

TORONTO, ONTARIO / ACCESSWIRE / December 6, 2016 / [Royal Road Minerals Ltd.](#) (TSXV: RYR) ("Royal Road Minerals" or the "Company") announced today that its board of directors and the board of directors of [Caza Gold Corp.](#) (TSXV: CZY) ("Caza") have approved a proposed business combination by way of a friendly offer that Royal Road Minerals' intends to make to acquire 100% of the outstanding common shares of Caza, and that Royal Road Minerals and Caza have signed a support agreement pursuant to which Caza's board of directors has unanimously agreed to support the Royal Road Minerals offer.

Readers should note that Royal Road Minerals has not yet commenced the offer and should carefully review the cautionary statements set out below in this news release respecting the status of the offer and the factors that may cause Royal Road Minerals not to make the offer.

Highlights of the Transaction

For each Caza common share, Royal Road Minerals intends to offer 0.16 of a Royal Road Minerals ordinary share. Royal Road Minerals expects to issue approximately 22,608,321 ordinary shares pursuant to the transaction (assuming no exercise of any Caza options or warrants), representing approximately 34% of Royal Road Minerals' current outstanding ordinary shares.

The board of directors of Caza has unanimously determined that the Royal Road Minerals proposed offer is in the best interests of Caza's shareholders, and unanimously recommends that the Caza shareholders tender their common shares to the offer, if and when made by Royal Road Minerals in accordance with the support agreement.

The proposed offer is also supported by Caza's largest shareholder, Polygon Mining Opportunity Master Fund ("Polygon") and by Caza's directors and officers that hold Caza common shares, and Polygon and these directors and officers have each entered into a lock-up agreement with Royal Road Minerals and have agreed to tender all of their Caza common shares to the offer, if and when made by Royal Road Minerals in accordance with the support agreement. Collectively, these supporting shareholders beneficially hold an aggregate of 116,345,568 Caza common shares representing approximately 82.3% of the outstanding Caza common shares on both a non-diluted and fully-diluted "in the money" basis.

Compelling Combination

Commenting on the proposed Caza transaction, Dr. Tim Coughlin, President and Chief Executive Officer of Royal Road Minerals said "This transaction has been in the making for some time and is intended to represent the first of a proposed series of evolutionary step-changes, as the Company identifies regional exploration opportunities, plays to its strengths and moves toward realizing its aim of adding value by discovery and becoming Latin America's premier exploration company. Our initial footprint at La Golondrina in southern Colombia has led to other local deals and to the submission of more than 160,000 hectares in concession contract applications in Colombia, over what we believe is one of Latin America's most prolific and prospective gold belts. The Caza acquisition would provide us with an additional portfolio of projects that would each be 100%-owned, prospective for porphyry copper-gold, iron-oxide copper-gold and epithermal gold-silver deposits, and located in Nicaragua, which is fast becoming known for its mineral potential".

He added, "We believe that the proposed strategic acquisition is good for both companies and the support agreement with Caza will allow us to carry out our due diligence investigations and other pre-bid preparations, which is intended to lead to a formal offer being made. Having confirmed the support of Caza shareholders representing 82.3% of the Caza common shares, our plan is to make the offer so that all shareholders of Royal Road and Caza can benefit from a more diversified combined company, led by an experienced and dedicated management team with a proven track record in discovery, and which we believe will have greater financial and operational resources available to it than either company now has on its own."

Under the terms of the support agreement, Royal Road Minerals agreed that it would make the offer, subject to the waiver or satisfaction of certain conditions. Provided that Royal Road Minerals does not uncover or otherwise identify information in the course of its planned due diligence investigations that reveals any material issues with the proposed transaction or that suggests that the business, affairs, prospects or assets of Caza have been materially adversely affected or impaired, or if any unforeseen legal or regulatory concerns about the proposed transaction should arise, Royal Road Minerals intends to mail a take-over bid circular to the registered holders of Caza's common shares Shares (as required under applicable Canadian securities laws) on or about January 5, 2017.

Prior to the commencement of the offer, Caza has agreed that it will issue a "deposit period news release" as contemplated under applicable Canadian securities laws stating an initial deposit period for the proposed take-over bid of 35 days from the date that Royal Road Minerals commences the take-over bid by making the offer and delivering the required take-over bid circular to Caza's shareholders, or such other initial deposit period as Royal Road Minerals and Caza may otherwise agree of not more than 105 days and not less than 35 days from such date.

Royal Road Minerals anticipates that the Offer will be subject to a number of customary conditions, including: (i) there being deposited under the Offer, and not withdrawn, at least 90% of the outstanding Caza Shares (calculated on a fully diluted basis), excluding Caza Shares held by Royal Road Minerals; (ii) receipt of all governmental, regulatory and third party approvals that Royal Road Minerals considers necessary or desirable in connection with the Offer; and (iii) no material adverse change having

occurred in the business, affairs, prospects or assets of Caza.

The support agreement between Royal Road Minerals and Caza provides that Caza's board of directors may, under certain circumstances, terminate the agreement in favour of an unsolicited superior proposal, subject to a right by Royal Road Minerals to match the superior proposal in question.

Full details of the Royal Road Minerals intended offer, including any conditions thereof, will be included in the takeover bid circular that is expected to be mailed to Caza shareholders.

Advisors

Royal Road Minerals' legal counsel is Irwin Lowy LLP and with regard to Jersey law matters, Lexstone Lawyers.

Cautionary Statement on Forward-looking Information

All statements, other than statements of historical fact, contained in this news release, including any information as to the future financial or operating performance of Royal Road Minerals, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the *Securities Act* (Ontario) and the "safe harbour" provisions under the United States Private Securities Litigation Reform Act of 1995 and are based on the expectations, estimates and projections of management as of the date of this news release unless otherwise stated.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Royal Road Minerals as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Royal Road Minerals contained in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in Royal Road Minerals' take-over bid circular intended to be prepared and filed in accordance with applicable securities laws in Canada and Jersey as well as: (1) that Royal Road Minerals will make the offer, commence a formal take-over bid for Caza's common shares or complete the acquisition of Caza in accordance with the terms and conditions of the above-mentioned support agreement or otherwise; (2) the accuracy of Royal Road Minerals' understanding of Caza's projects; (3) the viability of the Caza project areas and permitting the further exploration and the development of these project areas on a basis consistent with Royal Road Minerals' and Caza's current expectations; (4) the trading price of Royal Road Minerals and Caza's shares; (5) there being no significant political developments, whether generally or in respect of the mining industry specifically, in Nicaragua that is inconsistent with Royal Road Minerals and Caza's current expectations; (6) there being no significant disruptions affecting Royal Road Minerals' current business; (7) permitting Royal Road Minerals to undertake certain measures regarding Caza's projects in Nicaragua; and (8) permitting and exploration at Royal Road Minerals' La Golondrina project on a basis consistent with its current expectations.

The forward-looking information set forth in this news release is subject to various risks and other factors which could cause actual results to differ materially from those expressed or implied in the forward-looking information, including the risk that the proposed offer will not be made and, if made, that the acquisition of Caza will not be completed for any reason. Certain of these risks, factors, estimates and assumptions are described in more detail in Royal Road Minerals' most recently filed management discussion and analysis in the section entitled "Risk Factors", to which readers are referred and which are incorporated by reference in this news release. In addition, all forward-looking statements made in this news release are qualified by the full "Risk Factors" in such management's discussion and analysis. These risks, factors, estimates and assumptions are not exhaustive. Royal Road Minerals disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Other Information

Where we say "we", "us", "our", the "Company", or "Royal Road Minerals" in this news release, we mean Royal Road Minerals and/or its subsidiaries, as may be applicable.

This news release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of Royal Road Minerals or Caza. Such an offer may only be made pursuant to an offer and take-over bid circular filed with the securities regulatory authorities in Canada. Royal Road Minerals plans to file an offer and take-over bid circular with Canadian provincial securities regulators. Investors and security holders are urged to read the offer and take-over bid circular regarding the proposed transaction referred to in these documents if and when they become available, because they will contain important information.

Investors may obtain a free copy of the offer and take-over bid circular when they become available and other documents filed by Royal Road Minerals with the Canadian provincial securities regulators on SEDAR at www.sedar.com. The offer and take-over bid circular and these other documents may also be obtained for free, once they have been mailed, on Royal Road Minerals' website.

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.

For further information please contact:

Royal Road Minerals contact: Dr. Tim Coughlin, President and Chief Executive Officer, by phone: USA-Canada toll-free (800) 638-9205, +44 (0)1534 887166, or +44 (0)7797 742800, or by email at info@royalroadminerals.com

Caza contacts: Brian Arkell at 1-720-883-7338 or the Company at Toll Free: 1-877-684-9700, tel: (604) 685-9750, fax: (604) 685-9744, email: brian.arkell@cazagold.com or visit our website, www.cazagold.com

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