

Royal Road Minerals Enters Agreements to Formalize Mining Activities at the El Gualtal Gold Mine, Narino District, Colombia

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Royal Road to Receive 3% Gold Royalty and Earn-in Option to Acquire 70% Interest

Toronto, October 2, 2019 - [Royal Road Minerals Ltd.](#) (TSXV: RYR) ("Royal Road" or the "Company") is pleased to announce that its Colombian subsidiary, Exploraciones Northern Colombia SAS ("ENC"), has entered into a formalization agreement (the "Formalization Agreement") and a related earn-in option and royalty agreement (collectively, the "Agreements") with Sociedad Minera San Antonio S.A.S. ("San Antonio"), a company representing the interests of informal miners that have been carrying out small-scale mining activities at the El Gualtal (formerly "La Locura") gold mine, located within ENC's mining concession contract FD5-10k, in Samaniego Municipality of Nariño District, Colombia (the "Concession").

The Agreements were negotiated and entered into by the Company with San Antonio under the framework of the Colombian government's National Policy for Mining Formalization adopted by the Ministry of Mines and Energy. Under the terms of the Formalization Agreement, a specific portion of the area under the Concession (Figure 2) will be returned by ENC so that a new concession contract (the "El Gualtal Concession") over such returned area may be granted to San Antonio for the benefit of over 1000 informal miners, enabling the implementation of legal and responsible mining operations at the El Gualtal gold mine. In exchange, ENC will receive a quarterly royalty equivalent to 3% of the doré extracted from the El Gualtal Concession and has been granted the sole and exclusive right to carry out all exploration activities on the El Gualtal Concession and the right to acquire 70% of the El Gualtal Concession, subject to the completion of certain exploration milestones as summarized below.

About the El Gualtal Gold Mine

The El Gualtal gold mine is a shallow-dipping, quartz-carbonate vein system, with 75 room and pillar style production adits, developed over at-least nine different levels and 140 meters of vertical separation. The mine is one of the largest informal mining operations located in the prolific La Llanada Goldfield (Figure 1). Information about historic gold production reveals that past production at the El Gualtal gold mine may have been in the order of 300 tonnes of hand-picked ore per day. Today, 40 adits are active and the Company estimates that production from informal mining operations is currently between 100 and 150 tonnes of hand-picked ore per day. The gold mined at El Gualtal is coarse and free and is recovered by gravity separation (See video link [here](#)). Underground rock-chip channel face sampling that has been carried out by Royal Road (Table 1) at the mine, has returned significant results including:

- 1.3 Meters at 136.5 grams per tonne gold
- 0.5 Meters at 164.0 grams per tonne gold
- 1.0 Meters at 69.0 grams per tonne gold
- 1.1 Meters at 66.3 grams per tonne gold
- 0.6 Meters at 50.1 grams per tonne gold
- 0.9 Meters at 22.7 grams per tonne gold

Figure 1

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/4008/48413_fig1.jpg

Table 1

To view an enhanced version of Table 1, please visit:
https://orders.newsfilecorp.com/files/4008/48413_table1.jpg

Dr Tim Coughlin, Royal Road's President and CEO, stated: "We are immensely proud to have entered into the Agreements which are designed to benefit the Company, the informal miners at Gualtal, the Colombian government and other stakeholders, and quintessentially reflect the ideals and high hopes of Royal Road Minerals. Our team worked long and late and collaborated in an open and engaging way with the El Gualtal miners to ensure that the deal structure is mutually beneficial, is in keeping with our commitments under terms with post-conflict cooperative ECOMUN and will achieve the policy objectives of the Colombian government's National Policy for Mining Formalization. The El Gualtal project is remarkable in the grade and continuity of quartz-carbonate veining and is typical of the mineralization style of the La Llanada Goldfield. We very much look forward to working with our local colleagues and to revealing the full potential of this highly prospective district."

Figure 2

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/4008/48413_fig2.jpg

Highlights of the Agreements

The following is a brief summary of some of the key aspects of the Agreements:

1. Formalization Agreement

1. ENC to return a specific area within the Concession and permit a new mining concession over such area (the El Gualtal Concession) to be issued to San Antonio for the benefit of the informal miners currently operating the El Gualtal mine
2. Parties to establish parameters for assigning contiguous areas to the immediate south of the El Gualtal Concession
3. San Antonio to satisfy requirements of Colombian mining regulation including in respect to environment and workplace health and safety
4. San Antonio to allow ENC to have access at any time and to assist with sustaining social licenses at the project and elsewhere in the district

2. Option Agreement

1. ENC has the right to earn 70% of El Gualtal Concession by completing a minimum 6000 meters of drilling, underground sampling and an internal feasibility study with respect to the El Gualtal Concession within five years of the date on which San Antonio is registered as the owner of the El Gualtal Concession
2. San Antonio's 30% interest in El Gualtal Concession to be free-carried through to commercial production and at such point to be converted to a 30% net profit interest
3. San Antonio to receive an additional 5% net profit interest royalty from mine production within a 500 meter buffer zone around the El Gualtal Concession and within the Concession FD5-10k

3. Royalty Agreement

1. From the time of granting of the El Gualtal Concession, ENC to receive a royalty of 3% of the doré extracted from the El Gualtal Concession payable in kind on a quarterly basis
2. The royalty is payable until the earlier of:
 1. ENC relinquishing its entire interest in its Concession FD5-10k
 2. ENC exercising its option to earn 70% and delivering notice to San Antonio that it intends to commence mine construction
 3. ENC developing and securing to its satisfaction a global JORC-compliant resource on a single stand-alone project of no less than 3 million ounces gold on the FD5-10k Concession area surrounding the El Gualtal Concession
 4. 15 years from the date on which the first payment of the royalty is made

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.

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:

Rock-chip channel samples are collected continuously over 1-2 meter vertical to subvertical intervals (unless otherwise indicated) using a rock hammer and chisel. Samples are prepared and assayed by independent and ISO accredited laboratories of ALS Colombia Ltda. (ALS). Bagged samples are collected from site and delivered to ALS sample preparation laboratories in Medellin. Samples are prepared using the ALS codes for gold AUICP-21 and AUGRA21 (where gold exceeds 10ppm). 48 Multi-element concentrations are analyzed by four-acid digestion and inductively coupled plasma mass spectrometer under code ME-MS61. Commercially prepared standards (gold-copper pulps), blanks (pulps and coarse chips) and field duplicates are inserted into the sample stream by Royal Road Minerals for a total of 15% QA/QC to ensure sample precision. In the case of duplicate analyses of a sample, the average of both analyses is used as the final reported value. Unless otherwise stated, gold grades are not capped for calculation of length-weighted averages.

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 e statements relating to The Agreements 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 industry, or with respect to The Agreements, 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 Agreements, 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 Agreements 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 San Antonio 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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