

Royal Road Minerals Announces Closing of Acquisition of Colombian Exploration Assets

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Toronto, May 31, 2019 - [Royal Road Minerals Ltd.](#) (TSXV: RYR) ("Royal Road" or the "Company") is pleased to announce that it has closed the previously announced acquisition (the "Acquisition") of Northern Colombia Holdings Limited ("NC Holdings") from Compañía Kedahda Limited (the "Seller"), an affiliate of AngloGold Ashanti Limited ("AngloGold Ashanti"). NC Holdings, through its subsidiaries, owns Exploraciones Northern Colombia SAS ("ENC"), which holds or has rights to a title package (collectively, the "Titles") comprised of mining concession agreements covering approximately 35,747 hectares of land, and the rights with respect to applications that have been made to acquire mining concessions over approximately 168,841 hectares of land, in prospective mineral belts in the Nariño, Cauca and Antioquia departments of Colombia.

Highlights of the Acquisition

- High quality, Appraised and Prioritized Title Package. The Titles were assembled as a result of systematic exploration, appraisal, prioritization and the purposeful reduction of land holdings by AngloGold Ashanti since the inception of its activities in Colombia in 2004.
- Increased Future Optionality. The Acquisition significantly increases the Company's portfolio of potentially Tier 1 exploration assets and provides the Company with various options for joint-venture and cash generating transactions in Colombia.
- Advanced Exploration Potential. The Acquisition provides the Company with access to drill-ready potentially Tier 1 projects on granted concession agreements within its present area of interest and elsewhere in prospective mineral belts throughout Colombia.

The Properties

The Titles are grouped into two blocks, the Southern Block, which is located contiguous with Royal Road's existing 3500 square kilometers of exploration rights in Nariño Province and the Northern Block, which covers the well-known Middle Cauca Belt. There are 16 currently identified individual gold project areas located within the title package and numerous underexplored areas which management believes host significant geologic potential. Royal Road's initial focus will be on granted titles containing targets that can be moved to the drilling-stage as soon as possible. Some of these targets are as follows:

- The La Llanada project area in Nariño Province, characterized by very high stream sediment sample results and comprising several currently known high-grade vein-gold systems.
- The El Tambo intrusion-related gold project in Cauca Province, where AngloGold Ashanti reported an area of steep-moderate dipping quartz-veins, up to 3 meters wide, over 3 kilometers in strike length and 600 meters in total zone-width and with rock chip results returning up to 77 grams per tonne gold (based on a reported 182 combined panel and grab rock-chip samples ranging from below detection limit and with a mean of 2.2 grams per tonne gold).
- The Güinter sheeted quartz-calcite-sulfide vein project area in Antioquia. The vein system has been mapped over 6 square kilometers, AngloGold Ashanti drilled 10 scout diamond drill holes for a total of 5662 meters at the project and reported best intersections of 56 meters at 1.1, 14 meters at 1.8 and 20 meters at 1.8 grams per tonne gold (not true thickness). Based on geological observations management believe there is volume potential in mineralized stratabound horizons and potential for higher-grade mineralization where veins link and interact similar in style to the nearby Buriticá and Anzá projects.

The title package contains numerous porphyry-style occurrences and two-well known porphyry copper and gold projects that, whilst not drill-ready, will be the short-term focus for the Company's social and permitting teams:

- The El Molino porphyry gold project is an outcropping gold porphyry system located in Cauca Province. Both the potassic core and quartz-sericite halo of the system are exposed on surface. AngloGold Ashanti previously reported sheeted gold veinlets returning rock-chip samples of up to 184 grams per tonne (based on a reported 493 combined grab and panel samples ranging from below detection limit with a mean of 2.5 grams per tonne gold).*
- The Caramanta region in Antioquia, where AngloGold Ashanti reported three copper and gold bearing porphyry bodies and rock-chip results of up to 47 grams per tonne gold and 3.3% copper (based on 255 combined grab and panel samples ranging from below detection limit with a mean of 0.65 grams per tonne gold and 0.07% copper).*

* Grab samples are selected samples and are not necessarily indicative of the mineralization hosted on the property:

The foregoing exploration information and data contained in this news release was not prepared by the Company or the qualified person named below. Neither the Company nor such qualified person has independently verified the foregoing exploration results and data and the Company cautions that there is a risk that further exploration will not produce similar results.

Acquisition Details

All figures are in United States dollars unless otherwise indicated.

Under the terms of the stock purchase agreement dated March 4, 2019, between the Company and the Seller, the Company purchased from the Seller all of the issued and outstanding shares of NC Holdings. NC Holdings indirectly holds, through two wholly owned subsidiaries, all of the issued and outstanding shares of ENC, which is the holder of the mineral concession Titles and is the assignee of the rights to any Titles that are granted to AngloGold Ashanti Colombia S.A., an affiliate of AngloGold Ashanti, pursuant to title applications made by the assigning company to the National Mining Agency of Colombia (Agencia Nacional de Minería).

In consideration for the purchase of the shares of NC Holdings, the Company paid the Seller a purchase price of \$4,655,462 on completion of the Acquisition. In addition, the Company granted the following contingent considerations to the Seller:

- If at any time after the closing of the Acquisition, the Company completes a technical report pursuant to NI43-101 that discloses for the first time an inferred mineral resource of not less than one million gold equivalent ounces on a specific area within the lands subject to any of the Titles held by the Company or any of its affiliates, such specific area shall be designated as a "Specific Project", and the following provisions shall apply with respect to each such Specific Project identified:
 - An amount equal to \$5,000,000 shall be payable within 90 days following the date on which such technical report for the Specific Project is completed; and
 - a further amount equal to \$5,000,000 shall be payable within 90 days following the date on which a feasibility study for such Specific Project is completed and delivered to the Seller; and
 - a further amount equal to \$5,000,000 shall be payable within 90 days from the commencement of commercial production for the Specific Project; and
 - a further aggregate amount equal to \$20,000,000, payable in four equal installments of \$5,000,000 on the date that is 90 days following the end of each of the Company's four consecutive fiscal quarters immediately following the commencement of commercial production for the Specific Project.
- If at any time the Company completes a feasibility study that discloses for the first time an inferred mineral resource of not less than five million gold equivalent ounces on a Specific Project, the Seller shall have a one-time option (the "Feasibility Option") to purchase a 75% interest in the Specific Project for a purchase price in an amount equal to the sum of the following amounts:
 - An amount equal to three times the aggregate sum of all exploration expenditures up to and including the feasibility study funded by [Royal Road Minerals Ltd.](#); plus
 - An amount equal to the aggregate sum of all exploration expenditures funded by [Royal Road Minerals Ltd.](#) for that Specific Project from the feasibility option date until the completion of the transfer of the purchased interest.

If the Seller exercises the Feasibility Option for a Specific Project, then the Company will no longer be required to pay the payments on and following commercial production for the Specific Project for which the Seller has exercised the Feasibility Option.

The Company's board of directors reviewed and considered a significant amount of information and considered a number of factors relating to the Acquisition with the benefit of advice from the Company's senior management and the Company's financial, legal and technical advisors. This process led the Company's board of directors to unanimously determine that the Acquisition is in the best interests of the Company. In the course of its deliberations, the Company's board of directors also identified and considered certain risks (and potentially negative factors in connection with the Acquisition). In addition to the various risks identified under the section entitled "Risk Factors" in the Company's annual management's discussion & analysis (MD&A) for the fiscal year ended December 31, 2018 and its interim MD&A for the three months ended March 31, 2019, available on SEDAR at www.sedar.com, the Company will also be subject to the following selected specific risks, among others, as a result of the completion of the Acquisition:

(a) The Company may not realize all of the anticipated benefits from the completion of the Acquisition. These anticipated benefits will depend, in part, on whether the Company can obtain the necessary government approvals and permits to carry out sub-surface exploration activities on the Titles consisting of granted exclusive concession contracts, and to convert the Titles consisting of applications for a mining concession agreement into mining concession agreements. There is a risk that the Company will not be successful in obtaining such approvals, permits and concession agreements over all of the targeted areas or at all.

(b) The Company's ability to exploit the acquired mineral interests is subject to risks related to the mining rights regime in Colombia and the regulation of the mining industry. Specifically, some of the concession contracts have been suspended on several occasions, due to public safety issues related to the previous armed conflict in Colombia. Currently seven of the 18 granted concession contracts remain under suspension due to force-majeure. The Company will not be able, and is not required, to perform any mining activities within the areas specified in the contracts until the suspensions expire or the Company elects to remove them from suspension. In the Company's view, mining activity with respect to the suspended concession contracts will most likely not be possible for at least one year and perhaps longer. Also, with respect to the Titles under application, until and unless the applications are converted into concession agreements for a particular target area (and, if applicable, assigned to a Colombian operating subsidiary of the Company pursuant to the Acquisition agreements), and all other requirements imposed under Colombian law are satisfied, the Company will not be able to proceed with sub-surface exploration activities in the relevant targeted area.

(c) There are areas excluded from exploration and mining activity. The areas included in some of the concession contracts, overlap with areas which, subsequent to granting of the concession contracts, have been excluded from mining activity (such as National Parks, Páramos, Forest Reserves).

(d) Illegal mining activities have been identified in certain areas of the concession contracts.

(e) The Company may not realize the anticipated benefits of its new assets for other reasons. For example, the Company may be subject to significant operating risks associated with its expanded operations and portfolio of projects and will be subject to a broad range of environmental laws and regulations and associated costs and liabilities.

The information in this news release was approved by Dr. Tim Coughlin, BSc (Geology), MSc (Exploration and Mining), PhD (Structural Geology), FAusIMM, President and Chief Executive Officer of [Royal Road Minerals Ltd.](#) and a qualified person as defined by National Instrument 43-101.

Quality Assurance and Quality Control:

The following information was made available to the Company by [AngloGold Ashanti Ltd.](#)

Sample preparation and analyses are conducted according to standard industry procedures. Rock samples are crushed, split and pulverized prior to analysis of Gold by fire assay and Atomic Absorption and multi-elements by ICP-AES and ICP-MS after four acid digestion. Stream sediment samples are sieved to

-200 mesh and analyzed for Gold by fire assay and ICP AES and multi-elements by ICP-AES and ICP-MS after aqua regia digestion. Analytical performance is monitored by means of certified reference materials (CRMs), coarse blanks, coarse and pulp duplicate samples. Surface samples have been prepared, for the most part, in ALS Chemex preparation lab in Colombia and analyses have been completed in ALS Chemex Lima.

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.

Cautionary statement:

This news release contains certain statements that constitute forward-looking information and forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking statements") including statements relating to the Acquisition and those describing the Company's future plans and the expectations of its management that a stated result or condition will occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in the [Mineral Resources Ltd.](#) industry, or with respect to the Acquisition, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about, among other things, future economic conditions and courses of action, and assumptions related to government approvals, and anticipated costs and expenditures. The words "plans", "prospective", "expect", "intend", "intends to" and similar expressions identify forward looking statements, which may also include, without limitation, any statement relating to future events, conditions or circumstances. Forward-looking statements of the Company contained in this news release, which may prove to be incorrect, include, but are not limited to, those related to the Acquisition, the Company and the Company's plans exploration plans.

The Company cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. There is no guarantee that the anticipated benefits of the Acquisition and the Company's business plans or operations will be achieved. The risks and uncertainties that may affect forward-looking statements include, among others: economic market conditions, anticipated costs and expenditures, government approvals, and other risks detailed from time to time in the Company's filings with Canadian provincial securities regulators or other applicable regulatory authorities. Forward-looking statements included herein are based on the current plans, estimates, projections, beliefs and opinions of the Company management and, in part, on information provided to the Company by Anglo Ashanti and its affiliates, and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

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