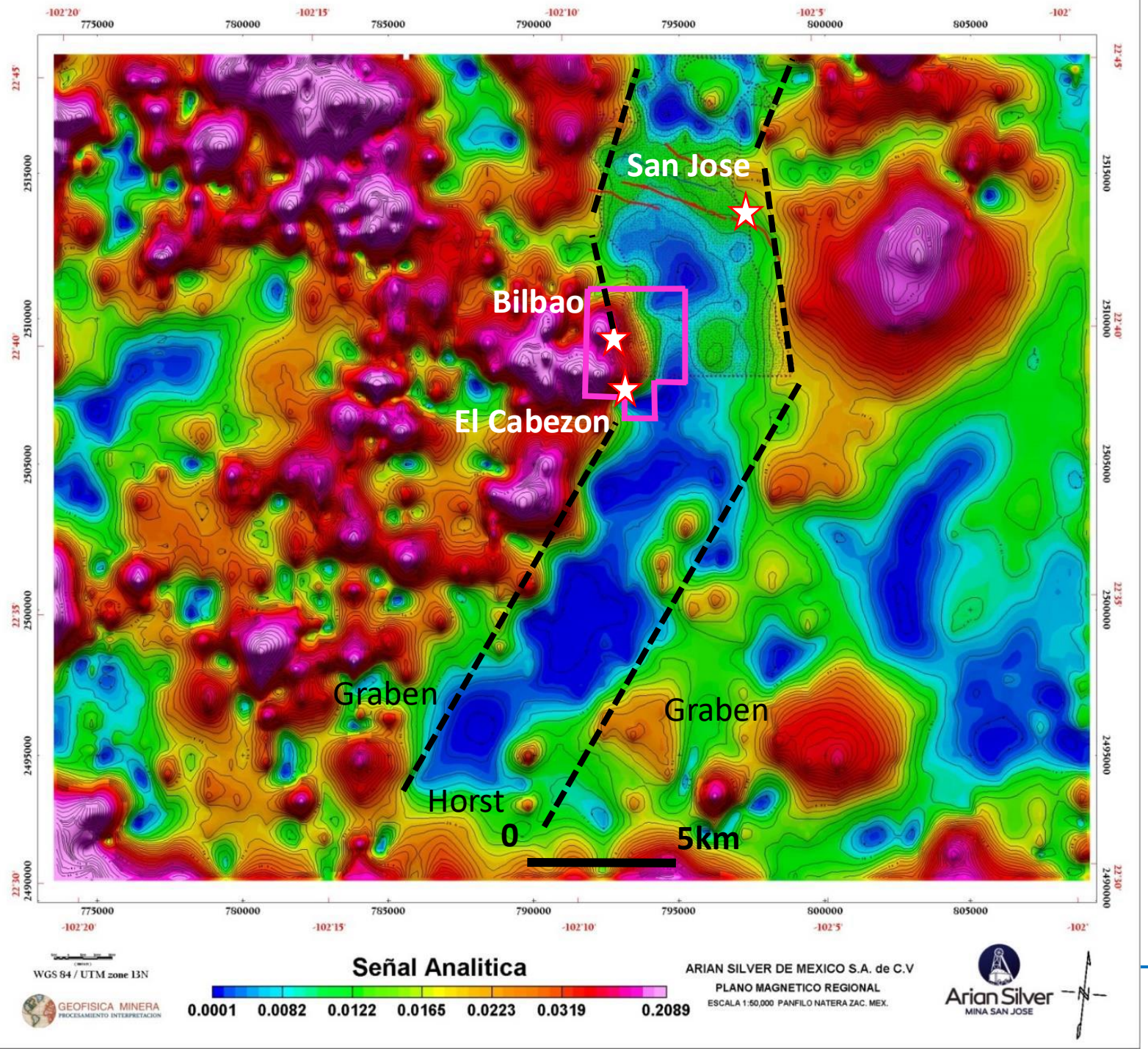
Tn Cgp-Ar	Pleistocene lacustrine and **Alluvial Sediments**
TmBvB	Miocene-Quaternary alkaline amygdaloidal **Basaltic Flows**
ToTR	Oligocene topaz-bearing **Rhyolites**
ToIg	Tertiary Rhyolitic **Ignimbrites**
KsGd	La Blanca **Granodiorite**
KiCz	Aptian-Albian **Limestones**
Js(?) KiB-F	Chilitos Fm **Andesites** with coeval Cretaceous marine calcareous sediments



Geology Map from SGM – F13b69 1:50K

Magnetic Map

The operating San Jose silver mine and the Bilbao Skarn are both hosted in a horst block as highlighted by the magnetic low.



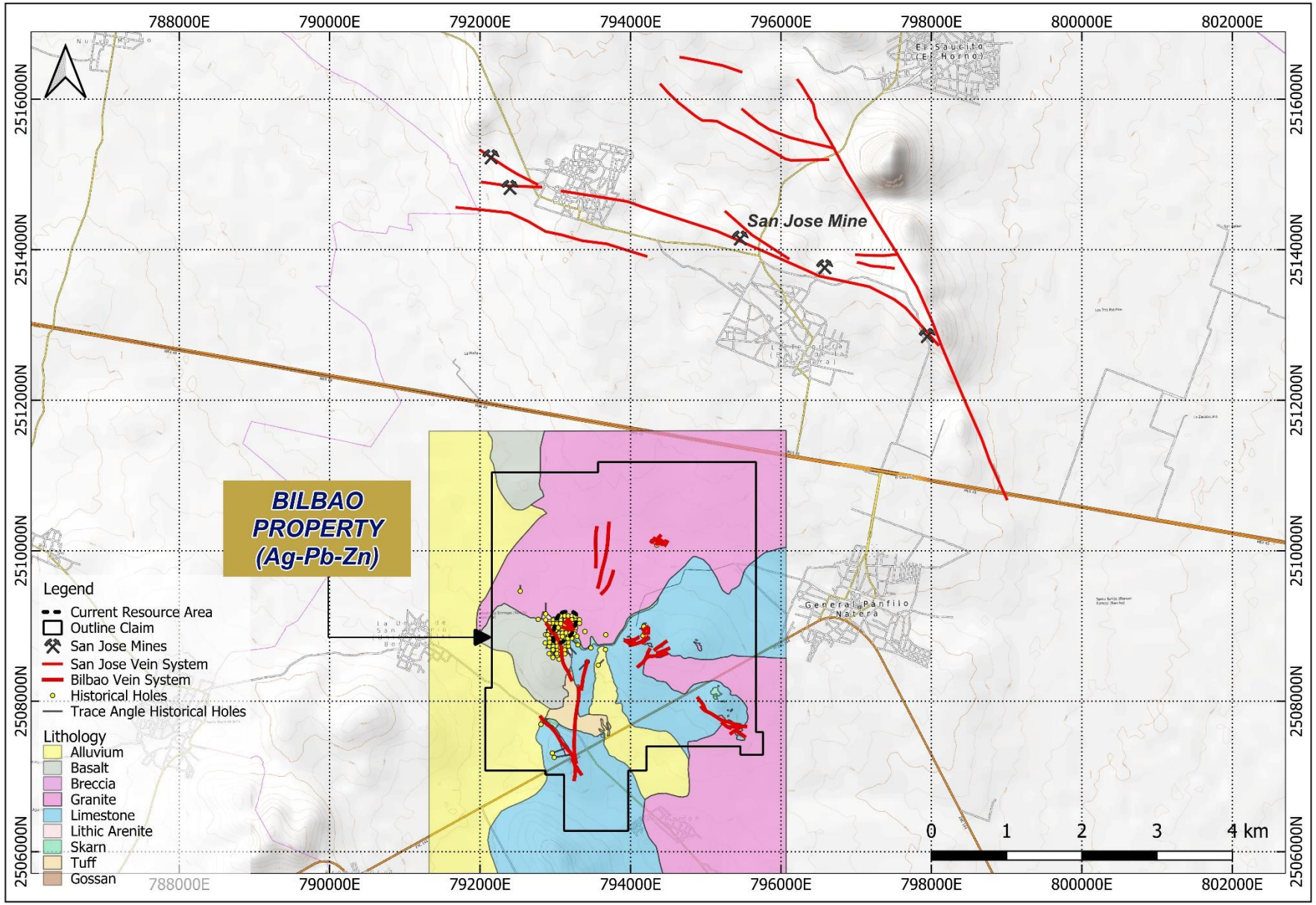
Analytic Signal (Total Gradient) Magnetics from Arain Silver 2010

Geology Map with
Epithermal Quartz Veins

Geology & Mineralization Bilbao is a contact metamorphic ***skarn deposit*** in marbleized limestone, with mineralization as mantos and endoskarn bodies up to 50 m thick. It includes oxide, mixed, and sulfide zones with principal metals Ag, Zn, Pb, Cu. Deposit open to south, west and northeast.

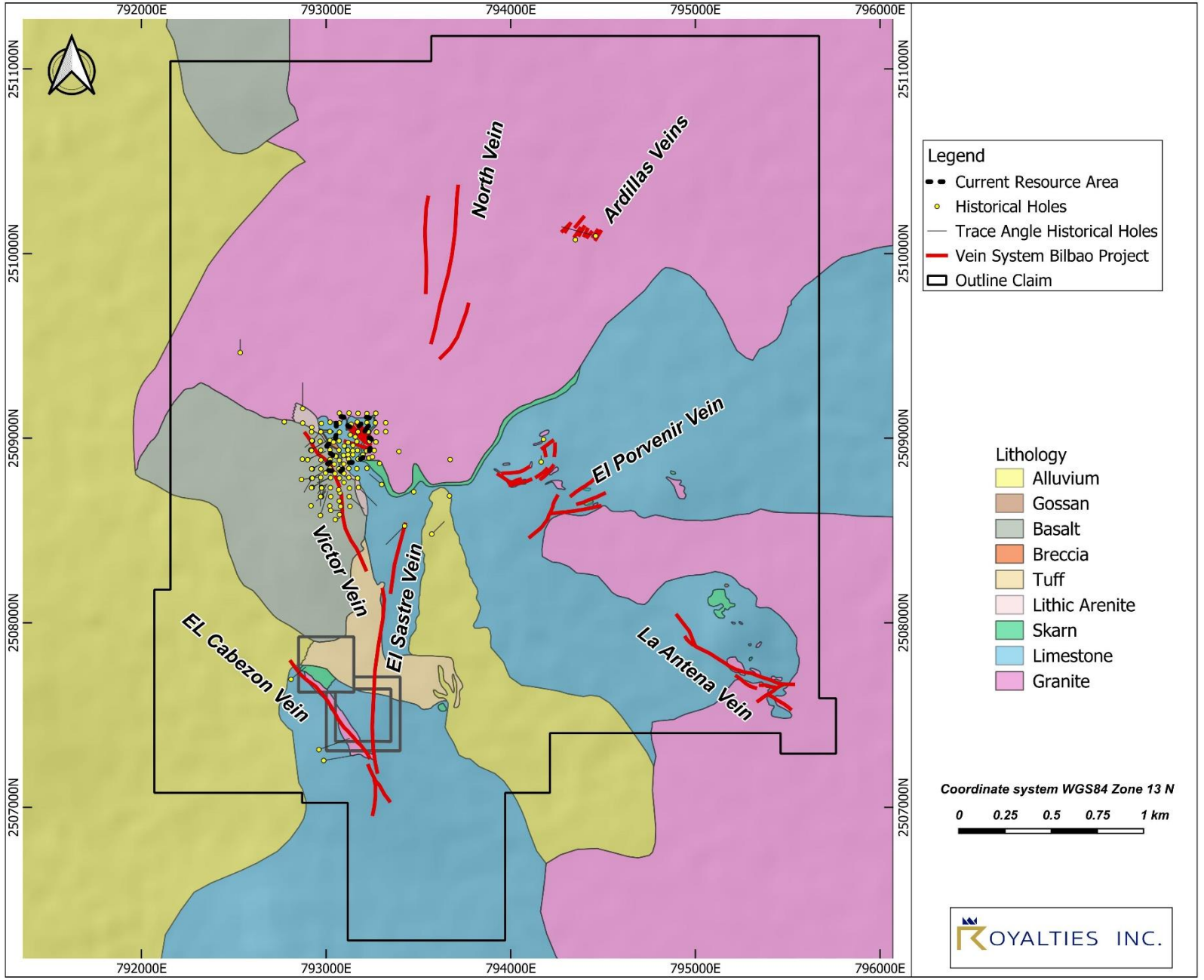
High-grade silver veins identified crossing the deposit as well as across the whole property. It appears that the Bilbao claims cover the southern portion of the San Jose epithermal silver vein system, mainly under cover. The San Jose mine has been mined down to 500m depth.

The Bilbao portion of the epithermal vein system is virtually untested.



Property Geology Map

7 different epithermal veins have been located on the property, but have very little surface exposure.
One of those veins – **El Cabezon** – was mined in the late 1800´s extracting bonanza silver **(>1000 g/t Ag)**.
All the other veins are recent discoveries and appear to be the very top of the epithermal system preserved (mainly hidden) under thin cover.

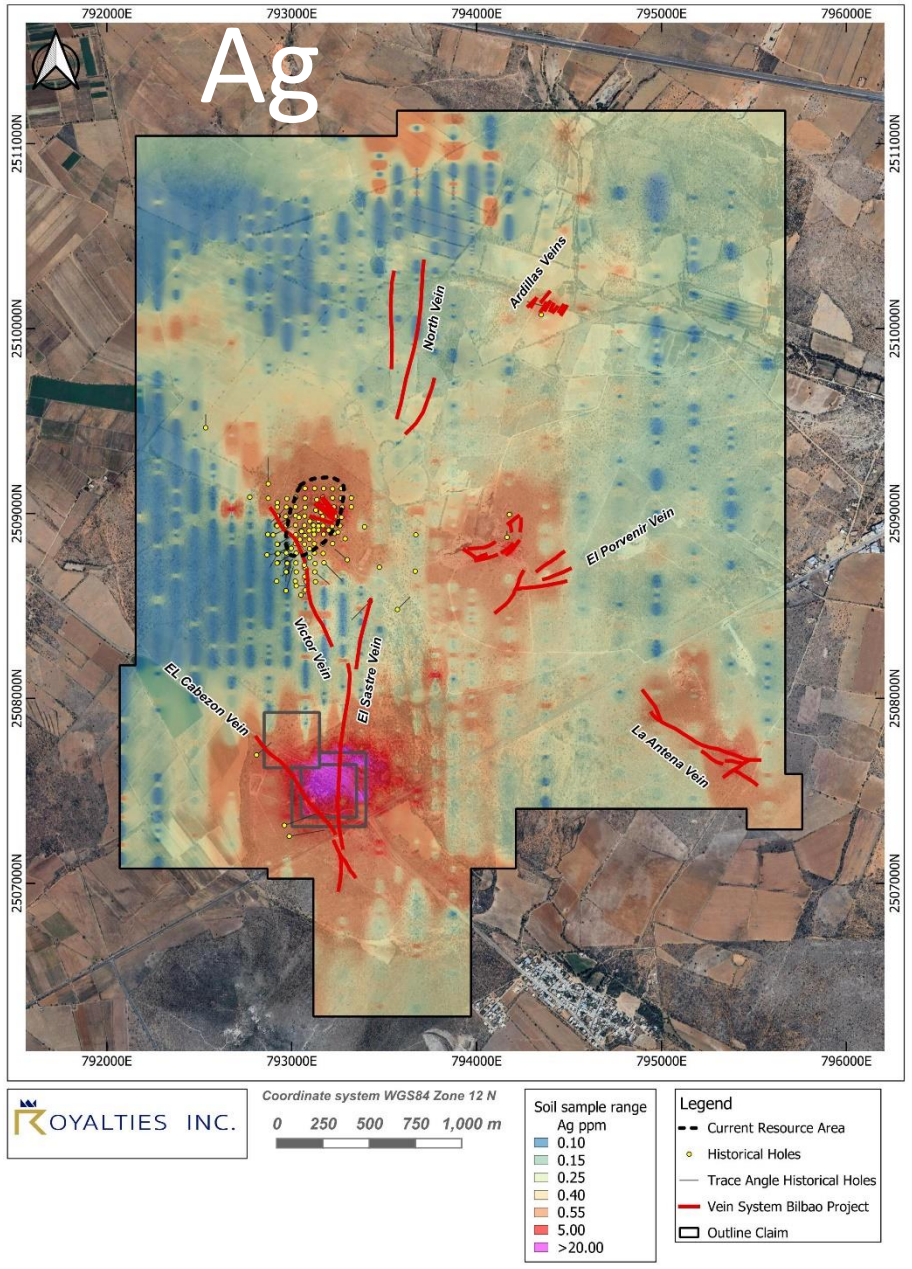


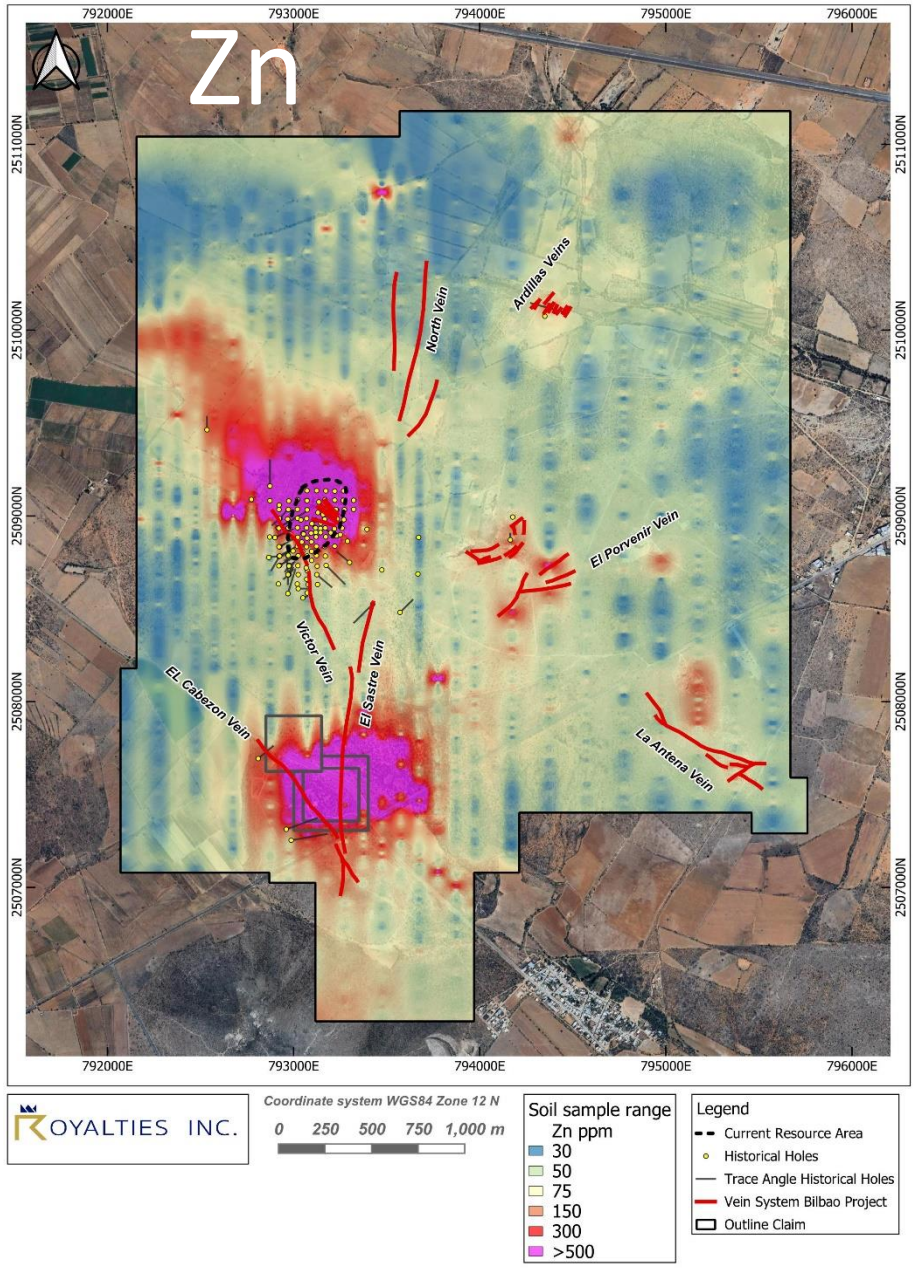
Soil Geochem Anomalies

Soil sampling completed by Phelps Dodge in the 1990's

The largest Silver and Zinc in Soils anomaly is ***still untested*** – located 1.2 km south of current resource

Most of the known quartz veins are also ***untested***

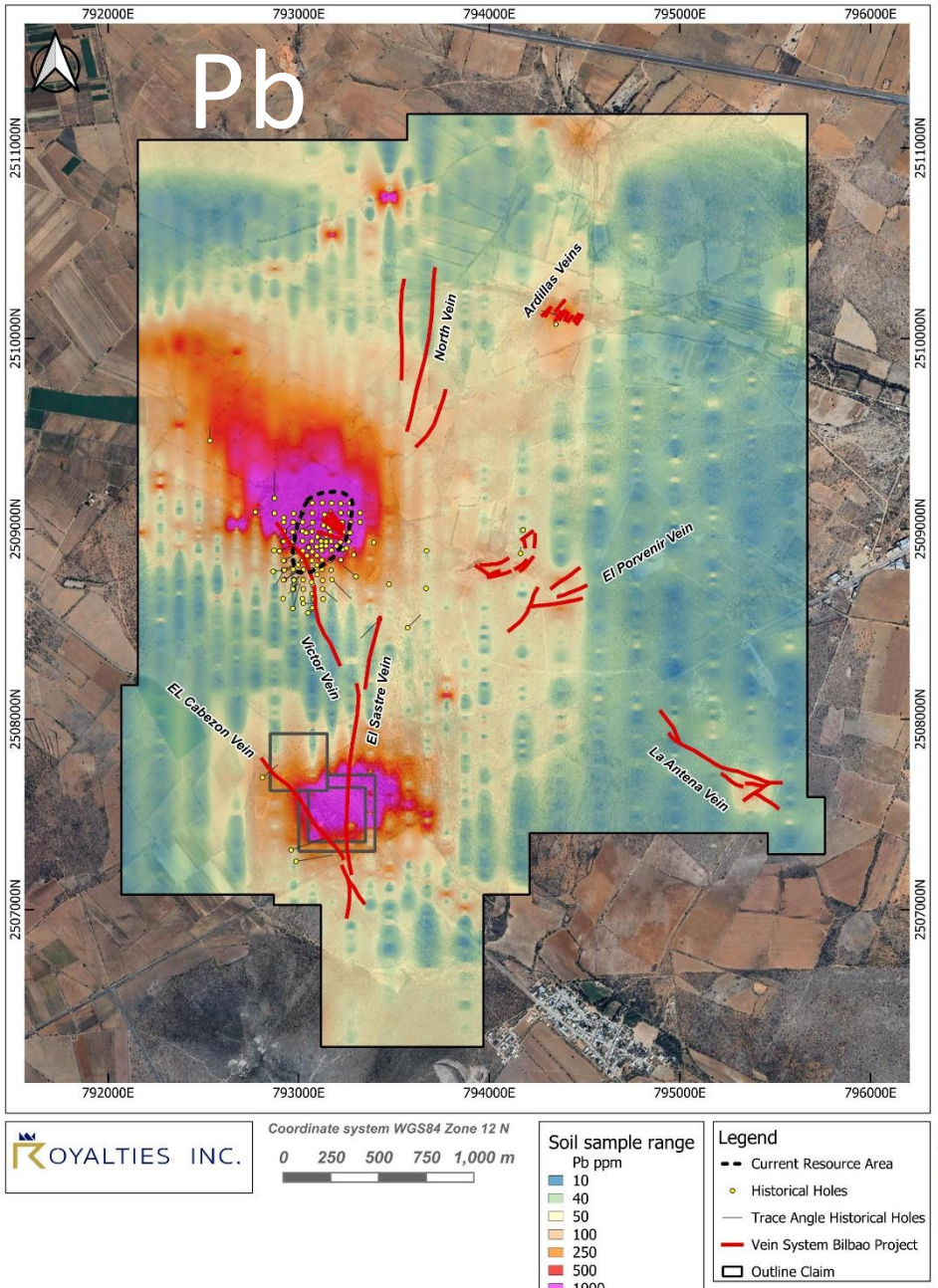


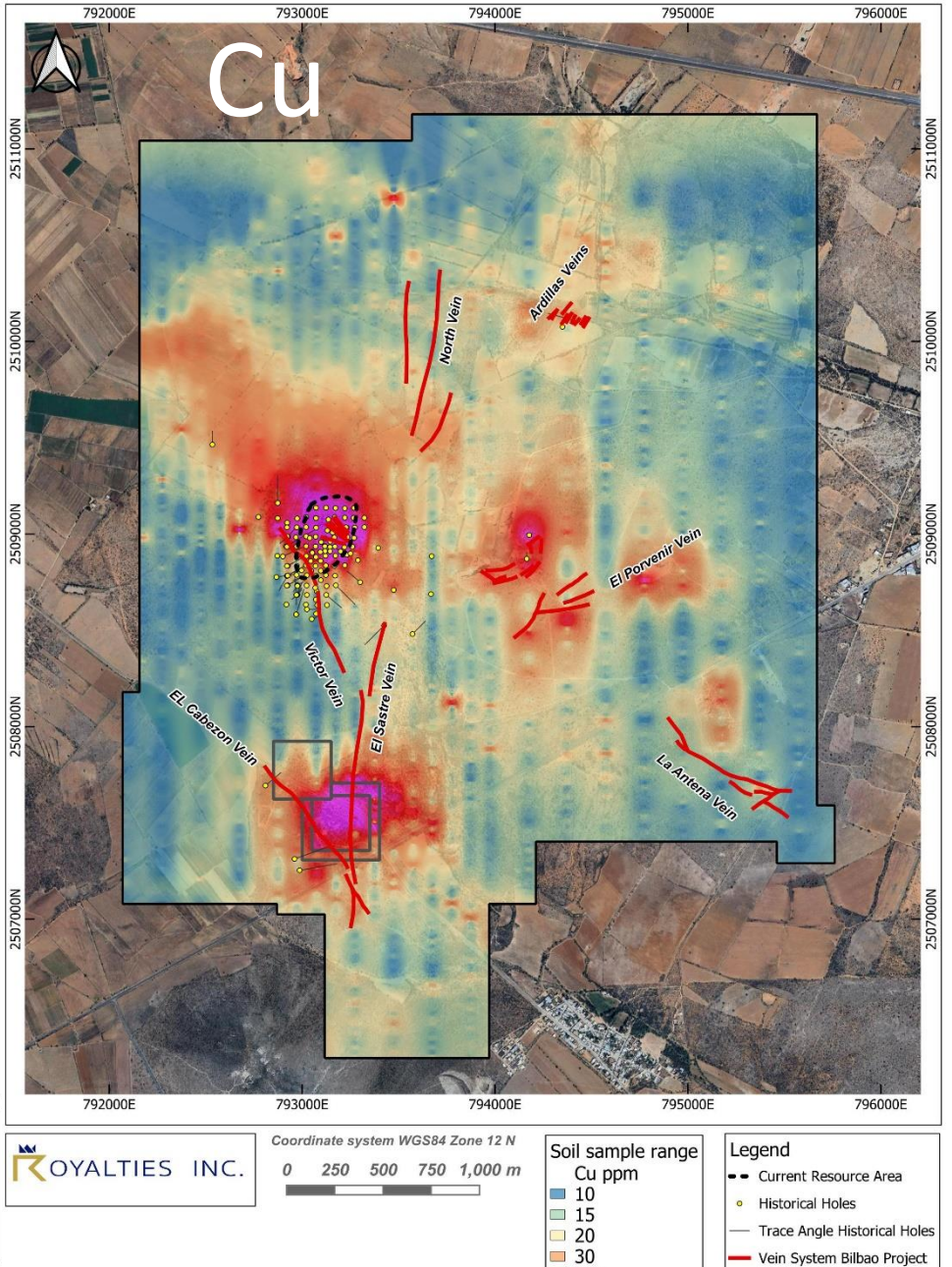


Soil Geochem Anomalies

Soil sampling completed by Phelps Dodge in the 1990's

Most of the known quartz veins are also ***untested***





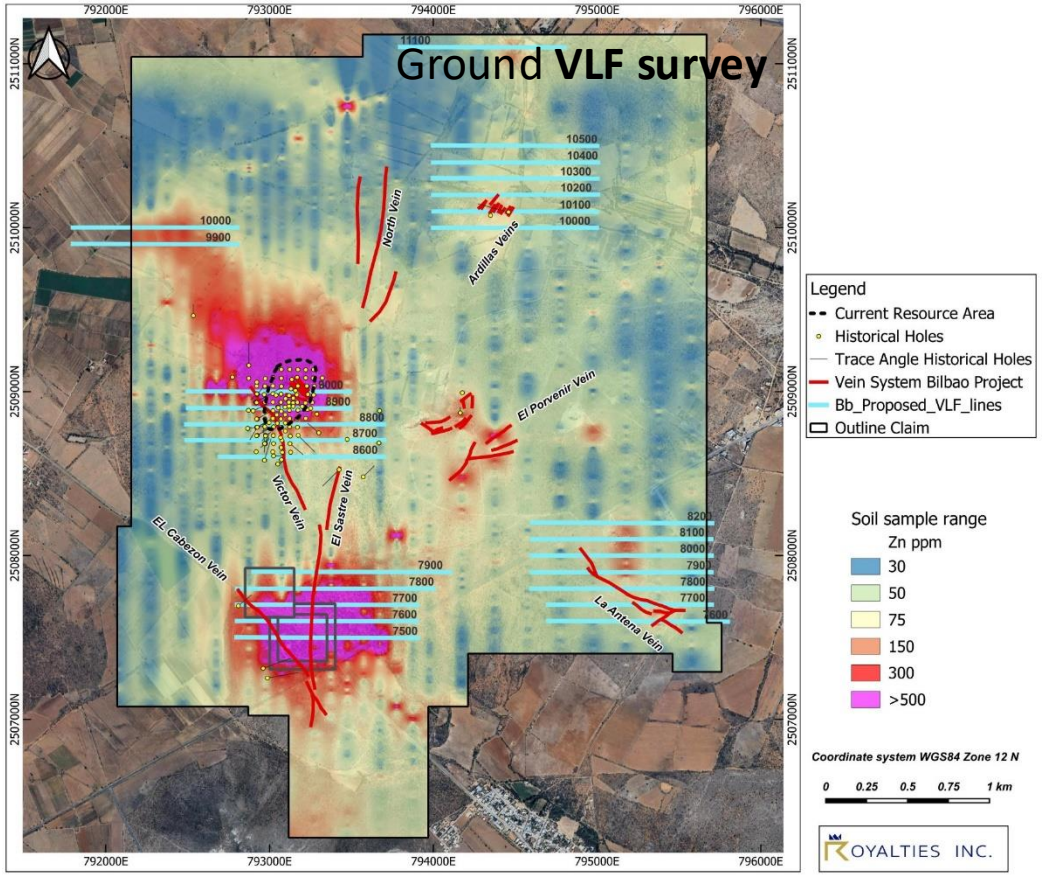
Overview of Proposed Exploration Plan

Two pronged approach

1. Exploration for adding tonnes to existing resource
2. 2. Testing the potential of the outlaying geochemical anomalies and veins

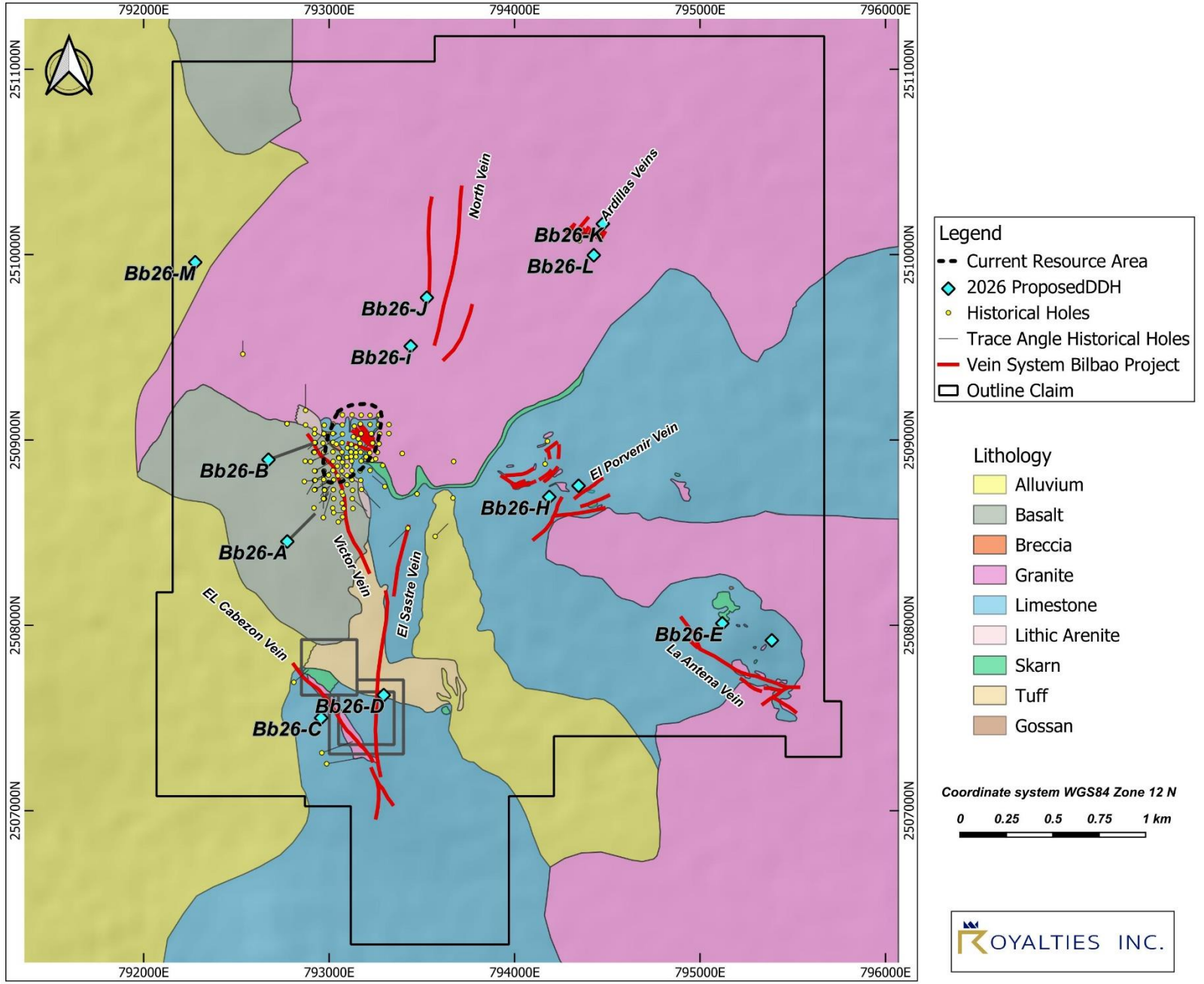
Sequence of Program

1. **Update PEA** numbers / research into new processing techniques for oxide ore - *Completed*
2. Aerial **Drone survey** to create accurate surface topography map - *Completed*
3. Ground **VLF survey** to test for extensions of known resource area, as well as the various outlaying 5 geochemical target areas
4. Phase 1 **Drill Program** to test extensions of Bilbao resource and to provide holes for downhole HLEM survey that would provide targeting info for a Phase 2 drill program
5. Phase 1 **Drill Program** to test the known epithermal quartz veins as well as anomalies detected from VLF survey over the geochemical anomalies.
6. **Downhole HLEM** survey around the existing resource, as well as any sulphide zones detected in outlaying geochemical / vein zones.



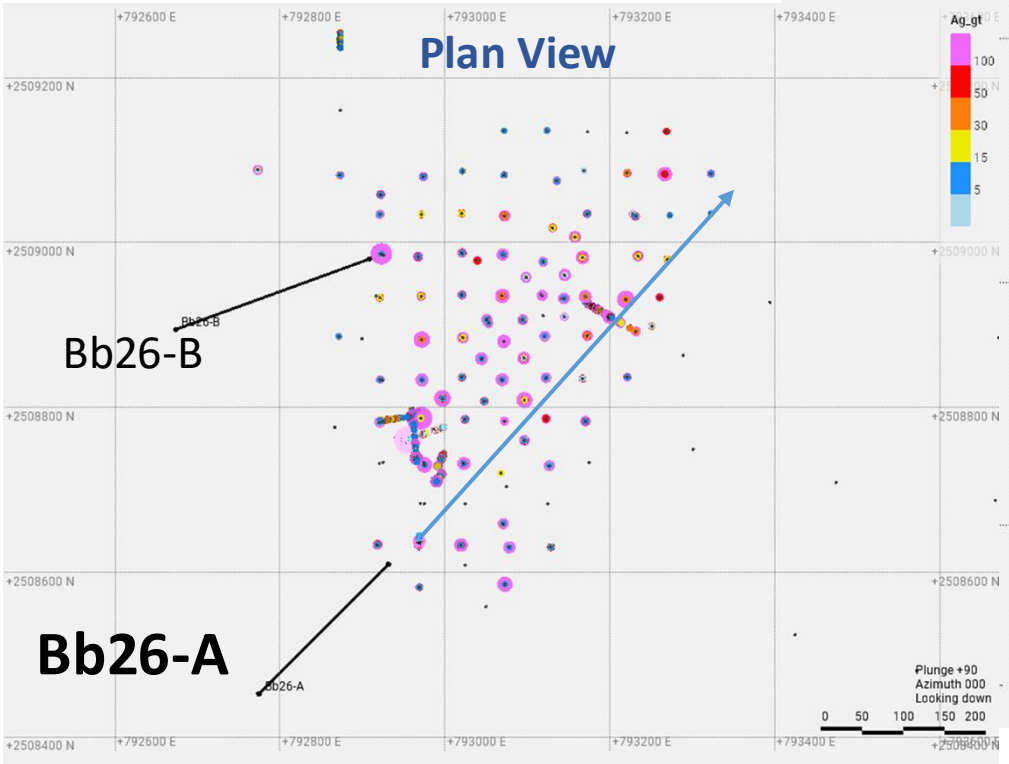
Location of Proposed Drill Holes

Drillhole_Name	Target Area	DH HLEM	Depth_m
Bb26-A	Bilbao + Victor Vein	yes	500
Bb26-B	Bilbao + Victor Vein	yes	300
Bb26-C	Cabazon	poss	300
Bb26-D	South Soil Anomaly	no	300
Bb26-E	Antenas	poss	300
Bb26-F	Antenas	no	300
Bb26-G	Jose / Portillos	no	300
Bb26-H	Jose / Portillos	no	300
Bb26-i	North Vein	no	300
Bb26-J	North Vein	no	300
Bb26-K	Ardilla Vein	no	300
Bb26-L	Ardilla Vein	poss	300
Bb26-M	NW Soil Anomaly	no	300
			4100



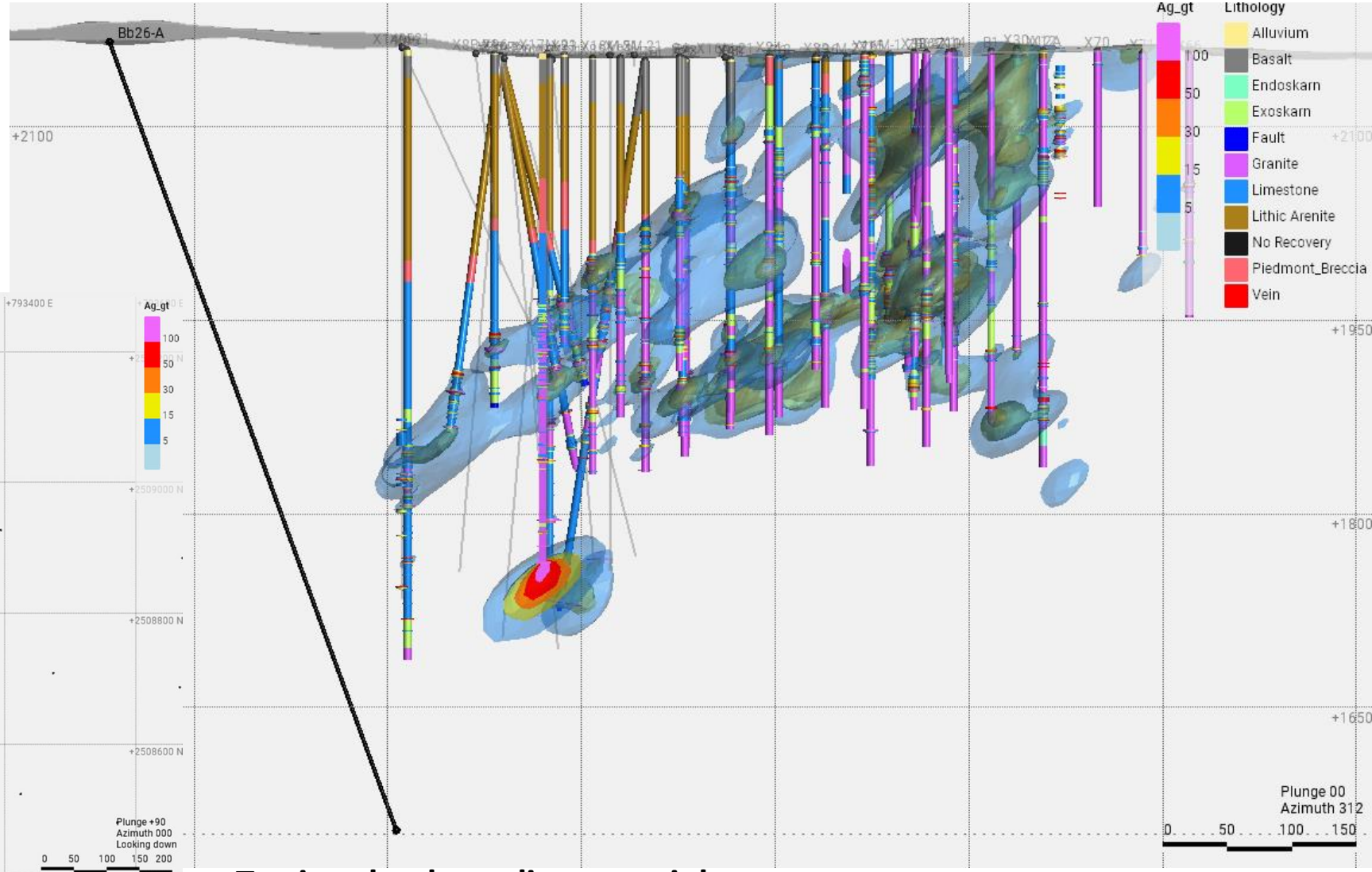
Location of DHHs next to existing Resource

Both DDH test the down dip extensions of known mineralization and provide a hole for the downhole HLEM survey



Bb26-A

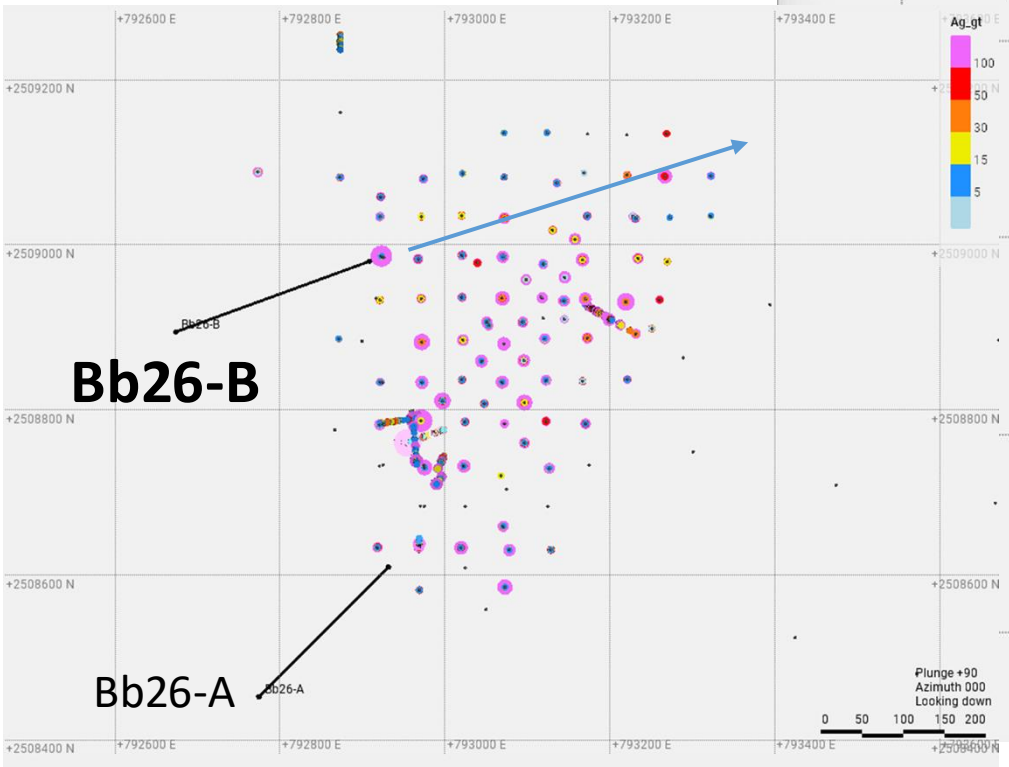
Section View – Looking NW



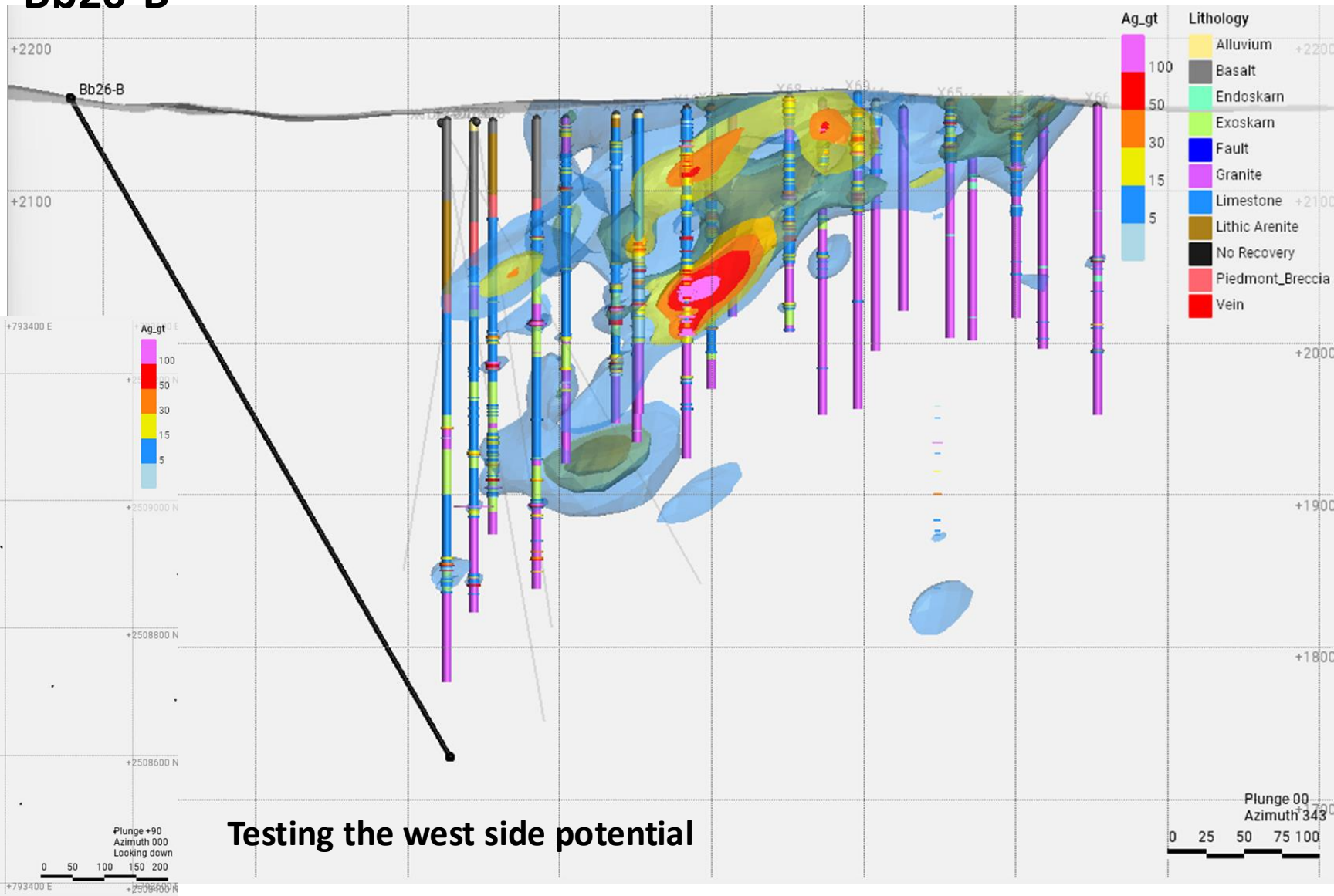
Testing the downdip potential

Location of DHH next to existing Resource

Plan View



Section View – Looking NNW



Testing the west side potential

Outline of Proposed Budget

PEA Update	20,000	
Oxide Met Study	20,000	
Drone Topo Survey	10,000	
Geologic Mapping / Reporting	90,000	
Drill Permitting	25,000	
VLF Survey	29,390	
Phase 1 Drilling	1,107,000	
DH HLEM	200,000	
Taxes / Rents	30,000	
	1,531,390	Phase 1 Costs
	100,000	contingency
	1,631,390	Total Phase 1 Costs $USD
	2,207,054	**Total Phase 1 Costs $Cdn**

Timeline of Planned Work and Expected News Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8
PEA Update		Results of Update						
Oxide Met Study				Results of Study				
Drone Topo Survey		Updated Topo Survey						
Geologic Mapping / Reporting								
Drill Permitting				Issue of Permit	Start of Drilling			
VLF Survey		Results of VLF						
Phase 1 Drilling							Results of first H	Results of ne
DH HLEM							Start of HLEM program	Results of HLE
Taxes / Rents								

Summary

Existing small Ag-Pb-Zn resource (**10.7 M oz. contained Ag**) with good potential to grow.

Existing, good quality, exploration data base.

Un-explored, un-drilled Ag-Au epithermal quartz vein system (with local past mining over only 100 x 100 m)

Proposed series of Surface VLF lines to detect new sulphide mineralization with downhole EM follow-up.

Proposed Drill Program to test expansion potential of skarn and un-drilled epithermal veins

Gracias



Available for Option

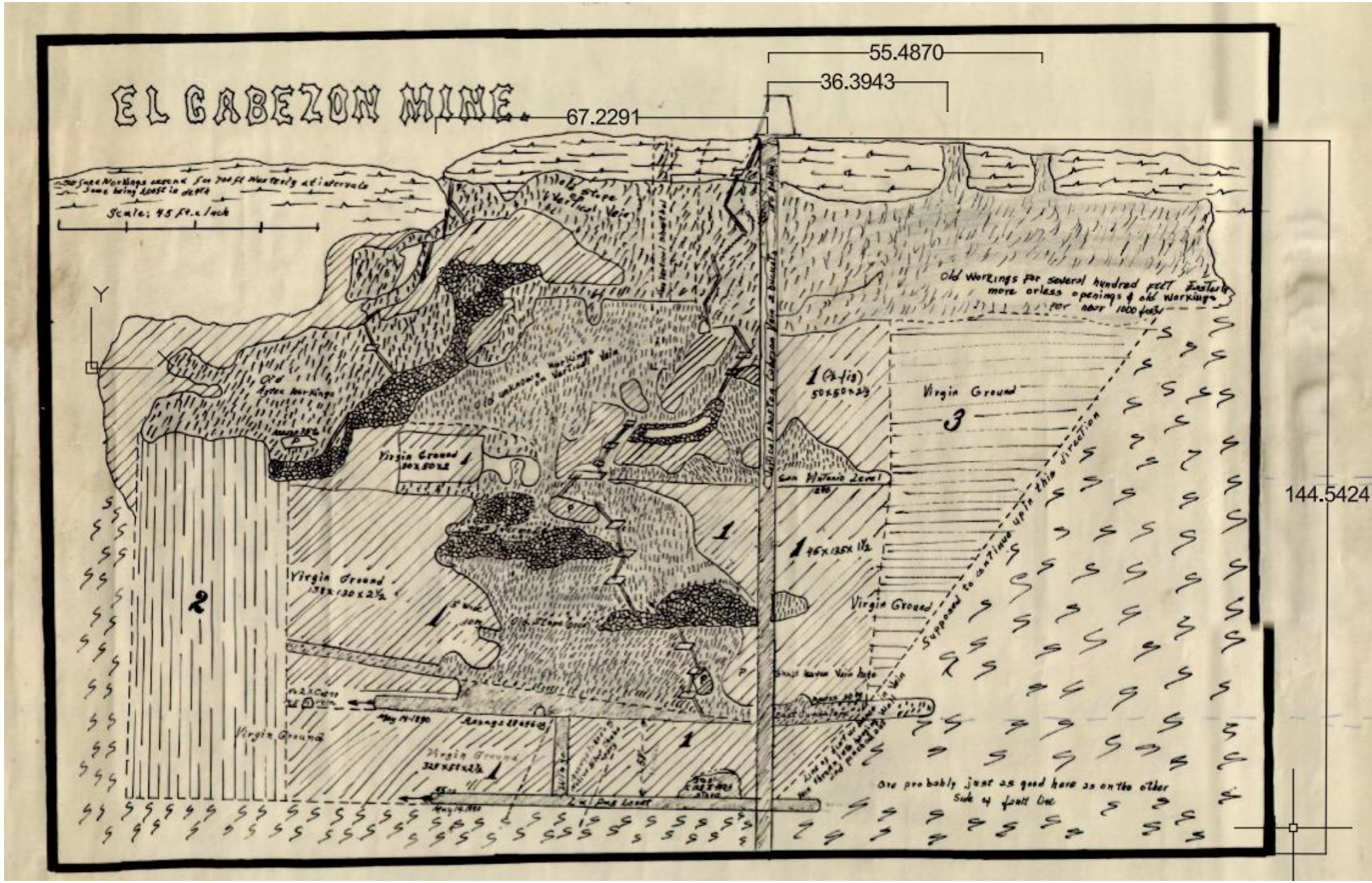
Disponible para Comprar

Appendix
Project History

Mining of El Cabezon 1890's

Historic Mining Reports grades from **800 to 60,000 g/t Ag**

144m Deep, about 140m along strike



Project History

Early **1900's** the International Mining Company, dug the Tiro 1 and Tiro Azulaques shafts and developed on the 40 and 76m levels within the oxide mineralization.

1929, Mr. Sutti Sr., a mining engineer, acquired the property, repaid the loan and sold the property before the stock market crash of 1929 to **Compañía Fresnillo.**

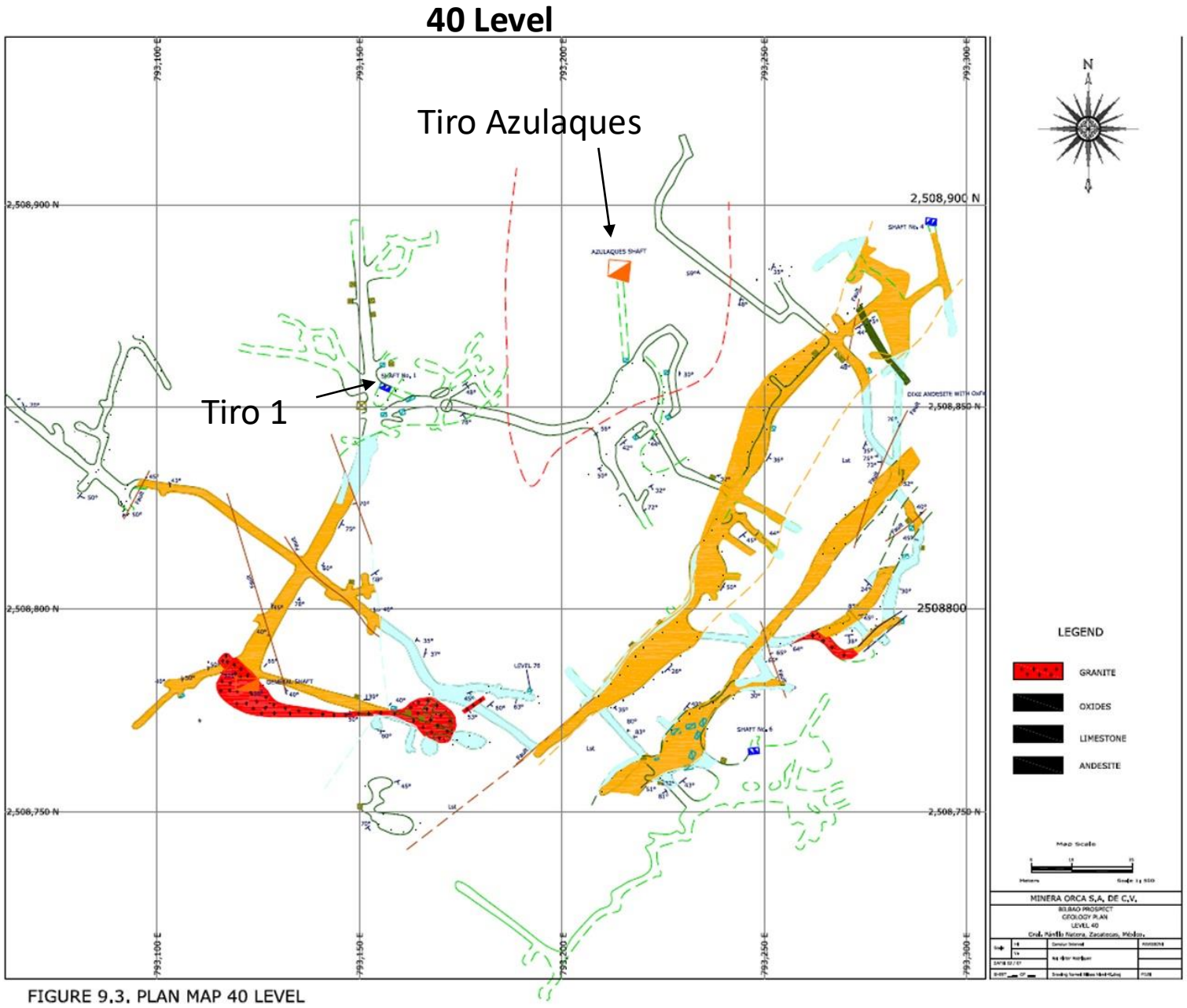


FIGURE 9.3. PLAN MAP 40 LEVEL

Project History

Mineralization was a direct shipping ore, which was shipped to the lead smelter in San Luis Potosí during **World War II**, and subsequently to Asarco's smelter in El Paso, Texas. The historical production has been estimated to be about **1.0 million tonnes from the Bilbao Skarn.**



Project History

Compañía Fresnillo (subsequently merged into Peñoles) held the property until it was dropped in **1986**, in the belief that the deposit was a roof pendant and too small to be of significant value.

In **1989**, Martin Sutti Courtade acquired mineral concessions over Bilbao and subsequently sold them to Minera Portree de Zacatecas, S.A.de C.V.

1989 and **2004**, various options including Cyprus/Phelps Dodge

2004, Minera Portree sold the property back to Martin Sutti Courtade who then re- sold it to Shoshone Mexico, S.A. de C.V.

2006 Xtierra Inc. optioned the property from Shoshone and then acquired a full 100% stake by August 2008.

Compañía Fresnillo / Peñoles

↓

Martin Sutti Courtade

↓

Minera Portree de Zacatecas, S.A.de C.V.

↓

Cyprus/Phelps Dodge

↓

Shoshone Mexico, S.A. de C.V.

↓

Xtierra Inc. → ROYALTIES INC.

Project History

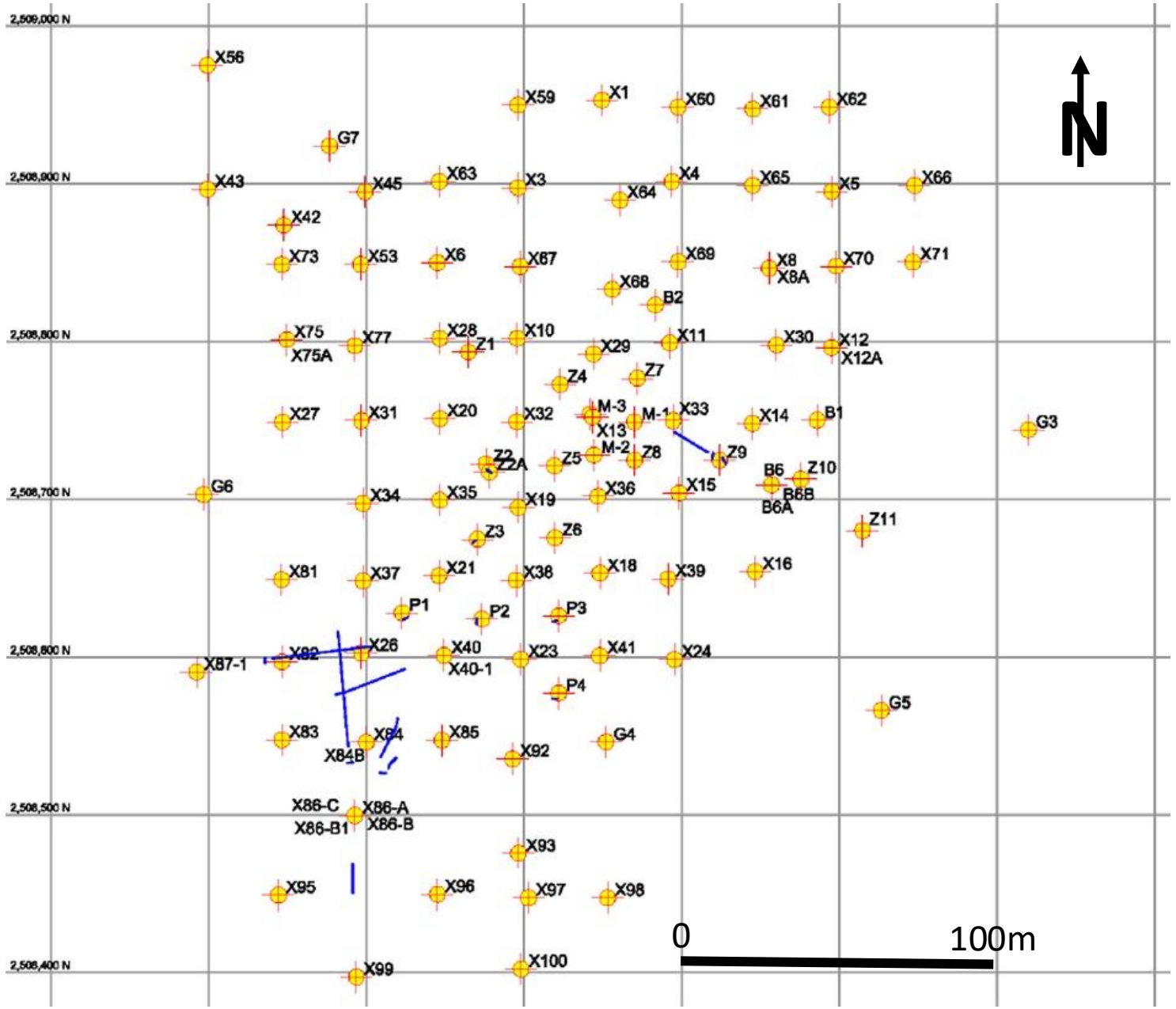
Summary of work of Xtierra 2004 through 2014

Note: Xtierra became Royalties Inc. after a name change

Table 10-2 Drill Hole Campaigns

Campaign	Year	N	(m)
Phase I	2006	28	7222
Phase II	2008	15	4138
Phase III	2008 - 2009	7	1900
Phase IV	2010 - 2011	31	7688
Phase V	2011 - 2012	18	4875
Phase VI	2013	6	1785
Total		**105**	**27609**

15,450 samples



Map and Table from PEA, 2014

Recent Work – El Cabezon

The extensive mine dumps from El Cabezon were sampled in early 2026 and then sent to a local processing plant. Sample results at right.



Date	Samples	Minerals (g/t)	
		Au	Ag
02/05/2026	1	1.5	83
02/05/2026	2	1.7	180
02/05/2026	3	1.2	121
02/05/2026	4	1	146
02/05/2026	5	1	106
02/05/2026	6	0.7	90
02/05/2026	7	1.15	136
02/05/2026	8	2	335
02/05/2026	9	1.9	290
02/05/2026	10	1.3	223
02/05/2026	North 1	1.1	240
02/05/2026	North 2	4.5	884
02/05/2026	North 3	1.5	192
02/05/2026	North 4	1.6	240
02/05/2026	North 5	0.75	140
02/05/2026	North 6	1.4	106
02/05/2026	North 7	1	96
02/05/2026	North 8	2	279
02/05/2026	North 9	2.2	232
02/05/2026	North 10	1	121
02/05/2026	North 11	0.8	110
02/05/2026	North 12	3	314
02/05/2026	North 13	2.1	342
Average		**1.6**	**217.7**

Sample results here from a local – non-accredited lab

Vein Potential – El Cabezon

Mineralization: argentite, sphalerite, galena and chalcopyrite

Most of the material on the Cabezon dumps looked like the massive white quartz on the left, while the better values probably came from the material on the right



Majority of dump material was Massive White Quartz



Psuedomorphed calcite Boiling Textures