



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**THREE AND SIX MONTHS ENDED
JUNE 30, 2023**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Royal Road Minerals Limited (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Royal Road Minerals Limited

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at June 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 16,937,190	\$ 21,108,499
Prepaid expenses and other assets (note 3)	372,120	144,178
Total current assets	17,309,310	21,252,677
Non-current assets		
Property and equipment (note 5)	301,731	110,851
Exploration and evaluation assets (note 12)	6,304,393	6,304,393
Investment in associate (note 15)	51,500	59,702
Government taxes receivable (note 4)	269,431	234,645
Right-of-use asset (note 6)	85,608	100,303
Total non-current assets	7,012,663	6,809,894
Total assets	\$ 24,321,973	\$ 28,062,571
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 408,136	\$ 864,541
Lease liability (note 7)	35,637	33,105
Total current liabilities	443,773	897,646
Non-current liabilities		
Lease liability (note 7)	60,573	76,973
Total non-current liabilities	60,573	76,973
Total liabilities	504,346	974,619
Shareholders' equity		
Share capital (note 8)	42,480,222	42,480,222
Contributed surplus	4,785,181	4,863,271
Translation of foreign operations	1,134,985	1,071,288
Accumulated deficit	(24,582,761)	(21,326,829)
Total shareholders' equity	23,817,627	27,087,952
Total liabilities and shareholders' equity	\$ 24,321,973	\$ 28,062,571

Nature of operations (note 1)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Royal Road Minerals Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Expenses				
Exploration and evaluation expenditures (note 12)	\$ 721,828	\$ 436,780	\$ 1,238,071	\$ 882,377
Professional fees (note 13)	181,540	277,357	379,204	611,410
General and administrative	264,969	285,047	586,255	642,862
Employee salaries and benefits (note 13)	382,798	446,982	842,539	947,926
Stock based compensation (note 10)	276,474	426,434	276,474	496,667
Loss incurred from joint operation with Hemco	12,332	618,337	142,863	1,145,640
Social initiatives expenses	91,030	-	183,822	-
Loss from investment in associate	2,388	-	8,202	-
Loss from operations	(1,933,359)	(2,490,937)	(3,657,430)	(4,726,882)
Other items				
Foreign exchange loss	(24,316)	518,349	(219,662)	272,866
Other income (expenses)	75,914	(1,163)	266,596	(2,628)
	51,598	517,186	46,934	270,238
Net loss for the period	(1,881,761)	(1,973,751)	(3,610,496)	(4,456,644)
Other comprehensive income (loss)				
Exchange differences arising on translation of foreign operations	54,645	308,586	63,697	208,979
Total comprehensive loss for the period	\$ (1,827,116)	\$ (1,665,165)	\$ (3,546,799)	\$ (4,247,665)
Net loss per share - basic and diluted (note 11)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Royal Road Minerals Limited

Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Six Months Ended June 30,	
	2023	2022
Operating activities		
Net loss for the period	\$ (3,610,496)	\$ (4,456,644)
Adjustments for:		
Depreciation and amortization	36,184	33,342
Stock based compensation	276,474	496,667
Loss from investment in associate	8,202	-
Accretion expense	5,244	6,745
Exchange differences on translation of foreign operations	437,177	382,669
Changes in non-cash working capital items:		
Government sales tax receivable	(34,786)	152,117
Prepaid expenses and other assets	(227,942)	(175,335)
Accounts payable and accrued liabilities	(456,405)	(10,962)
Net cash used in operating activities	(3,566,348)	(3,571,401)
Investing activities		
Purchase of property and equipment	(200,315)	(17,903)
Net cash used in investing activities	(200,315)	(17,903)
Financing activities		
Lease payments	(21,614)	(21,451)
Net cash used in financing activities	(21,614)	(21,451)
Net change in cash and cash equivalents	(3,788,277)	(3,610,755)
Effect of foreign currencies on cash and cash equivalents	(383,032)	(258,525)
Cash and cash equivalents, beginning of period	21,108,499	29,020,555
Cash and cash equivalents, end of period	\$ 16,937,190	\$ 25,151,275

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Royal Road Minerals Limited

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars) (Unaudited)

	Share Capital	Warrants	Contributed Surplus	Translation of Foreign Operations	Accumulated Deficit	Non-controlling Interest	Total
Balance, December 31, 2021	\$ 42,480,222	\$ 353,552	\$ 5,260,640	\$ 892,720	\$ (10,271,419)	\$ (607)	\$ 38,715,108
Options expired	-	-	(560,315)	-	560,315	-	-
Stock based compensation	-	-	496,667	-	-	-	496,667
Total comprehensive loss for the period	-	-	-	208,979	(4,456,644)	-	(4,247,665)
Balance, June 30, 2022	\$ 42,480,222	\$ 353,552	\$ 5,196,992	\$ 1,101,699	\$ (14,167,748)	\$ (607)	\$ 34,964,110
Balance, December 31, 2022	\$ 42,480,222	\$ -	\$ 4,863,271	\$ 1,071,288	\$ (21,326,829)	\$ -	\$ 27,087,952
Options expired	-	-	(354,564)	-	354,564	-	-
Stock based compensation	-	-	276,474	-	-	-	276,474
Total comprehensive loss for the period	-	-	-	63,697	(3,610,496)	-	(3,546,799)
Balance, June 30, 2023	\$ 42,480,222	\$ -	\$ 4,785,181	\$ 1,134,985	\$ (24,582,761)	\$ -	\$ 23,817,627

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

1. Nature of Operations

Royal Road Minerals Limited ("Royal Road" or the "Company") was incorporated under the *Companies (Jersey) Law 1991* on May 6, 2010 as "Tigris Resources Limited". On April 10, 2015, the Company changed its name to "Royal Road Minerals Limited" and amended its share capital structure by converting all of its par value shares to no par value shares and consolidating its then outstanding shares on the basis of two pre-consolidation shares for every one post-consolidation share. On April 15, 2015, the Company completed a business combination transaction (the "Arrangement") by way of an arrangement under the *Business Corporations Act* (Alberta), whereby the Company acquired its wholly-owned subsidiary Royal Road Minerals Canada Limited ("RRMC"), a corporation resulting from the amalgamation of Kirkcaldy Capital Corp. ("Kirkcaldy") and Royal Road Minerals Canada Limited. As a result of the Arrangement, on April 20, 2015, the ordinary shares (the "Ordinary Shares") of the Company were listed and commenced trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "RYR". The Company's registered and head office is located at Ground Floor, Portman House, 32 Hue Street, St. Helier, Jersey, Channel Islands, JE2 3RE.

The Company carries on its operations in Colombia through its wholly-owned subsidiaries, Royal Road Accelerator (Jersey) Minerales Camino Real, SAS ("RRM Colombia") and Exploraciones Northern Colombia Exploration ("ENC"); in Nicaragua, through its wholly-owned subsidiary, Minerales Camino Real Nicaragua, SAS ("RRM Nicaragua"); and in Argentina through its wholly-owned subsidiary, Minerales Camino Real Argentina ("RRM Argentina").

2. Significant Accounting Policies

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The accounting policies and methods of computation applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022, other than as noted below. The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on August 25, 2023.

(b) Basis of preparation

The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis and presented in Canadian dollars.

(c) Basis of consolidation

The unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. As at June 30, 2023, the Company has 6 wholly-owned subsidiaries, RRMC incorporated in Canada, Nicaza S.A. incorporated in Nicaragua; MCR and ENC, incorporated in Colombia; MCR incorporated in Argentina; Royal Road Accelerator Limited incorporated in Jersey and owns 99% of MCR Peru, incorporated in Peru; collectively, ("Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or disposed of during the period are included in the unaudited consolidated of loss and comprehensive loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

2. Significant Accounting Policies (continued)

(d) *New standards not yet adopted*

Effective January 1, 2023, the Company adopted the new and amended IFRS pronouncement listed below, in accordance with the transitional provisions outlined in the respective standard. The adoption of these pronouncements did not have a material impact on the Corporation's financial statements.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

3. Prepaid Expenses and Other Assets

	As at June 30, 2023	As at December 31, 2022
Prepaid expenses and advances	\$ 345,337	\$ 117,395
Security deposits	26,783	26,783
Total	\$ 372,120	\$ 144,178

4. Government Tax Receivable

The Company has amounts receivable from the Colombian tax authority of \$269,431 as at June 30, 2023 (December 31, 2021 - \$234,645) for sales taxes paid on purchases and income taxes receivable in Colombia through its subsidiaries RRM Colombia and ENC. These amounts are collectible after its Colombian subsidiaries begins to generate revenue, at which point the amount will be realized by way of offset against sales tax payable and taxable income generate. As the Company does not expect to generate revenue for the next 12-months the amounts are reported as a long-term asset.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

5. Property and Equipment

Cost		Equipment
Balance - January 1, 2022	\$	297,506
Additions		30,028
Disposal		(20,474)
Impairment		(34,604)
Translation differences		(52,591)
Balance - December 31, 2022		219,865
Additions		200,315
Disposal		(855)
Translation differences		16,432
Balance - June 30, 2023	\$	435,757

Accumulated Depreciation		Total
Balance - January 1, 2022	\$	103,747
Depreciation		35,380
Disposals		(20,474)
Currency translation differences		(9,639)
Balance - December 31, 2022		109,014
Depreciation		19,230
Currency translation differences		5,782
Balance - June 30, 2023	\$	134,026

Carrying Amount		Total
Balance - June 30, 2023	\$	301,731
Balance - December 31, 2022	\$	110,851

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

6. Right of use asset

Balance - January 1, 2022	\$ 139,480
Amortization	(32,795)
Impact of foreign exchange	(6,382)
Balance - December 31, 2022	100,303
Amortization	(16,954)
Impact of foreign exchange	2,259
Balance - June 30, 2023	\$ 85,608

7. Lease liability

In January 2021, the company leased office space for a five year term. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments.

The continuity of lease liabilities is presented in the table below:

Balance - January 1, 2022	\$ 146,058
Additions	-
Disposal	-
Accretion expense	12,414
Lease payments	(41,808)
Impact of foreign exchange	(6,586)
Balance - December 31, 2022	110,078
Accretion expense	5,244
Lease payments	(21,614)
Impact of foreign exchange	2,502
Balance - June 30, 2023	\$ 96,210
Current portion	\$ 35,637
Non-current portion	\$ 60,573

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

8. Share Capital

(a) Authorized share capital

The authorized share capital consists of an unlimited number of Ordinary Shares without par value. Each Ordinary Share entitles the holder to one vote. All Ordinary Shares of the Company rank equally as to dividends, voting powers and participation in assets upon a dissolution or winding up of the Company.

(b) Common shares issued

At June 30, 2023, the issued share capital amounted to \$42,480,222. The change in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
Balance, December 31, 2021 and June 30, 2022	265,695,801	\$ 42,480,222
Balance, December 31, 2022 and June 30, 2023	265,695,801	\$ 42,480,222

9. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021 and June 30, 2022	1,873,350	\$ 0.37
Balance, December 31, 2022 and June 30, 2023	-	\$ -

10. Stock Options

On April 10, 2015, the Company adopted a new incentive stock option plan (the "2015 Option Plan") which replaced the Company's former stock option plan (the "Former Option Plan"). No further awards will be granted under the Former Option Plan. However, any outstanding awards granted under the Former Option Plan shall remain outstanding and will continue to be governed by the provisions of the Former Option Plan.

The 2015 Option Plan is a rolling stock option plan under which options may be granted in respect of authorized and unissued Ordinary Shares to any director, officer, employee (part-time or full-time), service provider or consultant of the Company or any of its subsidiaries provided that, the aggregate number of Ordinary Shares reserved by the Company for issuance and which may be purchased upon the exercise of all options shall not exceed 10% of the issued and outstanding Ordinary Shares at the time of granting of options (on a non-diluted basis). If any option granted under the 2015 Option Plan is surrendered, terminated, expires or is exercised, the Ordinary Shares reserved for issuance, or issued, pursuant to such option shall be available for new options granted under the 2015 Option Plan.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

10. Stock Options (continued)

The following table reflects the continuity of stock options for the periods presented:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	19,412,941	\$ 0.33
Granted (i)	4,000,000	0.35
Cancelled / forfeited	(4,500,000)	0.27
Balance, June 30, 2022	18,912,941	\$ 0.34
Balance, December 31, 2022	14,200,000	\$ 0.37
Granted (ii)	10,650,000	0.17
Cancelled / forfeited	(2,500,000)	0.33
Balance, June 30, 2023	22,350,000	\$ 0.28

(i) On April 6, 2022, the Company granted 4,000,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.35 per common share, expiring on April 6, 2024, pursuant to the terms of the Company's stock option plan. The options vested immediately.

The options were assigned a fair value of \$396,000 using the Black-Scholes option pricing model with the following assumptions: share price \$0.27, dividend yield 0%, forfeiture rate of 0%; expected volatility 80% (based on the historical price history of the Company's common shares), risk-free interest rate 2.37%.

(ii) On May 2, 2023, the Company granted 10,650,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.17 per common share, expiring on May 2, 2026, pursuant to the terms of the Company's stock option plan. The options vested 30% 90 days from the grant date, another 30% 180 days from the grant date and the remaining 40% 360 days from the grant date.

The options were assigned a fair value of \$766,800 using the Black-Scholes option pricing model with the following assumptions: share price \$0.135, dividend yield 0%, forfeiture rate of 0%; expected volatility 90% (based on the historical price history of the Company's common shares), risk-free interest rate 3.48%.

The Company had the following stock options outstanding as of June 30, 2023:

Number of Options		Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
Outstanding	Exercisable			
750,000	750,000	\$ 0.30	0.23	September 21, 2023
3,750,000	3,750,000	\$ 0.35	0.77	April 6, 2024
7,200,000	7,200,000	\$ 0.40	2.45	December 9, 2025
10,650,000	-	\$ 0.17	2.84	May 2, 2026
22,350,000	11,700,000		2.28	

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

11. Net loss per share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss for the period	\$ (1,881,761)	\$ (1,973,751)	\$ (3,610,496)	\$ (4,456,644)
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted	265,695,801	265,695,801	265,695,801	265,695,801

12. Exploration and Evaluation Assets and Expenditures

Exploration and evaluation assets consisted of:

	As at June 30, 2023	As at December 31, 2022
Colombia		
Balance - beginning of the period	\$ 6,213,456	\$ 5,743,095
Additions	-	437,764
Translation differences	-	32,597
Balance - end of the period	6,213,456	6,213,456
Nicaragua		
Balance - beginning of the period	90,937	3,608,074
Impairment	-	(3,517,137)
Balance - end of the period	90,937	90,937
Total Balance - end of the period	\$ 6,304,393	\$ 6,304,393

Exploration and evaluation expenditures consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Colombia	\$ 159,524	\$ 355,715	\$ 411,503	\$ 610,685
Nicaragua	87,107	81,065	149,216	271,692
Argentina	475,197	-	677,352	-
Total exploration and evaluation expenditures	\$ 721,828	\$ 436,780	\$ 1,238,071	\$ 882,377

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

12. Exploration and Evaluation Assets and Expenditures (Continued)

Colombia

In 2022, the Company focused most of its efforts in target generation and drilling the Guintar Niverengo Margaritas project and in adjacent properties over which it has an option to acquire. It also has conducted regional exploration activities in Caldas. In Southern Colombia, the Company maintained its various agreements with the goal of formalizing informal mine operations within its mining titles. Previously, Royal Road had entered into six mining formalization agreements in Nariño. The Agreements were negotiated and entered into under the framework of the Colombian government's National Policy for Mining Formalization wherein specific portions of the area held under concession by the Company will be returned directly to informal miners so that new formalized concession contracts over such returned areas may be granted, enabling legal and responsible mining operations to take place. In exchange, Royal Road will receive a quarterly royalty equivalent to 3% of the ore extracted from the formalized concessions and has been granted the sole and exclusive right to carry out all exploration activities on the formalized concessions and the right to acquire 70% of the formalized concessions, subject to the completion of certain exploration milestones. In-case the Company assists in further optimizing mine operations on formalized concessions, Royal Road may increase the royalty to be received by a further 1%.

Mineros S.A. Transaction

During the year ended December 31, 2020, the Company entered into a definitive strategic alliance agreement (the "Agreement") with Mineros S.A. ("Mineros") in relation to the Company's Guintar and Niverengo concessions and its Margaritas title application ("GNM Project") in Antioquia District, Colombia. The Agreement supersedes the previously announced letter of intent entered into by the Company and Mineros. Mineros is a Colombian public company engaged in the business of gold mining and listed on the Bogotá Stock Exchange. Royal Road currently operates in Nicaragua under a separate exploration strategic alliance formed in September 2017 with Mineros' subsidiary, Hemco Nicaragua S.A.

The Agreement contains the following basic terms:

- Mineros agree to pay to Royal Road the sum of \$1,384,210 (US \$1 million) on execution of the Agreement. The parties agree that, upon making such payment, they will operate the GNM Project on a joint venture basis with Royal Road as operator.
- Mineros has the option (the "First Option") to acquire a 25% interest in the GNM Project by providing Royal Road with US \$1 million for the exploration of the GNM Project.
- If Mineros exercises the First Option, Mineros has the option (the "Second Option") to acquire an additional 25% interest in the GNM Project by providing Royal Road with a total of US \$1.5 million in additional funding for the GNM Project and thereafter, Royal Road and Mineros would each hold a 50% interest in the GNM Project Company.
- Mineros and Royal Road will agree to an initial exploration program and budget for the exploration of the GNM Project and; prior to any exercise of the Second Option, the parties will agree to a second program and budget for the further exploration of the GNM Project.
- At any time after Mineros has acquired a 25% interest and if at such time Mineros elect not to exercise the Second Option, Mineros may elect to cause all titles and the rights to title applications with respect to a designated project area to be transferred to a newly formed special purpose company (the "Project Company"), initially to be owned as to 75% by Royal Road and as to 25% by Mineros.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

12. Exploration and Evaluation Assets and Expenditures (Continued)

- If Mineros elect to exercise the Second Option and after Mineros has acquired a 50% interest, the titles and the rights to title applications with respect to a designated project area will be transferred to a Project Company to be owned as to 50% by Royal Road and as to 50% by Mineros. Thenceforth the parties would jointly-fund the operations of the GNM.
- Project in accordance with the parties' respective interests, which would be subject to dilution under a standard formula. The Board of the Project Company will be comprised of directors who represent the parties and the number of such directors will reflect proportionately each party's interest from time to time, provided that if a party's interest reduces to less than 25%, it will not be entitled to any representation on the Board.
- If a party's interest is diluted to below 15%, such interest will convert to a 1.5% net smelter royalty. Royal Road will be operator of the exploration of the GNM Project for so long as it maintains not less than a 50% ownership interest in the GNM Project.

Mineros exercised the first and second option to earn 50% of the GNM Project.

In May 2023, the Company agreed to terminate all agreements governing joint exploration activities and underlying rights with and between Mineros and the Company and its related subsidiaries in Nicaragua, Argentina and Colombia.

The effect of these terminations are full and final and such that Mineros shall withdraw their 50% contractual interest in the GNM properties in Colombia and Royal Road shall retain a 100% of those properties and that Royal Road shall withdraw its contractual interests in the exploration strategic alliance in Nicaragua, underlying properties and royalty rights and Mineros (through its subsidiary Hemco Nicaragua S.A) shall retain 100%.

El Aleman

In December 2021, the Company announced that it has entered into two binding Heads of Agreements with respect to, a mining concession contract (the "Concession Contract") owned by titleholders (the "Titleholders") and an application (the "Application") for a mining concession contract, owned by an individual applicant and its nominees (the "Applicants"). The properties underlying the Concession Contract and the Application are, in each case, located proximal to the Company's Guintär copper and gold project in Antioquia Department, Colombia.

The Heads of Agreements contain the following basic terms:

- An initial payment (the "Option Payment") of, in the case of the Concession Contract US\$150,000 and in the case of the Application US\$100,000, which provides Royal Road with the exclusive right to earn an 80% interest in the Concession Contract and in the Application, respectively.
- A subsequent payment, in the case of the Concession Contract, of a further US\$100,000 once certain regulatory approvals are attained and, in the case of the Application, a further US\$150,000 on the conversion of the Application to a concession contract.
- In the case of the Concession Contract, Royal Road will be responsible for all properly incurred obligations, liabilities, expenses and regulatory costs related with regulatory approvals up to a capped limit of US\$500,000.
- At any point following the Option Payment, Royal Road may exercise its option to acquire an 80% interest in the Concession Contract by making a one-time payment of US\$2.25 million and in the Application by making a one-time payment of US\$1.125 million.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

12. Exploration and Evaluation Assets and Expenditures (Continued)

- In both cases, the 20% interest retained by the Titleholders and the Applicants, respectively, will be free carried until a successful feasibility study is delivered in connection with or incorporating the relevant property, at which point this interest will be converted to a 2% net smelter returns royalty in relation to metals extracted from the underlying properties, which may be purchased by Royal Road for US\$20 million in the case of the Concession Contract and US\$10 million in the case of the Application.
- Royal Road shall have a right of first refusal on any sale of either of the 20% interests up until the point of conversion to a net smelter royalty.

The terms and conditions set forth in the Heads of Agreements create binding legal obligations on the parties. The parties will enter into Definitive Agreements which shall be based upon and incorporate the form and substance of these Heads of Agreements.

In August 2022, the Company acquired 25% of the Concession contract.

Nicaragua

In early 2017, Royal Road Minerals acquired the Nicaraguan subsidiary of Caza Gold Inc. The acquisition included two key assets, the Los Andes porphyry project and the Piedra Iman (Iron-Oxide) copper-gold project.

In September of 2017 Royal Road executed a 50/50 Strategic Alliance for gold and copper exploration in Nicaragua with Hemco-Mineros Nicaragua a subsidiary of Colombian company Mineros S.A. The objective of the Alliance is to identify and explore gold and copper targets in Nicaragua in the areas covered by Royal Road's and Hemco's respective existing licenses.

Royal Road and Hemco share their collective experience and databases, co-fund early stage exploration programs, and jointly seek to advance their current projects and pursue new projects in Nicaragua. In particular, the Alliance is initially focused on defining reserves in excess of two million ounces of gold (or gold equivalent) recoverable. Royal Road Minerals is operator of the Strategic Alliance.

On May 21, 2021, the Company completed sale to Hemco Nicaragua S.A. its entire 50% interest in the Luna Roja Project, comprising the Monte Carmelo I and II mining concession in Nicaragua. The Company received (i) \$29,668,466 (US\$24.4 million) of which \$25,115,039 (US\$20.8 million) was paid in cash and the remaining \$4,553,427 (US\$3.6 million) retained by Hemco Nicaragua S.A. to be remitted to the local governmental authorities with the applicable withholding tax requirements under Nicaraguan law and (ii) a 1.25% net smelter return royalty on all future mineral productions from the Monte Carmelo I and II mining concessions, from the first commercial production. For the year ended December 31, 2021, the Company recorded a gain for sale of property interest of \$29,668,466 and \$4,553,427 was recorded as foreign tax paid.

In October 2022, the Company declared Designated Project Area over the Caribe Project which is part of the Hemco-Mineros Nicaragua Agreement.

During the year ended December 31, 2022, the Company returned to the government of Nicaragua, a number of property claims and recorded an impairment of exploration and evaluation asset of \$3,517,137. As at June 30, 2023, the Company owed Hemco \$nil.

In May 2023, the Company agreed to terminate all agreements governing joint exploration activities and underlying rights with and between Mineros and the Company and its related subsidiaries in Nicaragua, Argentina and Colombia.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

12. Exploration and Evaluation Assets and Expenditures (Continued)

The effect of these terminations are full and final and such that Mineros shall withdraw their 50% contractual interest in the GNM properties in Colombia and Royal Road shall retain a 100% of those properties and that Royal Road shall withdraw its contractual interests in the exploration strategic alliance in Nicaragua, underlying properties and royalty rights and Mineros (through its subsidiary Hemco Nicaragua S.A) shall retain 100%.

Argentina

In November 2022, the Company entered into a binding Heads of Agreement with an individual title holder, which provides the Company with the option to acquire 100% of certain mineral rights within the Santo Domingo porphyry copper and gold district in San Juan Province, Argentina.

On February 14, 2023, the Company entered into a Definitive Option Agreement, pursuant to the Heads of Agreement, with an individual title holder, which provides the Company with the option to acquire 100% of certain mineral rights within the Santo Domingo porphyry copper and gold district in San Juan Province, Argentina.

The Agreement comprises:

- An initial payment upon execution of the Heads of Agreement of US\$100,000.
- Annual payments upon the anniversary of the Definitive Agreement totaling US\$800,000 for the next four years.
- An option to purchase 100% of the concessions in the area of interest in exchange for a payment of US\$2,500,000.
- A one-time payment of US\$500,000 upon the filing of the first JORC compliant resource from within the area of interest during the term of the Definitive Agreement.
- Provided that and following such time that, Royal Road has acquired 100% of the concessions in the area of interest a one-time payment of US\$2,000,000 upon the filing of the first successful feasibility study prepared by or for Royal Road that demonstrates to Royal Road's satisfaction the feasibility of putting a property into commercial production.
- A one-time payment of US\$10,000,000 upon the first commercial production from the mining project (minimum 75% production capacity of the mine as per the feasibility study).
- The Company has a right to terminate the Agreement at any time and at its sole discretion in which case the Company will have no obligation to make any further payments.

Kingdom of Saudi Arabia ("KSA")

In June 2023, the Company entered into a Joint Venture Share Holder Agreement (the "Agreement") with MSB Holdings Limited ("MSB") with respect to establishing a new company, ("JVCO") for the purpose of copper, gold and other metals exploration in an area of interest comprising the Kingdom of Saudi Arabia ("KSA") and any other geographical area (including but not limited to those states which are members of the Gulf Cooperation Council) as may be agreed between Royal Road and MSB (each a "Party" and together "the Parties").

In February 2023, the Company entered into a 50-50 Strategic Alliance Agreement and non-binding letter of intent with MSB for the exploration of copper and gold resources in the highly prospective and underexplored Arabian Shield. As part of the agreement, the Company has completed an exploration decision-support-system for KSA and identified priority targets and target areas for immediate field follow-up. The Letter of Intent provided for a period of exclusivity, during which the parties have now agreed the terms and conditions governing a Joint Venture Share Holder Agreement for the establishment of JVCO, which is to be registered in KSA and owned equally on a 50-50 basis by the Parties.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

12. Exploration and Evaluation Assets and Expenditures (Continued)

Summary terms of the Agreement, subject to regulatory approval, are as follows:

- Whilst each Party holds 50 percent of the issued shares of JVCO, the Board of JVCO shall be made up of an equal number of Directors appointed by Royal Road and MSB. If a Party's shareholding in JVCO is reduced to 30% or less of the issued shares of JVCO, that Party shall no longer be entitled to appoint any Directors to the Board.
- Royal Road will act as operator for the JVCO and all operations in relation to the JVCO will be conducted on the basis of an approved program and budget prepared by Royal Road and approved by the Board of JVCO.
- If a Party fails to fund its relevant proportion of the funding required pursuant to a program and budget as and when required, such failure shall cause its shareholding in JVCO to be diluted on a pro-rata basis.
- Provided that it owns more than 30% of the total issued shares in JVCO, the non-contributing Party shall have a catch-up right to restore its 50% shareholding at such time as the Board has approved a further program and budget which requires further funding by the Parties.
- Dilution to below 20% shall convert to a net smelter royalty of 2%.
- The Agreement contains customary deadlock provisions, transfer restrictions and matters reserved for shareholder approval.

The exploration program and budget for the first 12 months shall be USD \$2.1 million and is aimed principally at securing a competitive exploration land package in KSA.

13. Related Party Balances and Transactions

In accordance with IAS 24, key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The key management personnel of the Company are the directors and officers of the Company. No individual party had overall control of the Company during the periods being presented. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel for the periods presented was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Salaries	\$ 301,265	\$ 237,250	\$ 619,961	\$ 570,666
Stock based compensation	146,674	191,510	146,674	233,650
Professional fees ⁽¹⁾	7,500	18,535	15,000	26,035
	\$ 455,439	\$ 447,295	\$ 781,635	\$ 830,351

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

14. Segmented Information

The Company's information about its operations and assets by geographic location is detailed below.

Three months ended June 30, 2023	Jersey	Colombia	Nicaragua	Other	Total
Net loss	\$ (1,265,108)	\$ (47,678)	\$ (107,164)	\$ (461,811)	\$ (1,881,761)
Six months ended June 30, 2023	Jersey	Colombia	Nicaragua	Other	Total
Net loss	\$ (2,453,915)	\$ (203,375)	\$ (309,402)	\$ (643,804)	\$ (3,610,496)
Three months ended June 30, 2022	Jersey	Colombia	Nicaragua	Other	Total
Net loss	\$ (770,272)	\$ (457,632)	\$ (745,847)	-	\$ (1,973,751)
Six months ended June 30, 2022	Jersey	Colombia	Nicaragua	Other	Total
Net loss	\$ (2,355,138)	\$ (635,442)	\$ (1,466,064)	-	\$ (4,456,644)
As at June 30, 2023	Jersey	Colombia	Nicaragua	Other	Total
Non-current assets	\$ 355,935	\$ 6,553,741	\$ 102,987	-	\$ 7,012,663
As at December 31, 2022	Jersey	Colombia	Nicaragua	Other	Total
Non-current assets	\$ 191,826	\$ 6,511,015	\$ 107,053	-	\$ 6,809,894

15. Investment in associate

In May 2022, the Company through its wholly owned subsidiary Royal Road Accelerator Limited, made a \$74,056 (US\$55,900) equity investment for a 32% interest in Quassia Labs Ltd.; a non-listed company involved in the cultivation and development of biopesticides for agricultural and horticultural use in Nicaragua.

The Company has significant influence over Quassia Labs Ltd., and uses the equity accounting to account for this investment.

In October 2018, the Company made an investment in Cloris Limited, a non-listed company exploring the industrial hemp and industrial hemp products in the Nariño province of southern Colombia, which resulted in 18% ownership of the entity and had common management and directors which resulting in Royal Road Minerals having significant influence over Cloris Limited. During fiscal 2020, the management of Cloris Limited changed to arms length individuals and as such Royal Road Minerals lost significant influence.

In December 2022, the Company entered into an agreement to revive Cloris Limited by investing additional funds to earn a 30% ownership in Cloris Limited and the appointment of the appointment of officers and directors of Royal Road Minerals to the Board and management of Cloris Limited.

Royal Road Minerals Limited

Notes to the Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

15. Investment in associate (Continued)

The continuity of investment in associate is as follows:

Investment in associate	Cloris Limited	Quassia Labs Ltd.	Total
Balance, December 31, 2021	\$ 25,562	\$ -	\$ 25,562
Additional investment	-	74,056	74,056
Loss pick-up from associate	-	(14,354)	(14,354)
Impairment of investment	(25,562)	-	(25,562)
Balance, December 31, 2022	-	59,702	59,702
Loss pick-up from associate	-	(8,202)	(8,202)
Balance, June 30, 2023	\$ -	\$ 51,500	\$ 51,500

As at June 30, 2023, the Company owed Quassia Labs Ltd. \$74,232.