



ROYAL ROAD MINERALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Royal Road Minerals Limited (the "Company" or "RRM" or "Royal Road") for the three and nine months ended September 30, 2023 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2022. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2022 and 2021, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 24, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR+ at www.sedarplus.ca.

Description of Business

The Company is a copper and gold focused mineral exploration and development company. The Company works with local partners, initially secures prospective regional land packages and then for any jurisdiction, focuses on a single asset, venturing, vending or relinquishing remaining assets. The Company currently operates in Colombia, Argentina and the Kingdom of Saudi Arabia.

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, a corporation resulting from the amalgamation of Kirkcaldy Capital Corp. and Royal Road Minerals Canada Limited. As a result of the Arrangement, on April 20, 2015, 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, Saint Helier, Jersey, Channel Islands, JE2 3RE.

On January 20, 2017, the Company made a formal offer to purchase all of the outstanding common shares of Caza Gold Corp. ("Caza") on the basis of 0.16 of an ordinary share of RRM for each common share of Caza. In March 2017, the Company completed the compulsory acquisition of all of the remaining outstanding common shares of Caza. Consideration was measured at fair value of the Company's shares, being 24,054,258 shares at \$0.09 per share and total transaction cost of \$174,074 as the transaction is an asset purchase.

On July 6, 2017, the Company announced that it had completed an internal reorganization to facilitate the disposal of non-operational assets in Mexico and streamline its corporate structure. Through this reorganization, ownership of the Company's key operating subsidiary in Nicaragua was transferred by Caza to RRM, and its non-operational assets in Mexico were disposed of through the sale of an aggregate of 134,886,372 Caza common shares to an arm's length purchaser, Generic Capital Corporation, in exchange for cash proceeds of \$80,000 and for net assets of \$227,410 resulting in a gain on disposition of \$307,410.

On September 6, 2017, the Company announced that it had executed a strategic alliance agreement with Hemco S.A. for mineral exploration in Nicaragua. 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 specified existing licenses, which together cover large regions of highly prospective and under-explored land areas and include in excess of 35 currently identified prospect areas. The Alliance will bring together two experienced project generation and exploration teams with track records of success. Royal Road and Hemco will 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.

On December 18, 2017, the Company announced that it had entered into a definitive agreement (the "ECOMUN Agreement") with Economías Sociales del Común ("ECOMUN") in support of its gold and copper exploration projects in the Nariño Province in southern Colombia. The ECOMUN Agreement provides for the support of Royal Road's long-term mineral exploration and development plans in Nariño Province, aligns Royal Road with the Colombian Government's post-conflict aspirations, as contemplated by the British Embassy's Business and Peace Initiative (to which Royal Road is a signatory), and demands an exemplary level of social engagement and environmental stewardship from both parties.

ECOMUN is a joint social and economic organization, which was formed by Presidential Decree on May 29, 2017, with funding and other support provided by the Colombian government and with the aim of collective and individual economic and social reincorporation of the members of the Revolutionary Armed Forces of Colombia People's Army (FARC-EP), in accordance with the final peace agreement, between the Government of Colombia and the FARC-EP on November 24, 2016. This Agreement was the first of its kind since the 2016 peace agreement.

On May 31, 2019, the Company announced that it had closed the acquisition of Northern Colombia Holdings Limited from Compañía Kedahda Limited, an affiliate of AngloGold Ashanti Limited. Northern Colombia Holdings, through its subsidiaries, owns Exploraciones Northern Colombia SAS, which holds or has rights to a title package 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, Antioquia and Caldas departments of Colombia.

On March 3, 2020, the Company announced that it had entered into a definitive strategic alliance agreement with Mineros S.A. in relation to the Company's Guintar and Niverengo concessions and its Margaritas title application (GNM Project) in Antioquia District, Colombia. The agreement provided Mineros S.A. with the option to earn up to a 50% interest in the properties by paying Royal Road the sum of USD \$1 million upon signing the Agreement, by providing Royal Road with USD \$1 million for the exploration of the GNM Project to acquire a 25% interest and to acquire an additional 25% interest by providing Royal Road with a further USD \$1.5 million in exploration expenditure. Royal Road are operators of the strategic alliance.

On December 14, 2021, the Company announced that it had executed Binding Heads of Agreements over properties proximal to it Guintar Niverengo Margaritas (GNM) project in Colombia. The Heads of Agreements are in relation to a mining concession and a concession application. The Company has paid option payments for an aggregate amount of USD \$250,000 for both properties that will increase to additional USD \$250,000 after certain milestones have been reached. After this, the Company can acquire an interest of 80% of the properties for an aggregate amount of USD \$3.375 million. 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 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 the Company for USD \$20 million in the case of the Concession Contract and USD \$10 million in the case of the Application.

On February 15, 2023, the Company entered into a Definitive Agreement with an individual title holder, which provides the Company with the option to acquire 100% of certain mineral rights containing copper and gold mineralization within the Santo Domingo porphyry copper and gold district in San Juan Province of Argentina. The agreement requires the Company to make annual payments commencing upon the first anniversary of the agreement and totaling USD\$800,000 over a term of four years. The Company has an option to purchase 100% of the mineral rights in exchange for a payment of USD \$2.5 million at any time for a period of five years following execution of the agreement. Other conditions provide for a one-time payment of USD\$500,000 upon the filing of the first JORC compliant resource from the mineral rights and provided that and following such time that, Royal Road has acquired 100% of the mineral rights, a one-time payment of USD \$2.0 million upon the filing of the first successful feasibility study and a one-time payment of USD \$10 million upon the first commercial production from the mining project. 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.

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.

In February 2023, the Company entered into a 50-50 Strategic Alliance Agreement and non-binding letter of intent with MSB Holdings Limited ("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 Kingdom of Saudi Arabia ("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.

In June 2023, the Company entered into a Joint Venture Share Holder Agreement (the "Agreement") with 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 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 August 2023, the Company incorporated Royal Road Arabia LLC ("RRA") a Saudi Arabian joint-venture vehicle owned on a 50-50% basis by Royal Road and MSB. Royal Road is operator and the Board of RRA is made up of an equal number of Directors appointed by Royal Road and MSB.

Corporate and Operational achievements

Corporate Update

On March 2, 2023, the Company announced that Mr. Hugh Devlin who was formerly the Company's Executive Director Sustainability will now also direct operations and shall be appointed as Executive Director Operations and Sustainability. Additionally, Mr. Ivan Devia who was formerly the Company's Chief Operations Officer will be appointed as the Company's Vice President America's.

On May 2, 2023, the Company announced the grant of an aggregate of 10,650,000 options to purchase common shares of the Company exercisable at a price of \$0.17 per common share for a period of 3 years to directors, officers and consultants of the Company.

Mineral properties

Exploration update

Set forth in this section is a description of the Company's material mineral projects. All scientific and technical data contained in this MD&A have been reviewed and approved by Dr. Tim Coughlin, BSc (Geology), MSc (Exploration and Mining), PhD (Structural Geology), FAusIMM, President and Chief Executive Officer of RRM and a qualified person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Colombia

In 2016 and 2017, the Company acquired 114 licence applications amounting to approximately 350 thousand Hectares in the Western Cordillera of Nariño Province. The area under application extends down to the Ecuador border, sits upstream from the Magui-Payan and Barbacoas alluvial goldfields and surrounds many known operating gold mines, small gold workings and mapped porphyry copper occurrences. The region is relatively unknown from a geological and economic perspective due to security and access issues which prevailed prior to the 2016 peace agreement between the Government of Colombia and FARC rebels. As part of its commitment to the British Embassy's Peace and Business Initiative and in order to align the Company's activities with the peace process, in late 2017 the Company entered into a strategic alliance with Economías Sociales del Común ("ECOMUN"), a joint social and economic organization, formed by Presidential Decree on May 29, 2017, with funding and other support provided by the Colombian government and with the aim of collective and individual economic and social reincorporation of the members of the Revolutionary Armed Forces of Colombia People's Army (FARC-EP). The agreement anticipates that ECOMUN will assist the Company with local access and with its social license in Nariño Province.

In 2019, the Company completed a transaction to acquire a Colombian title package from AngloGold Ashanti comprising of mining concession agreements covering approximately 36,000 hectares of land, and the rights with respect to applications that have been made to acquire mining concessions over approximately 169,000 hectares of land, in the Nariño, Cauca, Antioquia and Caldas departments.

In 2022, the Company consolidated and reduced its title and title application holdings to a total of 184,500 hectares, comprising of 18 granted title areas and 85 title application areas.

Royal Road has entered into seven 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 doré

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%. These agreements have yet to be formalized by the Colombian mining authorities.

Exploration activities in southern Colombia have been suspended due to civil unrest and the company's exploration titles have been placed under Force Majeure.

Guintar-Niverengo-Margaritas (GNM) Project

Royal Road's principal focus for its exploration activities in Colombia in the GNM porphyry copper and gold project located in the province of Antioquia, in central northern Colombia. The GNM project area was acquired through the Company's purchase of Northern Colombia Holdings Limited. The titles are subject to a 50-50 exploration joint venture pursuant to a strategic alliance agreement dated March 2, 2020, between the Company and Mineros S.A. Royal Road is operator of the strategic alliance.

AngloGold-Ashanti ("AGA") commenced work on the project area in 2015 and completed two scout drilling campaigns for a total of 5662 meters. The Guintär title area covers an artisanal mining district with more than 50 known historic underground adits developed on steeply-dipping, broadly east-west oriented gold mineralized vein structures. AGA's 8-hole, scout-drilling program at Guintär targeted steeply-dipping sheeted vein structures and returned best results of; GUI-DD-009, 28 meters at 0.9 grams per tonne and GUI-DD-006, 12 meters at 1.8 grams per tonne gold (not true width). Outcrop on the neighboring Niverengo project area is limited and so AGA's drilling was focused on a 2000 by 800 meter wide target zone identified primarily using geophysical data and soil geochemical results. Best intersections were from NIV-DD-003, 36m @ 1.2g/t gold from surface and NIV-DD-004, 10m @ 1.6g/t gold and 88m @ 0.9g/t gold.

In 2020 Royal Road completed an initial 1179m diamond drilling program focused on the Niverengo project area. Drilling intersected skarn-style mineralization hosted primarily in folded calc-silicate sedimentary rocks and crosscutting east-west oriented pyrrhotite vein and breccia bodies with elevated gold, silver and copper. Best results were:

- NIV-DDH-007 14m at 4.1 g/t gold equivalent
- NIV-DDH-008 10m at 2.3 g/t gold equivalent
- NIV-DDH-010 18m at 1.9 g/t gold equivalent; and 21.5 meters at 1.3 g/t gold equivalent
- NIV-DDH-015 10.8m at 3.4 g/t gold equivalent

At Niverengo, gold mineralization is related to garnet, pyroxene skarn alteration and pyrrhotite vein and breccia bodies. Recent multi-element geochemical vector studies have identified that this assemblage may be laterally and vertically distal from the primary gold and/or copper source.

Drilling to test this theory and to potentially locate a primary intrusion-related source to mineralization commenced at the Guintär project area in July of 2021. The drilling intersected sheeted and stockwork-style veinlets in a porphyritic intrusive rock and returned significant results including:

- GUI-DD-012 303.7m at 0.7 g/t gold, 4.3 g/t silver and 0.22% copper; including 62m at 2.1 g/t gold, 12.4 g/t silver and 0.62% copper
- GUI-DD-013 126.0m at 0.8 g/t gold, 5.5 g/t silver and 0.40% copper; and 44m at 1.1 g/t gold and 2.1 g/t silver

Drilling on the Guintär project recommenced in February 2022 and has returned further significant results including:

- GUI-DD-020 118.0 meters at 0.8 grams per tonne gold, 3.8 grams per tonne silver and 0.17% copper Including (from 6.0 meters), 54.0 meters at 1.0 grams per tonne gold, 5.5 grams per tonne silver and 0.24% copper
- GUI-DD-021 181.0 meters at 0.9 grams per tonne gold, 3.6 grams per tonne silver and 0.20% copper Including (from 148.0 meters), 43.0 meters at 2.4 grams per tonne gold, 8.0 grams per tonne silver and 0.40% copper
- GUI-DD-024 177.0 meters at 0.8 grams per tonne gold, 3.3 grams per tonne silver and 0.16% copper

Also, during 2022, the Company drilled gold mineralized quartz-vein structures on the neighboring El Aleman title over which it has an option agreement to acquire an 80% interest with the best drill result returning:

- ALM-DD-001 80.5 meters at 1 gram per tonne gold, including 18 meters at 3 grams per tonne gold (from 323 meters down hole depth).

In September 2022, Royal Road and Mineros elected to suspend exploration activities on GNM until such time as the Colombian legal and political framework became more certain.

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%.

Nicaragua

In early 2017, Royal Road acquired the Nicaraguan subsidiary of Caza Gold Inc and in-country assets totaling close to 75,000 hectares of exploration licenses in the prospective Chortis Belt of western Nicaragua. 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 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, which together cover large regions of highly prospective and under-explored areas and include in excess of 35 currently identified prospect areas. 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.

Initially the alliance drill-tested the Piedra Iman project but failed to intersect any significant copper or gold mineralization and so interest was refocused onto Hemco's exploration titles in northeastern Nicaragua. Exploration there has so far identified two key projects: Luna Roja and Caribe.

On December 17, 2020, the Company announced that it had entered into a binding letter of intent with Mineros S.A. pursuant to which the Company agreed to sell to Mineros its entire 50% interest in the Luna Roja Skarn Gold Project. On May 21, 2021, the Company completed the sale to Hemco Nicaragua S.A. ("Hemco"), a subsidiary of Mineros S.A. of its entire 50% interest in the Luna Roja Project, comprising the Monte Carmelo I and II mining concession in

Nicaragua. Mineros paid to the Company a purchase price of USD \$22.5 million in cash on the closing of the transaction, plus a 1.25% net smelter royalty on all future mineral production from the Luna Roja 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%.

The Company has ceased all activities in Nicaragua and is in process of liquidating its Nicaraguan subsidiary.

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").

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.

In August 2023 the Company incorporated Royal Road Arabia LLC ("RRA") a Saudi Arabian joint-venture vehicle owned on a 50-50% basis by Royal Road and MSB and established for the purpose of copper, gold and other metals exploration in an area of interest comprising the KSA and any other geographical area as may be agreed between the Parties. Royal Road is operator and the Board of RRA is made up of an equal number of Directors appointed by Royal Road and MSB. The business of RRA is conducted in accordance with the provisions of a Joint Venture Share Holder Agreement as described above. Royal Road Arabia is currently generating and assessing copper and gold target areas in the KSA and is preparing to submit exploration license applications over newly identified areas of significant interest.

Royal Road Minerals Limited
Management's Discussion & Analysis – Quarterly Highlights
For the Three and Nine Months ended September 30, 2023
Discussion dated: November 24, 2023

Regional Exploration

Expenditures in the Company's projects are as below:

	Nine Months Ended		Three Months Ended	
	September 30, 2023		September 30, 2023	
<u>Colombia Projects</u>				
GNM	\$	114,629	\$	21,031
Formalization		91		4
Northern Block Regional		6,946		734
Southern Block Regional		33,717		11,474
Admin		209,795		83,741
Other		287,080		123,771
Total Colombia		652,258		240,755
<u>Nicaragua Project</u>				
Piedra Imán		64,729		0
Other		291,656		207,169
		356,385		207,169
<u>Argentina Project</u>				
Santo Domingo		1,598,305		920,953
Total Direct Exploration	\$	2,606,948	\$	1,368,877

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risk Factors" below.

Outlook

The Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility and the impact of the global disruption in equity markets as a result of the COVID-19 outbreak. There is no assurance that the Company's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on drilling in Nicaragua and drill preparation and regional exploration in Colombia.

Financial Performance

For the three months ended September 30, 2023, compared with the three months ended September 30, 2022:

For the three months ended September 30, 2023, the Company's net loss was \$2,382,758 compared to a net loss of \$923,630 for the comparable period. The increase in net loss of \$1,459,128 was as result of the following:

- During the three months ended September 30, 2023, exploration and evaluation expenditures increased by \$812,450 compared the 2022 comparable period. Exploration and evaluation expenditures will vary based on budgeted plans.
- Loss from joint operation with Hemco for the three months ended September 30, 2023 was \$23,694 compared to \$817,840 for the 2022 comparable period. The joint operation with Hemco was terminated in during the second fiscal quarter of 2023.
- During the three months ended September 30, 2023, stock-based compensation expense decreased by \$248,775 compared the 2022 comparable period. Stock based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

For the nine months ended September 30, 2023, compared with the nine months ended September 30, 2022:

For the nine months ended September 30, 2023, the Company's net loss was \$5,993,254 compared to a net loss of \$5,380,274 for the comparable period. The increase in net loss of \$612,980 was as result of the following:

- During the nine months ended September 30, 2023, exploration and evaluation expenditures increased by \$1,168,144 compared the 2022 comparable period. Exploration and evaluation expenditures will vary based on budgeted plans.
- Loss from joint operation with Hemco for the nine months ended September 30, 2023 was \$166,557 compared to \$1,963,480 for the 2022 comparable period. The joint operation with Hemco was terminated during the nine months ended September 30, 2023.
- During the nine months ended September 30, 2023, stock-based compensation expense decreased by \$28,582 compared the 2022 comparable period. Stock based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

Liquidity and Financial Position

As at September 30, 2023, the Company has a working capital of \$15,444,711 (December 31, 2022 - \$20,355,031); the continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

The Company derives no income from operations, as all of its projects since inception have been exploration projects. Accordingly, the activities of the Company have been financed by private placements of securities. As the Company does not expect to generate cash flows from operations in the near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below.

Transactions with Related Parties

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		Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Salaries	\$ 322,130	\$ 307,794	\$ 942,091	\$ 878,460
Stock based compensation	\$ 145,996	\$ 15,853	\$ 292,670	\$ 249,503
Professional fees	\$ 7,500	\$ 7,500	\$ 22,500	\$ 22,500

Subsequent Events

(i) On October 17, 2023, the Company announced that its 50%-owned Saudi Arabian subsidiary, Royal Road Arabia ("RRA") has entered into an option agreement to acquire up to 100% of Izughar Resources S.R.L a Moroccan company holding certain exploration titles located within an agreed Area of Interest incorporating the Alouana copper-gold polymetallic project in eastern Morocco.

(ii) On October 24, 2023, the Company announced that its 100% owned Colombian subsidiary Exploraciones Northern Colombia SAS ("ENC"), has entered into two formalization-based agreements with producing gold mines in the Antioquia and Caldas Departments of Colombia. ENC has executed an Option and Royalty Agreement (the "Aleman Agreement") with respect to the El Aleman gold mining concession contract (the "Aleman Concession Contract") owned by individual titleholders (the "Titleholders") and located in Colombia's Antioquia Department. The Aleman Agreement replaces a Binding Heads of Agreement which was entered into between the Company and the Titleholders in December of 2021.

Under the terms of the Option and Royalty Agreement, the Company can acquire 100% of the Aleman Concession Contract. Summary terms are as follows:

- Royalty Commitment: The Titleholders shall pay a 3% Net Smelter Returns royalty to ENC which is payable quarterly for a period of 20-years (the current term of the company's Guintär concession contract) or until the Company exercises its Option to acquire an 80% interest in the Concession Contract.
- Option Agreement: At any point, Royal Road may exercise its option to acquire an 80% interest in the Concession Contract by making a one-time payment to the Titleholders of USD\$2.25 million.
- Free Carry: Following such payment, the 20% interest retained by the Titleholders shall be free carried until a successful feasibility study is delivered in connection with or incorporating the Aleman concession contract, at which point this interest will be converted to a 2% net smelter returns royalty. The net smelter returns royalty may be purchased by Royal Road for a sum of USD\$20 million.

Off-Balance Sheet Agreements

The Company has not entered into any off-balance sheet arrangements as of the date of this report.

Outstanding Share Capital

As of the date of this MD&A, the Company has 265,695,801 common shares outstanding and 22,350,000 stock options.

Risk Factors

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR+ at www.sedarplus.ca.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2022, available on SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements; as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "intend", "will", "project", "could", "believe", "predict", "potential", "should" or the negative of these terms or other similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A and should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) the supply and demand for, deliveries of, and the level and volatility of prices of gold and other precious metals; (iii) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects; (iv) the ability to meet social and environmental standards and expectations; (v) the availability of financing for the Company's development of its properties on reasonable terms; (vi) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (vii) the ability to attract and retain skilled staff; (viii) exploration and development timetables; and (ix) capital expenditure and operating cost estimates.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity and, particularly, gold prices, access to skilled mining personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials

and equipment, timeliness of government approvals and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors contained in this MD&A. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.